



(Stock Code 股份代號: 23)



ANNUAL REPORT  
**2008** 年報

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 BEA 東亞銀行

成就 共建  
*Building Legacies*



九十周年誌慶  
90<sup>TH</sup> ANNIVERSARY  
CELEBRATION







# 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 ("BEA") is dedicated to helping its customers grow and prosper through the provision of quality banking and financial services. BEA is Hong Kong's largest independent local bank, with more than 130 branches and SupremeGold Centres throughout the city and total consolidated assets of HK\$415.3 billion (US\$53.58 billion) as of 31st December, 2008. Listed on the Stock Exchange of Hong Kong, the Bank is one of the constituent stocks of the Hang Seng Index.

With more than 60 outlets in China, BEA also operates one of the most extensive networks of any foreign bank on the mainland. Overseas, the Bank maintains a strong presence in the United States, Canada, the United Kingdom, the British Virgin Islands, and Southeast Asia, with more than 240 outlets and over 10,800 employees worldwide.

BEA delivers comprehensive retail and commercial banking services through its Personal Banking, Corporate Banking, Wealth Management, Investment Banking, China, and International divisions. Products and services include deposit-taking, foreign currency savings, retail investment and wealth management services, mortgage loans, consumer loans, credit cards, Cyberbanking, bancassurance, Mandatory Provident Fund services, trade finance, syndication loans, remittances, and foreign exchange margin trading.

The BEA Group's subsidiaries further enhance BEA's total offering, ensuring the delivery of customised, total solutions that 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. A leading professional provider of integrated business, corporate, and investor services in Asia, Tricor Group helps clients build their businesses by offering outsourced expertise in business support functions.

As we celebrate 90 years of service, we at BEA look forward to strengthening and deepening our relationships with our customers in Hong Kong, China, and all the communities we serve around the world.

東亞銀行成立於1918年，一直竭誠為客戶提供優質的銀行和金融服務，全力支持客戶發展。本行現為全港最大的獨立本地銀行，在港設有逾130間分行和顯卓理財中心，於2008年12月31日，綜合資產總額達港幣4,153億元（535.8億美元）。本行於香港聯合交易所上市，為恒生指數成份股之一。

在中國內地，本行設有逾60個網點，為內地網絡最龐大的外資銀行之一，而在世界各地，本行共設有逾240個據點，遍佈美國、加拿大、英國、英屬處女群島和東南亞等地，聘用逾10,800名員工。

本行提供多元化的零售和商業銀行服務，下設個人銀行、企業銀行、財富管理、投資銀行、中國業務、國際業務等部門；產品和服務涵蓋存款、外幣儲蓄、零售投資和財富管理、按揭貸款、私人貸款、信用卡、電子網絡銀行服務、銀行保險、強制性公積金服務、貿易融資、銀團貸款、匯款、外匯孖展交易等。

此外，本行亦透過集團附屬公司進一步完善業務範圍，以適切而全面的方案，配合日益壯大的客戶群的需要。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保障。卓佳集團在亞洲的商務、企業和投資者服務業界中居領導地位，全力以其外判支援服務，協助客戶開拓商機。

本行慶祝在港成立90周年，期盼不斷加強與香港、內地和海外客戶的聯繫，全力滿足客戶的需要。

# MAJOR MILESTONES OF THE PAST 90 YEARS

## 90 年重要發展里程

- 1918** The Bank of East Asia, Limited is incorporated in Hong Kong.  
東亞銀行有限公司在香港註冊成立。
- 
- 1919** Head Office is established at 2 Queen's Road Central, Hong Kong.  
總行於香港皇后大道中 2 號落成。
- 
- 1920** BEA's first branch in Mainland China is opened in Shanghai.  
在上海開設首間內地分行。
- 
- 1930** (circa) BEA shares begin to be traded in the Hong Kong share market.  
東亞銀行股份於 1930 年代開始在香港股票市場買賣。
- 
- 1952** Singapore Branch is opened.  
開設新加坡分行。
- 
- 1969** BEA becomes the first Chinese bank in Hong Kong to introduce advanced technology to its operations by installing a state-of-the-art online computer system.  
本行完成安裝先進的聯線電腦系統，成為香港首家在營運上採用尖端科技的華資銀行。
- 
- 1975** The first Hong Kong dollar credit card, the East Asia BankAmericard, is launched with the Bank of America.  
與美國銀行共同推出首張港幣信用卡 — 東美信用卡。
- 
- 1982** BEA becomes a founding partner of JETCO, a company formed to introduce a network of ATMs in Hong Kong, Macau, Shenzhen, and Zhuhai.  
與多家銀行合作創辦「銀通」，在香港、澳門、深圳及珠海設立自動櫃員機網絡。
- 
- 1984** BEA's first branch in the US is opened in New York.  
在紐約開設首間美國分行。
- 
- 1985** Wholly-owned securities company, Tung Shing Securities Company Limited (renamed East Asia Securities Company Limited in 1998) is formed.  
成立全資附屬證券公司 — 東盛證券有限公司（於 1998 年易名為東亞證券有限公司）。
- 
- 1989** BEA is one of the six founders of Hong Kong Securities Clearing Company Limited.  
本行成為香港中央結算有限公司 6 名始創成員之一。
- 
- 1990** London Branch is opened in the UK.  
英國倫敦分行開業。
- 
- 1992** The Bank of East Asia (Canada), a subsidiary of BEA, is established in Toronto, Canada.  
在多倫多成立附屬銀行 — 加拿大東亞銀行。

## Major Milestones of the Past 90 Years (continued)

### 90 年重要發展里程 (續)

**1999** BEA acquires full ownership of Blue Cross (Asia-Pacific) Insurance Limited.

本行收購藍十字(亞太)保險有限公司全部股權。

BEA becomes the first bank in Hong Kong to launch comprehensive, multi-channel electronic banking (Cyberbanking) and online stock trading service (Cybertrading).

在香港銀行界中率先推出使用多渠道的全面電子銀行服務(電子網絡銀行服務)和網上股票買賣服務(電子網絡股票買賣服務)。

**2001** United Chinese Bank formally merges with BEA (acquired in 1995).

本行與中國聯合銀行(於1995年收購)正式合併。

**2002** BEA completes merger with First Pacific Bank Limited (acquired in 2001).

本行與第一太平銀行(於2001年收購)完成合併。

Grand National Bank (acquired in 2001) is renamed The Bank of East Asia (U.S.A.) N.A.

美國大興銀行(於2001年收購)正式更名為美國東亞銀行。

**2003** Share registration, corporate secretarial, and business support services are consolidated under Tricor Group, a majority-owned subsidiary of the BEA Group (over 70%).

將證券登記、公司秘書及商業支援服務的業務綜合於卓佳集團營運。東亞銀行集團為卓佳主要股東，佔超過70%權益。

**2005** BEA opens state-of-the-art operations centre in BEA Tower, Millennium City 5, Kwun Tung, Kowloon.

本行於九龍觀塘創紀之城五期東亞銀行中心設立先進的營運中心。

BEA and The University of Hong Kong establish the Blue Care Medical Centre.

與香港大學攜手成立寶康醫療中心。

**2006** The BEA Group completes its acquisition of National American Bancorp, the holding company of National American Bank.

東亞銀行集團完成收購National American Bank 控股公司National American Bancorp。

**2007** The Bank of East Asia (China) Limited, a wholly-owned banking subsidiary of BEA, becomes one of the first locally incorporated foreign banks in China.

在內地註冊成立全資附屬銀行——東亞銀行(中國)有限公司，名列首批在內地開業的外資法人銀行。

**2008** BEA Life Limited, a wholly-owned subsidiary of BEA, officially commences business.

全資附屬公司——東亞人壽有限公司正式啟業。

BEA China becomes the first foreign bank to launch RMB debit cards and credit cards on the mainland.

東亞(中國)成為首間在內地發行人民幣借記卡及信用卡的外資銀行。

# FINANCIAL HIGHLIGHTS

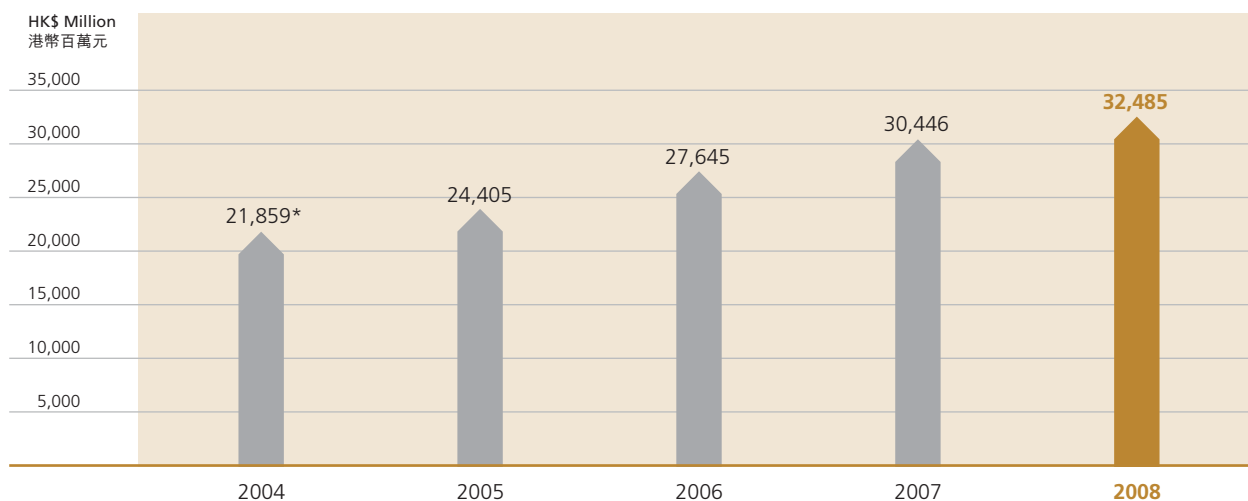
## 財務摘要

	2008 HK\$ Million 港幣百萬元	2007 HK\$ Million 港幣百萬元	Change 變動 % 百分率
<b>Profitability 盈利能力</b>			
Total operating income 經營收入總額	<b>6,457</b>	8,814	-26.7
Profit attributable to equity holders of the Group 可歸屬於本集團股東溢利	<b>39</b>	4,144	-99.1
<b>Balance Sheet Strength 資產負債狀況</b>			
Advances to customers 客戶貸款	<b>230,339</b>	218,184	+5.6
Total consolidated assets 綜合資產總額	<b>415,254</b>	393,979	+5.4
Total deposits 存款總額	<b>329,293</b>	296,351	+11.1
Total equity 股東權益總額	<b>32,485</b>	30,446	+6.7
<b>Earnings and Dividends Per Share 每股盈利及股息</b>			
Basic earnings 基本盈利	<b>HK\$0.02</b>	HK\$2.65	-99.2
Dividends 股息	<b>HK\$0.25</b>	HK\$1.66	-84.9
<b>Key Ratios 主要比率</b>			
Loan to deposit ratio 貸款對存款比率	<b>69.9%</b>	73.6%	
Impaired loan ratio 減值貸款比率	<b>0.7%</b>	0.6%	
Average liquidity ratio 平均流動資金比率	<b>38.4%</b>	43.5%	
Capital adequacy ratio 資本充足比率	<b>13.8%</b>	12.6%	

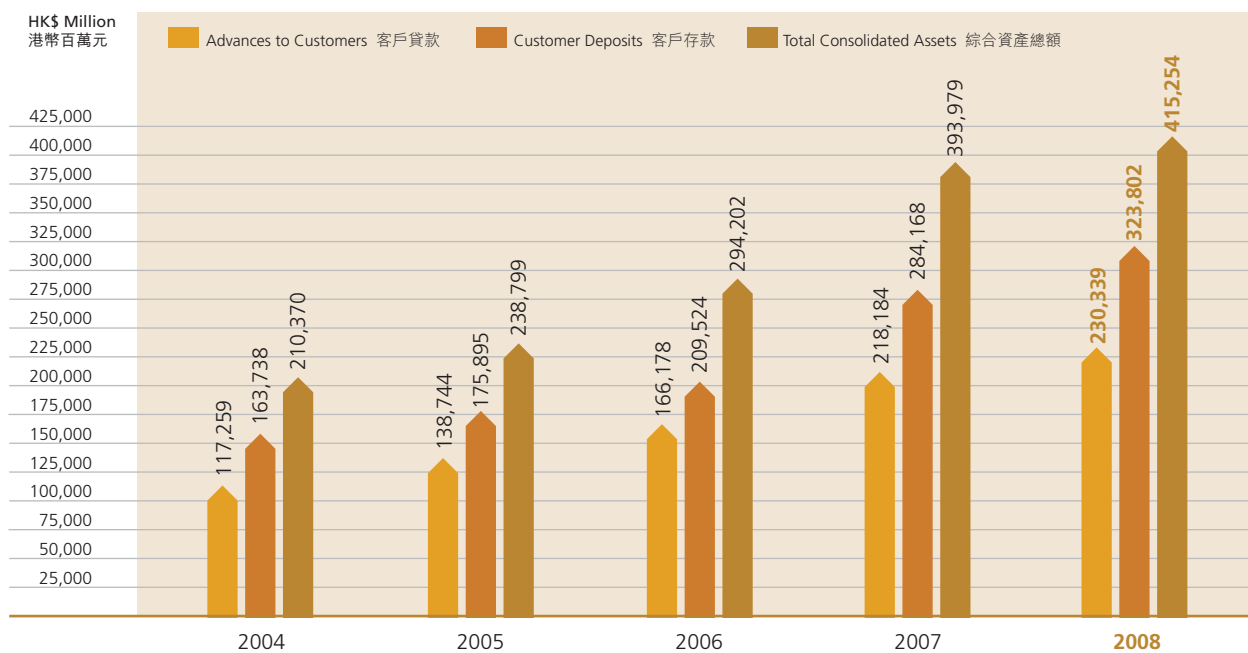


# FIVE-YEAR FINANCIAL SUMMARY

## TOTAL EQUITY 股東權益總額

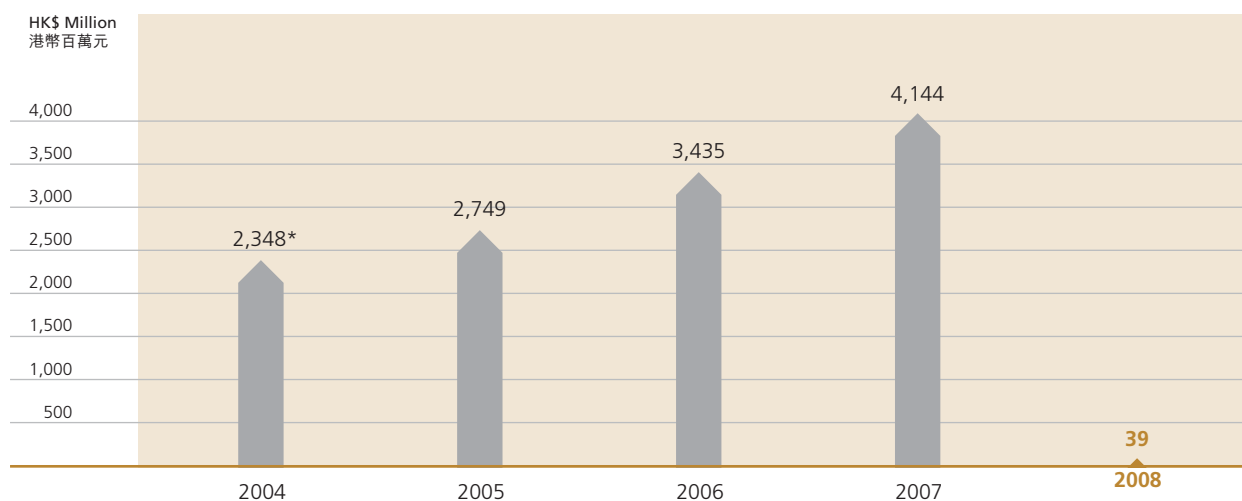


## ADVANCES TO CUSTOMERS / CUSTOMER DEPOSITS / TOTAL CONSOLIDATED ASSETS 客戶貸款／客戶存款／綜合資產總額



## 5 年財務概要

### PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP 可歸屬於本集團股東溢利



### FIVE-YEAR COMPARISON 5 年比較

	2004 HK\$ Million 港幣百萬元	2005 HK\$ Million 港幣百萬元	2006 HK\$ Million 港幣百萬元	2007 HK\$ Million 港幣百萬元	2008 HK\$ Million 港幣百萬元
Total equity 股東權益總額	21,859*	24,405	27,645	30,446	32,485
Customer deposits 客戶存款	163,738	175,895	209,524	284,186	323,802
Debt instruments issued 已發行債務證券	4,179	6,431	6,999	12,165	5,491
Advances to customers 客戶貸款	117,259	138,744	166,178	218,184	230,339
Total consolidated assets 綜合資產總額	210,370	238,799	294,202	393,979	415,254
Loan to deposit ratio 貸款對存款比率	70%	76%	77%	74%	70%
Profit attributable to equity holders of the Group 可歸屬於本集團股東溢利	2,348*	2,749	3,435	4,144	39
Earnings per share 每股盈利	HK\$1.59*	HK\$1.83	HK\$2.24	HK\$2.65	HK\$0.02
Dividends per share 每股股息	HK\$1.08	HK\$1.26	HK\$1.46	HK\$1.66	HK\$0.25

\* Restated due to changes in accounting policies.

\* 因會計政策變更而重報。

## CHAIRMAN'S STATEMENT

The financial tsunami that swept over the global economy in September 2008 has left a bleak economic landscape in its wake. This has led to a sudden and sharp plunge in new business for local and regional companies and the unprecedented scale of the decline is destined to have a significant impact well into 2009. The economic outlook for the second half of the year very much depends on the ability of the United States to recover from the deepening housing market crisis and credit squeeze. Until the United States is able to engineer a recovery, all eyes will be on China as a pillar of economic stability.

During the coming year, BEA will continue to leverage its strong position on the Mainland to provide new growth opportunities and to cushion the Bank from the impact of the recession in the United States. The Bank is uniquely placed to execute this strategy, having taken steps to further enhance its franchise on the Mainland during 2008. Significantly, The Bank of East Asia (China) Limited launched both RMB debit cards and RMB credit cards during the past year, becoming the first foreign

bank operating on the Mainland to do so. The Bank also further expanded and strengthened its branch network, and will maintain an aggressive branch expansion strategy during 2009. In addition, the Bank will adhere to an ambitious timetable for the roll out of new products and services for Mainland customers, expanding its product range in the areas of local and foreign currency business, trade finance, personal cyber-banking, SupremeGold and private banking, and corporate wealth management.

In Hong Kong, BEA will place more emphasis on traditional banking business and products, including corporate banking, small-and-medium-size enterprise business, and consumer finance. Management will continue to manage the asset and liability mix proactively, in order to boost interest income and diversify revenue streams. In addition, the Bank will further leverage cross-selling opportunities with Group companies, Tricor Group, Blue Cross (Asia-Pacific) Insurance Limited and BEA Life, in order to raise fee-based income. BEA will also continue to identify and explore new acquisitions and strategic alliances.



**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

2008年9月，金融海嘯席捲全球，令環球經濟急轉直下，本地和區內公司新生意因而銳減。經濟下滑規模前所未有，勢將於2009年持續帶來衝擊，而下半年的經濟前景則主要視乎美國能否擺脫正在日益惡化的樓市危機和信貸緊縮，在美國復蘇經濟之前，中國仍然是穩定經濟的支柱。

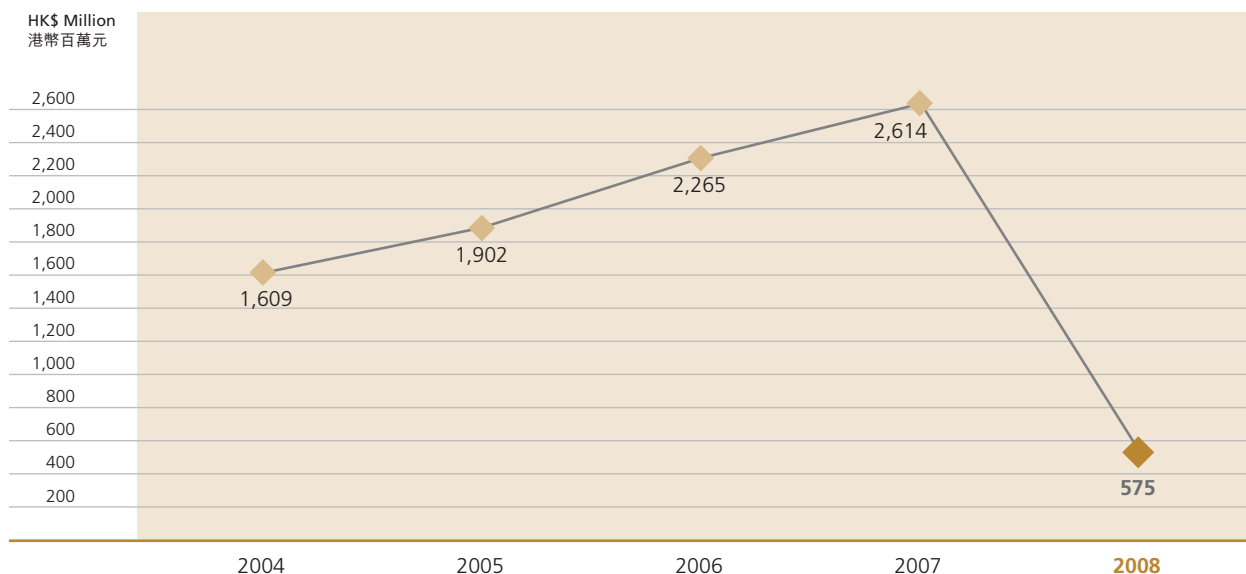
來年，本行將會堅守一貫策略，利用在內地的市場優勢不斷開拓發展機遇，同時緩和美國經濟衰退對本行的影響。我們採取積極政策，於2008年內已推行多項措施，進一步拓展內地業務，成績斐然。東亞銀行（中國）有限公司於年內發行人民幣借記卡和信用卡，在內地外資法人銀行中獨創先河。本行亦持續拓展和強化分行網絡，於2009年仍會積極擴展分行業務。此外，本行按照既定時間表，致力為內地客戶推出新產品和服務，拓展人民幣和外匯業務、貿易融資、個人電子網絡銀行服務、顯卓理財及私人銀行、企業財富管理等各個產品範疇。

在香港，本行將會加強拓展傳統銀行業務和產品，包括企業銀行、中小型企業業務和私人貸款。管理層會繼續著力施行有效的資產和負債管理，從而增加利息收入和拓展收入來源。另外，本行還會致力加強與集團成員，包括卓佳集團、藍十字（亞太）保險有限公司和東亞人壽的交叉銷售機會，以增加服務費收入。本行亦會不斷發掘收購和結盟的良機。

在海外市場，本行仍會於華人社區發揮獨特的市場優勢，利用其與復蘇中內地經濟的聯繫，以期在北美和英國經濟低迷的情況下繼續拓展業務。

提升營運效率是本行於2009年取得成功的主要動力，我們會迅速施行新計劃以改善營運程序和控制成本。本行亦會進一步提升風險管理和加強管理架構及企業管治，確保能在目前的經濟環境下鞏固和加強業務基礎，掌握新發展機遇。

## DIVIDENDS FOR THE LAST 5 YEARS 過往5年股息記錄





## Chairman's Statement (continued)

In overseas markets, BEA will maintain its focus on its niche market position with overseas Chinese communities, taking advantage of links to the resilient Mainland economy to promote new business despite the weak economic environment in North America and Britain.

Enhanced operating efficiency will be a key driver of success in 2009. The Bank will fast track new initiatives to improve operating processes and to control costs. BEA will further enhance its risk assessment capability, and strengthen both the management framework and corporate governance to ensure that the Bank is well-positioned to emerge from the current economic conditions stronger and better able to take advantage of new opportunities.

I was greatly saddened by the passing of Mr. Tan Man-kou, Independent Non-executive Director, on 14th August, 2008. To fill the vacancy left by Mr. Tan, the Board of Directors appointed Mr. Valiant Cheung Kin-piu as an Independent Non-executive Director effective from 15th December, 2008. With Mr. Cheung's wealth of experience, I am confident that his contribution to the Board will lead to the further success of the BEA Group.

Mr. Joseph Pang Yuk-wing, Executive Director & Deputy Chief Executive of the Bank, will retire and resign as a Director of the Bank upon the conclusion of the Annual

General Meeting to be held on Thursday, 16th April, 2009. Mr. Pang has spent his entire working career with the Bank. He joined BEA in 1973 and was appointed an Executive Director and Deputy Chief Executive in 1995. He has served the Bank loyally for over 35 years, playing a significant role in its growth. On behalf of the Board, I would like to express our heartfelt gratitude to Mr. Pang for his invaluable contribution to BEA over the past 35 years, and I wish him great happiness, good health and success for the future.

In this our 90th year, we celebrate nine decades of partnership with the people of Hong Kong. Throughout our history, we have worked together with the local community to help individuals realise their dreams; to help families prosper; and to help businesses grow. I take this opportunity to express our sincere thanks to our valued customers, friends and business associates for their loyal patronage and support through the years. With their support together with the wisdom and experience of our Board and the professionalism of our colleagues, we look forward to even greater success in the decades to come.

**David LI Kwok-po**  
*Chairman & Chief Executive*

Hong Kong, 17th February, 2009

## 主席報告書（續）

本人對獨立非執行董事陳文裘先生於2008年8月14日離世深表哀痛。為填補陳先生的空缺，董事會委任張建標先生為獨立非執行董事，由2008年12月15日起生效。本人深信張先生憑藉豐富經驗，定能對董事會提出真知灼見，帶領東亞銀行集團續創佳績。

執行董事兼副行政總裁彭玉榮先生將於2009年4月16日星期四舉行的股東周年常會後榮休並辭任本行董事。彭先生奉獻一生事業於本行。他於1973年加入本行，在1995年獲委任為執行董事兼副行政總裁，服務本行逾35年，對於本行的業務增長貢獻良多。本人謹代表董事會向彭先生逾35年來對本行的貢獻致衷心感謝，也特此祝願彭先生退休後生活愉快、身體健康、事事順利。

今年是東亞銀行90周年誌慶，我們非常榮幸能在過去90年與港人並肩奮鬥，共同成長。多年來，本行與社會各界協力同心，緊密合作，曾幫助無數人士實現夢想，令不少家庭得以安居創富及眾多公司建基立業。本行一直獲得各位尊貴客戶、朋友和商業夥伴的支持，本人衷心致謝。有賴各位的鼎力支持，加上董事會的卓見、經驗和同事的專業服務，我們充滿信心，在未來再創高峰。

主席兼行政總裁

**李國寶**

香港，2009年2月17日

# EXECUTIVE DIRECTORS' REPORT

## FINANCIAL REVIEW

### Financial Performance

Global financial markets suffered an unprecedented upheaval in the last quarter of 2008, damaging business confidence throughout the world. The BEA Group faced the challenge with decisive action, disposing of or writing down to zero value its entire collateralised debt obligation ("CDO") portfolio. As a result of this action, the BEA Group enters 2009 with a strong balance sheet and no further downside exposure to the CDO market.

After accounting for the HK\$3.5 billion one-off write down of the CDO portfolio, the BEA Group recorded a profit after tax of HK\$104 million for the year ended 31st December, 2008.

Despite the adverse market conditions, BEA Group sustained its core business growth during 2008. The Bank Group recorded a rise in net interest income of HK\$816 million, or 13.7%, to HK\$6,793 million, principally due to the performance of banking operations on the Mainland. However, the Bank Group's non-interest income decreased by HK\$3,173 million, or 111.9%, mainly due to the loss on CDOs and a decrease in net trading profits. As a result, total operating income decreased by 26.7% to HK\$6,457 million.

Operating expenses increased by 23.2% compared to 2007, to HK\$5,779 million, due to the continuing expansion of the Group's activities. Operating profit before impairment losses was HK\$678 million, a decrease of HK\$3,445 million, or 83.6%, as compared with 2007.

In light of the increase in credit risk in global credit markets, the Bank Group has taken appropriate steps to control impairment losses on loans and advances. Impairment losses increased by HK\$342 million, or 157.8%, when compared with last year. Impairment losses on notes issued by structured investment vehicles ("SIVs") and other available-for-sale financial assets totalled HK\$396 million, leading to an increase in total impairment losses of HK\$553 million, a rise of 140.2%.

The net profit on disposal of available-for-sale financial assets decreased to HK\$197 million. Net profit on sale of subsidiaries or associates also fell, as during 2007 the Group recorded an exceptional gain on the sale of a

49% interest in a wholly-owned subsidiary for a profit of HK\$406 million.

Due to the impact of the financial crisis, the Bank Group recorded a valuation loss on investment properties of HK\$168 million in 2008, after recognising a HK\$293 million valuation gain in 2007. The Bank Group recorded a net profit on disposal of fixed assets of HK\$178 million for the year 2008, mainly due to the disposal of the former branch building in Singapore.

After accounting for income taxes, profit after taxation was HK\$104 million, a decrease of 97.5% compared to the HK\$4,221 million recorded the previous year. Profit attributable to equity holders of the Group was HK\$39 million, representing a decrease of 99.1%. Basic earnings per share were HK\$0.02. Return on average assets and return on average equity were 0.01% and 0.12%, respectively.

### Final Dividend and Bonus Issue of Shares

At the forthcoming Annual General Meeting, to be held on Thursday, 16th April, 2009, the Directors will propose a final dividend of HK\$0.02 per share, which, together with the interim dividend of HK\$0.23 per share that was paid in September 2008, will constitute a total dividend of HK\$0.25 per share for the full year (2007: HK\$1.66 per share).

In celebration of the Bank's 90th Anniversary, the Directors will also propose a bonus issue of shares to the shareholders of the Bank, on the basis of one new ordinary share of HK\$2.50 each for every ten ordinary shares held.

### Financial Position

Total consolidated assets of the BEA Group were HK\$415,254 million at the end of 2008, an increase of 5.4% from HK\$393,979 million at the end of 2007. Advances to customers increased to HK\$230,339 million, a rise of 5.6%. Total equity increased to HK\$32,485 million, a rise of 6.7%.

Demand deposits and current accounts increased by a combined HK\$6,342 million to HK\$36,332 million. The amount in savings accounts decreased to HK\$45,781 million, a drop of HK\$3,435 million. The value of time deposits at year-end 2008 stood at HK\$241,689 million, an increase of HK\$36,709 million, when compared with the balance at the end of 2007. Customer deposits rose

# 執行董事報告書

## 財務回顧

### 財務表現

環球金融市場於2008年第4季經歷前所未有的震盪，令全球商業信心受損。本集團以果斷行動面對挑戰，全數出售所持有的債務抵押證券或將其價值撇銷至零，令本集團在堅穩的財務狀況下邁進2009年，而無需再承擔債務抵押證券市場進一步下跌的風險。

經計入債務抵押證券的港幣35億元一次性撇銷後，本集團在截至2008年12月31日止年度的除稅後溢利為港幣1億400萬元。

雖然市道欠佳，本集團於2008年仍能保持核心業務的增長。本集團錄得淨利息收入增長港幣8億1,600萬元，或13.7%，至港幣67億9,300萬元，主要是內地銀行業務的優秀表現所致。然而，本集團非利息收入減少港幣31億7,300萬元，或111.9%，主要因為債務抵押證券投資虧損和交易溢利淨額減少。因此，經營收入總額下跌26.7%，至港幣64億5,700萬元。

由於本集團業務不斷擴張，經營支出相比2007年上升23.2%，至港幣57億7,900萬元。未扣除減值損失之經營溢利為港幣6億7,800萬元，較2007年減少港幣34億4,500萬元，或83.6%。

鑒於環球信貸市場風險增加，本集團已採取適當措施控制貸款減值損失。比對上年度，減值損失增加港幣3億4,200萬元，或157.8%。結構性投資工具及其他可供出

售金融資產的減值損失合計為港幣3億9,600萬元，故此減值損失總額增加港幣5億5,300萬元，或140.2%。

出售可供出售金融資產之淨溢利下降至港幣1億9,700萬元。於2007年，本集團出售一間全資附屬公司的49%股權，獲得溢利港幣4億600萬元的特殊收益，致令出售附屬公司或聯營公司之淨溢利同樣下跌。

受金融危機影響，本集團於2008年錄得重估投資物業虧損港幣1億6,800萬元，而於2007年則有重估溢利港幣2億9,300萬元。2008年，本集團從出售固定資產錄得淨溢利港幣1億7,800萬元，主要為出售一座位於新加坡的舊分行大廈。

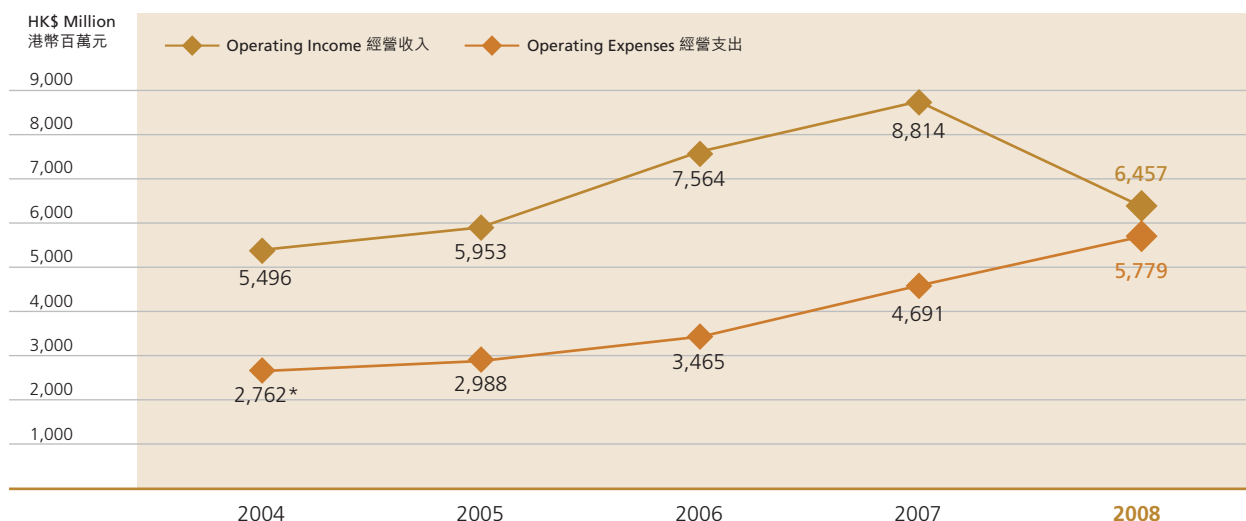
經計及稅項支出後，除稅後溢利為港幣1億400萬元，相比上年度港幣42億2,100萬元，下跌97.5%。可歸屬於集團股東溢利港幣3,900萬元，下降99.1%。每股基本盈利港幣0.02元。平均資產回報率為0.01%，而平均股本回報率為0.12%。

### 末期股息及派送紅股

董事會將於2009年4月16日星期四舉行的股東周年常會，建議派發末期股息每股港幣0.02元。連同2008年9月派發的中期股息每股港幣0.23元，全年合共派發股息每股0.25元（2007年：每股港幣1.66元）。

為慶祝東亞銀行成立90周年，董事會亦建議派送紅股，按每10股普通股股份可獲派送一股面值港幣2.50元的新普通股股份。

## OPERATING INCOME VS OPERATING EXPENSES 經營收入及經營支出



\* Restated due to changes in accounting policies

\* 因會計政策變更而重報



## Executive Directors' Report (continued)

by 13.9% to HK\$323,802 million, while total deposits increased by 11.1% to HK\$329,293 million. Certificates of deposit and subordinated debt issued stood at HK\$16,527 million.

During 2008, BEA issued HKD fixed rate certificates of deposit with a face value of HK\$1,450 million, HKD floating rate certificates of deposit with a face value of HK\$450 million, USD fixed rate certificates of deposit with a face value of US\$65 million and USD floating rate certificates of deposit with a face value of US\$115 million. The Bank redeemed a quantity of certificates of

deposit amounting to HK\$9,954 million equivalent upon maturity, and repurchased its own certificates of deposit amounting to HK\$6 million equivalent. The Bank also issued and redeemed a number of short term TWD fixed rate certificates of deposit.

After taking into account all debt instruments issued, the loan-to-deposit ratio was 69.9% at the end of 2008, 3.7% lower than the 73.6% reported at the end of 2007.

At the end of December 2008, the face value of the outstanding debt portfolio was HK\$5,699 million, with the carrying amount equal to HK\$5,491 million.

### Maturity Profile of Debts Issued

As at 31st December, 2008

(All expressed in millions of dollars)

	Currency	Total Face Value	Year of Maturity					
			2009	2010	2011	2013	2014	2015
<b>Floating Rate Certificates of Deposit</b>								
Issued in 2006	HKD	500	500					
Issued in 2008	HKD	450	350	100				
Issued in 2008	USD	80	50		30			
<b>Fixed Rate Certificates of Deposit</b>								
Issued in 2006	HKD	500	500					
Issued in 2008	HKD	1,150	650	500				
Issued in 2008	USD	65		50	15			
Issued in 2008	TWD	1,800	1,800					
<b>Zero Coupon Certificates of Deposit</b>								
Issued in 2006	USD	50			50			
Issued in 2007	USD	150				50	50	50
<b>Total Debts issued in HKD equivalent</b>		5,699	2,812	987	736	388	388	388

### Maturity Profile of Loan Capital

As at 31st December, 2008

(All expressed in millions of dollars)

	Currency	Total Face Value	Year of Maturity		
			2015	2017	Perpetual
Issued in 2005	Note 1	USD	550	550	
Issued in 2007	Note 2	USD		600	
Issued in 2007	Note 3	GBP	300		300
<b>Total Loan Capital issued in HKD equivalent</b>		12,277	4,263	4,650	3,364

Notes

1. Callable on 14th December, 2010

2. Callable on 22nd June, 2012

3. Callable on 21st March, 2012 and on each interest payment date thereafter

## 執行董事報告書 (續)

### 財務狀況

於2008年底，本集團的綜合資產總額為港幣4,152億5,400萬元，相較2007年同日總額港幣3,939億7,900萬元，上升5.4%。客戶貸款增加5.6%，達港幣2,303億3,900萬元。股東權益總額上升6.7%，至港幣324億8,500萬元。

活期存款和往來存款合計港幣363億3,200萬元，增加港幣63億4,200萬元。儲蓄存款為港幣457億8,100萬元，減少港幣34億3,500萬元。於2008年底的定期存款為港幣2,416億8,900萬元，對比2007年底結餘增加港幣367億900萬元。客戶存款上升13.9%，至港幣3,238億200萬元，

而存款總額為港幣3,292億9,300萬元，升幅11.1%。存款證和後償票據總額為港幣165億2,700萬元。

本行於2008年發行面值港幣14億5,000萬元的港元定息存款證、4億5,000萬元的港元浮息存款證、6,500萬美元的美元定息存款證及1億1,500萬美元的美元浮息存款證，並於到期時贖回等值港幣99億5,400萬元的各類存款證，和購回等值港幣600萬元的存款證。本行亦發行若干短期的台幣定息存款證，及於到期時將存款證贖回。

經計及所有已發行債務證券後，本行於2008年底的貸款對存款比率為69.9%，較2007年底的73.6%下跌3.7%。

2008年12月底，本集團的債務組合總面值為港幣56億9,900萬元，賬面值為港幣54億9,100萬元。

### 已發行債務證券的年期

2008年12月31日  
(以百萬元位列示)

	貨幣	總面值	到期年份						
			2009	2010	2011	2013	2014	2015	
<b>浮息存款證</b>									
2006年發行	港幣	500	500						
2008年發行	港幣	450	350	100					
2008年發行	美元	80	50		30				
<b>定息存款證</b>									
2006年發行	港幣	500	500						
2008年發行	港幣	1,150	650	500					
2008年發行	美元	65		50	15				
2008年發行	台幣	1,800	1,800						
<b>零息存款證</b>									
2006年發行	美元	50			50				
2007年發行	美元	150				50	50	50	
<b>所有已發行債務證券 (相等於港幣)</b>			5,699	2,812	987	736	388	388	388

### 借貸資本的年期

2008年12月31日  
(以百萬元位列示)

	貨幣	總面值	到期年份			
			2015	2017	無到期日	
2005年發行	美元	550	550			
2007年發行	美元	600		600		
2007年發行	英鎊	300			300	
<b>所有已發行借貸資本 (相等於港幣)</b>			12,277	4,263	4,650	3,364

附註

1. 於2010年12月14日可贖回
2. 於2012年6月22日可贖回
3. 於2012年3月21日和其後各利息支付日期可贖回

## Risk Management

The Bank has established comprehensive risk management procedures in line with the requirements set out by the Hong Kong Monetary Authority to identify, measure, monitor and control the various types of risk the Bank faces, including credit risk, market risk, liquidity risk and operational risk, and where appropriate, to allocate capital against those risks. All risk management policies have been approved by the Board of Directors, and risk management mechanisms have been established at different levels throughout the Group. This is supplemented by active management involvement, effective internal controls and comprehensive audits in the best interest of the Group.

The risk management mechanisms are built around a centralised framework and incorporate specialised risk management committees, namely: Credit Committee; Asset & Liability Management Committee; and Operational Risk Management Committee. These mechanisms capture the different risk-related management activities on a Group basis, including formulation of policies, setting up of procedures and control limits, on-going monitoring for observance, etc., before the same are reported via the Risk Management Committee to the Board of Directors so as to ensure compliance with the various bank policies, and legal and regulatory requirements in Hong Kong, the Mainland of China and overseas. The Chief Risk Officer ensures that appropriate measures are in place to enhance the overall risk management capability of the Bank Group.

## OPERATIONS REVIEW

### Bank Run Incident

The Bank responded quickly and forcefully to the bank run incident in September, successfully restoring confidence within 36 hours of the start of the run. The Bank Management first became aware of the spread of malicious and unfounded rumours questioning the

stability of the Bank in the afternoon of 23rd September, 2008. In the first incident of its kind in Hong Kong, the rumours were initially spread via electronic text messaging and were widely disseminated in a short period of time.

The Bank immediately reported the matter to the Hong Kong Monetary Authority ("HKMA") and the police. With the full support of the Hong Kong Special Administrative Region Government, the HKMA, various authorities, loyal customers, the media and shareholders, and the exceptional effort of the Bank's dedicated employees, the run was very quickly contained.

Confidence was speedily restored, and any impact on the Bank's deposit base was short-lived. At the end of 2008, deposits held by the Bank exceeded the total immediately prior to the bank run incident.

The Bank published announcements to thank all parties for their support. In addition, the Management paid courtesy calls to clients and to the branches to extend the Bank's gratitude to loyal customers and dedicated staff.

Management has reviewed the incident to draw lessons that will further refine and strengthen the Bank's emergency response planning regime.

### Recognition

During the past year, the Bank once again received numerous awards from its partners and independent organisations for its achievements, including:

- "2008 SME's Best Partner" by The Hong Kong Chamber of Small and Medium Business Limited;
- the award for "2007 Highest Growth Rate in Commercial Products Cardholder Spending in Hong Kong – MasterCard";
- second runner-up for "2007 Highest Growth Rate in Number of Open Cards in Hong Kong – MasterCard" from MasterCard Worldwide;

### 風險管理

本行已建立一套符合香港金融管理局規定的完善風險管理程序，以識別、衡量、監察和控制本行所承受各類風險，包括信貸風險、市場風險、流動資金風險和營運風險，並在適當情況下分配資金以抵禦該等風險。所有風險管理政策均經由董事會批准。本集團已在各業務層面建立風險管理機制，並結合管理層的積極參與、有效的內部監控和完善的稽核程序，藉以確保本集團最大的利益。

風險管理機制以中央架構為中心構建，設置專門的風險管理委員會——信貸委員會、資產負債管理委員會和營運風險管理委員會。風險管理委員會掌握整個集團內不同的風險相關管理工作，包括制訂政策、訂立程序及控制限度、持續監控遵規等工作，其後方經由風險管理委員會向董事會匯報，確保已遵守香港、中國內地和海外的各銀行政策、法例及監管規定。風險總監負責確保集團已設有適當的措施，以提升本集團的整體風險管理水平。

### 業務回顧

#### 銀行擠提事件

本行以迅速、果斷的行動，平息了9月發生的擠提事件，於事發後36小時內成功回復客戶和社會各界對本行的信心。管理層於2008年9月23日下午開始留意到市場上流傳若干關於本行財政不穩的惡意謠言，這些謠言並無根據，而且最先經由電子短訊方式於短時間內迅速散播，為香港所首見。



BEA won the "2008 SME's Best Partner" Award organised by The Hong Kong Chamber of Small and Medium Business Limited.

本行榮獲香港中小企業商會頒發「2008中小企業最佳拍檔獎」。

本行立即知會香港金融管理局（「金管局」）和警方，並且得到香港特別行政區政府、金管局及有關機構、忠實客戶、傳媒和股東的全力協助，加上本行同事上下同心，令事件得以迅速解決。

由於本行迅速恢復各界的信心，故此事件對本行存款基礎的影響僅屬短暫，於2008年底，存款總額已較事件發生前為高。

本行發佈特別通告鳴謝各界人士的支持。管理層除親自聯絡客戶表達謝意外，亦親往分行感謝忠實的客戶和盡心盡力的同事。

管理層已就事件作出檢討和從中汲取經驗，藉以進一步改善和加強本行的緊急應變策劃機制。

#### 屢獲殊榮

本行延續過往佳績，於年內榮獲多個業務夥伴和獨立機構頒贈獎項，表揚成就，其中包括：

- 香港中小企業商會「2008中小企業最佳拍檔獎」；
- 萬事達國際組織「2007香港區最高商務卡消費大獎」；
- 萬事達國際組織「2007香港區最高發卡量升幅獎銅獎」；

BEA's credit card business was recognised for its achievements by MasterCard Worldwide in 2008.

信用卡業務成就卓越，於2008年獲得萬事達國際組織頒贈獎項以作表揚。





## Executive Directors' Report (continued)

- second runner-up in the category "2007 Highest Number of Merchant Terminals – China Unionpay" by China Unionpay;
- Bronze Prize in the category "2007 Largest Merchant Sales Volume Growth – Visa" by VISA International; and
- Champion in the Top 3 HK Merchant Sales Volume Award and Top 3 HK Merchant Sales Volume Acquiring Bank Award in the "Visa Explorer Award Program".

BEA subsidiaries, including The Bank of East Asia (China) Limited ("BEA China"), were also recognised for their achievements. Details of such recognitions are set out in the respective sections below.

### Personal Banking

#### Branch Distribution

During 2008, Metro City Plaza Branch was expanded to provide a more spacious and pleasant environment to serve customers. Shamshuipo Branch and Castle Peak Road Branch were merged and relocated to a more prominent site, and a new SupremeGold Centre opened at the new branch location. In addition, SupremeGold centres were opened at Tai Wai Branch and Chuk Yuen Estate Branch, bringing the number of SupremeGold centres in Hong Kong to 48. At the end of January 2009, BEA also operated a total of 90 branches in Hong Kong.

### Cyberbanking

The Cyberbanking website was revamped in July 2008 to introduce a more intuitive and comprehensive user interface. As part of the Bank's commitment to service, the Cyberbanking website will be further enhanced as new services are offered.

The number of Cyberbanking customers continued to increase during the year. By the end of 2008, the Bank had more than 434,000 registered Cyberbanking users, representing a growth of 11% compared with the corresponding period last year. The average daily usage volume exceeded 278,000 transactions.

The Corporate Cyberbanking customer base also grew in 2008. By the end of 2008, over 21,600 corporate customers had registered with BEA's Corporate Cyberbanking, a year-on-year increase of 5%.

### Consumer Loans

#### Consumer Finance Department

The consumer loan segment was very active during 2008, and the Bank launched numerous marketing campaigns both on its own and in partnership with reputable corporations and professional firms. The Instalment Loan and Revolving Loan programme, incorporating a "Lucky Draw for Full Interest Rebate", was particularly well received.



Castle Peak Branch was relocated to a more prominent site while a new SupremeGold Centre was opened in Chuk Yuen Estate Branch in 2008. 青山道分行於2008年遷至所在地區的中心地段，而竹園邨分行增設了顯卓理財中心。



## 執行董事報告書（續）

- 中國銀聯「2007香港區商戶終端機數量銅獎」；
- VISA International「2007香港區最高商戶簽賬額增長大獎銅獎」；及
- 「Visa商戶大搜尋獎勵計劃」的「最高Visa商戶簽賬額營業員大獎」及「最高Visa商戶簽賬額發卡機構大獎」。

東亞銀行附屬公司包括東亞銀行（中國）有限公司（「東亞（中國）」），亦憑超卓表現獲取多項殊榮，詳情載於以下相關章節。

### 個人銀行業務

#### 分行業務

新都城中心分行於2008年擴建完成後環境更為舒適寬敞，讓客戶享用更佳服務。深水埗分行與青山道分行合併及遷至所在地區的中心地段，並增設顯卓理財中心。此外，大圍分行和竹園邨分行亦增設顯卓理財中心，使全港顯卓理財中心總數增至48間。至2009年1月底止，本行在香港共設有90間分行。

#### 電子網絡銀行服務

2008年7月，本行推出全新設計的電子網絡銀行服務網站，令服務更為全面易用。貫徹本行不斷完善服務的宗旨，本行會於該網站陸續推出新服務，精益求精。

年內，電子網絡銀行服務客戶人數持續增加。本行於2008年底有逾43萬4,000名電子網絡銀行服務登記客戶，相較去年同期增長11%，平均每日交易量超過27萬8,000宗。

企業電子網絡銀行服務客戶基礎亦見壯大，截至2008年底，登記使用該服務的企業客戶逾21,600名，按年增長5%。

#### 私人貸款

##### 私人財務部

2008年內，私人貸款市場蓬勃，本行除自行推出多項推廣活動外，還與一些享負盛名的企業和專業服務公司合力推廣業務，其中包括「好合你」分期貸款/循環貸款計劃。該計劃附設「全期利息回贈大抽獎」，市場反應十分熱烈。



BEA introduced a revamped Cyberbanking website with a more intuitive and comprehensive user interface.

全新設計的電子網絡銀行服務網站於年內推出，令服務更為全面易用。

The Bank's Instalment Loan and Revolving Loan programme was well received.

「好合你」分期貸款/循環貸款計劃受到市場熱烈歡迎。



## Executive Directors' Report (continued)

### Credit Gain Finance

Credit Gain Finance ("CGF") registered substantial growth in both its loan portfolio and its customer base. A series of marketing and advertising campaigns was launched via multi-media channels to enhance consumer awareness of the CGF brand. In addition, CGF pioneered a new product initiative – Descending Interest Rate Programme – which drew an encouraging response from the market.

In view of the intense competition in the loan market, CGF will continue to focus on innovative products and marketing campaigns in order to expand its market share.

### Credit Cards

The past year saw strong growth in BEA's credit card business. Sales and receivables both rose, as the aggregate card base grew to more than 1.1 million by the end of 2008.

A new card design was launched in May to reinforce the vibrant and dynamic image of the BEA credit card, and promote pride in carrying and using the BEA card.

Promotional activities were carried out throughout the year, with a focus on dining and entertainment in order to build habitual card usage. BEA partnered with UA Cinema Circuit Ltd to bring the BEA brand name to the BEA IMAX Theatre, while the re-launch of the FLY & DINE CLUB for the Platinum card segment further enhanced the appeal of the Bank's premiere card for the high-end credit card market.

The Bank has had particular success in attracting a younger client base, in particular the university student

sector. These customers have the potential to become lifetime elite customers of the Bank.

In the year ahead, BEA will focus on increasing card usage and receivables based on the existing portfolio, enhancing customer service and the cardholder experience, and developing prudent risk management and expense control measures.

### Property Loans

Following the onset of the global financial tsunami, the number and value of property transactions plunged by over 20% in the last quarter of 2008. BEA continued to adopt an aggressive but prudent approach to acquire quality mortgage loan business.

Throughout the year, BEA collaborated with various property developers to provide end-user financing solutions to buyers of new flats.

### Corporate Banking

#### Corporate Lending

The local corporate loan market experienced a significant slowdown during 2008, particularly in the second half of the year. Liquidity tightened even as loan demand slackened due to growing caution by local property investors and developers, and curtailed demand by Mainland enterprises due to weakening domestic demand. Despite these adverse conditions, BEA recorded moderate growth in loan volume and an upward adjustment in overall pricing to reflect the increasing risk premium.

A new card design was launched to reinforce BEA Credit Card's vibrant and dynamic image.

東亞銀行信用卡推出全新卡面設計，締造出活力充沛、積極進取的形象。



## 執行董事報告書（續）

### 領達財務

領達財務於年內推行一系列市場推廣和宣傳計劃，運用多個媒體提升品牌的知名度，因此貸款組合和客戶基礎均有大幅增長。領達財務在市場首創的產品「遞減式利率計劃」，市場反應令人鼓舞。

貸款市場競爭激烈，領達財務會繼續專注於創新產品和加強推廣，提升市場份額。

### 信用卡業務

本行信用卡業務於年內的增長強勁。發卡量於2008年底超越110萬張，銷售和循環貸款應收賬項業務同告上升。

東亞銀行信用卡於5月起用全新卡面設計，締造出活力充沛、積極進取的形象，同時突顯持卡人的尊貴身份。

本行於年內不斷舉行推廣活動，著重以飲食和娛樂優惠培養客戶經常使用本行信用卡的習慣。本行亦與UA Cinema Circuit Ltd. 合作，以東亞銀行品牌冠名BEA IMAX影院。另外，本行重新推出東亞銀行白金卡FLY & DINE CLUB，旨在提升對高端信用卡市場的吸引力。

本行更成功開拓年輕消費者市場，青年人特別是大學生客戶日益增加，該類客戶具備潛力成為本行長期客戶。

於2009年，本行將致力提升信用卡的使用量和循環應收賬業務，進一步完善客戶服務和持卡人體驗，並且制定審慎的風險管理和支出控制措施。

### 樓宇貸款業務

由於環球金融海嘯，物業成交宗數和金額於2008年第4季大跌逾20%。本行維持積極而審慎的方針以取得優質按揭貸款業務。

本行於年內聯同多個物業發展商為新樓買家提供用家貸款方案。

### 企業銀行業務

#### 企業貸款

本地企業貸款市場於2008年尤其是下半年顯著放緩。本港房地產投資者和發展商愈趨審慎，加上內地企業面對內需減少，因而令貸款需求下降，但市場的流動資金情況仍較為緊絀。儘管市場環境欠佳，本行企業貸款業務依然錄得溫和的增長，而本行亦已因應風險溢價不斷上升，上調貸款的利率及其他收費。



BEA partnered with UA Cinema Circuit Ltd. to bring the BEA brand name to the BEA IMAX Theatre.

本行與UA Cinema Circuit Ltd. 合作以東亞銀行品牌冠名BEA IMAX影院。

The Bank successfully expanded its university student cardholder base in 2008.

信用卡業務於2008年成功開拓大學生客戶市場。





## Executive Directors' Report (continued)

BEA continued to maintain an active presence in the syndicated loan market in 2008, both as coordinating arranger and as a participant. Given the uncertain financial environment, BEA has focused on improving its yield return and expanding its client base in a prudent manner by focusing on high quality local and Mainland enterprises. The upcoming infrastructure projects sponsored by the Hong Kong Special Administrative Region and Central governments will generate new opportunities.

Commercial loan business recorded moderate growth despite a sudden downturn in the economy in the second half of the year, as local businesses suffered from reduced orders and lower cash flow amid the economic slowdown in the major export markets of North America and Europe.

BEA has long supported local small and medium sized enterprises ("SME") and is an active participant in government loan guarantee schemes. BEA was among the first banks to join the enhanced SME Loan Guarantee Scheme in November 2008, and the Special Loan Guarantee Scheme in December 2008.

BEA recorded double digit-growth in its equipment loan portfolio during 2008, due to increased marketing efforts and the acquisition of a loan portfolio from the market. However, from the latter part of 2008, manufacturers have become hesitant to expand their production capacity and have deferred expansion plans. Loan demand for machinery leasing therefore slowed toward the end of the year.

### Bank of East Asia (Trustees) Limited

#### *Mandatory Provident Fund*

In order to provide more flexibility to scheme members to manage their Mandatory Provident Fund (MPF) accounts effectively, BEA launched a new service, Cyberbanking (MPF), in February 2008. Cyberbanking (MPF) is a convenient and secure way for scheme members to access their BEA MPF accounts via the Internet. With this new service, scheme members may review their account balance, contribution and withdrawal history, current investments and obtain fund information.

In order to further strengthen the competitiveness of its MPF business in the marketplace, BEA reduced the fees associated with its Hong Kong Growth Fund under the Master Trust Scheme in June 2008.

#### *Trust Services*

In addition to the provision of MPF services, Bank of East Asia (Trustees) Limited also offers a wide range of professional trustee services to personal and institutional customers, covering wills, family trusts, investment funds, unit trusts, charities and public funds. In 2008, Hamon Ireland Limited appointed the company as the Hong Kong Representative for the Hamon Asian Funds. During the year, the company recorded a 15% rise in revenue from the private trust business.



BEA participated in the World SME Expo 2008 organised by the Hong Kong Trade & Development Council.

本行積極參與香港貿易發展局舉辦的中小企業國際推廣博覽2008。

## 執行董事報告書（續）

2008年，本行在銀團貸款市場保持活躍，擔當協調安排行和參與行的角色。在不明朗的金融環境下，本行著眼於優質的本地和內地企業，致力改善收益回報和審慎地擴展客戶基礎。香港特別行政區政府和中央政府斥資的多個基建項目快將動工，預料會帶來新的商機。

北美、歐洲等主要出口市場經濟放緩，令本地企業面對訂單和流動資金減少，本港經濟於下半年急速下滑，然而本行的商業貸款業務仍然錄得溫和的增長。

本行一直支持本地中小型企業，積極參與政府的信貸保證計劃。港府於2008年11月推出中小企業信貸保證計劃的加強措施，及於12月推出特別信貸保證計劃，本行為率先參與兩個計劃的銀行之一。

2008年的設備貸款業務錄得雙位數字增長，原因是本行加強推廣及在市場收購一項貸款業務。其後製造商在擴充生產設施上轉採觀望態度，亦暫延推行業務拓展計劃，致使年末機器融資需求減少。

To keep MPF customers well informed, BEA began issuing the BEA MPF newsletter.

強積金業務於去年開始刊發通訊，為客戶提供最新強積金資訊。



### 東亞銀行（信託）有限公司

#### 強制性公積金

本行於2008年2月推出全新服務——電子網絡銀行服務（強積金），讓計劃成員更方便地有效管理其強積金賬戶。成員可以利用互聯網進入強積金賬戶，查閱賬戶結餘、供款及提取記錄、現有投資和獲取基金資料，安全方便。

為進一步提升本行強積金業務的競爭力，本行於2008年6月下調集成信託計劃下「香港增長基金」的收費。

#### 信託服務

東亞銀行（信託）有限公司除提供強積金服務外，亦為個人和機構客戶提供各種專業信託服務，包括遺囑、家庭信託、投資基金、單位信託基金、慈善和公眾基金。2008年，該公司獲Hamon Ireland Limited委任為Hamon Asian Funds的香港代表，並在私人信託業務錄得15%的收入增長。



The Bank continued to enhance the market competitiveness of its MPF services by launching Cyberbanking (MPF) service and reducing fees.

本行持續提升強積金服務的市場競爭力，包括推出電子網絡銀行服務（強積金）及下調收費。



## Wealth Management

### Structured Products

Structured product demand and sales remained reasonably strong in the first few months of 2008, and the Bank offered a wide range of products linked to equities, currencies and commodities. However, as global markets declined and volatilities rose, investors turned cautious and significantly reduced their risk appetite. Responding to the market environment, the Bank adjusted its strategy to limit the distribution of third party retail products and to focus on more conservative and simple product offerings.

The default of Lehman Brothers' "Minibonds" series, resulting from the collapse of Lehman Brothers in September, was a major blow to investors' confidence and has resulted in a significant fall in demand for retail investment products in Hong Kong. While the Bank was not a major distributor of "Minibonds", the Bank responded proactively in order to assist affected investors.

In September 2008, the Bank reported the discovery of unauthorised manipulation of the equity derivatives trading system by a trader. The Bank considered that this was an isolated incident. The incident was immediately reported to the relevant authorities and the Bank engaged KPMG to conduct a thorough review of internal control procedures. Following receipt of the final report, the Bank formed a working group to review KPMG's findings and take any necessary follow-up action, and restructured the trading operation to further strengthen controls. Going forward, the Bank will continue to develop and offer structured products to customers, geared to market demand.

### Investment Fund Services

Addressing the need for greater asset diversification, BEA launched three self-branded mutual funds in 2008, namely BEA Global Resources Fund, BEA Hong Kong Dollar Bond Fund and BEA Asian Bond and Currency Fund. The first is equities-based, and is targeted at more adventurous investors. The latter two funds are fixed-income products that cater for conservative investors looking for capital preservation. All three funds were well received by clients.

The Bank introduced an upgraded retail financial planning system during the year, providing clients with a wide range of useful information on their investments. BEA customers are now able to track the returns of their individual investments without the need to keep track each transaction detail. In addition, the Bank ran promotional campaigns throughout the year to encourage diversification and promote prudent investment habits.

### BEA Union Investment Management Limited ("BEA Union Investment")

BEA Union Investment continued to expand its business by developing new mutual funds and investment solutions for retail and Mandatory Provident Fund (MPF) investors. It also focused on acquiring new mandates from top tier Asian institutional investors and business partners. Despite the challenging environment, a positive aggregated net fund inflow was recorded during the year.

Three BEA-branded mutual funds were launched, the BEA Global Resources Fund, BEA Asian Bond and Currency Fund, and BEA Hong Kong Dollar (HK\$) Bond Fund. 年內推出3隻東亞銀行品牌的互惠基金，包括「東亞環宇資源基金」、「東亞亞洲債券及貨幣基金」和「東亞港元債券基金」。



### 財富管理

#### 結構投資產品

於2008年初數月，結構投資產品的需求和銷售保持強勁，本行乘時推出多項股票、貨幣和商品掛鈎產品。不過，隨著環球市場萎縮及持續波動，投資者變得謹慎，風險承受能力大大降低。本行因應市場環境調整策略，減少銷售第三方零售產品，轉為銷售較保守及簡單的投資產品。

雷曼兄弟於9月倒閉，雷曼兄弟迷你債券事件嚴重地打擊投資者信心，導致本港零售投資產品的需求大減。本行雖非迷你債券的主要分銷商，但已積極主動協助受影響的投資者。

2008年9月，本行公佈一名交易員違規操控股票衍生交易系統。本行認為本事件屬個別事件。事件揭發後，本行已即時向有關規管機構報告，並已委聘畢馬威會計師事務所進行詳盡的內部監管程序檢討。本行其後除成立工作小組審閱畢馬威的檢討報告外，亦已採取必需的跟進行動和修訂交易程序以加強監管。本行於來年將會繼續配合市場需求，為客戶開發及提供結構投資產品。

#### 投資基金服務

應市場對多元化分散投資的需求增加，本行於2008年推出3隻東亞銀行品牌的互惠基金，分別為「東亞環宇資源基金」、「東亞港元債券基金」和「東亞亞洲債券及貨幣基金」。「東亞環宇資源基金」主要投資股票，以進取的投資者為對象。另外兩隻基金為定息產品，適合追求保本的保守投資者。3隻基金均受市場歡迎。

本行於年內推出升級的零售財務策劃系統，讓客戶緊貼其投資相關的有用資訊，藉系統緊貼其投資回報而無需為交易細節而操心。另外，本行亦於年內進行市場推廣，鼓勵投資者分散投資及培養審慎的投資習慣。

#### 東亞聯豐投資管理有限公司（「東亞聯豐」）

東亞聯豐持續擴展業務，為零售投資者和強積金投資者制訂新的互惠基金和投資方案，同時亦致力向高端的亞洲機構投資者及業務夥伴提供投資服務。縱使經營環境充滿挑戰，東亞聯豐的整體業務仍錄得淨資金流入。



BEA Union Investment expanded its business by developing new mutual funds and investment solutions for retail and MPF investors.

東亞聯豐持續拓展業務，為零售投資者和強積金投資者開發互惠基金產品和投資方案。

## Executive Directors' Report (continued)

Since the formation of the joint venture last year, BEA Union Investment has succeeded in integrating the complementary strengths of BEA and Union Asset Management Holding AG. The “best of breeds” investment teams located in Hong Kong and Frankfurt enhanced the performance of BEA mutual funds and MPF products, as well as the investment portfolios of institutional clients.

Despite its short history, BEA Union Investment has quickly been recognised as a market leader, and received a total of four industry awards in 2008:

- “Best of the Best Performance Award in ASEAN Region (3 years)” and the “Best MPF Manager (5 years) – Merit Award” by Asia Asset Management;
- “Best QDII Wealth Management Product” and “Best Foreign Currency Wealth Management Product” for BEA’s Jijinbao Series – BEA Hong Kong Growth Fund by China’s 21st Century Business Herald.

### Insurance Business

BEA Life Limited (“BEA Life”), a wholly owned subsidiary of the Bank, commenced business in January 2008. It focuses on life insurance business and uses the Bank as its main distribution platform. It features an extensive range of life insurance products and services, including whole life, endowment, annuity, retirement and term plans. Underwritten by BEA Life, the Bank launched its first

self-branded investment-linked insurance plan, “Capital Link Insurance”, in February. Life insurance sales were satisfactory in 2008, recording significant growth in terms of the New Business Index.

Blue Cross, the Bank’s general insurance arm, also registered healthy growth in premium income. In addition, it has successfully launched new channels for many of its products, including the internet and telemarketing.

In recognition of its service excellence, Blue Cross received the following awards in 2008:

- “Capital Weekly Service Award 2008 – Medical Insurance” and the “Quality Life Award 2008 – Quality Insurance Service”;
- “The Most Popular Travel Insurance Company” (for the 4th consecutive year), from Weekend Weekly Magazine; and
- “Caring Company 2008/09”, from the Hong Kong Council of Social Service.

As part of its on-going effort to promote the well-being of the less fortunate within the community, Blue Cross also supported a series of charitable activities in conjunction with the Hong Kong Physically Handicapped and Able-Bodied Association.



Despite its short history, BEA Union Investment has already won four industry awards. 東亞聯豐雖然成立不久，但已獲得4個業界獎項。



Underwritten by BEA Life, the Bank launched the first BEA-branded investment-linked insurance plan. 本行推出東亞人壽承保的首個東亞銀行品牌投資相連保險計劃。



## 執行董事報告書（續）

東亞聯豐於去年成立以來，已成功整合本行與德聯豐的互補優勢，位於香港和法蘭克福的優秀投資團隊提升了互惠基金、強積金產品及機構客戶所持投資組合的表現。

東亞聯豐雖然成立不久，但已迅速獲得市場的認同，並於2008年獲得4個業界獎項：

- Asia Asset Management雜誌的「東協國家地區最佳投資表現獎(3年)」和「最佳強積金投資經理優異獎(5年)」；及
- 東亞銀行基金寶系列—「東亞香港增長基金」獲中國《21世紀經濟導報》評選為「最佳QDII財富管理產品」和「最佳外幣財富管理產品」。

### 保險業務

本行全資附屬公司—東亞人壽保險有限公司(「東亞人壽」)於2008年1月開業，專注拓展人壽保險業務及以本行為主要分銷平台。東亞人壽提供一應俱全的人壽保險產品和服務，包括終身壽險、儲蓄壽險、年金計劃、退休保障和定

期保險計劃。本行於2008年2月推出東亞人壽承保的首個東亞銀行品牌投資相連保險計劃「富資寶」。以新造業務指數計算，2008年的人壽保險銷售成績理想。

藍十字專責銷售本行一般保險，除在保費方面錄得健康增長外，亦於年內成功推出互聯網、電話行銷等多個新銷售渠道。

藍十字憑超卓的服務表現，於2008年獲得下列榮譽：

- 「資本壹週服務大獎2008—醫療保險」及「優質生活大獎2008—優質保險服務」；
- 《新假期》雜誌「最受歡迎旅遊保險公司(連續4年獲獎)」；及
- 香港社會服務聯會「商界展關懷2008/09」。

藍十字致力幫助社會上有需要人士，於年內贊助了香港傷健協會舉辦的多項慈善活動。



Blue Cross won the "Capital Weekly Service Award 2008 – Medical Insurance" and the "Quality Life Award 2008 – Quality Insurance Service".

藍十字榮獲「資本壹週服務大獎2008—醫療保險」及「優質生活大獎2008—優質保險服務」。

Blue Cross received "The Most Popular Travel Insurance Company" Award for the fourth consecutive year from Weekend Weekly Magazine.

藍十字連續4年獲得《新假期》雜誌頒贈「最受歡迎旅遊保險公司」獎項。





## Executive Directors' Report (continued)

### Private Banking

The past year has seen an unprecedented level of global deleveraging, causing losses in nearly every asset class. The Bank's Private Banking business slowed in the second half of the year, as both experienced and novice investors retreated, fearing the worst is yet to come.

Despite the sluggish environment, BEA Private Banking expanded its client base by over 30% during the past year. With enhanced capabilities, the Bank will continue to innovate and expand its services to high-net-worth customers.

### Investment Banking and Services

#### East Asia Securities Company Limited – Securities Cybertrading

East Asia Securities is committed to using proven technology to improve and expand its brokerage service network. When compared with the corresponding period last year, the company registered a rise of 11% in the number of Cybertrading accounts. As of 31st December, 2008, more than 82% of the company's securities clients had subscribed to Cybertrading.

The volume of transactions executed via the Cybertrading platform, expressed as a percentage of total turnover, reached 63% of the number of trades and 20% of the gross transaction value during the period under review.

With the dramatic increase in the trading volume conducted through Cybertrading, East Asia Securities further upgraded its Automated Phone Service capacity in the second quarter of 2008.

#### East Asia Futures Limited – Futures Cybertrading

For the year 2008, despite the weak local market sentiment, East Asia Futures, the wholly-owned futures and option broking arm of the Bank, recorded a 10.6% rise in trading volume, as compared with the corresponding period last year. The volume of transactions executed via the Futures Cybertrading System, expressed as a percentage of total turnover, accounted for some 69% of the number of trades and 59% of the transaction value. As of 31st December, 2008, more than 73% of the company's clients had subscribed to the Futures Cybertrading Service.

East Asia Futures completed a software and hardware upgrade in the third and fourth quarters of 2008, respectively. Both the function and performance of the electronic trading system has been greatly enhanced.

With a view to enlarging its client base and boosting the usage of its electronic trading platform, East Asia Futures will launch various promotional campaigns in 2009.



East Asia Securities Limited registered an 11% increase in the number of Cybertrading accounts and upgraded its automated phone service.

東亞證券的電子網絡買賣服務賬戶錄得 11% 增長，自動電話交易服務亦已提升。

## 執行董事報告書（續）

### 私人銀行

年內的全球性去槓桿化達到前所未有的程度，令近乎所有資產級別出現虧損。本行私人銀行業務於下半年開始放緩，富經驗的投資者和新進的投資者皆擔心環境持續惡化，故退出市場。

儘管市況欠佳，本行私人銀行的客戶基礎於年內擴大了逾30%。本行藉強大業務基礎，將會不斷為高資產值客戶創新和擴展服務。

### 投資銀行服務

#### 東亞證券有限公司 — 電子網絡證券買賣服務

東亞證券使用先進科技，致力完善和擴充代理服務網絡。與去年同期比較，東亞證券於年內的電子網絡買賣服務賬戶增加11%。至2008年12月31日止，東亞證券逾82%客戶已登記使用該服務。

經由電子網絡股票買賣系統完成的交易（以營業總額的百分比計算），佔總成交宗數的63%和總成交金額的20%。

經由電子網絡股票買賣系統進行的交易大增，東亞證券於2008年第2季進一步提升自動電話交易服務。

#### 東亞期貨有限公司 — 電子網絡期貨買賣服務

雖然2008年本地市場情緒低落，本行全資附屬期貨和期權買賣服務公司 — 東亞期貨於年內的成交宗數上升10.6%。經由電子網絡期貨買賣系統完成的交易（以營業額的百分比計算），分別佔總成交宗數和總成交金額的69%和59%。於2008年12月31日，東亞期貨逾73%客戶已登記使用該服務。

東亞期貨於2008年第3季完成提升軟件後，再於第4季完成提升硬件工程，大大提高了電子交易系統的性能和表現。

為擴大客戶基礎和鼓勵客戶使用電子交易平台，東亞期貨將於2009年推出多項宣傳計劃。

More than 73% of East Asia Futures Limited's clients subscribed to Futures Cybertrading.

東亞期貨逾73%客戶已登記使用電子網絡期貨買賣服務。





## China Operations

BEA's locally incorporated subsidiary bank on the Mainland, BEA China, celebrated its first full year of operations in 2008. It continues to maintain a leading position as one of the largest locally incorporated foreign banks on the Mainland.

With 69 outlets, BEA and BEA China currently operate one of the most extensive networks of any foreign bank on the Mainland. BEA China added a total of 19 new outlets in 2008, including the conversion of BEA Tianjin Representative Office to a full branch, the establishment of 2 new branches in Urumqi and Hefei, as well as the opening of 16 new sub-branches. BEA China is the first locally incorporated foreign bank to set up branches in Urumqi and Hefei.

In order to provide added convenience for customers, BEA China introduced a new banking concept – 24-hour self-service banking centres – during 2008. The first two centres were opened in Shanghai, enabling BEA China customers to carry out a wide range of banking transactions at any time.

The expansion of BEA China's service coverage was also greatly aided with the addition of 155 new Automatic Teller Machines (ATMs), bringing the total from 95 at the end of 2007 to 250 at the end of 2008.

In May 2008, BEA China became the first foreign bank to launch Renminbi debit cards on the Mainland and, in December 2008, partnered with Nanjing Hong Kong and China Gas Company Limited to launch BEA China's first

co-branded debit card. BEA China's pioneering position was further affirmed in December 2008 with the launch of the first Renminbi credit card by a locally incorporated foreign bank. BEA China customers can use their debit and credit cards at China UnionPay-affiliated outlets to settle transactions, as well as at all China UnionPay-affiliated ATMs to withdraw cash, both in China and overseas.

BEA China's Personal Cyberbanking Service was upgraded in October 2008 to provide customers with a higher level of security, enhanced functions and greater convenience.

In addition, BEA China launched a private banking service in April 2008, with the opening of private banking centres in Beijing, Shanghai, Guangzhou and Shenzhen.

The pioneering spirit and achievements of BEA China in 2008 have been recognised through a number of awards, including:

- "Retail Financial Service Brand", in the 2008 China Business News Financial Brand Ranking;
- "Best Foreign Retail Bank", in the 2008 Asian Banks Competitive Rankings held during the 21st Century Annual Finance Summit of Asia; and
- "2008 Best Internet Banking among Foreign Banks in China", awarded by China Internet Weekly.

Despite the impact of the financial crisis on the global economy, BEA China has maintained its steady growth in 2008. BEA China will continue to leverage BEA's banking expertise to maintain its leading position on the Mainland.



BEA China opened branches in Urumqi, Xinjiang (left) and Hefei, Anhui (right).  
東亞(中國)在新疆烏魯木齊市(左)和安徽合肥市(右)設立分行。

## 執行董事報告書（續）

### 中國業務

本行在內地註冊成立的附屬銀行 — 東亞（中國），於2008年慶祝成立一周年。東亞（中國）一直保持其領導地位，為最大的內地註冊外資銀行之一。

本行與東亞（中國）在內地共設有69個網點，為內地網絡最廣泛的外資銀行之一。2008年，東亞（中國）於內地新增設19個網點，包括由東亞銀行天津代表處升格的分行，新成立的烏魯木齊分行、合肥分行及16間支行。東亞（中國）為首間外資法人銀行於烏魯木齊市和合肥市開設分行。

為向客戶提供更便捷的理財服務，東亞（中國）於2008年內引入新理財概念 — 24小時自助銀行中心。首兩間自助銀行中心設於上海，讓客戶隨時隨地享用多項的銀行服務。

東亞（中國）於年內增設155部自動櫃員機，由2007年底的95部增至2008年底的250部，不斷擴大其服務範圍。

2008年5月，東亞（中國）成為首間外資銀行於內地推出人民幣借記卡；又於同年12月，與南京港華燃氣有限公司攜手推出東亞（中國）首張聯營借記卡，以及成為首家推出人民幣信用卡的外資法人銀行，再次彰顯其領導地位。東亞（中國）客戶可憑借記卡和信用卡，在中國和海外的銀聯聯營網點結算交易及於銀聯聯營自動櫃員機提取現金。

東亞（中國）於2008年10月提升個人網上銀行服務，為客戶提供更安全的保障、更完善的功能和更便捷的服務。

此外，東亞（中國）於2008年4月推出私人銀行服務，在北京、上海、廣州和深圳開設私人銀行部。

東亞（中國）憑創新精神及輝煌成就，於2008年內獲頒發下列獎項：

- 「2008年第一財經金融價值榜」之「年度零售金融服務品牌」；
- 21世紀亞洲金融年會暨「2008亞洲銀行競爭力排名」中「最佳外資零售銀行獎」；及
- 《互聯網週刊》之「2008年度最佳外資網上銀行」獎項。

儘管全球經濟備受金融危機影響，東亞（中國）於年內保持穩定增長，並將秉承東亞銀行的專業精神，保持在內地的領導地位。



BEA China became the first foreign bank to launch Renminbi debit cards and credit cards on the mainland. 東亞（中國）為首間外資銀行於內地推出人民幣借記卡和信用卡。



BEA China won the "Retail Financial Service Brand" Award in the 2008 China Business News Financial Brand Ranking.

東亞（中國）獲頒發「2008年第一財經金融價值榜」之「年度零售金融服務品牌」。

BEA China received the "Best Foreign Retail Bank" Award in the 2008 Asian Banks Competitive Rankings and the "2008 Best Internet Banking among Foreign Banks in China" Award.

東亞（中國）獲贈「2008亞洲銀行競爭力排名」之「最佳外資零售銀行獎」及「2008年度最佳外資網上銀行」獎項。



## Executive Directors' Report (continued)

BEA expanded its presence in Macau by opening a sub-branch in Taipa in March 2008, and setting up four ATMs in the second half of 2008. At present, BEA has four outlets and 10 ATMs in Macau.

The Bank also maintains two branches in Taipei and Kaohsiung of Taiwan. With the support of our extensive branch network in Hong Kong, Macau and Mainland China, BEA's Taiwan branches are able to provide customers with a comprehensive range of banking services, in particular, cross-strait banking services to meet the growing banking needs arising from closer business ties between Taiwan and the Mainland.

### Overseas Operations

In 2008, The Bank of East Asia (U.S.A) N.A. ("BEA-USA") opened three new branches in California, in San Gabriel, Los Angeles County; South San Francisco; and San Francisco Chinatown. The branch in the City of Industry was relocated to Hacienda Heights in June 2008. All of the new branches are in premier locations, providing individuals and businesses alike with more convenient access to the Bank's full range of banking services.

As part of its strategic plan, BEA-USA will open a new branch in Oakland in the San Francisco Bay Area, and merge its branch in the San Francisco Financial District into the San Francisco Chinatown Branch in January 2009. By the end of the first quarter of 2009, BEA will have 16 offices in the United States, covering New York and California.

The Bank's subsidiary in Canada, The Bank of East Asia (Canada), achieved a 10% growth in loan assets during the year.

In the United Kingdom, the two branches in London and Birmingham continued to perform well. The Bank launched a new product – Mini Cash Saving Account – in March 2008. A new Debit Card service is expected to be launched in the second half of 2009. The Bank is also conducting a feasibility study on the launch of local Internet banking services.

BEA Singapore Branch completed the disposal of its building at 137 Market Street. Construction work for the new BEA Singapore Branch Building at 60 Robinson Road is on schedule. The new building is expected to be ready for occupancy by the third quarter of 2009.

BEA Labuan Branch operates in Malaysia under an offshore banking licence. The Branch focuses on wholesale banking. It achieved a 5% growth in loan assets during the year.

With the establishment of Tricor Malaysia in December 2008, BEA's Representative Office in Kuala Lumpur will take an active role in cross referrals of business between Tricor Malaysia and Affin Bank Berhad, the Bank's affiliate in which BEA has a 20.5% shareholding through an investment in Affin Holdings Berhad.

### Corporate Services

The BEA Group, through Group member Tricor Holdings Limited ("Tricor"), is a leading provider of business, corporate and investor services in the region. These services include accounting, company formation, corporate compliance and company secretarial, executive search and selection, initial public offerings ("IPO") and share registration, payroll outsourcing and fund and trust administration.



BEA-USA opened three new outlets including South San Francisco Branch (left) and Hacienda Heights Branch (right).

美國東亞銀行增設3間分行，包括南三藩市分行（左）和聖蓋博市分行（右）。

## 執行董事報告書（續）

東亞銀行拓展其澳門的營業網點，於2008年3月開設氹仔支行及於下半年增設4部自動櫃員機，現於澳門共設有4個網點和10部自動櫃員機。

本行亦於台灣的台北和高雄設有分行，在香港、澳門和中國內地偌大分行網絡的相互配合下，台灣分行能為客戶提供廣泛的銀行服務，而隨著台灣與內地的商務聯繫日益加強，更可滿足客戶對兩岸跨境銀行服務不斷擴大的需求。

### 海外業務

2008年，美國東亞銀行在加州增設3間分行，分別位於洛杉磯縣的聖蓋博市、南三藩市和三藩市華埠。工業市分行已於6月遷至哈仙達崗。全線分行均位處所在地區的主要位置，令美國東亞銀行更能靠近區內個人和企業客戶，提供全面、優質的銀行服務。

為推行策略發展計劃，美國東亞銀行於2009年1月在三藩市灣區屋崙市開設分行，同時將三藩市金融區分行與三藩市華埠分行合併。至2009年第1季末止，本行將於美國設有16個辦事處，覆蓋紐約和加州。

本行加拿大附屬銀行——加拿大東亞銀行於年內的貸款資產錄得10%增長。

在英國，倫敦分行和伯明翰分行續有良好表現。本行於2008年3月推出新產品——小額現金個人儲蓄賬戶，並預計於2009年下半年首推借記卡服務。此外，本行亦正研究在當地推出網上銀行服務。

新加坡分行完成出售Market Street 137號大廈。位於Robinson Road 60號的新加坡分行大廈的建造工程如期進行，預計於2009年第3季落成入伙。

本行納閩分行持有馬來西亞的離岸銀行牌照，專注在當地拓展批發銀行業務，於年內的貸款業務錄得5%增長。

卓佳馬來西亞辦事處於2008年12月成立，本行吉隆坡代表處將會積極拓展該辦事處與本行聯營銀行馬來西亞Affin Bank的交叉銷售業務。本行通過投資於Affin Holdings持有Affin Bank的20.5%股權。

### 企業服務

東亞銀行集團成員——卓佳集團（「卓佳」）在區內的商務、企業和投資者服務市場位居前列，服務範圍涵蓋會計、公司成立、企業法規監管及公司秘書、行政人員招聘、首次公開招股及股份登記、支薪外判、基金和信託行政管理。



Tricolor's gross revenue for 2008 reached a new high, making an important contribution to the BEA Group's fee and commission income earnings.

卓佳於2008年的總收入創新高，為東亞銀行集團服務費和佣金收入帶來重大貢獻。

Following the completion of the acquisition of a major corporate services group in Malaysia, Tricolor Malaysia became the leading corporate services practice in the country.

卓佳馬來西亞公司完成收購一個企業服務集團，成為在當地市場具領先地位的企業服務公司。





## Executive Directors' Report (continued)

Tricor's business was not immune to the economic downturn in 2008. The depressed IPO activity in the capital markets in Hong Kong has had an adverse impact on Tricor's revenue from IPO and share registration services. The demand for Tricor's accounting, payroll outsourcing, corporate compliance and secretarial services, which remained strong during the first six months of 2008, started to feel the pinch of the economic downturn in the second half of the year. There was a decline in Tricor's business servicing inward investment into Hong Kong and Greater China. There was also pressure on fees from clients suffering as a result of the global economic malaise. Despite the above, Tricor's gross revenue for 2008 reached a new high, making an important contribution to the BEA Group's fee and commission income earnings. However, Tricor's net profit margin declined slightly during the year.

The first quarter of 2008 saw the establishment of a Tricor office in the United Kingdom, as well as the completion of the acquisition of a major corporate services group in Malaysia, making Tricor Malaysia the leading corporate services practice in the country. During the second half of 2008, Tricor acquired the corporate services practice of Ernst & Young in Brunei, and also took up a minority interest in a professional service firm in Jakarta. The overseas operation, with its growing number of offices, made an important contribution to Tricor's total revenue during the year. Tricor now operates in 20 cities and employs over 1,400 professional and support staff, compared with a staff complement of 1,150 at the beginning of the year.

2009 is likely to be a difficult year for Tricor. To maintain its profitability, Tricor will continue to expand its global network, enlarge its scope of services and look for new business opportunities.

### Human Resources

Bank of East Asia Group employees at the end of December 2008:

Hong Kong	5,383
Other Greater China	4,321
Overseas	1,159
Total	10,863

The Bank views its staff members as its most valuable asset. The Bank reviews its human resource policies and compensation benefits on a regular basis to, on the one hand, retain and motivate talented individuals, and, on the other, monitor and control staff costs to enhance the performance of the Bank.

The Bank continuously reviews its training programmes, providing a wide range of opportunities for skills upgrading and personal advancement. During the latter half of 2008, special training courses were offered to staff members to assist them to cope effectively with the rapid changes brought about by the financial turmoil.

**David LI Kwok-po**  
*Chairman & Chief Executive*

Hong Kong, 17th February, 2009

**Joseph PANG Yuk-wing**  
*Executive Director*

## 執行董事報告書（續）

年內，卓佳業務同樣受到經濟放緩的影響。本地資本市場上首次公開招股上市活動放緩，對卓佳來自首次公開招股及股份登記服務的收入帶來負面影響。而於2008年上半年市場需求依然龐大的會計、支薪外判、企業法規監管及公司秘書服務，亦於下半年開始受到經濟放緩的衝擊。於香港和大中華區投資的相關服務需求減少。全球經濟低迷亦令服務費收入受壓。然而，卓佳於2008年的總收入創新高，為東亞銀行集團服務費和佣金收入帶來重大貢獻，但利潤率則輕微下跌。

卓佳於2008年第1季在英國設立辦事處，亦完成收購馬來西亞一個企業服務集團，使卓佳馬來西亞公司成為該國具領導地位的企業服務公司。2008年下半年，卓佳除收購安永會計師事務所所在汶萊的企業服務業務外，還購入耶加達一間專業服務公司的少數權益。海外業務辦事處增加，為卓佳於年內總收入的重要來源。卓佳業務遍及20個城市，聘用逾1,400名專業人員和支援人員，而於年初員工人數為1,150名。

卓佳預期2009年經營環境仍然困難，為保持盈利能力，將會繼續擴展環球網絡、擴大服務範圍和尋找新商機。

### 李國寶

主席兼行政總裁

香港，2009年2月17日

## 人力資源

東亞銀行集團於2008年12月的員工人數如下：

香港	5,383
其他大中華地區	4,321
海外	1,159
合計	10,863

本行視員工為最寶貴的資產，因此定期檢討人力資源政策和薪酬福利，以保留、激勵人才和監控員工成本，從而提升本行業務表現。

本行持續檢討培訓計劃，為僱員提供各類課程以便提升技能和事業發展機會。在2008年下半年，本行更提供特別訓練課程，有助員工適當地面對和處理隨金融海嘯而來的急速轉變。

### 彭玉榮

執行董事



# BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT



## DIRECTORS

### **Dr. The Hon. Sir David Li Kwok-po**

*GBM, GBS, OBE, MA Cantab. (Economics & Law), Hon. DSc. (Imperial), Hon. DBA (Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCI Arb, JP, 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, Officier de la Légion d'Honneur*

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

Sir David, aged 69, 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 committees appointed by the Board.

Sir David is a Member of the Legislative Council of Hong Kong. He is a Member of the Banking Advisory Committee and a Member of the Council of the Treasury Markets Association. Sir David is the Pro-Chancellor of The University of Hong Kong, an Honorary Adviser of the Business and Economics Association of HKUSU and an Advisory Committee Member of the Chinese University of Hong Kong S.H. Ho College.

Sir David is the Chairman of The Chinese Banks' Association, Limited and the Hong Kong Management Association. He is the Honorary Advisor of The International Chamber of Commerce – Hong Kong, China and the First Honorary Chairman of the Hong Kong Chamber of Commerce in China. He is also the Honorary Chairman of the Chamber of Hong Kong Listed Companies. Sir David is Vice President of the Council of the Hong Kong Institute of Bankers, Chairman of the St. Joseph's College Foundation Limited and Chairman of the Advisory Council to the Australian International School. He is also an Emeritus Trustee of the Cambridge Foundation and a Trustee of the Cambridge Overseas Trust. Sir David is Chairman of the Advisory Board of The Salvation Army, Hong Kong and Macau Command, Chairman of the Executive Committee of St. James' Settlement and he also serves on the Hong Kong Red Cross Advisory Board. He is a Council Member of the Employers' Federation of Hong Kong, a Director of the David Li Kwok-po Charitable Foundation Limited, a Founder Member and an Executive Committee Member of the Heung Yee Kuk Foundation Limited.

Sir David is a Director of China Overseas Land & Investment Limited, COSCO Pacific Limited, Criteria CaixaCorp, S.A., Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, Hong Kong Interbank Clearing Limited, The Hong Kong Mortgage Corporation Limited, PCCW Limited, San Miguel

# 董事及高層管理人員的個人資料

## Back row from left to right 後排左起

Mr. KUOK Khoon-ean  
郭孔演先生

Mr. Stephen Charles LI Kwok-sze  
李國仕先生

Mr. Richard LI Tzar-kai  
李澤楷先生

Mr. Joseph PANG Yuk-wing  
彭玉榮先生

Mr. Aubrey LI Kwok-sing  
李國星先生

Mr. Thomas KWOK Ping-kwong  
郭炳江先生

Mr. Kenneth LO Chin-ming  
駱錦明先生

Mr. William DOO Wai-hoi  
杜惠愷先生

Mr. Valiant CHEUNG Kin-piu  
張建標先生

## Front row from left to right 前排左起

Dr. Allan WONG Chi-yun  
黃子欣博士

Mr. Eric LI Fook-chuen  
李福全先生

Dr. William MONG Man-wai  
蒙民偉博士

Mr. WONG Chung-hin  
黃頌顯先生

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

Dr. LEE Shau-kee  
李兆基博士

Mr. Winston LO Yau-lai  
羅友禮先生

Tan Sri Dr. KHOO Kay-peng  
丹斯里邱繼炳博士

Professor Arthur LI Kwok-cheung  
李國章教授

## 董事

### 李國寶爵士

*GBM, GBS, OBE, MA Cantab. (Economics & Law), Hon. DSc. (Imperial), Hon. DBA (Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCIArb, JP, 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, Officier 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69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系內其他公司的主席或董事，以及多個由董事會委任的委員會之主席或委員。

李爵士是香港立法會議員。他是銀行業務諮詢委員會的委員及財資市場公會的議會成員。李爵士是香港大學副校監、香港大學學生會經濟及工商管理學會名譽顧問及香港中文大學善衡學院諮議委員會成員。

李爵士是香港華商銀行公會有限公司及香港管理專業協會的主席。他是國際商會 — 中國香港區會名譽顧問及中國香港（地區）商會第一名譽主席。他亦是香港上市公司商會名譽會長。李爵士是香港銀行學會議會副會長，聖約瑟書院基金有限公司主席及 Australian International School 諮議會主席。他亦為 Cambridge Foundation 之名譽信託人及 Cambridge Overseas Trust 之信託人。李爵士是救世軍港澳軍區顧問委員會主席、聖雅各福群會執行委員會主席及香港紅十字會顧問團成員。他亦為香港僱主聯合會諮議會成員、李國寶慈善基金有限公司董事、鄉議局基金有限公司創會會員及執行委員會成員。

李爵士亦出任其他機構董事，計有：中國海外發展有限公司、中遠太平洋有限公司、Criteria CaixaCorp, S.A.、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、香港銀行同業結算有限公司、香港按揭證券有限公司、電訊盈科有限公司、香港生力啤酒廠有限公司、

## Biographical Details of Directors and Senior Management (continued)

Brewery Hong Kong Limited, SCMP Group Limited, Vitasoy International Holdings Limited, AFFIN Holdings Berhad and IMG Worldwide Inc. He was a director of AviChina Industry & Technology Company Limited, China Merchants China Direct Investments Limited and Dow Jones & Company, Inc.

Sir David is a member of the Board of Trustees of the Asia Society International Council and Asia Business Council, a member of Deutsche Bank Asia Pacific Advisory Board, and member of the Asian Youth Orchestra Board. He serves on the international advisory boards of Carlos P. Romulo Foundation for Peace and Development, Federal Reserve Bank of New York International Advisory Committee, Hospital for Special Surgery and Scripps International Network. Sir David is the Chairman of INSEAD East Asia National Council, the Non-executive Chairman for Edelman Asia-Pacific and a Senior Adviser of Metrobank.

Sir David is the brother of Professor Arthur Li Kwok-cheung, the nephew of Mr. Eric Li Fook-chuen, and the cousin of Mr. Aubrey Li Kwok-sing and Mr. Stephen Charles Li Kwok-sze.

### Mr. WONG Chung-hin

*CBE, JP*

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

Mr. Wong, aged 75, is a solicitor. He was appointed a Director in 1977. Mr. Wong is the Consultant of P.C. Woo & Co. He is also a Director of Hongkong Electric Holdings Limited and Hutchison Whampoa Limited.

Mr. Wong is the uncle of Dr. Allan Wong Chi-yun.

### Dr. LEE Shau-kee

*GBM, Hon. DBA, Hon. DSSc, Hon. LLD*

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

Dr. Lee, aged 80, was appointed a Director in 1987. He is the Chairman and Managing Director of Henderson Land Development Company Limited and Henderson Investment Limited. Dr. Lee is also the Chairman of The Hong Kong

and China Gas Company Limited and Miramar Hotel and Investment Company, Limited. He is the Vice Chairman of Sun Hung Kai Properties Limited and a Director of Hong Kong Ferry (Holdings) Company Limited.

### Dr. Allan WONG Chi-yun

*GBS, MBE, BSc, MSEE, Hon. DTech, JP*

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

Dr. Wong, aged 58, was appointed a Director in 1995. 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. and Li & Fung Ltd.

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.

Dr. Wong is the nephew of Mr. Wong Chung-hin.

### Mr. Aubrey LI Kwok-sing

*BSc, MBA*

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

Mr. Li, aged 59, was appointed a Director in 1995. He is Chairman of MCL Partners Limited. Mr. Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. He is also a Director of Cafe de Coral Holdings Limited, China Everbright International Limited, CNPC (Hong Kong) Limited, Kowloon Development Co. Ltd and Pokfulam Development Company Limited. He is the Chairman of Atlantis Asian Recovery Fund plc. He was a director of ABC Communications (Holdings) Limited and Value Partners China Greenchip Fund Limited.

Mr. Li is the nephew of Mr. Eric Li Fook-chuen, and the cousin of Dr. The Hon. Sir David Li Kwok-po, Professor Arthur Li Kwok-cheung and Mr. Stephen Charles Li Kwok-sze.

## 董事及高層管理人員的個人資料 (續)

SCMP集團有限公司、維他奶國際集團有限公司、AFFIN Holdings Berhad 及 IMG Worldwide Inc。他曾出任中國航空科技工業股份有限公司、招商局中國基金有限公司及道瓊斯公司之董事。

李爵士為 Asia Society International Council、Asia Business Council 信託委員會的委員、德意志銀行亞太諮議委員會成員及 Asian Youth Orchestra Board 成員。他亦是其他國際諮議委員會成員，計有：Carlos P. Romulo Foundation for Peace and Development、紐約聯邦儲備銀行國際顧問委員會、Hospital for Special Surgery 及 Scripps International Network。李爵士為法國 INSEAD 東亞區校董會主席，Edelman Asia-Pacific 的非執行主席以及 Metrobank 的資深顧問。

李爵士是李國章教授之胞兄、李福全先生之堂姪、李國星先生及李國仕先生之堂兄。

### 黃頌顯先生

*CBE, JP*

獨立非執行董事及審核委員會委員

黃先生，現年 75 歲，是律師。他在 1977 年獲委任為本行董事。黃先生為胡百全律師事務所顧問。他亦是香港電燈集團有限公司及和記黃埔有限公司之董事。

黃先生是黃子欣博士之叔父。

### 李兆基博士

*GBM, Hon. DBA, Hon. DSSc, Hon. LLD*

獨立非執行董事及提名委員會委員

李博士，現年 80 歲，在 1987 年獲委任為本行董事。他是恒基兆業地產有限公司及恒基兆業發展有限公司之主席兼

總經理、香港中華煤氣有限公司之主席、美麗華酒店企業有限公司董事長、新鴻基地產發展有限公司副主席及香港小輪(集團)有限公司之董事。

### 黃子欣博士

*GBS, MBE, BSc, MSEE, Hon. DTech, JP*

獨立非執行董事、薪酬委員會主席、審核委員會委員及提名委員會委員

黃博士，現年 58 歲，在 1995 年獲委任為本行董事。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及利豐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。

黃博士為黃頌顯先生之姪兒。

### 李國星先生

*BSc, MBA*

非執行董事、提名委員會委員及薪酬委員會委員

李先生，現年 59 歲，在 1995 年獲委任為本行董事。他是偉業資本有限公司主席。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、中國(香港)石油有限公司、九龍建業有限公司及博富臨置業有限公司之董事。他是 Atlantis Asian Recovery Fund plc. 之主席。他曾出任佳訊(控股)有限公司及 Value Partners China Greenchip Fund Limited 之董事。

李先生是李福全先生之堂姪、李國寶爵士及李國章教授之堂弟，以及李國仕先生之堂兄。



## Biographical Details of Directors and Senior Management (continued)

### 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 Non-executive Director*

Professor Li, aged 63, was a Director of the Bank (1995-2002) and was re-appointed a Director in January 2008. He is a director of AFFIN Holdings Berhad. He is also a member of the National Committee of the Chinese People's Political Consultative Conference.

Professor Li was the Secretary for Education and Manpower of the Government of HKSAR and a Member of the Executive Council (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 nephew of Mr. Eric Li Fook-chuen, and the cousin of Mr. Aubrey Li Kwok-sing and Mr. Stephen Charles Li Kwok-sze.

### Mr. Joseph PANG Yuk-wing

*BSSc, MBA, Hon. DSocSc, Hon. Fellow (CUHK), ACIB, FHKIB, JP Executive Director & Deputy Chief Executive*

Mr. Pang, aged 59, joined the Bank in 1973. He was appointed Alternate Chief Executive in 1991 and was promoted to General Manager in 1992. He was further

promoted to Deputy Chief Executive and was appointed a Director in 1995. He assists the Chief Executive in the overall management and control of the Group. Mr. Pang is also a director of various members of the Bank Group, and the chairman or a member of various committees appointed by the Board.

Mr. Pang is the Vice President of the Hong Kong Institute of Bankers. He is a panel member of the Securities and Futures Appeals Tribunal, a Lay Observer of Independent Police Complaints Council Observers Scheme and a Trustee of the Retirement Schemes of The University of Hong Kong.

### Dr. William MONG Man-wai

*GBS, Hon. DBA, Hon. LLD, Hon. DSSc, Hon. DEng, The Order of the Sacred Treasure, Gold Rays with Rosette Non-executive Director*

Dr. Mong, aged 81, was appointed a Director in 1995. He is the Chairman and Senior Managing Director of Shun Hing Group. Dr. Mong is the Honorary Chairman of Hong Kong Electrical Appliances Manufacturers Association. He is the Honorary Chairman of the Board of Trustee of Nanjing University, the Honorary Trustee of the Court of Tsinghua University, a Director of the Centre for Advanced Study Foundation of Tsinghua University, an Honorary Trustee of the Court of Peking University, and an Honorary Member of its Education Fund. Dr. Mong is an Honorary Member of the Board of Trustees of Shanghai Jiao Tong University, a Member of the Board of Directors of Jinan University in Guangdong, an Honorary Member of the Court of the Hong Kong University of Science and Technology and an Honorary Member of the Court of the Hong Kong Baptist University.

### Mr. Winston LO Yau-lai

*SBS, BSc, MSc Independent Non-executive Director, Chairman of the Audit Committee and Member of the Remuneration Committee*

Mr. Lo, aged 67, was appointed a Director in 2000. He is the Executive Chairman of Vitasoy International Holdings Limited. Mr. Lo is Member of the National Committee of the Chinese People's Political Consultative Conference and a Member to the Court of the Hong Kong University of Science and Technology. He is also the Vice President of the Council of Outward Bound Trust of Hong Kong. Mr. Lo is a Director of Ping Ping Investment Company Ltd.

## 董事及高層管理人員的個人資料（續）

### 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*  
非執行董事

李教授，現年63歲，曾任本行董事（1995–2002）及在2008年1月再獲委任為本行董事。他現為AFFIN Holdings Berhad董事。他亦是中國人民政治協商會議全國委員會委員。

李教授曾任香港特別行政區教育及統籌局局長以及行政會議成員（2002年至2007年6月）。在此之前，他亦曾出任香港中文大學校長（1996–2002），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、李福全先生之堂姪、李國星先生及李國仕先生之堂兄。

### 彭玉榮先生

*BSSc · MBA · Hon. DSocSc · Hon. Fellow (CUHK) · ACIB · FHKIB · JP*  
執行董事兼副行政總裁

彭先生，現年59歲，在1973年加入本行、1991年任替任行政總裁、1992年擢升為總經理、1995年再擢升為副行政總裁並獲委任為本行董事。他協助行政總裁處理本集團

之整體運作及管理。彭先生亦出任本集團系內其他公司的董事，以及多個由董事會委任的委員會之主席或委員。

彭先生是香港銀行學會副會長。他是證券及期貨事務上訴審裁處上訴委員、投訴警方獨立監察委員會觀察員及香港大學僱員退休金計劃信託人。

### 蒙民偉博士

*GBS · Hon. DBA · Hon. LLD · Hon. DSSc · Hon. DEng · 勳四等瑞寶章*  
非執行董事

蒙博士，現年81歲，在1995年獲委任為本行董事。蒙博士現為信興集團主席兼董事長，兼任香港電器製造業協會名譽主席。蒙博士為南京大學董事會名譽董事長、清華大學校董會名譽校董及清華大學高等研究中心基金會董事、北京大學校董會名譽校董及其教育基金會名譽理事、上海交通大學董事會名譽董事、暨南大學董事會董事、香港科技大學顧問委員會榮譽委員以及香港浸會大學諮議會榮譽委員。

### 羅友禮先生

*SBS · BSc · MSc*  
獨立非執行董事、審核委員會主席及薪酬委員會委員

羅先生，現年67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。羅先生是中國人民政治協商會議全國委員會委員及香港科技大學顧問委員會成員。他亦是香港外展信託基金會副會長。羅先生是平置置業有限公司董事。



## Biographical Details of Directors and Senior Management (continued)

### Tan Sri Dr. KHOO Kay-peng

*PSM, DPMJ, KMN, JP, Hon. DLitt, Hon. LLD*  
*Non-executive Director*

Tan Sri Dr. Khoo, aged 70, was appointed a Director in 2001. Dr. Khoo is the Chairman and Chief Executive of The MUI Group, a Malaysia-based corporation with diversified business operations in the Asia Pacific, the United States of America ("USA") and the United Kingdom ("UK"). He is the Chairman and Chief Executive of Malayan United Industries Berhad and MUI Properties Berhad in Malaysia. Dr. Khoo is also the Chairman of Laura Ashley Holdings plc and Corus Hotels Limited in UK, and Morning Star Resources Limited in Hong Kong. He is also a director of SCMP Group Limited in Hong Kong and Pan Malaysian Industries Berhad in Malaysia.

Dr. Khoo is a trustee of the Regent University, Virginia, USA, and a board member of Northwest University, Seattle, USA. He also serves as a Council Member of the Malaysian-British Business Council, the Malaysia-China Business Council and the Asia Business Council. Previously, Dr. Khoo had served as the Chairman of the Malaysian Tourist Development Corporation (a Government Agency), the Vice Chairman of Malayan Banking Berhad (Maybank) and a trustee of the National Welfare Foundation, Malaysia.

### Mr. Thomas KWOK Ping-kwong

*SBS, MSc (Bus Adm), BSc (Eng), FCPA, JP*  
*Independent Non-executive Director, Member of the Audit Committee and the Remuneration Committee*

Mr. Kwok, aged 57, was appointed a Director in 2001. Mr. Kwok is the Vice Chairman and Managing Director of Sun Hung Kai Properties Limited, Chairman of Route 3 (CPS) Company Limited, Joint Chairman of IFC Development Limited and an Executive Director of SUNeVision Holdings Ltd. He is the Chairman of the Board of Directors of the Faculty of Business and Economics of The University of Hong Kong and Executive Vice President of The Real Estate Developers Association of Hong Kong. He also serves as a government appointed Member of the Exchange Fund Advisory

Committee, Construction Industry Council, the Council for Sustainable Development and the Commission on Strategic Development. He is an Honorary Citizen of Guangzhou and Member to the Standing Committee of the Ninth Shanghai Municipal Committee of the Chinese People's Political Consultative Conference.

Mr. Kwok holds a Master's degree in Business Administration from The London Business School, University of London and a Bachelor's degree in Civil Engineering from Imperial College, University of London.

In the past, he served as a Member of the Economic and Employment Council, the Business Advisory Group, the Land & Building Advisory Committee, the Registered Contractors' Disciplinary Board, the General Chamber of Commerce Industrial Affairs Committee and Business Facilitation Advisory Committee. He was also Chairman of the Property Management Committee of the Building Contractors' Association and a Council Member of the Hong Kong Construction Association.

He previously served as a Board member of the Community Chest of Hong Kong and as a member of the Social Welfare Policies & Services Committee, and on the Council of The Open University of Hong Kong.

### Mr. Richard LI Tzar-kai

*Non-executive Director*

Mr. Li, aged 42, was appointed a Director in 2001. Mr. Li is the Chairman of PCCW Limited, one of Asia's leading companies in Information and Communications Technologies (ICT). He is also the Chairman and Chief Executive of the Pacific Century Group, the Chairman of Pacific Century Premium Developments Limited and Singapore-based Pacific Century Regional Developments Limited. He is a representative of Hong Kong, China to the Asia Pacific Economic Co-operation (APEC) Business Advisory Council, 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.

## 董事及高層管理人員的個人資料（續）

### 丹斯里邱繼炳博士

PSM · DPMJ · KMN · JP · Hon. DLitt · Hon. LLD

非執行董事

丹斯里邱博士，現年70歲，在2001年獲委任為本行董事。邱博士為MUI集團的董事主席兼行政總裁。MUI集團是一間業務多元化以馬來西亞為基地的企業集團，業務遍及亞太區、美國及英國。他亦是馬來西亞Malayan United Industries Berhad及MUI Properties Berhad之董事主席兼行政總裁。邱博士亦是英國羅拉雅斯里公共上市公司(Laura Ashley)、英國Corus Hotels Limited及香港星晨集團有限公司之董事會主席。他亦是香港SCMP集團有限公司及馬來西亞Pan Malaysian Industries Berhad之董事。

邱博士是美國維吉尼亞里貞大學之信託人，以及美國西雅圖西北大學的董事，亦是馬英商務理事會、馬中商務理事會及Asia Business Council的委員。邱博士曾任馬來西亞旅遊發展機構（一間政府機構）之主席、馬來亞銀行(Maybank)之副董事主席及馬來西亞國家福利基金之信託人。

### 郭炳江先生

SBS · MSc (Bus Adm) · BSc (Eng) · FCPA · JP

獨立非執行董事、審核委員會委員及薪酬委員會委員

郭先生，現年57歲，在2001年獲委任為本行董事。郭先生現為新鴻基地產發展有限公司副主席兼董事總經理，三號幹線（郊野公園段）有限公司主席、IFC Development Limited聯席主席及新意網集團有限公司執行董事。他是

香港大學經濟及工商管理學院理事會主席及香港地產建設商會第一副會長，並獲政府委任為外匯基金諮詢委員會委員、建造業議會成員、可持續發展委員會成員及策略發展委員會委員。郭先生為廣州市榮譽市民及第九屆中國人民政治協商會議上海市委員會常務委員。

郭先生持有英國倫敦大學工商管理碩士學位及倫敦大學帝國學院土木工程系學士學位。

他曾任經濟及就業委員會委員、營商諮詢小組成員、土地及建設諮詢委員會、註冊承建商懲戒處分委員會、香港總商會工業事務委員會委員及方便營商諮詢委員會委員。他並曾為建造商會物業管理委員會主席及香港建造商會幹事。

他亦曾出任香港公益金董事，以及社會福利政策及服務委員會及公開進修大學校董會之委員。

### 李澤楷先生

非執行董事

李先生，現年42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主席（該公司為亞洲領先的資訊及通訊科技公司之一）、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主席，以及新加坡盈科亞洲拓展有限公司主席。他是亞太區經濟合作組織商貿諮詢理事會中國香港的代表，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。

## Biographical Details of Directors and Senior Management (continued)

### Mr. Kenneth LO Chin-ming

MA, BA

*Independent Non-Executive Director and Member of the Audit Committee*

Mr. Lo, aged 66, was appointed a Director in 2005. Mr. Lo is the Chairman and Chief Executive Officer of the Industrial Bank of Taiwan, the Chairman of IBT Venture Co. and the Honourable Chairman of the Chailease Group. He is also a Director of Boston Life Science Venture Corp., a Director of Taiwan Cement Corp. and a Director of Gainwell Securities Co., Ltd. (Hong Kong). He has been with the banking and finance industry for over 40 years and had abundant experience in securities, trust, leasing, commercial banking, investment banking and venture capital. He was the President of Chinatrust Commercial Bank, the President of Chailease Group, the Vice Chairman of China Trust Bank (USA), the Managing Director of International Bank of Taipei, and a Director of Hua Nan Commercial Bank.

In addition to his highly recognized professional accomplishments, Mr. Lo is also active in public service. He is the Vice Chairman of the Chinese National Association of Industry and Commerce, the Director of the ROC Bankers Association, a member of Asia Executive Board of the Sloan School of Business at the Massachusetts Institute of Technology, and a member of the National Palace Museum Advisory Committee and Taipei Fine Arts Museum Advisory Committee. He was the President of Asian Leasing Association, the Charter Chairman of Taipei Presidents' Organization, and the Supervisor of the ROC Bankers Association.

Mr. Lo holds a B.A. in Economics from National Taiwan University and an M.A. in Finance from the University of Alabama.

### Mr. Eric LI Fook-chuen

BScEE, MScEE, MBA, FIM

*Non-Executive Director, Chairman of the Nomination Committee and Member of the Remuneration Committee*

Mr. Li, aged 79, was appointed a Director in 2006. Mr. Li is a non-executive director of BEA Life Limited and Blue Cross (Asia-Pacific) Insurance Limited, both are wholly-owned subsidiaries of the Bank. Mr. Li is

currently the Chairman and Chief Executive Officer of the Kowloon Dairy Limited. He is a director of Joyce Boutique Holdings Limited.

Mr. Li holds a Bachelor of Science Degree in Electrical Engineering from the University of Arkansas, U.S.A., a Master of Science Degree in Electrical Engineering from the University of Michigan, U.S.A., and a Master Degree in Business Administration from the University of California, U.S.A. He is also a Fellow of the Chartered Management Institute.

Mr. Li is the uncle of Dr. The Hon. Sir David Li Kwok-po, Mr. Aubrey Li Kwok-sing, Professor Arthur Li Kwok-cheung and Mr. Stephen Charles Li Kwok-sze.

### Mr. Stephen Charles LI Kwok-sze

BSc (Hons.), ACA

*Non-executive Director*

Mr. Li, aged 49, 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 currently holds directorships in several funds managed by INTL Consilium, LLC. 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 the nephew of Mr. Eric Li Fook-chuen, and the cousin of Dr. The Hon. Sir David Li Kwok-po, Mr. Aubrey Li Kwok-sing and Professor Arthur Li Kwok-cheung.

### Mr. William DOO Wai-hoi

BSc, MSc, G.G., JP

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

Mr. Doo, aged 64, was appointed a Director in January 2008. He is currently the vice-chairman of New World China Land Limited, the deputy chairman of NWS Holdings Limited and Taifook Securities Group Limited. He is an executive director of Lifestyle International Holdings Limited, a director of New World Hotels (Holdings) Limited and Fung Seng Diamond Company Limited. He was an executive director of New World Mobile Holdings Ltd.

## 董事及高層管理人員的個人資料 (續)

### 駱錦明先生

MA · BA

獨立非執行董事及審核委員會委員

駱先生，現年66歲，在2005年獲委任為本行董事。他現為台灣工業銀行董事長，也是台灣工銀創投公司的董事長和中租企業集團榮譽董事長，並擔任波士頓生物科技創投公司董事、台灣水泥公司董事和香港敬威證券公司董事。他在金融業的資歷超過40年以上，在證券、信託金融、租賃、商業銀行、投資銀行及創業投資領域具備豐富之經驗。駱先生曾任中國信託商業銀行總經理、中租企業集團總經理、美國中信銀行副董事長、台北國際商業銀行常務董事、華南商業銀行董事，為深受業界敬重之資深金融家。

駱先生除專業素養備受推崇，亦十分熱心公益服務，目前擔任中華民國工商協進會副理事長、中華民國銀行公會理事、美國麻省理工學院史隆管理學院亞洲區執行委員會委員、國立故宮博物院指導委員及台北市立美術館諮詢委員。曾任亞洲租賃協會會長、台北總裁協會創會會長、中華民國銀行公會監事。

駱先生為台灣大學經濟學士、美國阿拉巴馬州立大學商學碩士。

### 李福全先生

BScEE · MScEE · MBA · FIM

非執行董事、提名委員會主席及薪酬委員會委員

李先生，現年79歲，在2006年獲委任為本行董事。李先生亦是本行全資附屬公司——東亞人壽保險有限公司及藍十字(亞太)保險有限公司非執行董事。他現為九龍維記牛

奶有限公司主席兼行政總裁。他是Joyce Boutique Holdings Limited的董事。

李先生持有美國阿肯色大學電機工程理學士學位、美國密歇根大學電機工程理碩士學位及美國加州大學工商管理碩士學位。他亦是特許管理學會的資深會員。

李先生是李國寶爵士、李國星先生、李國章教授及李國仕先生之堂叔父。

### 李國仕先生

BSc (Hons.) · ACA

非執行董事

李先生，現年49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。他現為INTL Consilium, LLC 所管理的數個基金的董事。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。

李先生是李福全先生之堂姪、李國寶爵士、李國星先生及李國章教授之堂弟。

### 杜惠愷先生

BSc · MSc · G.G. · JP

獨立非執行董事及審核委員會委員

杜先生，現年64歲，在2008年1月獲委任為本行董事。他現為新世界中國地產有限公司、新創建集團有限公司及大福證券集團有限公司副主席，他亦為利福國際集團有限公司執行董事，以及新世界酒店(集團)有限公司和豐盛珠寶有限公司董事。他曾擔任新世界移動控股有限公司執行董事。

## Biographical Details of Directors and Senior Management (continued)

Mr. Doo is Member to the Standing Committee of the Eleventh Shanghai Municipal Committee of the Chinese People's Political Consultative Conference and Convenor of the Hong Kong and Macau Members. He is a Governor of the Canadian Chamber of Commerce in Hong Kong and the Honorary Consul of the Kingdom of Morocco in Hong Kong.

Mr. Doo holds a Degree of Bachelor of Science from the University of Toronto, Canada and a Master Degree in Science from the University of California, U.S.A. He also holds a Diploma of Graduate Gemologist from the Gemologist Institute of America.

### Mr. KUOK Khoon-ean

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

Mr. Kuok, aged 53, was appointed a Director in January 2008. He is currently the chairman and executive director of Shangri-La Asia Limited, a non-executive director of SCMP Group Limited, a director of Kerry Group Limited and Kerry Holdings Limited. Mr. Kuok is also a director of Wilmar International Limited listed in Singapore and a director of The Post Publishing Public Company Limited listed in Thailand.

Mr. Kuok is a trustee of Singapore Management University. Mr. Kuok is a graduate in Economics from the Nottingham University, U.K.

### Mr. Valiant CHEUNG Kin-piu

*FCCA, FCA*

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

Mr. Cheung, aged 63, was a partner at KPMG, a leading international accounting firm in Hong Kong, until his retirement in 2001. He has extensive experience in assurance and corporate finance work, particularly in trading and manufacturing corporations in Hong Kong and the PRC. Mr. Cheung is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

Mr. Cheung is an independent non-executive director of Pacific Century Premium Developments Limited and Dah Chong Hong Holdings Limited. He was an independent non-executive director of Dream International Limited and Wing Shan International Limited.

Mr. Cheung is currently an independent non-executive director, the chairman of the audit committee and the chairman of the Connected Transactions Control Committee of The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank.

## SENIOR MANAGEMENT

### Mr. Samson LI Kai-cheong

*FCCA, CPA, FCIS, FCS, HKSI*

*General Manager & Head of Investment Banking Division*

Mr. Li, aged 48, joined the Bank in 1987 as Chief Internal Auditor. He was promoted to Assistant General Manager in 1992 and Deputy General Manager in 1995. Mr. Li has been a General Manager of the Bank since 1997. He is currently the Head of the Investment Banking Division 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. He is an Independent Non-executive Director and the Chairman of Audit Committee of China Merchants China Direct Investment Limited.

### Mr. Daniel WAN Yim-keung

*BBA, MBA, FCCA, FCPA, ACA, CPM (HK)*

*General Manager & Head of Strategic Planning & Control Division, Group Chief Financial Officer and Chief Compliance Officer*

Mr. Wan, aged 50, joined the Bank in 1989 as Chief Internal Auditor. He was promoted to Assistant General Manager in 1992 and Deputy General Manager in 1995. He was appointed Group Chief Financial Officer in 1995. Mr. Wan has been a General Manager of the Bank since 1997. He is currently the Head of Strategic Planning & Control Division 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.



## 董事及高層管理人員的個人資料（續）

杜先生現為第11屆中國人民政治協商會議上海市委員會常務委員及港澳委員召集人。他現為香港加拿大商會總監，並獲摩洛哥王國委任為香港名譽領事。

杜先生持有加拿大多倫多大學理學士學位及美國加州大學理學碩士學位，以及Gemologist Institute of America寶石學研究生文憑。

### 郭孔演先生

獨立非執行董事及審核委員會委員

郭先生，現年53歲，在2008年1月獲委任為本行董事。他現為香格里拉（亞洲）有限公司主席及執行董事，以及SCMP集團有限公司非執行董事、Kerry Group Limited和Kerry Holdings Limited的董事。郭先生亦為新加坡上市公司Wilmar International Limited的董事以及泰國上市公司The Post Publishing Public Company Limited的董事。

郭先生為新加坡管理大學的校董會成員。郭先生畢業於英國Nottingham University經濟系。

### 張建標先生

FCCA · FCA

獨立非執行董事及審核委員會委員

張先生，63歲，於2001年退休前，為香港著名國際會計師事務所畢馬威會計師事務所之合夥人。張先生在審計及企業財務工作方面具備豐富經驗，尤其擅長處理香港及中國內地的貿易及生產公司的事項。張先生是英格蘭及威爾斯特許會計師公會及香港會計師公會的資深會員。

張先生現任盈科大衍地產發展有限公司及大昌行集團有限公司之獨立非執行董事。他曾出任德林國際有限公司及榮山國際有限公司之獨立非執行董事。

張先生現為本行全資附屬公司——東亞銀行（中國）有限公司之獨立非執行董事、審核委員會及關聯交易控制委員會主席。

## 高層管理人員

### 李繼昌先生

FCCA · CPA · FCIS · FCS · HKSI

總經理兼投資銀行處主管

李先生，現年48歲，在1987年加入本行為總內部稽核，1992年擢升為助理總經理及1995年擢升為副總經理。李先生在1997年至今任本行總經理。他現為本行投資銀行處主管。他亦出任本集團系內其他公司的董事，以及多個由董事會委任的委員會之委員。他是招商局中國基金有限公司的獨立非執行董事及審計委員會主席。

### 尹焯強先生

BBA · MBA · FCCA · FCPA · ACA · CPM (HK)

總經理兼策劃及調控處主管、集團財務總監及法規監管總監

尹先生，現年50歲，在1989年加入本行為總內部稽核，1992年擢升為助理總經理及1995年擢升為副總經理。他在1995年獲委任為集團財務總監。尹先生在1997年至今任本行總經理。他現為本行策劃及調控處主管。他亦出任本集團系內其他公司的董事，以及多個由董事會委任的委員會之委員。

# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Dr. The Hon. Sir David LI Kwok-po  
(Chairman & Chief Executive)

Mr. Joseph PANG Yuk-wing  
(Executive Director & Deputy Chief Executive)

#### Non-executive Directors

Mr. Aubrey LI Kwok-sing  
Professor Arthur LI Kwok-cheung  
Dr. William MONG Man-wai  
Tan Sri Dr. KHOO Kay-peng  
Mr. Richard LI Tzar-kai  
Mr. Eric LI Fook-chuen  
Mr. Stephen Charles LI Kwok-sze

#### Independent Non-executive Directors

Mr. WONG Chung-hin  
Dr. LEE Shau-kee  
Dr. Allan WONG Chi-yun  
Mr. Winston LO Yau-lai  
Mr. Thomas KWOK Ping-kwong  
Mr. Kenneth LO Chin-ming  
Mr. William DOO Wai-hoi  
Mr. KUOK Khoon-ean  
Mr. Valiant CHEUNG Kin-piu

### GENERAL MANAGERS

Mr. Samson LI Kai-cheong *FCCA, CPA, FCIS, FCS, HKSI*  
*Investment Banking Division*

Mr. Daniel WAN Yim-keung *BBA, MBA, FCCA, FCPA, ACA, CPM (HK)*  
*Strategic Planning & Control Division*

Mr. TONG Hon-shing *BSc, ACIB, AHKIB, FCIS, FCS*  
*Personal Banking Division*

Mr. Adrian David LI Man-kiu *MA (Cantab), MBA, LPC*  
*Corporate Banking Division*

Mr. Brian David LI Man-bun *MA (Cantab), MBA, ACA*  
*Wealth Management Division*

Mr. CHAN Shuen-yuk *BA*  
*Operations Support Division*

### COMPANY SECRETARY

Ms. Molly HO Kam-lan *FCIS, FCS*

### AUDITORS

KPMG  
*Certified Public Accountants*

### 董事會

#### 執行董事

李國寶爵士  
(主席兼行政總裁)

彭玉榮先生  
(執行董事兼副行政總裁)

#### 非執行董事

李國星先生  
李國章教授  
蒙民偉博士  
丹斯里邱繼炳博士  
李澤楷先生  
李福全先生  
李國仕先生

#### 獨立非執行董事

黃頌顯先生  
李兆基博士  
黃子欣博士  
羅友禮先生  
郭炳江先生  
駱錦明先生  
杜惠愷先生  
郭孔演先生  
張建標先生

### 總經理

李繼昌先生  
*投資銀行處*

尹焯強先生  
*策劃及調控處*

唐漢城先生  
*個人銀行處*

李民橋先生  
*企業銀行處*

李民斌先生  
*財富管理處*

陳選玉先生  
*營運支援處*

### 公司秘書

何金蘭女士

### 核數師

畢馬威會計師事務所  
*執業會計師*

# LIST OF BRANCHES

## 分行一覽



### 1 The Head Office – Hong Kong 香港 — 總行

#### CHINA 中國

2	Beijing	北京
3	Urumqi	烏魯木齊
4	Shenyang	瀋陽
5	Dalian	大連
6	Tianjin	天津
7	Qingdao	青島
8	Suzhou	蘇州
9	Shanghai	上海
10	Hangzhou	杭州
11	Xi'an	西安
12	Nanjing	南京
13	Hefei	合肥

14	Wuhan	武漢
15	Chengdu	成都
16	Chongqing	重慶
17	Fuzhou	福州
18	Xiamen	廈門
19	Guangzhou	廣州
20	Dongguan	東莞
21	Shenzhen	深圳
22	Zhuhai	珠海
23	Macau	澳門
24	Taipei	台北
25	Kaohsiung	高雄

#### OVERSEAS 海外

26	British Columbia	英屬哥倫比亞
27	Ontario	安大略
28	San Francisco	三藩市
29	Los Angeles	洛杉磯
30	New York	紐約
31	British Virgin Islands	英屬處女群島
32	Birmingham	伯明翰
33	London	倫敦

#### SOUTHEAST ASIA 東南亞

34	Kuala Lumpur	吉隆坡
35	Singapore	新加坡
36	Labuan	納閩

List of Branches (continued)



## 分行一覽 (續)

### HONG KONG BRANCH NETWORK 香港分行網絡

#### S 1 Main Branch 總行

##### Hong Kong Branches 香港分行

S 2	Aberdeen	香港仔
S 3	BEA Harbour View Centre	東亞銀行 港灣中心
4	Bonham Road	般含道
5	Caine Road	堅道
S 6	Causeway Bay	銅鑼灣
7	Central	中區
8	Chai Wan	柴灣
9	88 Des Voeux Road West	德輔道西 88號
S 10	Happy Valley	跑馬地
S 11	399 Hennessy Road	軒尼詩道 399號
12	Kennedy Town Centre	堅城中心
13	King's Road	英皇道
14	Lei Tung Estate	利東邨
S 15	North Point	北角
16	Quarry Bay	鯉魚涌
S 17	Queen's Road Central	皇后大道中
S 18	Queen's Road East	皇后大道東
19	Sai Wan Ho	西灣河
S 20	Shaukiwan	筲箕灣
S 21	Sheung Wan	上環
22	Siu Sai Wan	小西灣
S 23	Taikoo Shing	太古城
S 24	The University of Hong Kong	香港大學
S 25	United Centre	統一中心
S 26	Wanchai	灣仔

##### Kowloon Branches 九龍分行

27	Amoy Plaza	淘大商場
S 28	Castle Peak Road	青山道
29	Cheung Sha Wan Road	長沙灣道

S 30	Chuk Yuen Estate	竹園邨
S 31	East Tsim Sha Tsui	尖東
32	Festival Walk	又一城
S 33	Hoi Yuen Road	開源道
34	Hong Kong Baptist University	香港浸會 大學
S 35	Jordan	佐敦
36	Kowloon City	九龍城
S 37	Kowloon Station	九龍站
S 38	Kwun Tong	觀塘
39	Laguna City	麗港城
S 40	Langham Place	朗豪坊
41	Lok Fu Estate	樂富邨
S 42	Ma Tau Wei Road	馬頭圍道
S 43	Mei Foo Sun Chuen	美孚新邨
44	Metropolis	國際都會
45	Millennium City 5	創紀之城五期
S 46	Mongkok	旺角
S 47	Mongkok North	旺角北
48	Olympian City	奧海城
S 49	One Peking	北京道一號
S 50	Pau Chung Street	炮仗街
S 51	Prince Edward	太子
S 52	San Po Kong	新蒲崗
S 53	Tai Hang Tung	大坑東
54	The Hong Kong Polytechnic University	香港理工 大學
55	Tokwawan	土瓜灣
S 56	Tsim Sha Tsui	尖沙咀
57	Tsz Wan Shan	慈雲山
58	Waterloo Road	窩打老道
59	Whampoa Garden	黃埔花園
S 60	Wong Tai Sin	黃大仙
S 61	Yaumatei	油麻地

#### New Territories Branches 新界分行

62	East Point City	東港城
63	Fanling	粉嶺
S 64	Ha Kwai Chung	下葵涌
65	Lingnan University	嶺南大學
66	Ma On Shan Plaza	馬鞍山廣場
S 67	Metro City Plaza	新都城中心
68	Park Central	將軍澳中心
S 69	Sai Kung	西貢
S 70	Shatin Plaza	沙田廣場
71	Sheung Kwai Chung	上葵涌
S 72	Sheung Shui	上水
73	Sun Chui Estate	新翠邨
74	Tai Po	大埔
S 75	Tai Po Plaza	大埔廣場
S 76	Tai Wai	大圍
77	The Chinese University of Hong Kong	香港中文 大學
S 78	Tin Shui Wai	天水圍
79	Tiu Keng Leng	調景嶺
80	The Hong Kong Institute of Education	香港教育 學院
S 81	The Hong Kong University of Science and Technology	香港科技大學
82	Tsing Yi Garden	青怡花園
S 83	Tsuen Wan	荃灣
84	Tuen Mun	屯門
S 85	Tuen Mun Town Plaza	屯門市廣場
S 86	Yuen Long	元朗

#### Outlying Islands Branches 離島分行

87	Cheung Chau	長洲
88	Fu Tung Estate	富東邨
89	Silvermine Bay	梅窩
90	Tai O	大澳

S With SupremeGold Centre  
設有顯卓理財中心



## List of Branches (continued)

### CHINA BRANCH NETWORK 中國分行網絡

### Telephone 電話

The Bank of East Asia (China) Limited	東亞銀行(中國)有限公司	(86 21) 3866 3866
• Beijing Branch	• 北京分行	(86 10) 6554 3110
• Beijing Yabaolu Sub-Branch	• 北京雅寶路支行	(86 10) 8563 6566
• Beijing Wangjing Sub-Branch	• 北京望京支行	(86 10) 8472 0036
• Beijing Zhongguancun Sub-Branch	• 北京中關村支行	(86 10) 6268 2151
• Shanghai Branch	• 上海分行	(86 21) 3883 4567
• Shanghai Puxi Sub-Branch	• 上海浦西支行	(86 21) 6329 7338
• Shanghai Gubei Sub-Branch	• 上海古北支行	(86 21) 6208 0333
• Shanghai Xintiandi Sub-Branch	• 上海新天地支行	(86 21) 5382 0333
• Shanghai Xujiahui Sub-Branch	• 上海徐家匯支行	(86 21) 6469 0333
• Shanghai Jing'an Sub-Branch	• 上海靜安支行	(86 21) 6258 0333
• Shanghai Changning Sub-Branch	• 上海長寧支行	(86 21) 5241 8333
• Shanghai Dongfang Road Sub-Branch	• 上海東方路支行	(86 21) 5873 8333
• Shanghai Lianyang Sub-Branch	• 上海聯洋支行	(86 21) 3392 7333
• Dalian Branch	• 大連分行	(86 411) 8280 8222
• Dalian Huafu Sub-Branch	• 大連華府支行	(86 411) 8370 8333
• Dalian ETDZ Sub-Branch	• 大連開發區支行	(86 411) 3920 3920
• Dalian Xing Hai Bay Sub-Branch	• 大連星海灣支行	(86 411) 3960 3960
• Xi'an Branch	• 西安分行	(86 29) 8765 1188
• Xi'an Beidajie Sub-Branch	• 西安北大街支行	(86 29) 8720 1608
• Xi'an Xidajie Sub-Branch	• 西安西大街支行	(86 29) 8725 6969
• Xi'an Hi-Tech District Sub-Branch	• 西安高新區支行	(86 29) 8833 9955
• Xi'an Economic and Technological Development Zone Sub-Branch	• 西安經濟技術開發區支行	(86 29) 8655 1188
• Xiamen Branch	• 廈門分行	(86 592) 585 0512
• Xiamen Jiahe Sub-Branch	• 廈門嘉禾支行	(86 592) 507 8383
• Xiamen Hexiang Sub-Branch	• 廈門禾祥支行	(86 592) 296 6565
• Xiamen Xiada Sub-Branch	• 廈門廈大支行	(86 592) 257 5353
• Xiamen Lianqian Sub-Branch	• 廈門蓮前支行	(86 592) 598 7171
• Guangzhou Branch	• 廣州分行	(86 20) 8755 1138
• Guangzhou Huanshilu Sub-Branch	• 廣州環市路支行	(86 20) 8386 0338
• Guangzhou Panyu Sub-Branch	• 廣州番禺支行	(86 20) 8482 8100
• Guangzhou Huadu Sub-Branch	• 廣州花都支行	(86 20) 3680 8800
• Guangzhou Haizhu Sub-Branch	• 廣州海珠支行	(86 20) 8910 5380
• Guangzhou Development District Sub-Branch	• 廣州開發區支行	(86 20) 6225 7100
• Guangzhou Bin Jiang Dong Sub-Branch	• 廣州濱江東支行	(86 20) 8932 2330
• Shenzhen Branch	• 深圳分行	(86 755) 8203 2313
• Shenzhen Luohu Sub-Branch	• 深圳羅湖支行	(86 755) 8228 0182
• Shenzhen Nanshan Sub-Branch	• 深圳南山支行	(86 755) 8621 1882
• Shenzhen BaoAn Sub-Branch	• 深圳寶安支行	(86 755) 2966 3133
• Shenzhen Longgang Sub-Branch	• 深圳龍崗支行	(86 755) 8481 5111
• Shenzhen Longhua Sub-Branch	• 深圳龍華支行	(86 755) 2811 3000
• Shenzhen Huaqiangbei Sub-Branch	• 深圳華強北支行	(86 755) 8376 3299
• Shenzhen Futian Sub-Branch	• 深圳福田支行	(86 755) 2533 4488
• Zhuhai Branch	• 珠海分行	(86 756) 889 6883
• Zhuhai Jida Sub-Branch	• 珠海吉大支行	(86 756) 321 0928
• Zhuhai Ningxi Sub-Branch	• 珠海寧溪支行	(86 756) 231 9522
• Zhuhai Xin Xiangzhou Sub-Branch	• 珠海新香洲支行	(86 756) 260 1600
• Chengdu Branch	• 成都分行	(86 28) 8620 2020
• Chengdu Jincheng Sub-Branch	• 成都錦城支行	(86 28) 8626 5050
• Chengdu Yulin Sub-Branch	• 成都玉林支行	(86 28) 8513 2000
• Chongqing Branch	• 重慶分行	(86 23) 6388 6388
• Chongqing Shapingba Sub-Branch	• 重慶沙坪壩支行	(86 23) 6530 0288
• Chongqing Jiangbei Sub-Branch	• 重慶江北支行	(86 23) 6771 0788

## 分行一覽 (續)

• Chongqing Jiefangbei Sub-Branch	• 重慶解放碑支行	(86 23) 6310 7929
• Hangzhou Branch	• 杭州分行	(86 571) 8981 2288
• Hangzhou Wenhuilu Sub-Branch	• 杭州文暉路支行	(86 571) 8835 1131
• Qingdao Branch	• 青島分行	(86 532) 8197 8888
• Qingdao Xiang Gang Zhong Road Sub-Branch	• 青島香港中路支行	(86 532) 6688 7888
• Shenyang Branch	• 瀋陽分行	(86 24) 3128 0300
• Shenyang Wu'ai Sub-Branch	• 瀋陽五愛支行	(86 24) 3129 0300
• Wuhan Branch	• 武漢分行	(86 27) 8226 1668
• Nanjing Branch	• 南京分行	(86 25) 8689 9988
• Tianjin Branch	• 天津分行	(86 22) 2836 2288
• Urumqi Branch	• 烏魯木齊分行	(86 991) 236 4888
• Hefei Branch	• 合肥分行	(86 551) 566 3888
Shanghai Branch	上海分行	(86 21) 3883 4567
Fuzhou Representative Office	福州代表處	(86 591) 8780 9306
Suzhou Representative Office	蘇州代表處	(86 512) 6763 0128
Dongguan Representative Office	東莞代表處	(86 769) 2280 8186
Macau Branch	澳門分行	(853) 2833 5511
Macau Horta e Costa Sub-Branch	澳門高士德支行	(853) 2821 0858
Macau Praia Grande Sub-Branch	澳門南灣支行	(853) 2837 0661
Macau Taipa Sub-Branch	澳門氹仔支行	(853) 2883 0166
Taipei Branch	台北分行	(886 2) 2545 5638
Kaohsiung Branch	高雄分行	(886 7) 225 1357

## OVERSEAS BRANCH NETWORK 海外分行網絡

## Telephone 電話

Birmingham Branch	伯明翰分行	(44 121) 326 3030
Labuan Branch	納閩分行	(60 87) 451 145
London Branch	倫敦分行	(44 20) 7734 3434
Los Angeles Branch	洛杉磯分行	(1 626) 656 8818
New York Branch	紐約分行	(1 212) 238 8200
New York Wholesale Branch	紐約企業分行	(1 212) 238 8200
Singapore Branch	新加坡分行	(65) 6224 1334
The Bank of East Asia (BVI) Limited	東亞銀行(英屬處女群島)有限公司	(1 284) 495 5588
The Bank of East Asia (Canada)	加拿大東亞銀行	(1 905) 882 8182
• Richmond Hill Main Branch	• 烈治文山總行	(1 905) 882 8182
• Markham Branch	• 萬錦分行	(1 905) 940 2218
• Mississauga Branch	• 密西沙加分行	(1 905) 890 2388
• Richmond Branch, Vancouver	• 溫哥華烈治文分行	(1 604) 278 9668
• Scarborough Branch	• 士嘉堡分行	(1 416) 298 6883
• Vancouver City Branch	• 溫哥華市分行	(1 604) 709 9668
The Bank of East Asia (U.S.A.) N.A.	美國東亞銀行	(1 212) 238 8208
• Canal Street Main Branch	• 堅尼路總行	(1-212) 238 8208
• Alhambra Branch	• 亞罕布拉市分行	(1-626) 300 8888
• Brooklyn Branch	• 布碌崙分行	(1-718) 210 0508
• Clement Branch	• 三藩市企李文分行	(1-415) 668 8877
• Flushing Branch	• 法拉盛分行	(1-347) 905 9772
• Hacienda Heights Branch	• 哈仙達崗分行	(1-626) 965 3938
• Noriega Branch	• 三藩市諾利加分行	(1-415) 665 8877
• Oakland Branch	• 屋崙分行	(1-510) 208 2140
• San Francisco Chinatown Branch	• 三藩市華埠分行	(1-415) 352 6900
• San Gabriel Branch	• 聖蓋博分行	(1-626) 656 0880
• South San Francisco Branch	• 南三藩市分行	(1-650) 872 9700
• Temple City Branch	• 天普市分行	(1-626) 656 8888
• Torrance Branch	• 托倫斯市分行	(1-310) 802 7388
Kuala Lumpur Representative Office	吉隆坡代表處	(60 3) 2161 6210

# CORPORATE GOVERNANCE REPORT

Being the largest independent local bank in Hong Kong, the Bank is committed to maintaining the highest corporate governance standards. The Board considers such commitment essential in balancing the interests of shareholders, customers and employees; and in upholding accountability and transparency.

The Bank has complied with all the Code Provisions set out in Appendix 14 Code on Corporate Governance Practices (the "Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the accounting year ended 31st December, 2008, except for a deviation from Code Provision A.2.1 of the Code, and non-compliance with Rules 3.10(2) and 3.21 of the Listing Rules during the period from 15th August, 2008 to 14th December, 2008. Details are explained under "Board Composition" in section A below.

The Bank has also complied with the module on "Corporate Governance of Locally Incorporated Authorized Institutions" under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority.

## A. 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.

Board meetings are held at least 6 times a year at approximately bi-monthly intervals. In addition, special Board meetings are held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors.

Directors are consulted on matters to be included in the agenda for regular Board meetings.

Dates of regular Board 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.

Directors have access to the advice and services of the Company Secretary to ensure that Board procedures and all applicable rules and regulations are followed.

Minutes of the meetings of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee are kept by the Company Secretary. Minutes of the meetings of other Board Committees (as listed under Board Committees under section D) are kept by the appointed secretary of each Committee. Minutes are open for inspection at any reasonable time on reasonable notice by any Director.

Minutes of the meetings of the Board and Board Committees record in sufficient detail the matters considered by the Board and the Committees, decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes of the meetings are sent to Directors for their comment and record respectively, in the case of Board meetings, normally within a week whilst in the case of the Audit Committee, the Remuneration Committee and the Nomination Committee, within a reasonable period, after the meetings are held.

The Bank has established a *Policy on Obtaining Independent Professional Advice by Directors* to enable the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Bank's expense to assist the relevant Director or Directors to discharge his/their duties to the Bank Group.

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) but a Board meeting shall be held. Independent Non-executive Directors who, and whose associates, have no material interest in the transaction shall be present at such Board meeting.

The Bank has in place Directors & Officers Liability and Company Reimbursement Insurance to protect the Directors and officers of the Bank and its subsidiaries 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 Bank.

# 企業管治報告

本行作為本港最大的獨立本地銀行，致力維持最高的企業管治標準。董事會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。

本行於截至2008年12月31日止會計年度內偏離守則條文A.2.1，以及於2008年8月15日至2008年12月14日期間未能符合《香港聯合交易所有限公司證券上市規則》(《上市規則》)第3.10(2)條及第3.21條的規定外，本行已遵守《上市規則》附錄14「企業管治常規守則」(「守則」)中的全部守則條文。該等偏離行為已在下列A項下「董事會組成」一欄作出解釋。

本行亦已遵守香港金融管理局所發出之監管手冊內的《本地註冊認可機構的企業管治》指引。

## A. 董事

### 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。

董事會會議每年召開最少6次，大約每兩個月一次。此外，會在有需要時召開董事會特別會議。此等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。

董事會定期會議議程之事項，經諮詢董事後釐定。

董事會定期會議的日期在前一年已安排，以讓所有董事皆有機會騰空出席。至於董事會特別會議，則發出合理通知召開。

所有董事都可獲得公司秘書的意見和服務，確保董事會程序及所有適用規則及規例均獲得遵守。

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。其他董事會轄下委員會(列於D段董事會轄下委員會項下)的會議記錄則由各個委員會正式委任的秘書備存。若董事發出合理通知，會公開有關會議記錄供其在任何合理時段查閱。

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作足夠詳細的記錄，其中包括董事提出的任何疑慮或表達的反對意見。會議記錄的初稿及最終定稿會發送董事，初稿供董事表達意見，最後定稿則作其記錄之用。董事會會議的記錄，通常在會議後的一周內發出，而審核委員會、薪酬委員會及提名委員會的會議記錄則通常在會議後的合理期間內發出。

董事會已建立一套董事諮詢獨立專業意見政策，讓董事按合理要求，可在適當的情況下尋求獨立專業意見，以協助有關董事履行其對本集團的責任，費用由本行支付。

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，有關事項不會以傳閱文件方式處理或交由轄下委員會處理(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利益的獨立非執行董事會出席有關的董事會會議。

本行已購買董事和職員責任及公司償還保險，以保障本行及其附屬公司的董事及員工，因其以本行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。

## Corporate Governance Report (continued)

### Directors' attendance records

Attendance records of the Directors at Board Meetings (BM), Audit Committee Meetings (ACM), Remuneration Committee Meeting (RCM), Nomination Committee Meeting (NCM) and Annual General Meeting (AGM) held in 2008 are as follows:

	Number of meetings attended/held during the Directors' terms of office in 2008				
	BM	ACM	RCM	NCM	AGM
<i>Executive Directors:</i>					
David LI Kwok-po (Chairman & Chief Executive)	8/8	N/A	N/A	1/1	1/1
Joseph PANG Yuk-wing (Deputy Chief Executive)	8/8	N/A	N/A	N/A	1/1
<i>Non-executive Directors:</i>					
LI Fook-wo (retired on 17th April, 2008)	2/2	N/A	N/A	N/A	1/1
Aubrey LI Kwok-sing	8/8	N/A	1/1	1/1	1/1
Arthur LI Kwok-cheung (appointed on 10th January, 2008)	5/8	N/A	N/A	N/A	0/1
William MONG Man-wai	5/8	N/A	N/A	N/A	0/1
KHOO Kay-peng	6/8	N/A	N/A	N/A	1/1
Richard LI Tzar-kai	6/8	N/A	N/A	N/A	0/1
Eric LI Fook-chuen	8/8	N/A	1/1	1/1	1/1
Stephen Charles LI Kwok-sze	7/8	N/A	N/A	N/A	1/1
<i>Independent Non-executive Directors:</i>					
WONG Chung-hin	6/8	2/3	N/A	N/A	1/1
LEE Shau-kee	4/8	N/A	N/A	1/1	0/1
Allan WONG Chi-yun	7/8	3/3	1/1	1/1	1/1
Winston LO Yau-lai	8/8	3/3	0/1	N/A	1/1
Thomas KWOK Ping-kwong	6/8	2/3	0/1	N/A	0/1
TAN Man-kou (passed on 14th August, 2008)	2/5	1/2	N/A	N/A	0/1
Kenneth LO Chin-ming	6/8	1/3	N/A	N/A	0/1
William DOO Wai-hoi (appointed on 10th January, 2008)	6/8	2/3	N/A	N/A	1/1
KUOK Khoon-ean (appointed on 10th January, 2008)	4/8	3/3	N/A	N/A	1/1
Valiant CHEUNG Kin-piu (appointed on 15th December, 2008)	N/A	1/1	N/A	N/A	N/A
Average attendance rate	78%	75%	60%	100%	63%

### Chairman and Chief Executive Officer

Code Provision A.2.1 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 balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly



## 企業管治報告（續）

### 董事會議出席記錄

各董事於2008年內舉行的董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東周年常會的出席記錄如下：

	董事於2008年在任期間 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	股東周年 常會
<b>執行董事：</b>					
李國寶 (主席兼行政總裁)	8/8	不適用	不適用	1/1	1/1
彭玉榮 (副行政總裁)	8/8	不適用	不適用	不適用	1/1
<b>非執行董事：</b>					
李福和 (於2008年4月17日榮休)	2/2	不適用	不適用	不適用	1/1
李國星	8/8	不適用	1/1	1/1	1/1
李國章 (於2008年1月10日獲委任)	5/8	不適用	不適用	不適用	0/1
蒙民偉	5/8	不適用	不適用	不適用	0/1
邱繼炳	6/8	不適用	不適用	不適用	1/1
李澤楷	6/8	不適用	不適用	不適用	0/1
李福全	8/8	不適用	1/1	1/1	1/1
李國仕	7/8	不適用	不適用	不適用	1/1
<b>獨立非執行董事：</b>					
黃頌顯	6/8	2/3	不適用	不適用	1/1
李兆基	4/8	不適用	不適用	1/1	0/1
黃子欣	7/8	3/3	1/1	1/1	1/1
羅友禮	8/8	3/3	0/1	不適用	1/1
郭炳江	6/8	2/3	0/1	不適用	0/1
陳文裘 (於2008年8月14日離世)	2/5	1/2	不適用	不適用	0/1
駱錦明	6/8	1/3	不適用	不適用	0/1
杜惠愷 (於2008年1月10日獲委任)	6/8	2/3	不適用	不適用	1/1
郭孔演 (於2008年1月10日獲委任)	4/8	3/3	不適用	不適用	1/1
張建標 (於2008年12月15日獲委任)	不適用	1/1	不適用	不適用	不適用
平均出席率	78%	75%	60%	100%	63%

### 主席及行政總裁

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。本行董事會由極具經驗和才幹的成員組成，並定期每兩個月開會，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

every two months to discuss issues affecting operations of the Bank. There is a strong independent element in the composition of the Board. Out of the 18 Board members, 9 are Independent Non-executive Directors. 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.

The Chairman is responsible for ensuring that Directors receive adequate, complete and reliable information, in a timely manner.

### Board composition

The current Board is composed of 2 Executive Directors, 7 Non-executive Directors and 9 Independent Non-executive Directors. It has a balance of skills and experience appropriate for the requirements of the business of the Bank. Changes to its composition can be managed without undue disruption. There is a strong independent element on the Board, which can effectively exercise independent judgement.

Rule 3.10(2) stipulates that at least one of the independent non-executive directors on the board must have appropriate professional qualifications or accounting or related financial management expertise. Rule 3.21 stipulates that at least one of the members of the audit committee must be an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2). The late Mr. Tan Man-kou, Independent Non-executive Director and member of the Audit Committee, satisfied the requirements of Rules 3.10(2) and 3.21. Following the passing of Mr. Tan Man-kou on 14th August, 2008, the Bank appointed Mr. Valiant Cheung Kin-piu who satisfies the requirements of Rules 3.10(2) and 3.21 as an Independent Non-executive Director and Member of the Audit Committee on 15th December, 2008 to ensure full compliance with Rules 3.10(2) and 3.21 of the Listing Rules.

The composition of the Board is shown on page 50 under the subject Corporate Information. All Directors are expressly identified by categories of Executive Directors, Non-executive Directors and Independent Non-executive Directors in all corporate communications that disclose the names of Directors of the Bank.

Biographies which include relationships among members of the Board are shown on page 38 under the subject Biographical Details of Directors and Senior Management.

### Appointments and re-election of Directors- Nomination Committee

The Bank has set up a procedure for the appointment of new Directors to the Board and has plans in place for the succession for appointments to the Board.

Pursuant to the Articles of Association of the Bank, all Directors are appointed for a term of not more than approximately three years and newly appointed Directors will be subject to re-election by shareholders at the first general meeting after their appointments.

The Bank has established a Nomination Committee with specific written Terms of Reference which deal clearly with its authority and duties. The Terms of Reference of the Nomination Committee have included the specific duties set out in paragraphs A.4.5 (a) to (d) of the Code, with appropriate modifications where necessary.

The Nomination Committee is responsible for recommending to the Board all new appointments and re-election of Directors and Division Heads of the Bank, and for the review of management succession plan for Executive Directors and Division Heads of the Bank.

A majority of the members of the Nomination Committee are Non-executive Directors. This Committee is chaired by Eric LI Fook-chuen. The other members are David LI Kwok-po, LEE Shau-kee, Allan WONG Chi-yun and Aubrey LI Kwok-sing.

Attendance of individual members at the Nomination Committee meeting in 2008 is recorded on page 58.

## 企業管治報告（續）

事會的組合具有強大的獨立元素，在 18 位董事會成員當中，9 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。

主席負責確保董事及時收到充分、完備及可靠的資訊。

### 董事會組成

現時的董事會由兩位執行董事，7 位非執行董事及 9 位獨立非執行董事組成。董事會已具備本行業務適當所需的技巧和經驗，其組成人員的變動不會帶來不適當的阻擾。董事會有強大的獨立元素，能夠有效地作出獨立判斷。

《上市規則》第 3.10(2) 條規定董事會中最少 1 名獨立非執行董事必須具備適當的專業資格，或具備適當的會計或相關的財務管理專長；另第 3.21 條亦規定審核委員會中最少 1 名獨立非執行董事必須具備適當的專業資格，或具備適當的會計或相關的財務管理專長。獨立非執行董事及審核委員會成員陳文裘先生符合《上市規則》第 3.10(2) 條及第 3.21 條的規定。繼陳先生不幸於 2008 年 8 月 14 日離世後，本行於 2008 年 12 月 15 日委任符合《上市規則》第 3.10(2) 條及第 3.21 條規定的張建標先生為獨立非執行董事及審核委員會成員，以全面符合《上市規則》第 3.10(2) 條及第 3.21 條的規定。

董事會的成員刊載於第 50 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，明確說明各董事身份。

各董事的簡介，包括其與其他董事會成員的關係，刊載於第 38 頁董事及高層管理人員的個人資料項下。

### 委任及重選董事 — 提名委員會

本行已制定一套新董事委任程序，並設定董事繼任計劃。

根據本行組織章程細則規定，全體董事的任期為不超過約 3 年，而新任董事須於獲委任後首次股東大會退任，由股東重選。

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守則第 A.4.5(a) 至 (d) 段所指明的責任，惟因應需要而作出適當修改。

提名委員會負責就本行委任及重選董事和委任處級主管，以及審議本行執行董事及處級主管的繼任安排。

提名委員會的大部分成員為非執行董事。委員會主席為李福全，其他成員包括李國寶、李兆基、黃子欣及李國星。

2008 年提名委員會會議個別成員的出席率載於第 58 頁。

## Corporate Governance Report (continued)

A proposal for the appointment of a new Director will be considered and reviewed by the Nomination Committee. Candidates to be selected and recommended are experienced, high calibre individuals. All candidates must be able to meet the standards set out in the Listing Rules. In addition, they must be assessed by the Hong Kong Monetary Authority and able to meet the standards of the Authority for being a director of an authorised institution. A candidate who is to be appointed as an Independent Non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

The Nomination Committee considered and reviewed the following proposals or issues and, where appropriate, made recommendation to the Board:

- Assessment of the independence of Independent Non-executive Directors;
- Annual review on Terms of Reference of the Nomination Committee;
- Size, structure and composition of the Board;
- Management Succession Policy;
- Management Succession Plan;
- Appointment of Valiant Cheung Kin-piu as Independent Non-executive Director;
- Re-election of WONG Chung-hin, LEE Shau-kee, William MONG Man-wai, Kenneth LO Chin-ming, Eric LI Fook-chuen and Valiant CHEUNG Kin-piu as Directors of the Bank to be proposed for shareholders' approval at the 2009 Annual General Meeting.

The Nomination Committee has made available its Terms of Reference, on the website of the Bank, explaining its role and the authority delegated to it by the Board.

The Nomination Committee is provided with sufficient resources to discharge its duties.

### Responsibilities of Directors

Every Director is required to keep abreast of his responsibilities as a Director of the Bank and of the conduct, business activities and development of the Bank.

Every newly appointed Director of the Bank shall receive an Information Package from the Company Secretary on the first occasion of his 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 Package includes materials on the operations and business of the Bank. The Executive Directors, 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.

The functions of Non-executive Directors, as per the Terms of Reference of the Board of Directors, have included the functions specified in Code Provision A.5.2 (a) to (d) of the Code.

Every Director is aware that he should give sufficient time and attention to the affairs of the Bank.

The Bank has established its own code of securities transactions to be observed by Directors and Chief Executive, i.e. *Policy on Insider Trading - 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.

The Bank has also established a *Policy on Insider Trading – 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.

Specific enquiries have been made on all Directors of the Bank including a retired Director and those who have become Directors during the year. 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, 2008.

## 企業管治報告（續）

委任新董事的建議會由提名委員會考慮及審議。獲甄選及獲推薦的候選人皆為具有豐富經驗及有才幹的人士。所有候選人必須符合《上市規則》所載的標準。此外，他們亦須經香港金融管理局評核，以符合作為一間認可機構董事的標準。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。

提名委員會已就下列的提議或事項作出考慮及檢討，並（在適當情況下）向董事會提出建議：

- 評核本行獨立非執行董事的獨立性；
- 就提名委員會的職權範圍進行年度檢討；
- 董事會的人數、架構及組合；
- 管理層繼任政策；
- 管理層繼任安排；
- 委任張建標為獨立非執行董事；
- 在2009股東周年常會上向股東提呈批准重選黃頌顯、李兆基、蒙民偉、駱錦明、李福全及張建標為本行董事。

提名委員會的職權範圍登載於本行的網站上，解釋其角色，以及董事會轉授予其的權力。

提名委員會獲供給充足資源以履行其職責。

### 董事責任

每名董事須不時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。

每名新委任的董事均會在首次接受委任時由公司秘書獲得一份資料套件。此資料套件為一份全面、正式兼特為其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向董事提供所需介紹，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。

非執行董事的職責（已載列於董事會的職權範圍內）包括守則條文A.5.2(a)至(d)指明的職能。

每名董事知悉其應付出足夠時間及精神以處理本行的事務。

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」）。

本行亦已訂立一份內幕交易政策 — 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。

本行經向所有董事（包括年內榮休的一名董事及獲委任的董事）明確查詢，彼等已確認於截至2008年12月31日止年度內之所有適用期間，均已遵守標準守則及本行政策中所要求的標準。



## Corporate Governance Report (continued)

### 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.

In respect of regular Board meetings, and as far as practicable in all other cases, an agenda and accompanying Board papers are sent in full to all Directors in a timely manner and at least 3 days before the intended date of a Board meeting or a Board Committee meeting.

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

All Directors are entitled to have access to Board papers, minutes and related materials.

## B. REMUNERATION OF DIRECTORS AND DIVISION HEADS

### The level and make-up of remuneration and disclosure – Remuneration Committee

The Bank has established a Remuneration Committee with specific written Terms of Reference which deal clearly with its authority and duties. The Terms of Reference of the Remuneration Committee have included the specific duties set out in Code Provision B.1.3 (a) to (f) of the Code, with appropriate modifications where necessary.

The Remuneration Committee is responsible for making recommendations to the Board regarding the Bank's remuneration policy, and for the formulation and review of the specific remuneration packages of all Executive Directors and Division Heads of the Bank.

A majority of the members of the Remuneration Committee are Independent Non-executive Directors. This Committee is chaired by Allan WONG Chi-yun. The other members are Aubrey LI Kwok-sing, Winston LO Yau-lai, Thomas KWOK Ping-kwong and Eric LI Fook-chuen.

Attendance of individual members at the Remuneration Committee meeting in 2008 is recorded on page 58.

The Remuneration Committee considered and reviewed the following proposals or issues and, where appropriate, made recommendation to the Board:

- Annual salary review for 2008;
- Remuneration for Senior Executives 2008;
- Offer and grant of share options under the Bank's Staff Share Option Scheme to eligible employees including the Executive Directors;
- 2008 & 2009 Staff Costs Budgets;
- Departmental Bonus Scheme;
- Senior Executive Bonus Plan for 2008;
- Annual review on Terms of Reference of the Remuneration Committee;
- Annual review on Remuneration Policy.

The Remuneration Committee has made available its Terms of Reference, on the website of the Bank, explaining its role and the authority delegated to it by the Board.

## 企業管治報告（續）

### 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。

董事會定期會議的議程及相關會議文件會全部適時送交全體董事，並最少在計劃舉行董事會會議日期或其轄下委員會會議日期的3天前送出。

管理層知悉其有責任向董事會及其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本行高級管理人員的獨立途徑。

所有董事均有權查閱董事會文件、會議記錄及相關資料。

### B. 董事及處級主管的薪酬

#### 薪酬及披露的水平及組成 — 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守則條文第B.1.3(a)至(f)段所載的特定職責，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，以及就訂立及審議本行的執行董事及處級主管的特定薪酬待遇，向董事會提出建議。

薪酬委員會的大部分成員為獨立非執行董事。該委員會的主席為黃子欣。其他成員包括李國星、羅友禮、郭炳江及李福全。

2008年薪酬委員會會議個別成員的出席率載於第58頁。

薪酬委員會就下列的提議或事項作出考慮及檢討，並（在適當的情況下）向董事會提出建議：

- 2008年度薪酬檢討；
- 2008年高級行政人員薪酬；
- 根據本行的僱員認股計劃，給予及授出認股權予合資格僱員，包括執行董事；
- 2008年及2009年員工成本預算；
- 部門賞金計劃；
- 2008年度高級行政人員賞金計劃；
- 就薪酬委員會職權範圍進行年度檢討；
- 就薪酬政策進行年度檢討。

薪酬委員會職權範圍登載於本行的網站上，解釋其角色及董事會轉授予其的權力。

## Corporate Governance Report (continued)

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

The scales of Director's fees, and fees for membership of the Audit Committee, Nomination Committee and Remuneration Committee are outlined below:

	Amount per annum
<i>Board of Directors:</i>	
Chairman	HK\$300,000
Other Directors	HK\$200,000
<i>Audit Committee:</i>	
Chairman	HK\$100,000
Other members	HK\$60,000
<i>Nomination Committee:</i>	
Chairman	HK\$50,000
Other members	HK\$30,000
<i>Remuneration Committee:</i>	
Chairman	HK\$50,000
Other members	HK\$30,000

Information relating to the remuneration of each Director for 2008 is set out in Note 16 on the accounts.

### C. ACCOUNTABILITY AND AUDIT

#### Financial reporting

It is the responsibility of the Board to present a balanced, clear and comprehensible assessment of the Bank's performance, position and prospects.

Management shall provide such explanation and information to the Board to enable the Board to make an informed assessment of the financial and other information presented before the Board for approval.

The Directors are responsible for keeping 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, 2008, the Directors have:

- consistently applied appropriate accounting policies;
- made judgements and estimates that are prudent and reasonable;
- prepared the accounts on the going concern basis.

The Bank has announced its annual and interim results within two months after the end of the relevant periods, which is earlier than the limits of four months and three months 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 on page 112.

The Board will present a balanced, clear and understandable assessment of annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as information required to be disclosed pursuant to statutory requirements.

## 企業管治報告（續）

薪酬委員會獲供給充足資源，包括專業公司的意見（如需要），以履行其職責。

董事袍金，以及審核委員會、提名委員會和薪酬委員會委員的酬金摘錄如下：

	年度金額
<b>董事會：</b>	
主席	港幣 30 萬元
其他董事	港幣 20 萬元
<b>審核委員會：</b>	
主席	港幣 10 萬元
其他成員	港幣 6 萬元
<b>提名委員會：</b>	
主席	港幣 5 萬元
其他成員	港幣 3 萬元
<b>薪酬委員會：</b>	
主席	港幣 5 萬元
其他成員	港幣 3 萬元

有關各董事 2008 年的薪酬資料載於賬項附註 16。

### C. 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。

董事負責備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 2008 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；
- 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兩個月內公佈年度及中期業績，較《上市規則》第 13.49(1) 及 (6) 條所規定分別為 4 個月及 3 個月的期限為早。

核數師的申報責任聲明載於第 112 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通告及根據《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。

## Corporate Governance Report (continued)

### Internal controls

It is the responsibility of the Board to ensure that the Bank maintains sound and effective internal controls to safeguard the shareholders' investment and the Bank's assets.

The internal control system of the Bank comprises a well-established organisational structure and comprehensive policies and standards. Areas of responsibilities of each business and operational unit are clearly defined to ensure effective checks and balances.

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.
- Systems and procedures are also in place to identify, measure, manage and control risks including reputation, strategic, legal, credit, market, liquidity, interest rate and operational risks. Exposure to these risks is monitored by Risk Management Committee, together with Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee. In addition, procedures are designed to ensure compliance with applicable laws, rules and regulations.
- Audit Committee 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 Price-Sensitive Information* is established, setting out the guiding principles, procedures and internal controls for the handling and dissemination of price-sensitive information in a timely manner in such a way that it does not place any person in a privileged dealing position and allows time for the market to price the shares of the Bank to reflect the latest available information.

The Board, through the Audit Committee, assesses the effectiveness of the Group's internal control system which covers all material controls, including financial, operational and compliance controls as well as risk management functions, on an annual basis. Pursuant to a risk-based approach, the Group's Internal Audit Department conducts independent reviews of risks associated with and controls over various operations and activities. Significant findings on internal controls are reported to the Audit Committee twice each year. During the year 2008, no major issues occurred but areas for improvement have been identified and appropriate measures taken. The Audit Committee reports its work to the Board on a semi-annual basis.

### Case on Equity Derivatives Portfolio Manipulation

As announced by the Bank on 18th September, 2008, during the course of a regular independent control review performed by the Bank, it was revealed that one of the employees in the Bank's equity derivatives desk had manipulated the valuation of certain equity derivatives held by the Bank without authorisation and in violation of the prescribed operation procedures of the Bank. The Bank immediately reported its findings to the Hong Kong Monetary Authority ("HKMA") and the police. It is suspected that such unauthorised manipulation was made to conceal losses incurred as a result of certain equity derivatives trades executed by the trader. The effect of the unauthorised manipulation was to reduce the profit before tax for the year by a total amount of HK\$131 million. No further adverse financial impact is anticipated in the future.



## 企業管治報告（續）

### 內部監控

董事會負責確保本行的內部監控系統穩健妥善而且有效，以保障股東的投資及本行的資產。

本行的內部監控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，以確保有效監察和制衡。

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。
- 設有系統及程序去辨別、量度、處理及控制風險，包括商譽、策略、法律、信貸、市場、流動資金、利率以及營運風險。風險管理委員會，聯同信貸委員會、資產及負債管理委員會和營運及其他風險管理委員會，負責監察本集團面對風險的程度。此外，程序的設計均為確保遵守適用法例、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。
- 建立一套處理及發佈股價敏感資料政策，列出指導性原則、程序及內部監控，使股價敏感資料得以適時處理及發佈，而不會導致任何人士在證券買賣上處於有利地位；讓市場有時間消化最新資料，使市場定出能反映實況的本行股份價格。

董事會透過審核委員會每年一次評核本集團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，以及風險管理的功能。本集團稽核部採用風險為本的評估方法，針對與各項運作和活動有關的風險及監控進行獨立審閱。有關內部監控的重要審閱結果，每年兩次向審核委員會匯報。2008年內並無發現重大事項，惟需要改進的地方已予確認並已作出相應措施。審核委員會每半年向董事會匯報其工作。

### 操控衍生工具組合事件

據本行於2008年9月18日宣佈，本行於其所定期進行的獨立監控評估過程中，揭露其一名股本衍生工具櫃台的僱員在未得到授權及違反本行規定的運作程序的情況下，操控本行所持若干股本衍生工具的值。本行立即將有關發現向香港金融管理局（「金管局」）及警方匯報。該等未經授權的操控懷疑是該交易員用作隱瞞他進行的若干股本衍生工具買賣所產生的虧損。未經授權操控的結果是該年度的除稅後溢利總額減少港幣1億3,100萬元。預期將不會對財務狀況構成進一步的負面影響。

## Corporate Governance Report (continued)

The Bank considered that this was an isolated incident involving possible fraudulent conduct of one of its employees. The Bank has a sound and comprehensive internal review and control system which is regularly reviewed both internally and by external professional advisers for improvement. In view of this incident, the Bank engaged KPMG to conduct a special review on its internal control system and procedures and advise on any existing deficiency, as well as ways to strengthen its internal control measures in relation to equity derivatives trading. Following receipt of the final report, the Bank formed a working group to review KPMG's findings and take any necessary follow-up action. Upon completion, the Bank reported the steps taken to further strengthen the Bank's internal control systems to the HKMA.

### Audit Committee

It is the responsibility of the Board to establish formal and transparent systems to consider the way in which it will apply the financial reporting and internal control principles and maintain an appropriate working relationship with the Bank's auditors.

The Bank has established an Audit Committee with specific written Terms of Reference which deal with its authority and duties. The Terms of Reference of the Audit Committee include the duties set out in Code Provision C.3.3 (a) to (n) of the Code, with appropriate modifications where necessary.

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

All the members of the Audit Committee are Independent Non-executive Directors. This Committee is chaired by Winston LO Yau-lai. The other members are WONG Chung-hin, Allan WONG Chi-yun, Thomas KWOK Ping-kwong, Kenneth LO Chin-ming, William DOO Wai-hoi (appointed on 10th January, 2008), KUOK Khoo-ean (appointed on 10th January, 2008) and Valiant CHEUNG Kin-piu (appointed on 15th December, 2008). The composition of the Audit Committee fell short of the requirement of Rule 3.21 of the Listing Rules during the period between 15th August, 2008 and 14th December, 2008. Please refer to the paragraph under "Board Composition" in Section A for details.

Attendance of individual members at Audit Committee meetings in 2008 is recorded on page 58.

The following is a summary of the work performed by the Audit Committee during the year:

- Met with the external auditors to discuss the general scope of their audit work;
- Reviewed external auditor's management letter and management's response;
- Reviewed and approved the appointment of external auditors for providing non-audit services to the Group;
- Reviewed and recommended to the Board for approval of the audit fee proposal for the Group for 2008;
- Recommended to the Board that the shareholders be asked to re-appoint KPMG as the Bank's Group external auditors for 2008;
- Reviewed the Group Internal Audit Policy;
- Reviewed and approved internal audit plan for 2009;
- Reviewed the internal audit reports covering the evaluation of internal controls;
- Noted Internal Control Report prepared by external consultants;
- Reviewed the Auditor's Report regarding the internal control systems for the year 2007 prepared under the Banking Ordinance;
- Reviewed the audited accounts and final results announcement for the year 2007;
- Reviewed the Interim Report and the interim results announcement for the six months ended 30th June, 2008; and
- Reviewed the Terms of Reference of the Audit Committee.

## 企業管治報告（續）

本行認為本事件屬個別事件，當中涉及其中一名懷疑欺詐的僱員。本行一直具備有效及全面的內部審查及監控體系，該體系一直定期由內部及外聘專業顧問檢查，並作出有效的改善工作。鑒於揭發本事件，本行委聘畢馬威會計師事務所就其內部監控體系及程序進行特別審閱，並就任何現有不妥善之處提出建議，以及就股本衍生工具買賣加強內部監控措施。本行於收到最後的報告後成立工作小組以檢討畢馬威會計師事務所的調查結果及採取任何需要採取的跟進行動。有關工作完成後，本行已向金管局匯報就加強本行內部監管程序所採取的行動。

### 審核委員會

董事會負責就如何應用財務匯報及內部監控原則，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，清楚說明委員會的職權及責任。審核委員會的職權範圍已包括守則條文第C.3.3 (a)至(n)段所載的職責，惟因應需要而作適當修改。

根據其職權範圍，審核委員會負責檢討財務監控、內部監控及風險管理系統；審閱年度報告及賬目，以及半年中期報告。

審核委員會的所有成員均為獨立非執行董事。委員會主席為羅友禮，其他成員包括黃頌顯、黃子欣、郭炳江、駱錦明、杜惠愷（於2008年1月10日獲委任）、郭孔演（於2008年1月10日獲委任）及張建標（於2008年12月15日獲委任）。審核委員會的成員組合於2008年8月15日至2008年12月14日未能符合《上市規則》第3.21條的規定，詳情請參閱「董事會組成」一欄。

2008年審核委員會會議個別成員的出席率載於第58頁。

審核委員會在年內所做的工作，摘要如下：

- 會見外聘核數師以商討其核數工作的一般範圍；
- 審閱外聘核數師致管理層的審核情況說明函件及管理層的回應；
- 審議及批准聘用外聘核數師提供非核數服務；
- 審議及向董事會推薦批准2008年集團的核數費用建議；
- 向董事會建議向股東提呈續聘畢馬威會計師事務所為本集團2008年度的外聘核數師；
- 審核集團內部稽核政策；
- 審核及批准2009年內部稽核計劃；
- 審議內部稽核報告，包括內部監控評估；
- 審閱外聘顧問擬備的內部監控報告；
- 審閱《銀行條例》下2007年度內部監控系統核數師報告；
- 審閱2007年度已審核賬目及年度業績通告；
- 審閱截至2008年6月30日止6個月的中期報告及中期業績通告；及
- 檢討審核委員會的職權範圍。

## Corporate Governance Report (continued)

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

The Board agrees with the Audit Committee's proposal for the re-appointment of KPMG as the Bank's Group external auditor for 2009. The recommendation will be presented for the approval of shareholders at the Annual General Meeting to be held on 16th April, 2009.

Full minutes of the Audit Committee meetings are kept by the Company Secretary. Draft and final versions of minutes of the Audit Committee meetings will be sent to all members of the Audit Committee for their comment and record respectively, in both cases within a reasonable period after the meeting.

The Bank's Audit Committee does not have a member who is an existing partner or has within one year immediately prior to the date of his appointment been a partner with the Bank's existing auditing firm.

The Bank has established the *Policy on Appointment of External Auditor in Providing 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.

During 2008, the fees paid or payable to KPMG, the Bank's external auditor, and its associates for providing non-audit services amounted to HK\$8.4 million, which included the following items:

- Ad hoc projects (including service for conducting due diligence exercise and independent review on controls and procedures for derivative trading activities): HK\$4.1 million;
- Taxation services: HK\$0.8 million;
- Services made at the request of regulators: HK\$0.5 million;
- Other services: HK\$3.0 million.

The fee paid or payable to KPMG for providing audit service of the group is HK\$8 million. In addition, the fee paid or payable to KPMG in relation to local audit of other entities is HK\$3 million.

The Audit Committee has made available its Terms of Reference, on the website of the Bank, explaining its role and the authority delegated to it by the Board.

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

### D. DELEGATION BY THE BOARD

#### Management functions

The Board is responsible for formulating overall strategy, monitoring and controlling the performance of the Group. Management of the Group's business is the responsibility of the Management.

When the Board delegates aspects of its management and administration functions to Management, it has given clear directions as to the powers of Management, in particular, with respect to the circumstances where Management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Bank.

## 企業管治報告（續）

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。在年內，已提交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2009年度外聘核數師的建議。推薦建議將在2009年4月16日舉行的股東周年常會上提呈予股東批准。

審核委員會的完整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。

本行審核委員會並無任何成員為本行核數師現任合夥人或其獲委任前一年內曾任該核數師行的合夥人。

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。

2008年內支付或須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為港幣840萬元，其中包括以下事項：

- 非經常性項目（包括盡職審查及就衍生交易活動的監控及程序進行獨立檢討）：港幣410萬元；
- 稅務服務：港幣80萬元；
- 就監管者要求所作的服務：港幣50萬元；
- 其他服務：港幣300萬元。

為本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800萬元。此外，就有關其他實體的當地審核已支付或須支付予畢馬威會計師事務所的費用為港幣300萬元。

審核委員會的職權範圍登載於本行的網站上，解釋其角色及董事會轉授予其的權力。

審核委員會獲供給充足資源，包括外聘核數師及稽核部的意見，以履行其職責。

### D. 董事會權力的轉授

#### 管理功能

董事會負責制訂整體策略，監察及控制集團的表現，而管理集團業務則是管理層的責任。

當董事會將其管理及行政功能方面的權力轉授予管理層時，已同時就管理層的權力，給予清晰的指引，特別是在何種情況下管理層應向董事會匯報，以及在代表本行作出任何決定或訂立任何承諾前應取得董事會批准等事宜方面。



## Corporate Governance Report (continued)

The Bank has established a Schedule of Matters Reserved for the Board for Decision to formalise the functions reserved for the Board and for those delegated to Management. The Board reviews those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Bank.

Matters reserved for decision by the Board include:

- Appointment of directors and senior executives;
- Business plans of the Bank;
- Proposal for selection of external auditors;
- Financial statements and budgets;
- Substantial investments in assets other than those arising in the ordinary course of banking businesses;
- Proposals for opening overseas branches or establishment or acquisition of China and overseas subsidiaries or associates;
- Formation of policies and codes as required by regulators;
- Formation of board committees.

### Board Committees

Where Board Committees are established to deal with matters, the Board shall prescribe sufficiently clear terms of reference to enable such Committees to discharge their functions properly.

Apart from the Audit Committee (particulars are disclosed under section C), Remuneration Committee (particulars are disclosed under section B) and the Nomination Committee (particulars are disclosed under section A), the Board has also established the following 10 specialised committees which comprise Directors and where appropriate, other senior executives from relevant areas:

1. Sealing Committee, which is responsible for directing the usage and custody of the Bank's common seal;
2. Executive Committee, which is responsible for reviewing all major functions and critical issues relating to the businesses and operations of the Group;
3. Policy Committee, which is responsible for discussing and formulating various strategies and policies for managing businesses and operations of the Group;
4. Risk Management Committee, which is responsible for dealing with risk management related issues of the Group;
5. Credit Committee, which is responsible for dealing with all credit risk related issues of the Group;
6. Operational Risk Management Committee, which is responsible for dealing with all issues related to operational, legal and reputation risks of the Group;
7. Asset and Liability Management Committee, which is responsible for dealing with all issues related to market, interest rate, liquidity, strategic risks and capital management of the Group;
8. Crisis Management Committee, which is responsible for developing and reviewing the Group's strategy for managing crisis scenarios and taking charge of crisis situations which jeopardise or have the potential to jeopardise the Group in its reputation, liquidity/financial position and business continuity;

## 企業管治報告（續）

本行已訂立一份保留予董事會決定的事項表，將那些保留予董事會的職能及轉授予管理層的職能分別確定。董事會定期檢討該等安排，以確保有關安排符合本行的需要。

保留予董事會決定的事項包括：

- 委任董事及高級行政人員；
- 本行的業務計劃；
- 甄選外聘核數師的建議；
- 財務報表及預算；
- 重大的資產投資，但不包括在銀行日常業務上所作的投資；
- 設立海外分行的建議或設立或收購中國及海外的附屬公司或聯營公司；
- 訂立由監管人規定的政策及守則；
- 成立董事會轄下的委員會。

### 董事會轄下的委員會

若要成立委員會處理事宜，董事會會充分清楚的訂明該等委員會的職權範圍，讓有關委員會能適當地履行其職能。

除審核委員會（詳情在C項下披露）、薪酬委員會（詳情在B項下披露）及提名委員會（詳情在A項下披露）外，董事會亦設立以下10個專責委員會，該等委員會的成員包括董事及（在適當的情況下）其他有關方面的高級行政人員：

1. 印章委員會負責監督本行之法定印章的使用及保管；
2. 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；
3. 政策委員會負責商討及制訂策略和政策以管理集團各類業務及運作；
4. 風險管理委員會負責處理集團各項有關風險管理的事宜；
5. 信貸委員會負責處理集團所有與信貸風險有關的事宜；
6. 營運風險管理委員會負責處理集團各項有關營運、法律及信譽風險的事宜；
7. 資產負債管理委員會負責處理集團所有與市場、利率、流動資金、策略風險及資本管理的事宜；
8. 危機管理委員會負責建立和檢討集團監控各類危機事故的策略，以及當發生或有可能發生危害集團聲譽、流動資金/財政狀況及持續業務運作的事故時負責危機處理；

## Corporate Governance Report (continued)

9. Investment Committee, which is responsible for making investment decisions for the proprietary positions of the Bank, East Asia Investment Holdings Limited, and both BEA and UCB Employees Provident Funds in respect of global listed equities, convertible bonds/instruments, private equities and other equity-related investment instruments;
10. Steering Committee for the Basel Project, which is responsible for dealing with all issues related to the implementation of the New Basel Capital Accord for the Group.

The Terms of Reference of the Audit Committee, the Remuneration Committee and the Nomination Committee require such Committees to report back to the Board on their decisions or recommendations. Material matters will be reported to the Board by the other Board committees according to their respective Terms of Reference.

### E. COMMUNICATION WITH SHAREHOLDERS

#### Annual General Meetings

The Board endeavours to maintain an on-going dialogue with shareholders and in particular, to use annual general meetings or other general meetings to communicate with shareholders directly.

At the 2008 Annual General Meeting:

- (i) A separate resolution was proposed by the Chairman in respect of each separate issue, including the re-election of Directors.
- (ii) The Chairman of the Board, the chairmen of the Audit, Remuneration and Nomination Committees attended to answer questions of shareholders.
- (iii) The Chairman demanded a poll on all resolutions. The procedures for demanding a poll by the shareholders were incorporated in the Annual General Meeting circular. KPMG, the Bank's external auditor, was engaged as scrutineer to ensure the votes were properly counted.

For the 2009 Annual General Meeting which will be held on 16th April, 2009, please refer to the 2009 Annual General Meeting Circular which will be despatched to the shareholders on or around 13th March, 2009 for further details.

#### Shareholders' rights and investor relations

The Articles of Association of the Bank contain the rights of shareholders to demand a poll and the procedures for a poll voting on resolutions at shareholders' meetings. The poll results will be posted on the websites of the Stock Exchange and the Bank on the same day following the shareholders' meeting.

It is the policy of the Bank to maintain 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 annual general meetings as mentioned above, other communication channels include:

- the Group's website at <http://www.hkbea.com> where the Bank's announcements, shareholders corporate communications, business developments and operations, financial information, corporate governance practices and other information are posted;
- annual and interim reports, and press releases;
- press conferences after the announcement of interim and final results for media and analysts;
- meetings with analysts; and
- roadshows.

## 企業管治報告（續）

9. 投資委員會負責制訂本行、東亞投資控股有限公司，以及東亞銀行有限公司僱員公積金及UCB僱員公積金就有關其環球股票（包括上市及非上市股票）、可換股債券/票據，以及其他股票相關投資工具的投資作決策；
10. 巴塞爾項目督導委員會負責處理集團各項有關實施巴塞爾委員會新資本協議的事宜。

審核委員會、薪酬委員會及提名委員會的職權範圍規定該等委員會要向董事會匯報其決定或建議。而其他董事會轄下的委員會亦會根據其職權範圍向董事會匯報重要事項。

### E. 與股東的溝通

#### 股東周年常會

董事會盡力與股東持續保持對話，尤其是藉股東周年常會或其他股東大會與股東直接溝通。

在2008股東周年常會上：

- (i) 會議主席就每項實際獨立的事宜，包括重選董事，個別提出決議案。
- (ii) 董事會主席、審核委員會、薪酬委員會及提名委員會的主席，均已出席回應股東提問。
- (iii) 主席已就所有議案要求以投票方式表決。要求以投票方式表決的程序載列於股東周年常會通函內。本行的外聘核數師——畢馬威會計師事務所——受聘擔任監察員以確保票數正確地點算。

在2009年4月16日舉行的股東周年常會上，主席亦將就所有議案要求以投票方式表決。詳情請參閱約於2009年3月13日寄發予股東之2009股東周年常會通函。

#### 股東權利及投資者關係

本行組織章程細則訂明股東於股東大會上就決議案要求以投票方式表決之權利及程序。投票結果會於股東大會後即在聯交所網站和本行網站刊登。

本行的政策是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、定期及適時的集團最新發展及策略的公開披露。除上述的股東大會外，其他傳訊渠道包括：

- 本集團網址 <http://www.hkbea.com>，提供本行通告、致股東的企業通訊、業務發展及運作、財務資料、企業管治常規及其他資料；
- 年度及中期報告，以及新聞稿；
- 在中期及年度業績公告後舉行傳媒及分析員新聞發佈會；
- 與分析員會面；及
- 巡迴推介。

# CORPORATE SOCIAL RESPONSIBILITY REPORT

As the largest independent local bank in Hong Kong, we at BEA pride ourselves on our deep and longstanding commitment to the communities that we serve. In this Report, we highlight many of the innovative corporate social responsibility programmes undertaken by the BEA Group in the areas of staff benefit, staff training, education, community assistance, disaster relief and environmental protection. Through these efforts, we aim to make a positive contribution to the betterment of the people that we serve and the community at large.

## THE BANK OF EAST ASIA

### Employees

With a workforce of over 10,800, we view people as our most important asset. We strive to offer an optimum work-life balance to promote physical and mental health, and encourage staff members to pursue interests beyond the workplace. Further, we constantly bench-mark staff compensation against the market, in order to ensure that our employees are fairly rewarded for their service.

#### Code of Conduct

In order to ensure that our services meet the highest ethical standards, we have established a Code of Conduct that guides all staff members in their work. As part of the Bank's corporate governance, the Code of Conduct is reviewed regularly and uploaded to the Bank's Intranet. All staff members are expected to read, understand and comply with the Code of Conduct.

#### Family-friendly Employment and Benefit Policy

All staff, apart from certain members with specific job responsibilities, work a five-day week. Hospitalisation and outpatient medical benefits are a standard benefit, while emergency financial relief and personal assistance are available to those in need. All staff are also entitled to marriage leave and compassionate leave.

We are committed to maintaining an accident-free workplace, and proactively implement occupational safety and health (OSH) initiatives to root out workplace hazards. OSH-related training programmes are offered regularly to drive safety and health awareness among employees in the BEA Group, covering areas such as fire safety, use of display screen equipment, manual handling operations and first aid.

In addition, we monitor the safety performance of all contractors that we employ for work such as branch and office fitting out and retrofit. We conduct unannounced safety inspections and issue reports with recommendations to the contractors to ensure that proper safety measures are implemented. To minimise and control risks, contractors with poor safety performance records are warned or even terminated.

Occupational safety and health is a key factor in all aspects of business planning and operations to achieve progressive improvement in performance.

We also care for the dietary health of our employees. We run popular staff canteens at our main office premises, providing a healthy lunch free of charge. The canteens also serve breakfast and provide catering services at low cost to our staff.

#### Staff Relations

Strong internal communication is vital to the Bank. Information relating to the Bank's business direction, strategies, policies and employment matters is regularly communicated to staff members via Intranet and meetings. For exceptional events that affect the Bank, we take the initiative to anticipate concerns and express management's appreciation for service beyond the call of duty. For example, a special edition of the in-house staff newsletter was distributed following the bank run incident in October 2008. The newsletter highlighted the exceptional stories gathered from our staff members after the incident, and recorded the many encouraging messages received from our customers.

Beginning in November 2008, the newsletter is also available on the Bank's Intranet in order to further enhance staff communication.

To provide timely assistance to staff members facing both work and general stress-related pressures, the Employee Assistance Programme provides hotline services, e-mail consultation, counselling services, clinical psychology services, management consultation, critical incident stress management and wellness programmes. Furthermore, we provide support to staff members in the event of illness through our Hospitalisation Visit Programme.



# 企業責任報告

本行現為全港最大的獨立本地銀行，一直以能夠恪守對業務所在地區各個社群深遠恆久的承諾而感到自豪。本報告摘錄東亞集團多項創新的企業社會責任計劃，涵蓋範疇包括：員工福利、員工培訓、教育、社區支援、賑災活動及環保等方面。我們透過有關計劃，竭力為客戶及整體社群的福祉作出貢獻。

## 東亞銀行

### 僱員

本行現聘用逾10,800名員工。我們重視人才，更視員工為公司最重要的資產。我們竭力使僱員能平衡工作和生活，保持身心健康，並鼓勵他們積極發掘工餘的嗜好。此外，我們定期參照市場的僱員薪酬方案，以確保為僱員提供合理的薪酬。

### 行為守則

本行為確保服務達致最高的操守標準，制訂了一套《行為守則》作為員工的工作指引。《行為守則》已納入本行的企業管治框架，並定期更新及載列於本行內聯網上，全體員工均須閱覽、了解及奉行《行為守則》。

### 家庭事業兼顧的工作模式和薪酬政策

除個別負責特定工種的員工外，本行全體職員均實行五天工作制。所有僱員享有住院及門診醫療福利，本行更為有需要的僱員提供緊急財務及個人支援。此外，僱員亦享有婚假及喪假。

本集團致力維持一個安全的工作場所。為達到這個目標，我們積極推動職業安全及健康以消除工作地點的意外，定期提供有關職業安全及健康的培訓計劃，涵蓋範疇包括防火安全、正確使用顯示屏幕設備、體力處理操作及急救護理等，以提高僱員的安全及健康意識。

此外，本行密切監察所聘用進行分行及辦公室維修和翻新等工程的外判承辦商的安全表現。為作出有效監管，我們會進行不預早通報的安全巡視，並向承辦商簽發報告和提出建議，以確保承辦商採取適當的安全措施。為減少和控制風險，我們向安全表現欠佳的承辦商發出警告，甚至終止聘用有關承辦商。

職業安全及健康已成為集團在擬備業務計劃或業務營運時不可缺少的部分，以達到持續改善整體表現的目標。

此外，本行亦關注僱員飲食方面的健康。我們在各主要辦公室大樓營運餐廳，為僱員提供免費的健康午餐。餐廳也備有早餐及其他餐飲服務，收費廉宜。

### 僱員關係

良好的內部溝通對本行非常重要。我們透過定期更新內聯網及會議，向僱員提供有關業務方針、策略、政策及聘用事宜的信息。就個別影響本行的事件，管理層則審時度勢，預早推敲員工關注的事項，並表揚員工不辭勞苦、同心同德的表現。這點從我們於2008年10月繼發生擠提事件後出版的員工通訊特別版《感謝訊》可見一斑。文中載列擠提事件發生後部分員工的心聲，並摘錄客戶多篇令人鼓舞的函件。



To ensure strong internal communication, the Bank issues internal newsletters on a quarterly basis.

本行出版季度員工通訊，保持良好的內部溝通。

A special in-house newsletter was distributed following the bank run incident featuring stories from staff members and messages of encouragement from customers.

繼發生擠提事件後出版的員工通訊特別版《感謝訊》，載列多名員工的心聲和客戶令人鼓舞的函件。



## Corporate Social Responsibility Report (continued)

Health Care Programmes, such as health seminars, fat burning training class, line dance class, Yeung's Tai Chi class and belly dance class, are offered in-house for staff members who wish to maintain and improve their fitness. Air fresheners and sterilizers are installed in the canteens to maintain high standards of hygiene. Vaccinations against Influenza are provided prior to the start of the flu season to all who wish them, and a response strategy has been developed in preparation for any local outbreak of avian flu.

A staff library offers a wide range of professional and personal reading matter to promote emotional health, a positive attitude toward life and good family relationships. Reference books, audio CDs and cassette tapes are also available for loan to staff members and their families.

The Bank encourages life-long learning and offers sponsorship for job-related external courses and seminars. A user-friendly training platform has been developed to update and enhance the professional and managerial competence of staff on an on-going basis. Courses are designed to cater for the different needs of staff members at all levels. An e-learning platform has been introduced to provide e-learning courses and self-learning materials, in subjects such as business English,

computer skills, occupational health and safety and prevention of money laundering. Further, a Learning Resources Centre is available for staff who wish to upgrade their skills and to acquire new knowledge at their own pace, time and place.

### Staff Sports and Recreational Club

Recreational activities are organised regularly, and have included such events as country life at leisure, BBQ Fantastic Nights, hiking, boat trips, vegetarian tours, movie shows, China tours and cookery classes. A gymnasium is available on the premises of our main back-office facility, to encourage staff members to join in activities to improve their physical fitness. A multifunction room is open to staff at lunch time with TV, newspapers and magazines, and a table-tennis facility. At other times, the multifunction room can be used for health and fitness courses and interest classes.

The Bank has established three corporate sports teams to participate in competitive sports with other teams. These activities encourage staff members to maintain a healthy lifestyle, enhance team spirit, build better personal relationships and network with the community. In addition, they help project a positive image of the Bank.

Health care programmes such as health seminars are offered to staff members.

「關注健康計劃」為員工安排的活動包括健康講座。



Staff members have access to a wide range of professional and personal reading matter in the staff library.

員工在圖書館借閱各式各樣的專業和個人消閒讀物。



Recreational activities are organised regularly, including boat trips and hiking excursions.

定期舉行的康體活動包括船河和遠足。



## 企業責任報告（續）

自2008年11月起，本行內聯網載列員工通訊《東亞園地》，以加強僱員的溝通。

本行設有「僱員輔助計劃」，向面臨工作壓力及一般壓力有關問題的僱員提供適時的協助，包括熱線服務、電郵諮詢、專業心理輔導、臨床心理輔導、管理諮詢、協助處理突發性危機事件及康健訓練計劃等。此外，本行亦透過「醫院探病計劃」，慰問身罹疾病或遭逢意外受傷而需住院的員工。

「關注健康計劃」安排的活動包括健康講座、纖體訓練班、排舞班、楊氏太極班及肚皮舞班等，讓僱員保持健康的體魄。餐廳已安裝空氣清新機及消毒器以達致衛生標準。其他措施還包括在流感高峰期前為有意注射流行感冒疫苗的員工進行注射，以及制訂適時的策略，以防禽流感擴散。

本行設立的圖書館備有參考書、音樂光碟和錄音帶供員工及其家人借用，以確保僱員精神健康，並建立正面的生活態度和有助維繫和諧的家庭關係。

本行提倡終生學習，並提供津貼予僱員參與工作相關的外間課程和講座。本行備有簡單易用的培訓平台，不斷為員工提供適切的課程，以提高其專業及管理技能。「網上學習平台」則提供網上學習課程及自學材料，包括商務英語、電腦技能、職業健康及安全及防止洗黑錢活動等。此外，「學習資源中心」讓有心進修的僱員在合適的地方按本身的時間和進度學習。

### 員工康體會

舉辦的康體活動包括輕鬆郊遊、中秋迎月狂歡夜、遠足、遊船河、新春齋宴行大運、電影欣賞、內地遊及烹飪課程等。經專人設計的健身房，可以讓僱員提升體能。多用途活動大堂於午飯時間開放，該處備有電視、報紙、雜誌及乒乓球活動設施等。多用途活動大堂於其他時間可以用作康體課程和興趣小組的活動場地。

本行成立了3支代表球隊參與外界比賽。有關活動除讓僱員保持健康的生活外，還可以提高工作士氣，強化團隊精神、鞏固社區網絡及為本行建立良好形象。



The Bank has established three corporate athletic teams that compete against teams from other organisations.

3支代表球隊經常參與外界比賽，切磋技術。



Weekend tours to China are arranged for staff members.

內地遊是廣受員工歡迎的活動之一。



## Corporate Social Responsibility Report (continued)

### Others

A rooftop garden with pool and specially designed landscaped area is provided for staff members to relax after a busy day. Staff members may practise Tai Chi, improve their putting on a small golf green or organise a barbeque in the garden.

Our effort to enhance the quality of life at work for all employees was recognised in the Asian CSR Awards 2007. We received an Award of Excellence in the Best Workplace Practices category for our submission "BEA Tower Office Centralisation Project – Caring Design and Implementation."

### Community

The Bank is committed to supporting the communities in which we operate.

The Bank of East Asia Education Foundation was established in 1969 to promote access to higher education. Currently, the Foundation finances over 20 scholarships to local universities and institutes each year.

We are an active supporter of local tertiary institutions. For example, we made a donation to the Hong Kong University of Science and Technology to support academic development and research, and a donation to the Chinese University of Hong Kong to support the Heart Education and Research Training Centre. As in previous years, the Bank has also supported various projects organised by the Hong Kong Management Association ("HKMA"), including the Annual Conference, the HKMA Best Annual Reports Awards and the HKMA/TVB Awards for

Marketing Excellence. In addition, we have sponsored the Virya Foundation, which supports disadvantaged students from the Mainland for study at university.

In recognition of our efforts, the Bank was named a "Caring Company" by The Hong Kong Council of Social Service in 2008 for the fifth consecutive year.

We are a long-standing supporter of the Community Chest of Hong Kong, and have received the President's Award for many consecutive years. Employees are encouraged to participate in blood donations and activities such as the Corporate and Employee Contribution Programme, Sports Corporate Challenge, Walk for Millions, Dress Special Day and Laisee for the Chest.

The Bank has also supported community projects organised by various charitable and social organisations. These include The Boys' and Girls' Clubs Association of Hong Kong's Children Storytelling Competition; the Society for the Promotion of Hospice Care's Hike for Hospice; Fu Hong Society's 5th FHS Charity Walkathon; Haven of Hope Christian Service's 2008 Haven of Hope Fundraising Golf Tournament; the Hong Kong Federation of Trade Unions' golf tournament; St. James's Settlement's St. James' Cup Charity Golf Tournament 2008; Po Leung Kuk's charity bowling competition and "Tree Planting Day for Charity"; Heifer International Hong Kong's "Race to Feed"; plus WWF Hong Kong's "Big Bird Race 2008". Furthermore, we have made donations to the Hong Kong Cancer Fund and the Hong Kong Breast Cancer Foundation to help increase public awareness of cancer and to support cancer patients and their families.



BEA made a donation to the Hong Kong University of Science and Technology in support of academic development and research.  
捐助香港科技大學進行學術發展及研究。



A long-standing supporter of the Community Chest of Hong Kong, BEA received the President's Award in 2008.

本行多年來一直支持香港公益金，屢獲「公益榮譽獎」。



The Bank was named a "Caring Company" by The Hong Kong Council of Social Service in 2008 for the fifth consecutive year.

本行連續5年榮獲香港社會服務聯會嘉許為「商界展關懷」機構。

## 企業責任報告（續）

### 其他

天台空中花園建有水池和精心設計的綠化園藝，是大家在工餘時間洗滌心靈的地方。僱員可以在該處練習太極、哥爾夫球或燒烤。

本行因致力為僱員提升工作場所的生活素質而獲頒2007亞洲企業社會責任大獎。本行「東亞銀行中心辦公室集中計劃—關懷設計與執行」榮獲最佳工作場所運作組別卓越獎項。

### 社會

本行積極參與業務所在地區的社會事務。

東亞銀行教育基金自1969年成立，旨在推動教育。目前該基金每年提供約20個獎學金予本地大學及院校。

本行積極贊助本地專上學院的活動，如向香港科技大學捐款以支援學術發展及研究，及捐款予香港中文大學支持其心臟教育及研究培訓中心。一如往年，本行贊助香港管理專業協會的多個項目包括周年會議、香港管理專業協會最佳年報獎和HKMA/TVB傑出市場策劃獎。此外，我們亦捐款予精進基金，以協助經濟有困難的內地學生完成大學教育。

本行於2008年已連續5年獲香港社會服務聯會嘉許為「商界展關懷」機構。

本行在過去多年一直支持香港公益金，並屢獲「公益最高榮譽獎」。公司鼓勵僱員參與捐血行動及其他活動包括「商業及僱員募捐計劃」、「公益精英運動大比拼」、「公益金百萬行」、「公益服飾日」和「公益利是錢」等。

此外，本行亦贊助由多間慈善和社會團體舉辦的活動，包括香港小童群益會的「全港兒童故事演講比賽」、善寧會的「登山善行」、扶康會第五屆「甜蜜心連心」步行籌款、基督教靈實協會的「2008靈實高爾夫球慈善賽」、香港工會聯合會的高爾夫球比賽、聖雅各福群會的聖雅各盃高爾夫球慈善賽2008、保良局的慈善保齡球賽及「環保植樹顯愛心」、國際小母牛香港分會的「競步善行」比賽，以及世界自然基金會（香港）的「2008年度香港觀鳥大賽」。此外，本行亦捐款予香港癌症基金會和香港乳癌基金會，以提高普羅大眾的癌患意識和支援癌症病人及其家庭。

The Bank has supported community projects and events such as The Boys' and Girls' Clubs Association of Hong Kong's Children Storytelling Competition, Po Leung Kuk's charity bowling competition, and Heifer International Hong Kong's "Race to Feed".

本行贊助不同社區活動，包括香港小童群益會「全港兒童故事演講比賽」、保良局的慈善保齡球賽及國際小母牛香港分會的「競步善行」比賽。



Employees are encouraged to participate in events organised by The Community Chest of Hong Kong such as "Walk for Millions". 鼓勵僱員參與香港公益金各項慈善活動，例如百萬行。





## Corporate Social Responsibility Report (continued)

The Bank has sponsored art and cultural activities by supporting the Association Culturelle France – Hong Kong Ltd.'s Le French May; the Hong Kong Arts Centre's Hong Kong Artist Exhibition Gala; and the 2008 and 2009 Hong Kong Arts Festival's finale performance.

The Bank has also developed a special Online Donation Service for charitable organisations in Hong Kong. This new service helps facilitate the collection of charitable donations online, allowing charitable organisations to execute a more effective, broad-based appeal campaign.

In addition to sponsorships, the Bank also encourages and facilitates participation in community programmes by staff members. Activities that our employees joined in 2008 included Green Power's "Bank Cup of the 15th Green Power Hike", and The Salvation Army's "The Hong Kong & Macau O! Day 2008".

To encourage sharing by the wider community, we regularly include leaflets promoting charitable organisations with bank statements sent to our customers.

Each year, we provide summer internships, work attachment and company visit opportunities for secondary and university students. This gives participants a better understanding of the banking and finance industry, related work environment and career prospects.

We provide sponsorship support to various professional bodies (e.g. Hong Kong Institute of Bankers, Hong Kong Management Association, etc.) to further their professional objectives and industry standards in Hong Kong. Many of our senior staff members serve as committee and working group members in various professional and government bodies to provide advice and suggestions.



BEA has developed a special Online Donation Service for charitable organisations in Hong Kong.

東亞銀行為本地慈善機構特別設立網上捐款服務平台。

### CSR Initiatives in Celebration of BEA's 90th Anniversary

To commemorate the Bank's 90th Anniversary in January 2009, we established The Bank of East Asia Charitable Foundation. This charity is dedicated to providing financial assistance to support the advancement of education and the relief of poverty in our community. In addition, we donated HK\$300 on behalf of each of the over 4,000 guests that attended our 90th Anniversary celebration to The Community Chest of Hong Kong and the Hong Kong Committee for UNICEF, as a demonstration of our continued commitment to the Hong Kong community.

### Relief Initiative for Sichuan Earthquake

In May, the BEA Group launched a matching donation programme for the victims of the Sichuan Earthquake, matching all contributions made by our employees. As a result, the BEA Group made a corporate donation of RMB3 million to the Red Cross Society of China Headquarters and Red Cross' Sichuan Office.

To help the survivors of the Sichuan earthquake rebuild their lives, the Bank participated in the "3-3 Basketball Fundraising Tournament for Sichuan Earthquake" organised by The Salvation Army and Hong Kong Committee for UNICEF earlier this year.

## Environment

The Bank is committed to conducting business in an environmentally responsible manner. We endeavour to identify potential impacts and energy conservation opportunities in order to incorporate green elements in all areas of our operations.



Staff members joined various community programmes in 2008 including Green Power's "Bank Cup of the 15th Green Power Hike" and The Salvation Army's "The Hong Kong & Macau O! Day 2008".

本行僱員於2008年參與的活動包括綠色力量的「第15屆綠色力量環島行慈善行山比賽(銀行盃)」及救世軍的「第3屆港澳定向追跡日」。



## 企業責任報告（續）

本行贊助的文化康樂活動包括The Association Culturelle France – Hong Kong Ltd的「法國五月」、香港藝術中心的Hong Kong Artist Exhibition Gala、2008及2009香港藝術節的閉幕演出。

本行為本港的慈善機構特別設立網上捐款服務平台這項嶄新服務，以協助收集網上捐款，並讓有關慈善機構推廣更有效及更廣泛的募捐活動。

除提供贊助外，本行亦鼓勵及支持僱員積極參與各項社區活動。2008年參與的活動包括綠色力量的「第15屆綠色力量環島行慈善行山比賽（銀行盃）」及救世軍的「第3屆港澳定向追蹤日」。

為鼓勵社會人士捐獻，本行寄出銀行月結單時會定期隨附慈善機構的募捐單張。

本行每年均為大學及中學的學生提供暑期實習機會，讓學生在各個部門或系內不同公司工作，以汲取工作經驗，加深其對銀行和金融業、有關工作環境和就業前景的了解。

我們亦贊助多個專業學會如香港銀行學會和香港管理專業協會等，以推廣專業目標和提升本港的業界標準。本行多名高層人員更參與各個專業學會和政府機構的委員會及工作小組的工作，以提供意見及建議。

### 90周年紀念相關的企業責任活動

2009年1月為本行成立90周年紀念，為慶祝這項盛事，我們成立了東亞銀行慈善基金，旨在提供財務支援，以推動教育發展及協助貧困人士。此外，我們亦代表逾4,000名出席90周年誌慶酒會的嘉賓捐出每位港幣300元予香港公益金和聯合國兒童基金香港委員會，幫助社會有需要人士，貫徹本行為香港社群服務的承諾。

### 有關四川地震的賑災活動

本集團得悉四川地震災情嚴重，於5月實行捐款配對計劃，捐出與員工捐款相同金額的善款援助災民。本集團共捐出人民幣300萬元予中國紅十字總會和四川省紅十字會。

為協助四川地震的生還者重建生活，本行於年內參與救世軍和聯合國兒童基金香港委員會舉辦的「四川賑災慈善三人籃球賽」。

## 環境

本行關注保護環境，以負責任的態度營運業務。我們竭力尋找具潛影響力和節能的機會，務求在所有業務適用範疇注入環保概念。

To commemorate its 90th Anniversary in January 2009, BEA made donations to The Community Chest of Hong Kong and the Hong Kong Committee for UNICEF.

本行於2009年1月誌慶成立90周年，特別捐款予香港公益金和聯合國兒童基金香港委員會。



In May 2008, the BEA Group made a donation of RMB3 million to the Red Cross Society of China Headquarters and Red Cross' Sichuan Office.

2008年5月，東亞銀行集團共捐出人民幣300萬元予中國紅十字總會和四川省紅十字會。

#### Participation in Environmental Protection Initiatives

The Bank actively co-operates with other organisations in order to promote green initiatives. For example, we joined the Climate Change Business Forum (CCBF) as a Gold Member in January 2008. CCBF, which is an initiative of the Business Environment Council, provides a unique platform for Hong Kong business leaders to discuss the impact of climate change and the policies and regulations required to promote more responsible and sustainable development. We actively participate in meetings of the Executive Committee and Best Practice Committee, and are implementing policies to reduce greenhouse gas emissions.

We entered our environmentally friendly "Room Booking System" in the Hong Kong Earth Champion Quest, and received recognition as an "Outstanding Earth Champion in Hong Kong".

#### Reduce the Generation of Greenhouse Gas Emissions

As part of our effort to reduce our carbon footprint, the Bank has set up video conferencing systems at our main office premises and encourages the use of video conferencing facilities for meetings and conferences wherever possible. Staff traffic between main office premises and overseas business trips are thereby reduced, cutting transport emissions.

With a view to enhancing user comfort and increasing operational efficiency, the Bank implemented the Lift Modernisation Project at Head Office Building earlier this year. Upon completion, the lift carrying capacity will be increased by 15% while users' average waiting time is expected to be shortened by 11%. In addition, by replacing the old DC motors with new AC motors, electrical transformers are no longer required, thereby

reducing electricity demand and generating less heat. It is estimated that the power consumption will be reduced by 50,000 KWH per annum.

We are currently replacing the Bank's fleet of vans with Euro IV models, to contribute to an improvement in roadside air quality.

#### Energy Conservation Initiatives

We continuously implement green lighting programmes for branches and office premises.

During the past year, we have reviewed the standard lighting installations at branch premises and updated the material specification for new projects. We stipulate the adoption of environmentally friendly materials wherever possible. For example:

- Use LED exit signs instead of fluorescent tube designs;
- Use 70W Metal Halide lamps in place of 200W Halogen lamps for outdoor floodlighting. Metal Halide lamps not only have a higher output and 6-times longer average life span, they also generate considerably less heat;
- Upgrade traditional 50W Halogen lamps with more energy-efficient types;
- Deploy Super 80 fluorescent tubes in all projected signage. In comparison with traditional fluorescent tubes, Super 80 fluorescent tubes have 30% higher brightness and a 6-times longer average life span. Most importantly, the mercury content is 80% lower than ordinary tubes.



BEA joined the Climate Change Business Forum as a Gold Member in 2008.

2008年加入「氣候變化商界論壇」成為金級會員。

## 企業責任報告（續）

### 環保措施

本行戮力與各界合作推動環保，包括於2008年1月加入「商界環保協會」的「氣候變化商界論壇」成為金級成員，各商界領袖透過特設的平台，討論氣候轉變的影響和為推動更負責任及持續發展而需要制訂的政策及規例等議題。我們積極參與「執行委員會」和「最佳實務委員會」的會議，並正落實執行減低溫室氣體排放的政策。

我們以具環保概念的「會議設施預訂系統」參加「香港地球鬥士探索」活動，並獲頒為「傑出維護地球鬥士」。

### 減少溫室氣體排放

為減少氣體排放盡一分力，本行已經於各主要辦公大樓裝設視像會議系統，鼓勵各部門盡量採用，以減少員工往返各主要辦公大樓或到海外公幹的次數來達到減排的目的。

本行於年內落實執行總行大廈的「升降機優化工程項目」，務求達到提高舒適程度之餘，又可以提升營運效益。工程竣工後，升降機載客容量提高15%，使用者的平均等候時間則預期可以減少11%。此外，我們採用新型號的交流電摩打以取代舊有的直流電摩打，這樣做我們便毋須再使用

電力變壓器，既可以減低用電量，亦可以降低熱排放量。預期因此而減少的用電量每年達到50,000度。

我們正逐步採用歐盟IV期型號車輛，以取代現有車隊，以進一步改善路面空氣質素。

### 節能措施

我們持續執行分行和辦公室大樓的「環保照明計劃」。

今年，我們曾就分行的標準照明裝置進行檢討，並已修訂新項目的用料規格，務求盡量採用環保物料，包括：

- 採用發光二極管出口指示燈，以取代舊有的光管設計；
- 分行外牆的射燈採用環保節能的70瓦金屬鹵素燈，以取代舊有的200瓦石英管，金屬鹵素燈不但壽命較長6倍，其消耗的用電量較少，而且熱排放量亦較低；
- 採用最新的環保節能石英燈，以取代傳統的50瓦石英燈；
- 為所有大型燈箱更換超級80熒光管，這類熒光管的光度較傳統熒光管高30%，壽命則較長6倍，更重要的是其水銀含量較一般光管低80%。



The Bank was named "Outstanding Earth Champion in Hong Kong" in recognition of its environmentally friendly room booking system.

本行以環保概念的「會議設施預訂系統」獲嘉許為香港「傑出維護地球鬥士」。

To reduce its carbon footprint, BEA has set up video conferencing facilities in its main office for meetings and conferences.

本行於各主要辦公大樓裝設視像會議系統，務求達成減排目的。





## Corporate Social Responsibility Report (continued)

Comprehensive energy conservation measures are also implemented at our main office premises. These include:

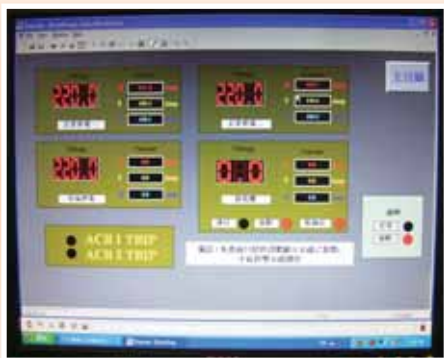
- Upgrade the software and operation programme for the Building Management System (BMS) of Head Office Building so as to control various building service systems more efficiently;
- Shorten the operating time of lighting and air-conditioning supply;
- Optimise the controls of building systems for main office premises to improve the generating performance;
- Minimise energy dissipation by installation of sensors, motion detectors or timers to regulate supply.

### Waste Management

We are committed to reducing waste generation in our daily operations. We have adopted practices to use paper in a more environmentally friendly manner, such as encouraging double-sided printing and disseminating information by electronic means as far as possible.

Source separation is practised to facilitate the recovery and reuse of materials and the recycling of non-reusable materials. This helps to reduce the quantity of waste disposed at landfills. We select cleaning contractors with a good environmental performance track record, and require them to separate recyclable materials at our main office premises. Programmes to recycle fluorescent lamps, plastic bottles, aluminium cans, toner cartridges, etc are currently in place.

The Bank collects approximately 468 tonnes of waste paper each year for recycling.



Comprehensive energy conservation measures were implemented including the upgrade of the software and operation programme for the Building Management System of the Head Office Building.

本行落實執行多項節能措施，包括提升總行大廈樓宇管理系統中的軟件及運作程式。

### Environmentally Responsible Initiatives

The Bank has taken steps to reduce wastage in our customer communications and to encourage our customers and employees to do their part in protecting the environment. These include:

- Encouraging customers to reduce paper usage by adopting e-channels for applications, etc. We also encourage customers to conduct transactions online and make use of our auto-dialling system for telemarketing activities.
- Reducing paper usage for records and messages through e-statement services. Our holiday e-greetings cards also help customers and business partners save on printing and postage costs.
- Adopting electronic channels for marketing and customer notification purposes. Channels such as email and SMS are replacing the more traditional method of mailing communications.
- Replacing printed leaflets for BEA Credit Card welcome packs with CD ROMs.
- Encouraging cardholders to redeem Bonus Points and enrol in promotional programmes through our voice-response hotline.
- Providing an email address for employment candidates to submit their applications.
- Instituting a Bank-wide exercise to rationalise the printing of computer reports. As a result of the exercise completed in April 2008, report reduction targets were identified that will result in a saving of 8 million report pages per annum.

Shareholders have been offered a choice to receive corporate communications including Interim Reports, Annual Reports and circulars by electronic means. To date, 9% of Shareholders have elected to receive corporate communications by electronic means.



## 企業責任報告（續）

各主要辦公大樓正執行全面的節能措施，包括：

- 更新總行大廈樓宇管理系統中的軟件和運作程式，務求更有效地控制各樓宇服務系統；
- 縮短照明和空調系統的運作時間；
- 優化主要辦公大樓的樓宇控制系統，以改善操作效率；
- 透過安裝感應器、行動探測器和時間掣等控制供電，以減少能源虛耗。

### 廢物處理

我們積極減少在日常業務營運中製造廢物，以較環保方式使用紙張，包括鼓勵員工盡量採用雙面印刷和以電子郵件方式傳遞信息等。

採納物料分類以善用可再用物料和循環再造不可再用物料，這有助減少堆填區的廢物量。我們挑選具備良好環保表現紀錄的清潔承辦商，並要求有關承辦商在主要辦公大樓將可循環再造物料分類處理。本行現正繼續採納循環再造熒光燈、塑膠樽、鋁罐、碳粉盒等的措施。

本行每年收集約 468 噸廢紙供循環再造。

### 負責任的環保措施

本行已採取措施減少由客戶通訊引致的虛耗，以鼓勵客戶及僱員竭盡保護環境的本份，有關措施包括：

- 鼓勵客戶透過電子渠道遞交申請表格以減少用紙，以及採納網上交易系統和善用自動撥號系統以進行電話銷售服務。
- 採用電子月結單服務以減少利用紙張進行紀錄和傳遞信息及電子節慶卡，讓客戶和業務夥伴減省印刷和郵政費用。
- 採納電子渠道以進行市場推廣及傳送客戶通知書，並逐步以電子郵件和手提電話短訊代替傳統郵寄通訊。
- 向東亞銀行信用卡新卡持有人寄發光碟資料，以取代傳統印刷單張。
- 呼籲銀行卡持有人透過話音熱線換取獎賞積分及登記參加宣傳推廣活動。
- 提供電郵地址，以鼓勵申請者利用電子郵件遞交職位申請書。
- 4月，本行全線檢討印備電腦報告的需要，確定減省印備報告的類別，以達到每年節省 800 萬張電腦報告紙的目標。

本行鼓勵股東選擇透過網站閱覽企業通訊，包括中期報告、年報及通函。截至現時為止，9%的股東已經選擇閱覽企業通訊的網上電子版本。

To reduce wastage, BEA replaced printed BEA Credit Card welcome packs with CD ROMs.

向東亞銀行信用卡持卡人寄發光碟資料，取代印刷單張，以助減少廢物。



## BEA CHINA

### Employees

#### Staff Benefit

In addition to employer contributions to staff social insurance and housing funds in line with regulatory requirements, BEA China has launched a supplementary staff benefit scheme to enhance employees' medical insurance protection.

#### Training

Staff members who demonstrate outstanding performance are nominated to take part in Executive Training Programmes in Hong Kong, in order to enrich their business related knowledge and management skills.

### Community

#### Encourage sports development

BEA China, the main sponsor of the Chinese National Fencing Team and strategic partner of the Chinese Fencing Association, is committed to helping the Chinese National Fencing Association develop the country's fencing talent and achieve optimal results.

BEA China awarded RMB350,000 to Mr. Zhong Man, the winner of the gold medal in the men's individual sabre competition at the 2008 Beijing Olympic Games.

#### Education

Starting from November 2008, BEA China has held a series of financial seminars and internship programmes at

universities in Beijing, Shanghai, Xi'an and Zhuhai. The "Financial Training Programme for University Students" provides one week of financial training and three weeks of on-the-job training at BEA China outlets. The best performers will be given the opportunity, together with the staff of BEA China, to promote financial knowledge in rural areas.

BEA China has funded the establishment of a "Hope School" in Urumqi of Xinjiang Uygur Autonomous Region. The "Hope School" provides opportunities for children from underprivileged backgrounds to continue their studies.

#### Public Welfare Activities

BEA China donated RMB80,000 to the Women & Children's Poverty Relief Foundation of the Shenzhen Charity Federation in July 2008.

During the period of June to October 2008, BEA China Beijing Branch held a series of "Conservation – Health – Caring" activities.

#### Relief Initiatives for Snowstorm and Sichuan Earthquake

BEA China donated RMB1 million to the Red Cross Society of China Headquarters for disaster relief, responding to the massive dislocation caused by the severe snowstorms in January and February, 2008.

Following the devastating earthquake in Sichuan Province in May 2008, BEA and BEA China jointly made an RMB3 million donation to support the relief efforts for the earthquake victims.



Olympic gold medallist, Mr. Zhong Man, was awarded RMB350,000.

奧運金牌得主仲滿先生獲本行送贈人民幣35萬元。

BEA China serves as the main sponsor of the Chinese National Fencing Team and a strategic partner of the Chinese Fencing Association.

東亞(中國)為中國國家擊劍隊主贊助商及中國擊劍協會的合作夥伴。



## 東亞（中國）

### 僱員

#### 員工福利

東亞（中國）除按法例規定為員工繳納各項社會保險及住房公積金外，還為員工購買醫療保險，為員工提供更廣的福利保障。

#### 培訓

東亞（中國）每年選拔行內表現優秀的員工往香港總行參加行政人員培訓計劃，以培養綜合性業務人才及管理人員。

### 社會

#### 推廣運動發展

作為中國國家擊劍隊主贊助商及中國擊劍協會的合作夥伴，東亞（中國）承諾協助中國擊劍協會培養國家擊劍人才及獲取理想成績。

東亞（中國）致送人民幣35萬元予勇奪2008北京奧運會男子個人佩劍金牌的仲滿先生。

### 教育

自2008年11月起，東亞（中國）在北京、上海、西安和珠海等四個城市的高校舉辦「大學生金融培訓計劃」。入選的學生將在東亞（中國）接受一個星期的金融知識培訓及為期3周的在職實習。表現突出的實習生將獲邀與東亞（中國）員工一起前往農村教授金融知識和技能。

東亞（中國）在新疆維吾爾自治區的烏魯木齊援建了一所希望小學，以幫助農村貧困地區的失學兒童，以及瀕臨輟學的孩子繼續學業。

### 公益活動

2008年7月，東亞（中國）捐贈人民幣8萬元予深圳市慈善會貧困婦女兒童救助基金會。

2008年6月至10月，東亞（中國）北京分行推廣「環保·健康·愛心」主題活動。

#### 有關雪災和四川地震的賑災活動

有見本年1、2月間內地嚴重雪災造成極大混亂，東亞（中國）捐出善款人民幣100萬元予中國紅十字總會作賑災之用。

2008年5月，四川大地震發生後，本行及東亞（中國）合力向災區捐款人民幣300萬元，以協助災民及災區重建等。



BEA China funded the establishment of a "Hope School" in Urumqi, Xinjiang.

東亞（中國）在新疆烏魯木齊援建了一所希望小學。

BEA China donated RMB1 million to the Red Cross Society of China Headquarters for disaster relief following the severe snowstorms on the mainland in January & February 2008.

東亞（中國）向中國紅十字總會捐贈人民幣100萬元，作賑濟2008年1月至2月期間發生的嚴重雪災之用。



## Environment

### Green Financing Forum

BEA China and one of China's leading business newspapers, the 21st Century Business Herald, jointly held the "Green Credit Project Competition" and selected the top 10 environmental-friendly credit projects of 2008. The awardees were announced during the "Green Financing Forum" held in Beijing on 30th November, 2008.

### Shopping Bags

BEA China distributed more than 100,000 environmentally friendly shopping bags at supermarkets in 16 cities nationwide from April to July 2008.

We will continue to make the greatest effort to adopt policies that protect the environment, in order to maintain a clean living environment for future generations.



Tricor Group publishes an in-house periodical, "Tricorian", which is distributed to staff members in Hong Kong and overseas.

卓佳集團向本港及海外僱員派發內部通訊刊物「Tricorian」。

## TRICOR GROUP

### Employees

#### Staff Relations

Information in respect of Tricor Group is regularly relayed to staff members through Intranet and meetings. Tricor Group also publishes an in-house periodical, "Tricorian", which is distributed to both Hong Kong and overseas staff members.

#### Tricor Sports and Recreation Committee

The Committee regularly organises for staff members sports and recreational activities such as badminton, bowling and snooker competitions, hiking, karaoke contests and baking classes. During the year, Tricor staff members took part in the Green Power Hike, the Community Chest Sports Corporate Challenge, the WWF Walk for Nature at Mai Po and the UNICEF Charity Run.

### Community

#### Internships for Students

Tricor Group provides summer and winter internships for college and university students, giving them a better understanding of the corporate services practice and the business environment.

#### Tricor Annual Seminar

In November 2008, Tricor Group conducted a seminar on Corporate Social Responsibility and Corporate Governance & Regulatory Updates, which was attended by some 700 executives from both private and public companies as well as from non-governmental organisations.



### 環境

#### 綠色金融論壇

東亞（中國）與《21世紀經濟報道》合作推出「綠色信貸項目征集評選活動」，評選「2008 十佳綠色信貸項目」，並於 2008 年 11 月 30 日，在北京舉行的「綠色金融論壇」上予以公佈和表彰。

#### 環保購物袋

2008 年 4 月至 7 月，東亞（中國）在全國 16 個城市的超級市場送出逾 10 萬個環保購物袋。

我們將繼續竭力保護環境，為下一代締造良好的居住環境。

### 卓佳集團

#### 僱員

##### 員工關係

我們定期透過內聯網及會議向員工匯報集團的資訊。此外，卓佳集團亦向本港及海外僱員派發內部通訊刊物「Tricorian」。

##### 卓佳康樂體育事務委員會（「康體會」）

康體會定期為員工安排的康體活動包括羽毛球、保齡球及桌球比賽、遠足、卡拉OK比賽及烤蛋糕興趣班等。年內，卓佳員工參與的慈善活動包括「綠色力量環島行慈善行山比賽」、「公益精英運動大比拼」、「世界自然基金會步步大自然@米埔」及「聯合國兒童基金會慈善跑」。

#### 社會

##### 學生實習計劃

卓佳集團為大學及大專院校學生在暑假及寒假期間提供實習機會，讓他們進一步了解企業服務實務及運作。

##### 卓佳年度研討會

2008 年 11 月，卓佳集團舉辦「企業社會責任和最新企業管治實務及法例」研討會上，逾 700 名上市公司、私人公司及非公營機構行政人員出席。



The Tricor Sports and Recreation Committee regularly organises activities for staff members including bowling and snooker competitions.

卓佳康體會為員工定期安排活動，包括保齡球和桌球比賽。



Tricor Group held a seminar on Corporate Social Responsibility and Corporate Governance & Regulatory Updates in November 2008.

卓佳集團舉辦「企業社會責任和最新企業管治實務及法例」研討會。



## BLUE CROSS (ASIA-PACIFIC) INSURANCE LIMITED

### Employees

#### Staff Benefit

As a caring employer, we provide comprehensive hospitalisation, outpatient medical and dental benefits to all staff. Our employees are entitled to marriage leave, compassionate leave, maternity and paternity leave.

We believe employees are the most valuable assets in a company, and that frequent communication is vital to promote a harmonious working environment. We have established several channels for employees to communicate directly with Senior Management. We hold monthly staff breakfast meetings with the Managing Director and half-yearly staff communication meetings. We also publish a bi-monthly E-newsletter.

#### Training

Blue Cross is committed to providing professional training and development. We sponsor staff members who attend job-related courses and seminars offered by professional training institutions, including courses leading to professional industry qualifications, such as Life Office Management Association, The Chartered Insurance Institute, International Claim Association, and The Australian and New Zealand Institute of Insurance and Finance. Furthermore, to encourage team spirit across the company, tailor-made training programmes, such as team-building workshops, are organised from time to time.

### Community

#### Charity

In addition to being a market leader in the business that we serve, Blue Cross is also a good corporate citizen and strives to set an example as a socially responsible organisation.

In July 2008, Blue Cross was among the sponsoring companies for the "Medecins Sans Frontieres ("MSF") Day Campaign", appealing to the community to donate one day's income to the MSF. We matched every dollar donated by staff and business partners and, with their enthusiastic support we donated HK\$50,000 to the MSF campaign.

In addition, we have collaborated with the Hong Kong Physically Handicapped and Able-Bodied Association on a series of charitable activities, such as Mid-Autumn Festival, Christmas celebration, "Love and Caring with No Boundary" drawing competition, and home visits to the handicapped, all with the aim of promoting awareness of "cooperation with the disabled".

In recognition of our dedication to community involvement, The Hong Kong Council of Social Service awarded Blue Cross the "Caring Company 2008/09" accreditation in December 2008.

Blue Cross sponsored the "Medecins Sans Frontieres Day Campaign" in July 2008.  
藍十字於2008年7月贊助「無國界醫生日」。



## 藍十字（亞太）保險有限公司

### 僱員

#### 員工福利

我們深切關注員工的健康，並為所有員工提供全面的住院、門診醫療及牙科保險。此外，僱員亦享有婚假、喪假、產假及待產假。

我們深信僱員是公司最重要的資產，與僱員保持緊密溝通是促進和諧關係的關鍵。我們設立多個與高級管理層溝通的渠道，包括每月定期與常務董事舉行早餐會議和每半年一次的員工大會等，以及編撰雙月電子通訊刊物，務求與員工保持良好的溝通。員工透過不同渠道與高級管理層直接溝通，可以適時掌握藍十字推廣活動的最新發展和策略，以及其他員工關注的企業資訊。

#### 培訓

藍十字提倡終生學習，致力為員工提供專業培訓及發展的機會，並提供津貼予僱員參與由專業培訓機構所舉辦及與工作相關的課程及研討會。包括保險行業之專業資格如美國壽險管理協會、英國特許保險業學會、國際理賠協會及澳大利亞新西蘭保險金融學會。此外，公司不時安排特設培訓活動如強化團隊精神工作坊等。

### 社會

#### 慈善活動

藍十字不僅躋身業界翹楚行列，同時亦致力竭盡良好的企業公民責任。

2008年7月，藍十字成為「無國界醫生日」活動的贊助機構之一，除呼籲社會人士捐出一天的薪金外，更身體力行，員工及業務夥伴每捐出一元，我們亦捐出一元予無國界醫生。由於員工及業務夥伴反應踴躍，公司最終捐出港幣50,000元予無國界醫生。

此外，我們與香港傷健協會攜手合辦多項慈善活動包括中秋節和聖誕節慶祝活動、「愛•無界限」繪畫比賽及探訪傷殘人士等，以體現「傷健共融」的精神。

2008年12月，藍十字獲香港社會服務聯會嘉許為「商界展關懷」機構，以表揚其對社會的貢獻。



Blue Cross has collaborated with the Hong Kong Physically Handicapped and Able-Bodied Association on a series of charitable activities including the "Love and Caring with No Boundary" drawing competition. 藍十字與香港傷健協會合辦「愛•無界限」繪畫比賽等多項慈善活動。

# REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their annual report together with the audited accounts for the year ended 31st December, 2008.

## PRINCIPAL PLACE OF BUSINESS

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

## ACCOUNTS

The profit attributable to equity holders of the Group for the year ended 31st December, 2008 and the state of the Bank's and the Group's affairs as at that date are set out in the accounts on pages 114 to 235.

## TRANSFER TO RESERVES

Profit attributable to equity holders of the Group, before dividends, of HK\$39 million (2007: HK\$4,144 million) has been transferred to reserves. Other movements in reserves are set out in Note 37 on the accounts.

An interim dividend of HK\$0.23 per share (2007: HK\$0.48 per share) was paid on 17th September, 2008. The Directors now recommend the payment of a final dividend of HK\$0.02 per share (2007: HK\$1.18 per share) in respect of the financial year ended 31st December, 2008.

## 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.

## DONATIONS

Donations made by the Group during the year for charitable and community purposes amounted to approximately HK\$9 million (2007: HK\$8 million).

## FIXED ASSETS

Details of the movements in fixed assets are set out in Note 30 on the accounts.

## SHARE CAPITAL

During the year, a sum of HK\$38,600,727.50 standing to the credit of the share premium account was capitalised and applied in paying up in full at par 15,440,291 shares of HK\$2.50 each that were allotted and issued to shareholders who had elected to receive new shares in lieu of the 2007 final dividend and the 2008 interim dividend.

During the year, 4,910,000 shares of HK\$2.50 each were issued for cash of HK\$100,286,650.00 on the exercise of options granted under the approved Staff Share Option Schemes.

## DEALINGS IN LISTED SECURITIES OF THE BANK

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, 2008.

## DIRECTORS

The present Directors of the Bank are shown on page 50.

During the year, LI Fook-wo (Non-executive Director) retired as a Director from the Bank upon conclusion of the 2008 Annual General Meeting on 17th April, 2008. TAN Man-kou (Independent Non-executive Director) passed away on 14th August, 2008.

In accordance with the Articles of Association, any Director elected by the Bank by ordinary resolution shall be elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment and on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment. Accordingly, WONG Chung-hin, LEE Shau-kee, William MONG Man-wai, Kenneth LO Chin-ming and Eric LI Fook-chuen will retire, and, being eligible, offer themselves for re-election at the Annual General Meeting to be held on 16th April, 2009 ("2009 AGM").

# 董事會報告書

董事會全寅現謹向各股東發表年度報告書及截至2008年12月31日止年度的已審核的賬項。

## 主要營業地點

東亞銀行有限公司（「本行」）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（「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。

## 賬項

本集團截至2008年12月31日止年度的股東應佔溢利，及本行和本集團於當日的財政狀況，載列於第114頁至235頁的賬項內。

## 撥入儲備

本集團除股息前的股東應佔溢利中的港幣3,900萬元（2007年：港幣41億4,400萬元）已予撥入儲備。至於儲備的其他變動，則載於賬項附註37。

中期股息每股港幣0.23元（2007年：每股港幣0.48元）已於2008年9月17日派發。董事會現建議派發截至2008年12月31日止年度的末期股息每股港幣0.02元（2007年：每股港幣1.18元）。

## 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%。

## 捐款

本集團本年內所作出的慈善及公益捐款約為港幣900萬元（2007年：港幣800萬元）。

## 固定資產

固定資產的變動詳情載於賬項附註30。

## 股本

年內，本行由股份溢價賬項中撥出港幣38,600,727.50元作為資本，以發行及繳足15,440,291股每股面值港幣2.50元的股份，派發予各選擇以新股份代替2007年度末期股息及2008年度中期股息的股東。

本年內，在認可僱員認股計劃認股權方面，以溢價發行4,910,000股每股面值港幣2.50元的股份，所得現金為港幣100,286,650元。

## 買賣本行上市證券

截至2008年12月31日止的年度內，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。

## 董事會

本行現任董事的名單載於第50頁。

年內，李福和（非執行董事）於2008年4月17日2008股東周年常會結束後退任本行董事。陳文裘（獨立非執行董事）於2008年8月14日與世長辭。

根據章程細則規定，任何在普通決議獲選的董事，其任期不得超過約3年，並於其獲委任後的第3年的股東周年常會結束時屆滿；其任期屆滿時，將被視為一位卸任董事而有資格重選。根據此規定，黃頌顯、李兆基、蒙民偉、駱錦明及李福全將於2009年4月16日舉行的股東周年常會（「2009股東周年常會」）上卸任，並願膺選連任。

## Report of the Directors (continued)

Valiant CHEUNG Kin-piu was appointed an Independent Non-executive Director on 15th December, 2008 to fill the vacancy left by TAN Man-kou. Mr. Cheung will offer himself for re-election at the 2009 AGM.

Details of the Directors to be re-elected at the 2009 AGM are set out in the circular to the shareholders sent together with this Annual Report.

No Director proposed for re-election at the 2009 AGM has an unexpired 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.

David LI Kwok-po is employed as the Chief Executive of the Bank. His existing five-year term service contract will expire in March 2009. The Board of Directors has approved that the service contract will be extended for three years from April 2009 to March 2012.

No contracts of significance to which the Bank or any of its subsidiaries was a party and in which a Director of the Bank had a material interest subsisted at the end of the year or at any time during the year.

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.

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 the heading "Information on Share Options", and Notes 2(q)(iv) and 35 on the accounts.

The Bank has received independence confirmation from the Independent Non-executive Directors, namely: WONG Chung-hin, LEE Shau-kee, Allan WONG Chi-yun, Winston LO Yau-lai, Thomas KWOK Ping-kwong, Kenneth LO Chin-ming, William DOO Wai-hoi, KUOK Khoon-ean and Valiant CHEUNG Kin-piu and considers them to be independent.

The Chairman received HK\$300,000 and each of the other Directors, including the Independent Non-executive Directors, received HK\$200,000, as director's fees for the year ended 31st December, 2008.

The fees to the Directors who retired or were appointed during the year 2008 were paid in accordance with their length of service.

### CORPORATE GOVERNANCE

Being the largest independent local bank in Hong Kong, the Bank is committed to maintaining the highest corporate governance standards. Information on the corporate governance practices adopted by the Bank is set out in the Corporate Governance Report.



## 董事會報告書（續）

張建標於2008年12月15日獲委任為獨立非執行董事，以填補陳文菱的空缺。他將於2009股東周年常會上膺選連任。

所有在2009股東周年常會重選的董事的資料，載於連同本年報寄發予股東的股東通函內。

所有擬在2009股東周年常會上膺選連任的董事，並沒有尚未屆滿的服務合約，該等合約屬本行或其附屬公司在一年內不可在不予賠償（法定賠償除外）的情況下終止者。

李國寶受聘為本行的行政總裁。他現行為期5年的服務合約將於2009年3月屆滿。董事會已通過延長其服務合約3年，由2009年4月起至2012年3月止。

本年內凡與本行或其任何附屬公司業務有重大關係的合約，本行各董事均無佔有任何實質上的權益。

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。

除於下列「認股權資料」項下及賬項附註2(q)(iv)及35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。

本行已收到獨立非執行董事：黃頌顯、李兆基、黃子欣、羅友禮、郭炳江、駱錦明、杜惠愷、郭孔演及張建標的獨立性確認函。本行對他們的獨立性表示認同。

本行主席獲港幣30萬元；而其他董事包括獨立非執行董事各獲得港幣20萬元，作為截至2008年12月31日止財政年度的董事袍金。

在年內退任或獲委任的董事之袍金則按其服務期支付。

### 企業管治

作為本港最大的獨立本地銀行，本行致力維持最高的企業管治標準。有關本行所採納的企業管治常規的資料，載列於企業管治報告內。

## Report of the Directors (continued)

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31st December, 2008, 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 Securities and Futures Ordinance (the "SFO") were as follows:

#### I. Long positions in shares of the Bank:

Name	Capacity and nature	No. of shares	Total	% of issued share capital
David LI Kwok-po	Beneficial owner Interest of spouse	40,119,561 1,339,240	41,458,801 <sup>1</sup>	2.48
WONG Chung-hin	Beneficial owner Interest of spouse	46,810 344,131	390,941 <sup>2</sup>	0.02
LEE Shau-kee	Beneficial owner Interest of corporation	1,901,985 1,000,000	2,901,985 <sup>3</sup>	0.17
Allan WONG Chi-yun	Beneficial owner Interest of spouse Founder of discretionary trust	300,000 124 11,250,012	11,550,136 <sup>4</sup>	0.69
Aubrey LI Kwok-sing	Beneficial owner Interest of spouse Beneficiary of discretionary trust	23,391 16,727 30,655,378	30,695,496 <sup>5</sup>	1.83
Arthur LI Kwok-cheung	Beneficial owner Founder of discretionary trust	8,631,949 11,934,515	20,566,464 <sup>6</sup>	1.23
Joseph PANG Yuk-wing	Beneficial owner	1,500,000	1,500,000	0.09
William MONG Man-wai	Beneficial owner Interest of spouse Interest of corporation	1,836,701 30,000 5,492,661	7,359,362 <sup>7</sup>	0.44
Winston LO Yau-lai	-	-	Nil	Nil
KHOO Kay-peng	Interest of corporation	1,042,617	1,042,617 <sup>8</sup>	0.06
Thomas KWOK Ping-kwong	-	-	Nil	Nil
Richard LI Tzar-kai	-	-	Nil	Nil
Kenneth LO Chin-ming	-	-	Nil	Nil
Eric LI Fook-chuen	Beneficial owner Founder and beneficiary of discretionary trust Interest of corporation	3,833,317 19,160,672 7,809,376	30,803,365 <sup>9</sup>	1.84
Stephen Charles LI Kwok-sze	Beneficial owner Interest of children Beneficiary of discretionary trusts	10,273,332 469,925 1,962,523	12,705,780 <sup>10</sup>	0.76
William DOO Wai-hoi	-	-	Nil	Nil
KUOK Khoon-ean	-	-	Nil	Nil
Valiant CHEUNG Kin-piu	-	-	Nil	Nil

## 董事會報告書（續）

### 董事及行政總裁權益

於2008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. 本行股份權益的好倉：

姓名	身份及性質	股份數目	總數	佔已發行股本的百分率
李國寶	實益擁有人 配偶的權益	40,119,561 1,339,240	41,458,801 <sup>1</sup>	2.48
黃頌顯	實益擁有人 配偶的權益	46,810 344,131	390,941 <sup>2</sup>	0.02
李兆基	實益擁有人 法團的權益	1,901,985 1,000,000	2,901,985 <sup>3</sup>	0.17
黃子欣	實益擁有人 配偶的權益 酌情信託的成立人	300,000 124 11,250,012	11,550,136 <sup>4</sup>	0.69
李國星	實益擁有人 配偶的權益 酌情信託的受益人	23,391 16,727 30,655,378	30,695,496 <sup>5</sup>	1.83
李國章	實益擁有人 酌情信託的成立人	8,631,949 11,934,515	20,566,464 <sup>6</sup>	1.23
彭玉榮	實益擁有人	1,500,000	1,500,000	0.09
蒙民偉	實益擁有人 配偶的權益 法團的權益	1,836,701 30,000 5,492,661	7,359,362 <sup>7</sup>	0.44
羅友禮	—	—	無	無
邱繼炳	法團的權益	1,042,617	1,042,617 <sup>8</sup>	0.06
郭炳江	—	—	無	無
李澤楷	—	—	無	無
駱錦明	—	—	無	無
李福全	實益擁有人 酌情信託的成立人及受益人 法團的權益	3,833,317 19,160,672 7,809,376	30,803,365 <sup>9</sup>	1.84
李國仕	實益擁有人 子女的權益 酌情信託的受益人	10,273,332 469,925 1,962,523	12,705,780 <sup>10</sup>	0.76
杜惠愷	—	—	無	無
郭孔演	—	—	無	無
張建標	—	—	無	無

## Report of the Directors (continued)

### Notes:

- 1 David LI Kwok-po was the beneficial owner of 40,119,561 shares and he was deemed to be interested in 1,339,240 shares through the interests of his spouse, Penny POON Kam-chui.
- 2 WONG Chung-hin was the beneficial owner of 46,810 shares and he was deemed to be interested in 344,131 shares through the interests of his spouse, LAM Mei-lin.
- 3 LEE Shau-kee was the beneficial owner of 1,901,985 shares.  
*LEE Shau-kee was deemed to be interested in 1,000,000 shares held through Superfun Enterprises Limited ("Superfun"). Superfun was wholly owned by The Hong Kong and China Gas Company Limited which was 39.06% held by Henderson Land Development Company Limited ("Henderson Land").*  
*Henderson Land was 53.01% held by Henderson Development Limited ("Henderson Development"). Hopkins (Cayman) Limited ("Hopkins") as trustee of a unit trust (the "Unit Trust") owned all the issued ordinary shares of Henderson Development. Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"), as trustees of respective discretionary trusts, held units in the Unit Trust. The entire issued share capital of Hopkins, Rimmer and Riddick were owned by LEE Shau-kee.*
- 4 Allan WONG Chi-yun was the beneficial owner of 300,000 shares and he was deemed to be interested in 124 shares through the interests of his spouse, Margaret KWOK Chi-wai. He was also deemed to be interested in 11,250,012 shares held by a discretionary trust, The Wong Chung Man 1984 Trust, of which Allan WONG Chi-yun was a founder.
- 5 Aubrey LI Kwok-sing was the beneficial owner of 23,391 shares and he was deemed to be interested in 16,727 shares through the interests of his spouse, Elizabeth WOO. The remaining 30,655,378 shares were held by The Fook Wo Trust, a discretionary trust in which Aubrey LI Kwok-sing was one of the discretionary beneficiaries.
- 6 Arthur LI Kwok-cheung was the beneficial owner of 8,631,949 shares. Arthur LI Kwok-cheung made a voluntary disclosure of 11,934,515 shares held by a discretionary trust of which he is the founder but has no influence on how the trustee exercises his discretion.
- 7 William MONG Man-wai was the beneficial owner of 1,836,701 shares and he was deemed to be interested in 30,000 shares through the interests of his spouse, WONG Pui-fan. Of the remaining 5,492,661 shares, (i) 4,752,798 shares were held through Shun Hing Electronic Trading Co. Ltd., (ii) 668,323 shares were held through Shun Hing Technology Co. Ltd., and (iii) 71,540 shares were held through Shun Hing Advertising Co. Ltd. Such corporations are accustomed to act in accordance with the directions or instructions of William MONG Man-wai who is the Chairman of these corporations.
- 8 KHOO Kay-peng was deemed to be interested in 1,042,617 shares which were held through Bonham Industries Limited, a company in which he held 99.9% of the issued capital.
- 9 Eric LI Fook-chuen was the beneficial owner of 3,833,317 shares, and 19,160,672 shares were held by New Jerico (PTC) Limited in the capacity of trustee of The Jerico Unit Trust. Eric LI Fook-chuen is the sole director of New Jerico (PTC) Limited. All the units in The Jerico Unit Trust are held by The New Elico Trust, of which Eric LI Fook-chuen is the founder and a discretionary beneficiary. Eric LI Fook-chuen was also deemed to be interested in 7,809,376 shares held by The Kowloon Dairy Limited of which he is the Chairman and Chief Executive Officer.
- 10 Stephen Charles LI Kwok-sze was the beneficial owner of 10,273,332 shares, and he was deemed to be interested in 469,925 shares through the interests of his children under the age of 18. Of the remaining 1,962,523 shares, (i) 1,800,000 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 under the age of 18 were beneficiaries and (ii) 162,523 shares were held by a discretionary trust, Longevity Trust, of which his children under the age of 18 were beneficiaries.

## 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 and Joseph PANG Yuk-wing pursuant to the approved Staff Share Option Schemes. Information in relation to these shares options during the year ended 31st December, 2008 was shown in the following section under the heading "Information on Share Options".

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 was recorded in the Register.

## 董事會報告書（續）

附註：

- 1 李國寶為40,119,561股的實益擁有人。由於其配偶潘金翠擁有1,339,240股之權益，他亦被視為擁有該等股份。
- 2 黃頌顯為46,810股的實益擁有人。由於其配偶林美蓮擁有344,131股之權益，他亦被視為擁有該等股份。
- 3 李兆基為1,901,985股的實益擁有人。

李兆基被視為擁有由Superfun Enterprises Limited（「Superfun」）持有之1,000,000股。Superfun由香港中華煤氣有限公司（「中華煤氣」）全資擁有。而恒基兆業地產有限公司（「恒基地產」）持有中華煤氣39.06%股權。

恒基兆業有限公司（「恒基兆業」）持有恒基地產53.01%股權。Hopkins (Cayman) Limited（「Hopkins」），作為一個單位信託（「該單位信託」）的受託人，擁有恒基兆業的全部已發行普通股股份。Rimmer (Cayman) Limited（「Rimmer」）及Riddick (Cayman) Limited（「Riddick」），分別為不同全權信託的受託人，持有該單位信託的單位。李兆基擁有Hopkins、Rimmer及Riddick的全部已發行股份。

- 4 黃子欣為300,000股的實益擁有人。由於其配偶郭志蕙擁有124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The Wong Chung Man 1984 Trust的成立人，他亦被視為擁有該酌情信託所持有的11,250,012股。
- 5 李國星為23,391股的實益擁有人。由於其配偶吳伊莉擁有16,727股之權益，他亦被視為擁有該等股份。餘下之30,655,378股由一個酌情信託The Fook Wo Trust持有，李國星為該信託的其中一位酌情受益人。
- 6 李國章為8,631,949股的實益擁有人。李國章自願披露其作為成立人的一個酌情信託所持有的11,934,515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。
- 7 蒙民偉為1,836,701股的實益擁有人。由於其配偶王蓓芬擁有30,000股之權益，蒙民偉被視為擁有該等股份。餘下的5,492,661股當中：(i) 4,752,798股由信興電器貿易有限公司持有；(ii) 668,323股由信興科技有限公司持有；及(iii) 71,540股由信興廣告有限公司持有。蒙民偉為該等法團的主席。該等法團慣於按照蒙民偉的指令或指示行事。
- 8 由於邱繼炳擁有Bonham Industries Limited 99.9%已發行股份，他被視為擁有Bonham Industries Limited持有之1,042,617股。
- 9 李福全為3,833,317股的實益擁有人。而19,160,672股由New Jerico (PTC) Limited以The Jerico Unit Trust的受託人身份持有，李福全是New Jerico (PTC) Limited的唯一董事。The New Elico Trust持有The Jerico Unit Trust的全部單位，而李福全為The New Elico Trust的成立人及一位酌情受益人。他亦被視為擁有由九龍維記牛奶有限公司持有的7,809,376股股份，李福全為該公司的主席兼行政總裁。
- 10 李國仕為10,273,332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469,925股。餘下的1,962,523股當中：(i) 1,800,000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18歲以下子女皆為該酌情信託的受益人；及(ii) 162,523股由一個酌情信託 - Longevity Trust 持有，而李國仕的18歲以下子女為該酌情信託的受益人。

## 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，李國寶及彭玉榮獲授予認股權，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2008年12月31日止年度內的資料，見於下列「認股權資料」項下。

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。



## Report of the Directors (continued)

### 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, 2008:

Name	Date of Grant <sup>a</sup>	Number of Share Options				Outstanding at 31/12/2008
		Outstanding at 1/1/2008	Granted	Exercised	Lapsed	
David LI Kwok-po	02/5/2003	1,000,000	-	1,000,000 <sup>c</sup>	-	Nil
	22/4/2004	1,000,000	-	-	-	1,000,000
	03/5/2005	1,000,000	-	-	-	1,000,000
	03/5/2006	1,000,000	-	-	-	1,000,000
	10/5/2007	1,000,000	-	-	-	1,000,000
	05/5/2008	-	2,000,000 <sup>b</sup>	-	-	2,000,000
Joseph PANG Yuk-wing	02/5/2003	500,000	-	500,000 <sup>c</sup>	-	Nil
	22/4/2004	500,000	-	-	-	500,000
	03/5/2005	500,000	-	-	-	500,000
	03/5/2006	500,000	-	-	-	500,000
	10/5/2007	500,000	-	-	-	500,000
	05/5/2008	-	1,000,000 <sup>b</sup>	-	-	1,000,000
Aggregate of other Employees*	02/5/2003	205,000	-	205,000 <sup>c</sup>	-	Nil
	22/4/2004	1,915,000	-	580,000 <sup>c</sup>	70,000	1,265,000
	03/5/2005	5,230,000	-	625,000 <sup>c</sup>	-	4,605,000
	03/5/2006	1,200,000	-	-	-	1,200,000
	10/5/2007	1,250,000	-	-	-	1,250,000
	05/5/2008	-	2,500,000 <sup>b</sup>	-	-	2,500,000
Other Participant**	02/5/2003	500,000	-	500,000 <sup>c</sup>	-	Nil
	22/4/2004	500,000	-	500,000 <sup>c</sup>	-	Nil
	03/5/2005	500,000	-	500,000 <sup>c</sup>	-	Nil
	03/5/2006	500,000	-	500,000 <sup>c</sup>	-	Nil

\* Employees working under employment contracts that were regarded as "Continuous Contracts" for the purpose of the Hong Kong Employment Ordinance.

\*\* Other Participant refers to the former Executive Director who retired and resigned as a Director of the Bank with effect from 1st May, 2007. The options granted to him prior to his retirement and resignation were exercised in full during the year.

## 董事會報告書（續）

### 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2008年12月31日止年度內認股權的變動：

姓名	授予日期 <sup>a</sup>	認股權數目				
		於1/1/2008日 尚未行使	授出	行使	失效	於31/12/2008日 尚未行使
李國寶	02/5/2003	1,000,000	-	1,000,000 <sup>c</sup>	-	無
	22/4/2004	1,000,000	-	-	-	1,000,000
	03/5/2005	1,000,000	-	-	-	1,000,000
	03/5/2006	1,000,000	-	-	-	1,000,000
	10/5/2007	1,000,000	-	-	-	1,000,000
	05/5/2008	-	2,000,000 <sup>b</sup>	-	-	2,000,000
彭玉榮	02/5/2003	500,000	-	500,000 <sup>c</sup>	-	無
	22/4/2004	500,000	-	-	-	500,000
	03/5/2005	500,000	-	-	-	500,000
	03/5/2006	500,000	-	-	-	500,000
	10/5/2007	500,000	-	-	-	500,000
	05/5/2008	-	1,000,000 <sup>b</sup>	-	-	1,000,000
其他僱員 的總數*	02/5/2003	205,000	-	205,000 <sup>c</sup>	-	無
	22/4/2004	1,915,000	-	580,000 <sup>c</sup>	70,000	1,265,000
	03/5/2005	5,230,000	-	625,000 <sup>c</sup>	-	4,605,000
	03/5/2006	1,200,000	-	-	-	1,200,000
	10/5/2007	1,250,000	-	-	-	1,250,000
	05/5/2008	-	2,500,000 <sup>b</sup>	-	-	2,500,000
其他參與人**	02/5/2003	500,000	-	500,000 <sup>c</sup>	-	無
	22/4/2004	500,000	-	500,000 <sup>c</sup>	-	無
	03/5/2005	500,000	-	500,000 <sup>c</sup>	-	無
	03/5/2006	500,000	-	500,000 <sup>c</sup>	-	無

\* 按香港《僱傭條例》所指的「連續合約」工作的僱員。

\*\* 其他參與人指前執行董事，其於2007年5月1日退休及辭任本行董事一職。在其退休及辭任前已獲授予該等認股權，而該等認股權已於年內悉數行使。

## Report of the Directors (continued)

Notes:

a Particulars of share options:

Date of Grant	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
02/5/2003	02/5/2003 – 01/5/2004	02/5/2004 – 02/5/2008	14.90
22/4/2004	22/4/2004 – 21/4/2005	22/4/2005 – 22/4/2009	23.23
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	22.95
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	33.05
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	47.13
05/5/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	44.10

- b (i) The closing price of the shares of the Bank immediately before 5th May, 2008 on which the options were granted was HK\$44.35.
- (ii) Fair value of share options granted during the year ended 31st December, 2008 and the assumptions are set out in Note 35 on the accounts.
- c 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, 2008:

Date of Grant	No. of Options Exercised	Exercise Price Per Share HK\$	AWA Closing Price HK\$
02/5/2003	2,205,000	14.90	42.32
22/4/2004	1,080,000	23.23	41.52
03/5/2005	1,125,000	22.95	40.95
03/5/2006	500,000	33.05	41.30

(2) No share options were cancelled during the year ended 31st December, 2008.

(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, 2008, 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.

## 董事會報告書（續）

附註：

a 認股權詳情：

授予日期	有效期	行使期	每股行使價 港幣(元)
02/5/2003	02/5/2003 - 01/5/2004	02/5/2004 - 02/5/2008	14.90
22/4/2004	22/4/2004 - 21/4/2005	22/4/2005 - 22/4/2009	23.23
03/5/2005	03/5/2005 - 02/5/2006	03/5/2006 - 03/5/2010	22.95
03/5/2006	03/5/2006 - 02/5/2007	03/5/2007 - 03/5/2011	33.05
10/5/2007	10/5/2007 - 09/5/2008	10/5/2008 - 10/5/2012	47.13
05/5/2008	05/5/2008 - 04/5/2009	05/5/2009 - 05/5/2013	44.10

b (i) 本行股份在緊接2008年5月5日授出認股權當日之前的收市價為港幣44.35元。

(ii) 在截至2008年12月31日止年度內授出的認股權的公平價值及假設載於賬項附註35。

c 在截至2008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	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)
02/5/2003	2,205,000	14.90	42.32
22/4/2004	1,080,000	23.23	41.52
03/5/2005	1,125,000	22.95	40.95
03/5/2006	500,000	33.05	41.30

(2) 截至2008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2008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。

## INFORMATION ON SHARE OPTION SCHEME

The following is a summary of the Staff Share Option Scheme 2007 that was adopted on 12th April, 2007 (the "2007 Scheme") disclosed in accordance with the Listing Rules:

### 1. Purpose of the Scheme:

- (a) The 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.
- (b) The 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 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 Scheme and % of issued share capital at 31st December, 2008:

The total number of shares available for issue under the Scheme is 77,653,352 shares representing 4.64% of the issued share capital at 31st December, 2008.

### 4. Maximum entitlement of each participant under the 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 Scheme or any other schemes 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 Scheme.

### 5. The period within which the shares must be taken up under an option:

Beginning on the first anniversary of the Date of Grant of such options and ending on the fifth anniversary thereof.

### 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 first anniversary 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 shares in the Stock Exchange's daily quotations sheet on the date of grant of the relevant options;
- (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; and
- (c) the nominal value of the Bank's shares.

### 9. The remaining life of the Scheme:

The Scheme Period will end on 11th April, 2012.



## 董事會報告書（續）

### 認股權計劃資料

根據《上市規則》披露的有關於2007年4月12日採納的僱員認股計劃2007（「2007計劃」）的摘要如下：

#### 1. 計劃的目的：

- (a) 本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) 本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. 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. 計劃中可予發行的股份數目及其於2008年12月31日佔已發行股本的百分率：

計劃中可予發行的股份數目為77,653,352股，佔本行於2008年12月31日已發行股本的4.64%。

#### 4. 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本計劃及本行任何其他計劃獲授的認股權（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，須受載於該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：

由該認股權授予日的第1周年開始截至授予日的第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授予日的第一周年之前一日。

#### 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，本行股份於聯交所日報表的收市價；
- (b) 相等於緊接授出有關認股權當日之前5個營業日，本行股份於聯交所日報表的平均收市價；及
- (c) 本行股份的面值。

#### 9. 計劃尚餘的有效期：

計劃期間於2012年4月11日終止。

## Report of the Directors (continued)

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31st December, 2008, the interests and short positions of Substantial Shareholders and Other Persons of the Bank in the shares and underlying shares of the Bank as recorded in the Register required to be kept under section 336 of the SFO were as follows:

Long and short positions in shares of the Bank:

Name	Capacity and nature	No. of shares	% on issued share capital
Negocio de Finanzas e Inversiones I, S.L.U.	Beneficial owner	151,063,572 <sup>1</sup> (L)	9.03
Criteria CaixaCorp, S.A.	Interest of corporation	151,063,572 <sup>1</sup> (L)	9.03
Caja de Ahorros y Pensiones de Barcelona	Interest of corporation	151,063,572 <sup>1</sup> (L)	9.03
UBS AG	Beneficial owner, person having a security interest in shares and interest of corporation	98,395,670 <sup>2</sup> (L) 37,572,052 <sup>2</sup> (S)	5.88 2.25

1 *Caja de Ahorros y Pensiones de Barcelona was holding a 79.45% interest in Criteria CaixaCorp, S.A. which was the sole shareholder of Negocio de Finanzas e Inversiones I, S.L.U. Caja de Ahorros y Pensiones de Barcelona and Criteria CaixaCorp, S.A. were deemed to be interested in the 151,063,572 shares held by Negocio de Finanzas e Inversiones I, S.L.U. The shareholding of 151,063,572 was equivalent to approximately 9.04% of the issued share capital of the Bank at the time of reporting but 9.03% as at 31st December, 2008.*

*The Bank was notified that the shareholdings of the above three corporations were increased to 164,928,972 shares (equivalent to approximately 9.86% of the issued share capital of the Bank) as at 31st December, 2008. Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.*

2 *Of these interests, long position of 543,555 shares and short position of 938,200 shares were physically settled derivatives listed or traded on a Stock Exchange or traded on a Futures Exchange. Short position of 11,803,400 shares were cash settled derivatives listed or traded on a Stock Exchange or traded on a Futures Exchange and long position of 12,244 shares were physically settled unlisted derivatives.*

(L) = Long Position

(S) = Short Position

Save as disclosed above, no other interest or short position in the shares or underlying shares of the Bank were recorded in the Register.

### 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.

### COMPLIANCE

The Bank is required to comply with the Banking (Disclosure) Rules effective from 1st January, 2007, which have superseded the supervisory policy manual on financial disclosure issued by the Hong Kong Monetary Authority (HKMA). The Banking (Disclosure) Rules set out the minimum standards for public disclosure which authorised institutions must make in respect of the income statement, state of affairs and capital adequacy. The financial statements for the financial year ended 31st December, 2008 comply fully with the applicable disclosure provisions 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, 2009

## 董事會報告書（續）

### 大股東及其他人士的權益

於2008年12月31日，根據《證券及期貨條例》第336條須予備存的登記冊所記錄，大股東及其他人士擁有本行的股份及相關股份的權益及淡倉如下：

本行股份權益的好倉：

姓名	身份及性質	股份數目	佔已發行股本的百分率
Negocio de Finanzas e Inversiones I, S.L.U.	實益擁有人	151,063,572 <sup>1</sup> (L)	9.03
Criteria CaixaCorp, S.A.	法團的權益	151,063,572 <sup>1</sup> (L)	9.03
Caja de Ahorros y Pensiones de Barcelona	法團的權益	151,063,572 <sup>1</sup> (L)	9.03
UBS AG	實益擁有人、 對股份持有保證權益的人及 法團的權益	98,395,670 <sup>2</sup> (L) 37,572,052 <sup>2</sup> (S)	5.88 2.25

1 Caja de Ahorros y Pensiones de Barcelona 持有 Criteria CaixaCorp, S.A. 79.45% 權益，而 Criteria CaixaCorp, S.A. 則是 Negocio de Finanzas e Inversiones I, S.L.U. 的單一股東。Caja de Ahorros y Pensiones de Barcelona 及 Criteria CaixaCorp, S.A. 被視為擁有 Negocio de Finanzas e Inversiones I, S.L.U. 持有的 151,063,572 股。持有 151,063,572 股約佔作出披露時本行已發行股本之 9.04% 及於 2008 年 12 月 31 日本行已發行股本的 9.03%。

上述 3 間公司通知本行，彼等於 2008 年 12 月 31 日的持股量增加至 164,928,972 股（佔本行已發行股本約 9.86%）。根據《證券及期貨條例》第 XV 部，彼等增持有關股份無須作出披露。

2 在此等權益當中，好倉 543,555 股及淡倉 938,200 股屬於以實物交收在聯交所上市或買賣或在期交所買賣的衍生權益。淡倉 11,803,400 股屬於以現金交收在聯交所上市或買賣或在期交所買賣的衍生權益，而好倉 12,244 股則屬於以實物交收的非上市衍生權益。

(L) = 好倉

(S) = 淡倉

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。

### 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。

### 符合指引

本行需符合已於 2007 年 1 月 1 日生效的《銀行業（披露）規則》，此《銀行業（披露）規則》已取締香港金融管理局所頒佈的《監管政策手冊》中有關財務資料披露之要求。《銀行業（披露）規則》規定本地註冊認可機構需將其損益賬、財務狀況及資本充足作公開披露的最低要求。截至 2008 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。

主席兼行政總裁

**李國寶**

香港，2009 年 2 月 17 日

# INDEPENDENT AUDITOR'S REPORT



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

(incorporated in Hong Kong with limited liability)

We have audited the consolidated accounts of The Bank of East Asia, Limited ("the Bank") set out on pages 114 to 235, which comprise the consolidated and the Bank balance sheets as at 31st December, 2008, and the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE ACCOUNTS

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

### AUDITOR'S RESPONSIBILITY

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

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

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

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

### OPINION

In our opinion, the consolidated accounts give a true and fair view of the state of affairs of the Bank and of the Group as at 31st December, 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

#### KPMG

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

Hong Kong, 17th February, 2009

# 獨立核數師報告



## 致東亞銀行有限公司各股東：

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核刊於第114頁至第235頁東亞銀行有限公司(「貴銀行」)的綜合賬項，此綜合賬項包括於2008年12月31日的綜合資產負債表及 貴銀行的資產負債表與截至該日止年度的綜合損益賬、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

## 董事就賬項須承擔的責任

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

## 核數師的責任

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

我們已根據香港會計師公會頒佈的香港核數準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等賬項是否不存在重大錯誤陳述。

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

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

## 意見

我們認為，該等綜合賬項已根據香港財務報告準則真實而公平地反映 貴銀行及 貴集團於2008年12月31日的事務狀況及截至該日止年度的集團利潤及現金流量，並已按照香港《公司條例》妥為編製。

## 畢馬威會計師事務所

執業會計師  
香港中環  
遮打道10號  
太子大廈8樓

香港，2009年2月17日

# CONSOLIDATED PROFIT AND LOSS ACCOUNT

## 綜合損益賬

For the year ended 31st December, 2008 截至2008年12月31日止年度

		Notes 附註	2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元
Interest income	利息收入	3	17,465	18,309
Interest expense	利息支出	4	(10,672)	(12,332)
Net interest income	淨利息收入		6,793	5,977
Fee and commission income	服務費及佣金收入	5	2,618	2,608
Fee and commission expense	服務費及佣金支出		(473)	(471)
Net fee and commission	服務費及佣金淨額		2,145	2,137
Net trading (losses)/profits	交易(虧損)/溢利淨額	6	(1,292)	1,417
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	7	(1,612)	(1,154)
Other operating income	其他經營收入	8	423	437
Non-interest (expense)/income	非利息(支出)/收入		(336)	2,837
Operating income	經營收入		6,457	8,814
Operating expenses	經營支出	9	(5,779)	(4,691)
Operating profit before impairment losses	未扣除減值損失之經營溢利		678	4,123
Impairment losses on loans and advances	貸款減值損失	10	(558)	(216)
Impairment losses on held-to-maturity investments	持至到期投資減值損失	26	(44)	(42)
Impairment losses on available-for-sale financial assets	可供出售金融資產減值損失		(352)	(228)
Impairment losses on associates	聯營公司減值損失		-	(41)
Write back of impairment losses on bank premises	行址減值損失回撥	30	6	132
Impairment losses	減值損失		(948)	(395)
Operating (loss)/profit after impairment losses	已扣除減值損失後之經營(虧損)/溢利		(270)	3,728
Net profit on sale of held-to-maturity investments	出售持至到期投資之淨溢利		25	-
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利	11	197	667
Net profit on disposal of loans and receivable	出售貸款及應收賬項之淨溢利		1	-
Net (loss)/profit on sale of subsidiaries/associates	出售附屬公司/聯營公司之淨(虧損)/溢利		(8)	406
Net profit/(loss) on sale of fixed assets	出售固定資產之淨溢利/(虧損)		178	(1)
Valuation (losses)/gains on investment properties	重估投資物業(虧損)/盈利	30	(168)	293
Share of profits less losses on associates	應佔聯營公司溢利減虧損		53	92
Profit for the year before taxation	年度內除稅前溢利		8	5,185
Income tax	所得稅	12	96	(964)
Profit for the year after taxation	年度內除稅後溢利		104	4,221
Attributable to:	可歸屬於:			
Equity holders of the Group	本集團股東		39	4,144
Minority interests	少數股東權益	38	65	77
Profit after taxation	除稅後溢利		104	4,221
Appropriations:	撥款:			
Dividends attributable to the year	應屬本年度股息			
Interim paid	已支付中期股息		384	753
Final paid in respect of previous year	已支付屬上年度末期股息		98	3
Final proposed	擬派末期股息		33	1,858
Earnings per share	每股盈利		HK\$ 港幣	HK\$ 港幣
Basic	基本	15	0.02	2.65
Diluted	攤薄	15	0.02	2.63

The notes on pages 120 to 235 form part of these accounts.

第120至235頁之附註屬本賬項之一部分。



# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

As at 31st December, 2008 2008年12月31日

			2008	2007
		Notes 附註	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>ASSETS</b>	<b>資產</b>			
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	19	<b>28,105</b>	17,853
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	20	<b>96,574</b>	94,704
Trade bills	貿易票據	21	<b>1,164</b>	812
Trading assets	交易用途資產	22	<b>3,437</b>	4,847
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	23	<b>4,130</b>	8,658
Advances to customers and other accounts	客戶貸款及其他賬項	24	<b>243,725</b>	231,740
Available-for-sale financial assets	可供出售金融資產	25	<b>18,560</b>	12,217
Held-to-maturity investments	持至到期投資	26	<b>5,006</b>	10,761
Investments in associates	聯營公司投資	28	<b>2,486</b>	2,793
Fixed assets	固定資產	30	<b>9,146</b>	6,856
– Investment properties	– 投資物業		<b>1,839</b>	1,726
– Other property and equipment	– 其他物業及設備		<b>7,307</b>	5,130
Goodwill and intangible assets	商譽及無形資產	29	<b>2,734</b>	2,668
Deferred tax assets	遞延稅項資產	32(b)	<b>187</b>	70
<b>Total Assets</b>	<b>資產總額</b>		<b>415,254</b>	393,979
<b>EQUITY AND LIABILITIES</b>	<b>股東權益及負債</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		<b>27,045</b>	39,060
Deposits from customers	客戶存款		<b>323,802</b>	284,186
Trading liabilities	交易用途負債	33(a)	<b>2,846</b>	2,372
Certificates of deposit issued	已發行存款證		<b>5,491</b>	12,165
– At fair value through profit or loss	– 通過損益以反映公平價值		<b>3,777</b>	7,660
– At amortised cost	– 攤銷成本		<b>1,714</b>	4,505
Current taxation	本期稅項	32(a)	<b>333</b>	229
Deferred tax liabilities	遞延稅項負債	32(b)	<b>77</b>	872
Other accounts and provisions	其他賬項及準備	33(b)	<b>12,139</b>	10,997
Loan capital	借貸資本	34	<b>11,036</b>	13,652
– At fair value through profit or loss	– 通過損益以反映公平價值		<b>6,395</b>	8,983
– At amortised cost	– 攤銷成本		<b>4,641</b>	4,669
<b>Total Liabilities</b>	<b>負債總額</b>		<b>382,769</b>	363,533
Share capital	股本	36	<b>4,183</b>	3,936
Reserves	儲備	37	<b>27,963</b>	26,163
Total equity attributable to equity holders of the Group	歸屬於本集團股東權益總額		<b>32,146</b>	30,099
Minority interests	少數股東權益	38	<b>339</b>	347
<b>Total Equity</b>	<b>股東權益總額</b>		<b>32,485</b>	30,446
<b>Total Equity and Liabilities</b>	<b>股東權益及負債總額</b>		<b>415,254</b>	393,979

Approved and authorised for issue by the Board of Directors on 17th February, 2009. 董事會於2009年2月17日核准及授權發佈。

Chairman and Chief Executive Directors

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

主席  
兼行政總裁  
董事

**李國寶**  
**黃頌顯**  
**黃子欣**  
**羅友禮**

The notes on pages 120 to 235 form part of these accounts.

第120至235頁之附註屬本賬項之一部分。

# BALANCE SHEET

## 資產負債表

As at 31st December, 2008 2008年12月31日

		Notes附註	2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元
<b>ASSETS</b>	<b>資產</b>			
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	19	4,852	3,133
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	20	92,735	83,123
Trade bills	貿易票據	21	521	470
Trading assets	交易用途資產	22	2,914	4,621
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	23	4,114	8,641
Advances to customers and other accounts	客戶貸款及其他賬項	24	138,640	141,692
Amounts due from subsidiaries	附屬公司欠款	31(a)	16,398	17,964
Available-for-sale financial assets	可供出售金融資產	25	10,985	10,608
Held-to-maturity investments	持至到期投資	26	3,318	8,773
Investments in subsidiaries	附屬公司投資	27	11,673	10,604
Investments in associates	聯營公司投資	28	1,984	1,965
Fixed assets	固定資產	30	5,587	5,407
– Investment properties	– 投資物業		1,819	1,829
– Other property and equipment	– 其他物業及設備		3,768	3,578
Goodwill and intangible assets	商譽及無形資產	29	1,460	1,460
Deferred tax assets	遞延稅項資產	32(b)	38	12
<b>Total Assets</b>	<b>資產總額</b>		<b>295,219</b>	<b>298,473</b>
<b>EQUITY AND LIABILITIES</b>	<b>股東權益及負債</b>			
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘		1,093	2,581
Deposits from customers	客戶存款		240,029	232,588
Trading liabilities	交易用途負債	33(a)	2,549	2,175
Certificates of deposit issued	已發行存款證		7,691	14,365
– At fair value through profit or loss	– 通過損益以反映公平價值		3,777	7,660
– At amortised cost	– 攤銷成本		3,914	6,705
Amounts due to subsidiaries	欠附屬公司款項	31(b)	1,994	1,634
Current taxation	本期稅項	32(a)	60	81
Deferred tax liabilities	遞延稅項負債	32(b)	63	754
Other accounts and provisions	其他賬項及準備	33(b)	3,479	4,462
Loan capital	借貸資本	34	11,036	13,652
– At fair value through profit or loss	– 通過損益以反映公平價值		6,395	8,983
– At amortised cost	– 攤銷成本		4,641	4,669
<b>Total Liabilities</b>	<b>負債總額</b>		<b>267,994</b>	<b>272,292</b>
Share capital	股本	36	4,183	3,936
Reserves	儲備	37	23,042	22,245
<b>Total equity attributable to equity holders of the Bank</b>	<b>歸屬於本行股東權益總額</b>		<b>27,225</b>	<b>26,181</b>
<b>Total Equity and Liabilities</b>	<b>股東權益及負債總額</b>		<b>295,219</b>	<b>298,473</b>

Approved and authorised for issue by the Board of Directors on 17th February, 2009. 董事會於2009年2月17日核准及授權發佈。

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The notes on pages 120 to 235 form part of these accounts.

第120至235頁之附註屬本賬項之一部分。

# CONSOLIDATED SUMMARY STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31st December, 2008 截至2008年12月31日止年度

	Notes 附註	2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元
Total equity as at 1st January	於1月1日股東權益總額	30,446	27,644
Net (loss)/income recognised directly in equity	直接確認於股東權益淨(虧損)/收入		
Release/(recognition) of net deferred tax liabilities on	遞延稅項負債淨額回撥/(確認)		
– Revaluation reserve on bank premises	– 行址重估儲備 37(c)	3	(6)
– Investment revaluation reserve on available-for-sale financial assets	– 可供出售金融資產投資重估儲備 37(h)	98	16
Revaluation surplus on bank premises transferred to investment properties	行址轉作投資物業所產生的重估盈餘 37(c)	10	36
Capital reserve on share-based transactions	以股份為基礎作交易產生的資本儲備 37(g)	66	28
Reversal upon disposal of available-for-sale financial assets	可供出售金融資產於出售時轉回 37(h)	(115)	27
Changes in fair value of available-for-sale financial assets	可供出售金融資產之公平價值變動 37(h)	(830)	(421)
Exchange and other adjustments	匯兌及其他調整 37(c), 37(f), 37(h)	477	480
		(291)	160
Net profit for the year	年度內溢利		
Attributable to:	可歸屬於:		
Equity holders of the Group	本集團股東 37(i)	39	4,144
Minority interests	少數股東權益 38	65	77
		104	4,221
Total recognised income and expenses for the year (of which HK\$65 million (2007: HK\$77 million) is attributable to minority interests)	年度內已確認的收入和支出(其中少數股東應佔權益港幣65,000,000元(2007年:港幣77,000,000元))	(187)	4,381
Dividends declared or approved during the year	年度內已宣佈或核准派發股息 37(i)	(2,340)	(2,352)
Movements in shareholders' equity arising from capital transactions with equity holders of the Group:	與本集團股東進行資本交易所產生的股東權益變動:		
Shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份 36, 37(a)	100	155
Shares issued in lieu of dividends	以股代息發行的股份 37(b)	597	730
Subscription for new shares	發行新股 36, 37(a)	3,942	-
		4,639	885
Movements in minority interests	少數股東權益變動		
Sale of interests in businesses to minority interests investors	出售商業權益予少數股東投資者 38	-	50
Purchase of interests in businesses from minority interests investors	向少數股東投資者購入商業權益 38	(64)	(15)
Final dividend in respect of previous year	屬上年度末期股息 38	(7)	-
Reversal upon disposal of available-for-sale financial assets	於出售可供出售金融資產時轉回 38	-	(149)
Exchange and other adjustments	匯兌及其他調整 38	(2)	2
		(73)	(112)
Balance as at 31st December	於12月31日結餘	32,485	30,446

The notes on pages 120 to 235 form part of these accounts.

第120至235頁之附註屬本賬項之一部分。

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31st December, 2008 截至2008年12月31日止年度

		2008	2007
		Notes 附註 HK\$ Mn 港幣百萬元	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	<b>8</b>	5,185
Adjustments for:	調整:		
Charge for impairment losses on loans and advances	貸款減值損失支銷	10	558
Charge for impairment allowances on held-to-maturity investments, available-for-sale financial assets and associates	持至到期投資、可供出售金融資產和聯營公司的減值準備支銷		311
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(53)	(92)
Net profit on sale of held-to-maturity investments	出售持至到期投資淨溢利	(25)	-
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產淨溢利	(197)	(667)
Net loss/(profit) on sale of subsidiaries, associates and equities	出售附屬公司、聯營公司及股份淨虧損/(溢利)	8	(406)
Net (profit)/loss on sale of fixed assets	出售固定資產之淨(溢利)/虧損	(178)	1
Interest expense on loan capital, certificates of deposit and bonds issued	已發行借貸資本、存款證及債券利息支出	1,014	1,115
Depreciation on fixed assets	固定資產折舊	9,30	437
Write back of impairment loss on bank premises	行址減值損失回撥		(6)
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入		(50)
Amortisation of intangible assets	無形資產攤銷	9	3
Amortisation of premium/discount on certificates of deposit and loan capital issued	已發行存款證及借貸資本的溢價/折扣攤銷		78
Revaluation (gains)/losses on certificates of deposit and loan capital issued	重估已發行存款證及已發行借貸資本(溢利)/虧損		(2,624)
Net (profit)/loss on sale of other financial assets	出售其他金融資產之淨(溢利)/虧損		(3)
Valuation losses/(gains) on investment properties	重估投資物業虧損/(盈利)	30	168
Equity-settled share-based payment expenses	以股份為基礎作支付的費用		66
		<b>(400)</b>	5,682
<b>OPERATING (LOSS)/PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>	<b>營運資金變動前的經營(虧損)/溢利</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		(4,397)
Placements with banks and other financial institutions with original maturity beyond three months	原本期限為3個月以上的銀行及其他金融機構存款		(18,823)
Trade bills	貿易票據		(352)
Trading assets	交易用途資產		1,410
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		4,528
Advances to customers	客戶貸款		(12,366)
Advances to banks and other financial institutions	銀行及其他金融機構貸款		1,158
Held-to-maturity debt securities	持至到期債務證券		5,863
Available-for-sale financial assets	可供出售金融資產		(6,000)
Other accounts and accrued interest	其他賬項及應計利息		(1,323)
			(799)
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		(12,015)
Deposits from customers	客戶存款		39,616
Trading liabilities	交易用途負債		474
Other accounts and provisions	其他賬項及準備		1,273
Exchange adjustments	匯兌調整		362
			7,101
			74,662
			1,430
			2,712
			376
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS</b>	<b>經營活動現金(流出)/流入淨額</b>	<b>(992)</b>	21,127
Income tax paid	已付所得稅		
Hong Kong profits tax paid	已付香港利得稅	(143)	(394)
Overseas profits tax paid	已付海外利得稅	(383)	(306)
<b>NET CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(用於)/源自經營業務活動之現金淨額</b>	<b>(1,518)</b>	20,427

## CONSOLIDATED CASH FLOW STATEMENT (continued)

### 綜合現金流量表(續)

For the year ended 31st December, 2008 截至2008年12月31日止年度

		2008	2007
	Notes 附註	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Dividends received from associates	收取聯營公司股息	163	103
Dividends received from available-for-sale equity securities	收取可供出售股份證券股息	50	63
Purchase of equity securities	購入股份證券	(444)	(832)
Proceeds from sale of equity securities	出售股份證券所得款項	512	1,455
Purchase of Intangible assets	購入無形資產	(6)	–
Purchase of fixed assets	購入固定資產	(2,557)	(924)
Purchase of investment properties	出售投資物業	(291)	–
Proceeds from disposal of fixed assets	出售固定資產所得款項	213	13
Purchase/increase in shareholding in associates	購入/增加聯營公司權益	(18)	(1,735)
Proceeds from disposal of associates	出售聯營公司所得款項	51	1
Purchase of subsidiaries	購入附屬公司	(21)	(38)
Proceeds from sale of interests in a subsidiary	出售一間附屬公司權益所得款項	–	455
Purchase of interests in business from minority interest investors	向少數股東投資者購入商業權益	(64)	(15)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>用於投資活動之現金淨額</b>	<b>(2,412)</b>	<b>(1,454)</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Ordinary dividends paid	支付普通股股息	(1,750)	(1,622)
Issue of ordinary share capital	發行普通股股本	100	155
Issue of loan capital	發行借貸資本	–	9,255
Subscription for new shares	發行新股	3,942	–
Issue of certificates of deposit	發行存款證	4,656	9,655
Redemption of certificates of deposit issued	贖回已發行存款證	(11,434)	(4,620)
Redemption of loan capital	贖回借貸資本	–	(3,907)
Interest paid on loan capital	支付借貸資本利息	(708)	(656)
Interest paid on certificates of deposit issued	支付已發行存款證利息	(488)	(224)
<b>NET CASH (USED IN)/GENERATING FROM FINANCING ACTIVITIES</b>	<b>(用於)／源自融資活動之現金淨額</b>	<b>(5,682)</b>	<b>8,036</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>(9,612)</b>	<b>27,009</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>103,718</b>	<b>76,709</b>
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER</b>	<b>於12月31日之現金及等同現金項目</b>	<b>94,106</b>	<b>103,718</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	17,514	17,570
Interest paid	利息支出	10,305	11,601
Dividend received	股息收入	93	101

The notes on pages 120 to 235 form part of these accounts.

第120至235頁之附註屬本賬項之一部分。

# NOTES ON THE ACCOUNTS

## 賬項附註

### 1. PRINCIPAL ACTIVITIES 主要業務

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

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

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

#### (a) Statement of Compliance

These accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Bank. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s and the Bank’s accounting policies applied in these accounts for the years presented.

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

The accounts for the year ended 31st December, 2008 comprise the Group and the Group’s interest in associates.

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

- financial instruments classified as trading, designated at fair value through profit or loss and available-for-sale (Note 2(f)(ii)); and
- investment properties (Note 2(h)(ii))

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

#### (a) 符合指引聲明

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

香港會計師公會頒佈數項新增及經修訂的《香港財務報告準則》，並可於本年度本集團及本行的會計期第一次生效或被提早採納。因採納該等新增及經修訂的《香港財務報告準則》，對於本集團及本行賬項所呈報之年度的會計政策未有重大影響。

#### (b) 賬項編製基準

截至2008年12月31日止年度的賬項包括本集團及其應佔聯營公司之權益。

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

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

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



## Notes on the Accounts (continued)

### 賬項附註(續)

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

Details of judgements made by management in the application of HKFRSs that have significant effect on the accounts and estimates with a significant risk of material adjustment in the next year are set out in Note 47.

#### (c) Basis of Consolidation

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

The consolidated accounts include the accounts of the Bank and all its subsidiaries made up to 31st December each year. Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

All material intercompany transactions and balances are eliminated on consolidation. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from or to the date of their acquisition or disposal, as appropriate.

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

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

##### (ii) Associates

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

An investment in an associate is accounted for in the consolidated accounts under the equity method and is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the associate's net assets.

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

在附註47內，已詳載管理層對實施對下年度的賬項有重大影響的《香港財務報告準則》所作的判斷及產生重大調整風險的估計。

#### (c) 綜合基準

##### (i) 附屬公司及少數股東權益

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

一切重大的集團內部交易及結餘已於賬項綜合時抵銷。於年度內購入或出售的附屬公司，其業績是由購入日期開始或截至出售日期止(以適用者為準)計算入綜合賬項內。

無論是直接或間接透過附屬公司，少數股東權益是指非由本行擁有的應佔附屬公司淨資產的權益部分，而本集團未與該權益持有者達成任何附加協議，致令本集團整體上對該等權益產生符合金融負債定義的法定義務。少數股東權益在綜合資產負債表及綜合股東權益轉變表內的股東權益列示，但與可歸屬於本集團股東權益分開。少數股東權益佔本集團年度內溢利在綜合損益賬賬面以分配為少數股東權益及可歸屬於本集團股東權益形式呈報。

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

##### (ii) 聯營公司

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

聯營公司投資是以權益會計法在綜合賬內入賬。入賬方法是先以成本另按本集團於購入後應佔該聯營公司淨資產的轉變而調整。

## Notes on the Accounts (continued)

### 賬項附註(續)

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

The consolidated profit and loss account reflects the Group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investment in associates recognised for the year in accordance with Notes 2(j) and 2(k).

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

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

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

### (d) Translation of Foreign Currencies

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

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 profit and loss account.

綜合損益賬已反映本集團應佔購入聯營公司權益後年度除稅後之業績，及減除於附註2(j)及2(k)所述有關年度內聯營公司投資的商譽減值損失。

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

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

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

### (d) 外幣換算

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

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。以公平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外幣買賣淨盈虧項下列示。

## Notes on the Accounts (continued)

### 賬項附註(續)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1st January, 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1st January, 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

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

#### (e) Revenue Recognition

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 profit and loss account as follows.

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

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

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

Net income from financial instruments designated at fair value through profit or loss and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with dividend income attributable to those financial instruments.

Fee and commission income is recognised in the profit and loss account when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the costs or risk is incurred and is accounted for as interest income.

海外業務之業績按交易日相約的匯率折算為港幣。資產負債表項目，包括於2005年1月1日或以後因收購海外業務而在綜合時所產生的商譽，按結算日的匯率折算為港幣。產生的匯兌差額直接在股東權益內以一獨立組成部分確認。因於2005年1月1日以前收購海外業務而在綜合時所產生的商譽按收購海外業務日的匯率折算。

計算出售海外企業的損益包括截至出售日因該企業產生的累計兌換差額。

#### (e) 收入確認

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，在損益賬內確認收入的方法如下：

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

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

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

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

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

## Notes on the Accounts (continued)

### 賬項附註(續)

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

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

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

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

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment is quoted ex-dividend.

### (f) Financial Instruments

#### (i) Initial recognition

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

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

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets is recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded.

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

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

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

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

### (f) 金融工具

#### (i) 初始確認

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

金融工具於初始期按公平價值計量，而公平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列作金融資產和金融負債。以有規律方式購買或出售金融資產按交易日會計法計算。該等按通過損益以反映公平價值列賬的金融資產及金融負債因公平價值變動而產生的盈利及虧損由該日起計算。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### (ii) Categorisation

##### *Fair value through profit or loss*

This category comprises financial assets and financial liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition, but excludes those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Trading financial instruments are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Non-hedging derivatives are accounted for as trading instruments.

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

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

Financial assets and financial liabilities under this category are carried at fair value. Changes in the fair value are included in the profit and loss account 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 profit and loss account.

##### *Loans and receivables*

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

#### (ii) 分類

##### *通過損益以反映公平價值*

此類別包括持有作交易用途和初始被指定為通過損益以反映公平價值的金融資產及金融負債，但不包括沒有報價的股份證券投資，及其公平價值是不能夠可靠計量的。

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

在以下情況於初始確認為指定為通過損益以反映公平價值的金融工具：

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

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

##### *貸款和應收賬款*

貸款和應收賬款為固定或可確定付款金額及沒有活躍市場報價的非衍生金融資產，但不包括(a)本集團有計劃於短期內出售而被區分為持有作交易用途；(b)本集團於初始期已指定為通過損益以反映公平價值或可供出售；或(c)本集團可能不能收回大部分初始投資，但不包括因信貸變壞的原因，將會分類為可供出售。貸款和應收賬款主要包括在銀行及其他金融機構的存款、貿易票據及客戶貸款。



## Notes on the Accounts (continued)

### 賬項附註(續)

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

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

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

#### *Held-to-maturity investments*

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

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

#### *Available-for-sale financial assets*

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

Available-for-sale financial assets are carried at fair value except for investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which are carried at cost less impairment losses, if any (Note 2(k)). Unrealised gains and losses arising from changes in the fair value are recognised directly in the investment revaluation reserve, except for foreign exchange gains and losses on monetary items such as debt securities which are recognised in the profit and loss account.

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 released from the investment revaluation reserve.

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

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

#### *持至到期投資*

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

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

#### *可供出售金融資產*

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

可供出售金融資產按公平值列賬，但不包括沒有活躍市場報價的股份證券及其公平值是不能夠可靠計量的，則按成本並減除任何減值損失入賬(附註2(k))。除如債務證券的貨幣性項目所引致的外匯盈虧須在損益賬入賬外，因公平價值變動而產生之未實現盈利及虧損直接在投資重估儲備內確認。

當出售可供出售金融資產時，出售盈虧包括出售所得款項與賬面值的差額，以及在投資重估儲備內轉回的累計公平價值調整。



## Notes on the Accounts (continued)

### 賬項附註(續)

#### Other financial liabilities

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

#### (iii) Fair value measurement principles

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

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

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

#### (iv) Derecognition

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

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

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

#### (v) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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 profit and loss account.

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

#### 其他金融負債

金融負債按有效利率方法計算攤銷成本入賬，而作交易用途及通過損益以反映公平價值的金融負債則除外。

#### (iii) 計量公平價值之原則

金融工具的公平價值是於結算日根據其市場報價但未減除將來的估計出售成本。

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

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

#### (iv) 終止確認

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

當合約的義務已被履行、取消或期滿，本集團終止確認金融負債。

本集團採用加權平均法以釐定在終止確認時須在損益賬確認的已實現盈利和虧損。

#### (v) 抵銷

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

#### (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損益賬內確認，嵌入衍生工具將與主合約分開並按衍生工具入賬。

當嵌入衍生工具被分開處理，主合約根據上述附註(ii)入賬。

Notes on the Accounts (continued)  
賬項附註(續)

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

(g) Hedging

(i) Cash flow hedges

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

(ii) Fair value hedge

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

The hedging instrument is measured at fair value, with fair value changes recognised in the profit and loss account. 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 profit and loss account to offset the effect of the gain or loss on the hedging instrument.

The Group currently does not use hedge accounting.

(h) Properties

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

When a deficit arises on revaluation, it will be charged to the profit and loss account, 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 profit and loss account, to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the profit and loss account.

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

(g) 對沖

(i) 現金流量對沖

當衍生金融工具被指定對沖已確認資產或負債的不既定現金流量，或是甚有可能發生及有法律約束力的預計交易，衍生金融工具產生的盈利和虧損與被對沖風險有關者在股東權益內入賬。

(ii) 公平價值對沖

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

對沖工具按公平值列賬，而公平值的變動在損益賬內入賬。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。此調整在損益賬內入賬以抵銷對沖工具產生的盈利和虧損。

本集團現行並未採用對沖會計法。

(h) 物業

(i) 行址是按成本或董事參照獨立專業評估作出的估值，減除累計折舊及減值損失(附註2(k))後於資產負債表中列賬。

當重估出現虧損時，於損益賬支銷的金額，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，存入損益賬內的金額不可超過以往因重估相同行址曾於損益賬支銷的重估虧損。

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

## Notes on the Accounts (continued)

### 賬項附註(續)

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

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

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

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

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

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

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

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

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

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

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

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

## Notes on the Accounts (continued)

### 賬項附註(續)

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

### (i) Amortisation and Depreciation

#### (i) Bank premises

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

Investment properties are not depreciated.

#### (ii) Other fixed assets

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

### (j) Goodwill

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

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (Note 2(k)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associates.

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

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

### (k) Impairment of Assets

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

### (i) 攤銷及折舊

#### (i) 行址

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

投資物業是不予折舊。

#### (ii) 其他固定資產

其他固定資產是按成本減累計折舊於資產負債表列賬。該等資產是以直線法按照由4年至20年的預計使用年期計算折舊。

### (j) 商譽

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

商譽按成本減累計減值損失列賬。商譽被分配為單一現金生產單位，並須每年作減值測試(附註2(k))。就聯營公司而言，商譽的賬面值已包括於聯營公司權益之賬面值內。

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

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

### (k) 資產減值損失

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

## Notes on the Accounts (continued)

### 賬項附註(續)

#### (i) Loans and receivables

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

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

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

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

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

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

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

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

#### (i) 貸款和應收賬款

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

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

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

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

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

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

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

倘再無實際機會收回時，則貸款及相關的應收利息會被撇銷。

## Notes on the Accounts (continued)

### 賬項附註(續)

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

### (ii) Held-to-maturity investments

Impairment on held-to-maturity investments is considered at both an individual and collective level. The individual impairment allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at asset's original effective interest rate, where the effect of discounting is material.

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

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the profit and loss account. 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 directly in equity is removed from equity and is recognised in the profit and loss account. The amount of the cumulative loss that is recognised in the profit and loss account 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 profit and loss account.

For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the equity securities and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, where the effect of discounting is material.

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

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 profit and loss account.

### (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，減值損失轉回損益賬內。減值損失轉回損益賬的金額不能超過假設該資產於往年從來未有確認減值損失的賬面值。

### (iii) 可供出售金融資產

當有客觀證據顯示可供出售金融資產已減值，已直接確認在股東權益內的累計虧損會被轉入損益賬內。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)與現時公平值二者之差額，再減除往年已於損益賬內入賬的減值損失。

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

已確認可供出售股份證券的減值損失是不能轉回損益賬的。其後該資產之公平價值增加須直接在股東權益內入賬。

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，轉回減值損失於損益賬內入賬。



## Notes on the Accounts (continued)

### 賬項附註(續)

#### (iv) Other assets

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

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

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

#### *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its net selling price 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 profit and loss account whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

#### *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Reversals of impairment losses are credited to the profit and loss account in the year in which the reversals are recognised.

#### (iv) 其他資產

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

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

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

#### *可收回金額之計算*

可收回金額是出售淨值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貨幣的時間值及相對於該資產的風險的稅前折扣率將估計未來現金流量折實為現在價值。當某資產未能大部分地獨立於其他資產產生現金流量，其可收回金額取決於可獨立地產生現金流量的最小資產組合(即一個現金生產單位)。

#### *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，須於損益賬內確認減值損失。有關確認現金生產單位減值損失時，首先減低分配予現金生產單位(或其單位組別)之賬面值，其後再按比例減低在該單位(或其單位組別)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值減出售成本或使用值(如可確定的話)。

#### *減值損失之轉回*

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

減值損失轉回只局限至該資產的賬面值，猶如該等減值損失從未在往年被確認。

減值損失轉回在該被確認的年度計入損益賬內。

## Notes on the Accounts (continued)

### 賬項附註(續)

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

### (v) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS34, Interim financial reporting, in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (Note 2(k)(i) to (iv)).

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the year to which the interim period relates.

### (l) Leased Assets

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

#### (i) Assets held under finance leases

The amounts due from lessees in respect of finance leases are recorded in the balance sheet 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 balance sheet according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in Note 2(i). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 2(k). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2(e).

#### (iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the profit and loss account 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 profit and loss account as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the profit and loss account in the accounting period in which they are incurred.

### (v) 中期財務報告及減值

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

於中期期間確認有關商譽及按成本值入賬之可供出售股份證券的減值損失未有於下一期轉回。假設有關於中期期間的減值評估於年末進行，就算是沒有確認損失，或損失屬輕微，皆採用以上相同處理方法。

### (l) 租賃資產

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

#### (i) 以融資租賃購入的資產

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

#### (ii) 用作經營租賃的資產

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

#### (iii) 經營租賃費用

當本集團使用經營租賃資產，除非有其他更具代表性的基準以衡量從該等經營租賃資產獲得利益的模式，其租賃付款按該租賃期所涵蓋的會計年期以等額分期記入損益賬。經營租賃協議所涉及的激勵措施均在損益賬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損益賬支銷。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### (m) Repossession of Assets

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

Repossessed assets are recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses on initial classification and on subsequent remeasurement are recognised in the profit and loss account.

#### (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 profit and loss account except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing deductible temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

#### (m) 收回資產

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

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

在初始期分類及後期再計量所引致的減值損失於損益賬內入賬。

#### (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。除該項目應在股東權益內入賬的金額外，本期稅項及遞延稅項資產和負債的變動計入損益賬內。
- (ii) 本期稅項為年度應課稅收入按結算日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。
- (iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅損及稅項抵免。

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

## Notes on the Accounts (continued)

### 賬項附註(續)

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

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

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

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

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

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

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

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

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

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

## Notes on the Accounts (continued)

### 賬項附註(續)

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

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

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

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

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

#### (p) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (q) Employee Benefits

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

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

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

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

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

#### (o) 保險基金及未付索償準備

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

長期業務的保險基金是按精算估值。

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

此等基金及準備分類為其他賬項及準備。

#### (p) 準備及或然負債

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

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

#### (q) 僱員福利

##### (i) 薪酬、花紅及假期福利

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

僱員應享有的病假及分娩假於發生時確認。

##### (ii) 表現獎勵花紅計劃

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



## Notes on the Accounts (continued)

### 賬項附註(續)

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

### (iii) Retirement benefits

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

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

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

### (iv) Share based payments

The option exercise price is equal to the higher of:

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

When the options are exercised, equity is increased by the amount of the proceeds received. The fair value of share options granted to employees is recognised as an expense in the profit and loss account 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.

### (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損益賬內。所有此類計劃的資產均與本集團的資產分開處理。強積金豁免的退休保障計劃中，僱主的供款不會因某些僱員於未完全享有僱主供款前離開計劃而有所減少。而強制性公積金計劃方面，僱主的供款則會因某些僱員於未完全享有僱主供款前離開計劃而減少。

### (iv) 以股份為基礎作支付

認股權的行使價為以下三者之最高者：

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

認股權行使價與相關股份於授予日的公平價值相同。當認股權被行使時，所得款項存入股東權益。授予僱員之認股權的公平價值於損益賬內確認為支出，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。



## Notes on the Accounts (continued)

### 賬項附註(續)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited to the profit and loss account 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 amount recognised in capital reserve is retained until either the option is exercised (when it is transferred to share premium) or the option expires (when it is released directly to retained profits)

#### (r) Related Parties

For the purposes of these accounts, a party is considered to be related to the Group if:

- (i) The party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) The Group and the party are subject to common control;
- (iii) The party is an associate of the Group;
- (iv) The party is a member of key management personnel of the Group, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) The party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) The party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

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調整須在檢討期內的損益賬支銷或回撥，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）。

確認在資本儲備內的金額會被保留，直至當認股權被行使時（轉入股份溢價），或當認股權之有效期屆滿時（轉入留存溢利）。

#### (r) 關聯人士

在編製本賬項時，與本集團關聯人士是指：

- (i) 該人士有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響本集團的財務及經營決策，或共同控制本集團；
- (ii) 本集團及該人士均受共同控制；
- (iii) 該人士屬本集團的聯營公司；
- (iv) 該人士屬本集團主要管理人員的成員，或屬個人的近親家庭成員，或受該等個人人士控制，或共同控制或重大影響的實體；
- (v) 該人士如屬(i)所指的近親家庭成員或受該等個人人士控制，或共同控制或重大影響的實體；
- (vi) 屬提供福利予本集團或與本集團關聯的實體的僱員離職後福利計劃。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

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

### (s) Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment and those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment. The allocation of revenue reflects the benefits of capital and other funding resources allocated to the business or geographical segments by way of internal capital allocation and fund transfer mechanisms. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.

### (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.

### (s) 分部報告

一分部為本集團可辨認的組成部份，而且從事提供服務所得的風險與回報是有別於其他分部(業務分部)，或在某單一經濟地區提供服務(地區分部)。

本集團採用業務分部為基本報告形式，而地區分部為次要報告形式。

分部收入、支出、業績、資產和負債包括可直接地歸屬於一分部及所有可以合理地分配予該分部的項目。除發生於本集團企業內單一分部之間的本集團內部結餘及交易外，分部收入、支出、資產及負債是包括本集團內部結餘，而本集團內部交易已經在賬項綜合時抵銷。收入分配反映以內部資本分配及資金轉移機制將資本及其他資金來源的利益分配予業務及地區分部。分部間之定價轉移與給予外界人士的條款相同。

分部資本開支是用作收購估計可用期超過1年的分部資產(包括有形及無形)的總成本。

### (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。

Notes on the Accounts (continued)  
賬項附註(續)

3. INTEREST INCOME 利息收入

		2008		2007	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Listed securities classified as held-to-maturity or available-for-sale	分類為持至到期或可供出售的上市證券	261		154	
Trading assets	交易用途資產				
– listed	– 上市	2		4	
– unlisted	– 非上市	8		35	
Interest rate swaps	利率掉期合約	917		770	
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值金融資產				
– listed	– 上市	128		152	
– unlisted	– 非上市	310		426	
Loans, deposits with banks and financial institutions, trade bills, and other unlisted securities that are not at fair value through profit or loss	非按通過損益以反映公平價值列賬的貸款、在銀行和其他金融機構的存款、貿易票據、及其他非上市證券	15,839		16,768	
Total interest income	利息收入總額	17,465		18,309	

Included above is interest income accrued on impaired financial assets of HK\$73 million (2007: HK\$29 million) which includes interest income on effect of discounting of HK\$12 million (2007: HK\$8 million) (Note 24(b)) for the year ended 31st December, 2008.

以上包括截至2008年12月31日止年度減值金融資產的應計利息港幣73,000,000元(2007年：港幣29,000,000元)，其中包括計算折扣影響的利息收入港幣12,000,000元(2007年：港幣8,000,000元)(附註24(b))。

4. INTEREST EXPENSE 利息支出

		2008		2007	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Customer deposits, deposits of banks and other financial institutions and certificates of deposit issued which are stated at amortised cost	按攤銷成本列賬的客戶存款、銀行及其他金融機構的存款及已發行存款證	8,696		10,433	
Subordinated notes carried at amortised cost	按攤銷成本列賬的後償票據	184		265	
Interest rate swaps	利率掉期合約	1,062		918	
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	725		712	
Other borrowings	其他借款	5		4	
Total interest expense	利息支出總額	10,672		12,332	

Notes on the Accounts (continued)  
賬項附註(續)

5. 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：

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Corporate services	企業服務	818	753
Credit cards	信用卡	462	400
Loans, overdrafts and guarantees	貸款、透支及擔保	382	386
Securities and brokerage	證券及經紀	255	443
Other retail banking services	其他零售銀行服務	187	191
Trade finance	貿易融資	160	113
Trust and other fiduciary activities	信託及其他代理業務	102	84
Others	其他	252	238
Total fee and commission income	服務費及佣金收入總額	2,618	2,608

6. NET TRADING (LOSSES)/PROFITS 交易(虧損)/溢利淨額

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Profit on dealing in foreign currencies	外幣買賣溢利	316	173
(Loss)/profit on trading securities	交易用途證券(虧損)/溢利	(618)	852
(Loss)/profit on other dealing activities	其他買賣活動(虧損)/溢利	(1,033)	354
Dividend income from listed trading securities	交易用途上市證券的股息收入	43	38
Total net trading (losses)/profits	淨交易(虧損)/溢利總額	(1,292)	1,417

7. 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

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Revaluation and disposal loss on Collateralised Debt Obligations	重估及出售債務抵押證券虧損	(3,549)	(1,085)
Revaluation gain/(loss) on debt issued	重估已發行債務盈利/(虧損)	2,624	(84)
Net profit/(loss) on sale of other financial assets designated at fair value through profit or loss	出售其他指定為通過損益以反映公平價值金融資產的淨溢利/(虧損)	3	(2)
Revaluation (loss)/gain on other financial assets designated at fair value through profit or loss	重估其他指定為通過損益以反映公平價值金融資產的(虧損)/盈利	(690)	17
Total 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總額	(1,612)	(1,154)

8. OTHER OPERATING INCOME 其他經營收入

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入		
– listed	– 上市	20	42
– unlisted	– 非上市	30	21
Rental from safe deposit boxes	保險箱租金收入	87	88
Net revenue from insurance activities	保險業務淨收入	99	139
Rental income on properties	物業租金收入	90	72
Others	其他	97	75
Total other operating income	其他經營收入總額	423	437

Notes on the Accounts (continued)  
賬項附註(續)

9. OPERATING EXPENSES 經營支出

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Contributions to defined contribution plan*	定額供款公積金供款*	225	164
Equity-settled share-based payment expenses	以股份為基礎作支付的費用	66	28
Salaries and other staff costs	薪金及其他員工成本	2,689	2,276
Total staff costs		2,980	2,468
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	378	288
– Maintenance, repairs and others	– 保養、維修及其他	445	343
Total premises and equipment expenses excluding depreciation		823	631
Depreciation on fixed assets (Note 30)	固定資產折舊(附註30)	437	326
Amortisation of intangible assets (Note 29(b))	無形資產攤銷(附註29(b))	3	2
Other operating expenses	其他經營支出		
– Stamp duty, overseas and PRC** business taxes, and value added taxes	– 印花稅、海外及中華人民共和國營業稅、及增值稅	373	217
– Advertising expenses	– 廣告費用	287	270
– Communications, stationery and printing	– 通訊、文具及印刷	274	233
– Legal and professional fees	– 法律及專業服務費用	193	165
– Business promotions and business travel	– 業務推廣及商務旅遊	97	82
– Card related expenses	– 有關信用卡支出	72	60
– Insurance expenses	– 保險費	43	33
– Donations	– 捐款	9	8
– Audit fee	– 核數師酬金	8	7
– Administration expenses of corporate services	– 企業服務的行政費	7	21
– Membership fees	– 會員費用	7	6
– Bank charges	– 銀行收費	7	5
– Bank licence	– 銀行牌照費	4	5
– Others	– 其他	155	152
Total other operating expenses		1,536	1,264
Total operating expenses***		5,779	4,691

\* Forfeited contributions totalling HK\$10 million (2007: HK\$7 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 (2007: Nil).

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

\*\*\* Included in operating expenses are direct operating expenses of HK\$19 million (2007: HK\$21 million) in respect of investment properties which generated rental income during the year.

\* 年內沒收之供款共港幣10,000,000元(2007年：港幣7,000,000元)已被用作減少本集團的供款。於年結時並無任何被沒收而可用作減低將來之供款(2007年：無)。

\*\*\* 年度內經營支出包括有租金收益的投資物業直接引起的經營支出，金額為港幣19,000,000元(2007年：港幣21,000,000元)。

Notes on the Accounts (continued)  
賬項附註(續)

10. IMPAIRMENT LOSSES ON LOANS AND ADVANCES 貸款減值損失

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net charge for impairment losses on loans and advances	貸款減值損失支銷淨額		
Individual impairment loss	個別減值損失		
– new provisions (Note 24(b))	– 新撥備(附註24(b))	596	346
– releases (Note 24(b))	– 回撥(附註24(b))	(81)	(88)
– recoveries (Note 24(b))	– 收回(附註24(b))	(140)	(107)
		-----	-----
		375	151
Collective impairment loss	整體減值損失		
– new provisions (Note 24(b))	– 新撥備(附註24(b))	183	68
– releases (Note 24(b))	– 回撥(附註24(b))	–	(3)
		-----	-----
Net charge to profit and loss account	於損益賬支銷淨額	558	216

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

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net revaluation gain/(loss) transferred from reserves (Note 37(h))	由儲備轉撥的重估盈利/(虧損)淨額(附註37(h))	115	(27)
Profit arising in current year	年度內產生的溢利	82	694
		-----	-----
		197	667



Notes on the Accounts (continued)  
賬項附註(續)

12. INCOME TAX 所得稅

(a) Taxation in the consolidated profit and loss account represents:

(a) 綜合損益賬內稅項指：

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Current tax – provision for Hong Kong Profits Tax	本期稅項－香港利得稅準備		
Tax for the year (Note 32(a))	本年度稅項(附註32(a))	64	265
Write back of over-provision in respect of prior years	往年度撥備過剩的回撥	-	(7)
		64	258
Current tax – overseas	本期稅項－海外		
Tax for the year	本年度稅項	601	347
Write back of over-provision in respect of prior years	往年度撥備過剩的回撥	(35)	(16)
		566	331
Deferred tax (Note 32(b))	遞延稅項(附註32(b))		
Origination and reversal of temporary differences	暫時性差異的產生及轉回	(712)	318
Movements in the value of investment properties	投資物業價值的變動	(14)	57
		(726)	375
		(96)	964

In February 2008, the Government of the Hong Kong Special Administrative Region announced a decrease in the Profits Tax rate from 17.5% to 16.5% applicable to the Group's operations in Hong Kong as from the year ended 31st December, 2008. This decrease is taken into account in the preparation of the Group's and the Bank's 2008 accounts. Accordingly, the provision for Hong Kong Profits Tax for 2008 is calculated at 16.5% (2007: 17.5%) of the estimated assessable profits for the year and the opening balance of deferred tax has been re-estimated accordingly.

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

於2008年2月，香港特別行政區政府頒佈由截至2008年12月31日止年度起適用於本集團在香港的利得稅稅率由17.5%下調至16.5%。在編製本集團及本行2008年度的賬項時已計入該稅率之下調。因此，2008年度香港利得稅稅款是以年度預計應課稅溢利按稅率16.5%(2007年：17.5%)計算，而遞延稅項的承前結餘亦已作重新估計。

海外分行及附屬公司的稅款亦按其經營所在國家現行稅率計算。

Notes on the Accounts (continued)  
賬項附註(續)

12. INCOME TAX (continued) 所得稅(續)

(b) Reconciliation between tax (credit)/expense and accounting profit at applicable tax rates: (b) 稅項(抵免)/支出與會計溢利按適用稅率計算稅項的對賬

		2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元
Profit before tax	除稅前溢利	8	5,185
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	149	1,032
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	389	228
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(607)	(240)
Tax effect of tax losses not recognised	未確認的稅損的稅項影響	32	12
Recognition of deferred tax assets on prior year tax losses	往年稅損確認為遞延稅項資產	(14)	(8)
Effect on opening deferred tax balances resulting from a decrease in tax rate during the year	因本年度調低稅率對遞延稅項承前結餘的影響	(22)	-
Write back of over-provision in respect of prior years	往年度撥備過剩的回撥	(35)	(23)
Tax benefits derived from leasing partnerships	源自合夥租賃的稅項利益	(6)	(27)
Others	其他	18	(10)
Actual tax (credit)/expense	實際稅項(抵免)/支出	(96)	964

13. (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP  
可歸屬於本集團股東(虧損)/溢利

The consolidated (loss)/profit attributable to equity holders of the Group includes a (loss)/profit of (HK\$882) million (2007: HK\$3,004 million) which has been dealt with in the accounts of the Bank.

可歸屬於本集團股東綜合(虧損)/溢利包括已計入本行賬項內的(虧損)/溢利(港幣882,000,000元)(2007年:港幣3,004,000,000元)。

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

本行年度內(虧損)/溢利與上述金額之對賬

		2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元
Amount of consolidated (loss)/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(虧損)/溢利	(924)	2,876
Final dividends from subsidiaries and associates attributable to the profits of the previous financial year, approved and paid during the year	來自往年度附屬公司及聯營公司溢利之末期股息,並在年度內核准及派發	42	128
Bank's (loss)/profit for the year	本行年度內(虧損)/溢利	(882)	3,004

Notes on the Accounts (continued)  
賬項附註(續)

14. DIVIDENDS 股息

(a) Dividends attributable to the year

(a) 應屬本年度股息

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interim dividend declared and paid of HK\$0.23 per share on 1,670,869,419 shares (2007: HK\$0.48 per share on 1,568,758,481 shares) (Note 37(i))	已宣派及支付1,670,869,419股每股港幣0.23元的中期股息(2007年: 1,568,758,481股每股港幣0.48元)(附註37(i))	384	753
Final dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the balance sheet date and before the close of the Register of Members of the Bank, of HK\$1.18 (2007: HK\$1.03)	支付在結算日後及本行股東登記截止日前根據認股計劃發行股份的上年度每股港幣1.18元的末期股息(2007年: 每股港幣1.03元)	98	3
Final dividend proposed after the balance sheet date of HK\$0.02 per share on 1,673,417,496 shares (2007: HK\$1.18 per share on 1,574,367,205 shares)	在結算日後擬派的末期股息1,673,417,496股每股港幣0.02元(2007年: 1,574,367,205股每股港幣1.18元)	33	1,858
		<b>515</b>	<b>2,614</b>

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

在結算日後的擬派末期股息並未於結算日確認為負債。

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

(b) 於年度核准及支付屬上年度股息

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$1.18 per share on 1,574,367,205 shares (2007: HK\$1.03 per share on 1,550,142,050 shares)	於年度核准及支付1,574,367,205股每股港幣1.18元的上年度末期股息(2007年: 1,550,142,050股每股港幣1.03元)	1,858	1,596

Notes on the Accounts (continued)  
賬項附註(續)

15. EARNINGS PER SHARE 每股盈利

(a) Basic earnings per share

The calculation of basic earnings per share is based on earnings of HK\$39 million (2007: HK\$4,144 million) and on the weighted average of 1,666,446,266 (2007: 1,565,141,199) ordinary shares outstanding during the year, calculated as follows:

Weighted average number of ordinary shares

		2008 Number of Shares 股份數目	2007 Number of Shares 股份數目
Issued ordinary shares at 1st January	於1月1日的已發行普通股	1,574,367,205	1,550,142,050
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	92,079,061	14,999,149
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	<b>1,666,446,266</b>	1,565,141,199

(a) 每股基本盈利

每股基本盈利乃按照溢利港幣39,000,000元(2007年:港幣4,144,000,000元)及已發行普通股份的加權平均數1,666,446,266股(2007年:1,565,141,199股)計算。

普通股份的加權平均數

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on earnings of HK\$39 million (2007: HK\$4,144 million) and on 1,669,663,642 (2007: 1,574,625,151) 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)

		2008 Number of Shares 股份數目	2007 Number of Shares 股份數目
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	1,666,446,266	1,565,141,199
Effect of deemed issue of ordinary shares under the Bank's share option scheme for nil consideration	假設按認股權計劃發行但不計價款的普通股份之影響	3,217,376	9,483,952
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)	<b>1,669,663,642</b>	1,574,625,151

(b) 每股攤薄盈利

每股攤薄盈利乃按照溢利港幣39,000,000元(2007年:港幣4,144,000,000元)及就所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數1,669,663,642股(2007年:1,574,625,151股)計算。

普通股份的加權平均數(攤薄)

Notes on the Accounts (continued)  
賬項附註(續)

16. DIRECTORS' REMUNERATION 董事酬金

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

根據香港《公司條例》第161條規定公佈董事酬金如下：

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

Notes on the Accounts (continued)  
賬項附註(續)

16. DIRECTORS' REMUNERATION (continued) 董事酬金 (續)

		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share options	Retirement scheme contributions	2007 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	0.3	7.9	15.4	9.6	0.7	33.9
<b>Executive Directors</b>	<b>執行董事</b>						
Mr. Joseph PANG Yuk-wing	彭玉榮先生	0.2	3.4	3.9	4.8	0.3	12.6
Mr. CHAN Kay-cheung	陳棋昌先生	0.1	1.2	1.3	1.0	0.1	3.7
<b>Non-executive Directors</b>	<b>非執行董事</b>						
Dr. LI Fook-wo	李福和博士	0.2	-	-	-	-	0.2
Mr. Aubrey LI Kwok-sing	李國星先生	0.2	-	-	-	-	0.2
Dr. William MONG Man-wai	蒙民偉博士	0.2	-	-	-	-	0.2
Tan Sri Dr. KHOO Kay-peng	丹斯里邱繼炳博士	0.2	-	-	-	-	0.2
Mr. Richard LI Tzar-kai	李澤楷先生	0.2	-	-	-	-	0.2
Mr. Eric LI Fook-chuen	李福全先生	0.3	-	-	-	-	0.3
Mr. Stephen Charles LI Kwok-sze	李國仕先生	0.2	-	-	-	-	0.2
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>						
Mr. WONG Chung-hin	黃頌顯先生	0.3	-	-	-	-	0.3
Dr. LEE Shau-kee	李兆基博士	0.2	-	-	-	-	0.2
Dr. Allan WONG Chi-yun	黃子欣博士	0.3	-	-	-	-	0.3
Mr. Winston LO Yau-lai	羅友禮先生	0.3	-	-	-	-	0.3
Mr. Thomas KWOK Ping-kwong	郭炳江先生	0.3	-	-	-	-	0.3
Mr. TAN Man-kou	陳文裘先生	0.3	-	-	-	-	0.3
Mr. Kenneth LO Chin-ming	駱錦明先生	0.3	-	-	-	-	0.3
		4.1	12.5	20.6	15.4	1.1	53.7

Included in the above remuneration were share options granted to Executive Directors under the Bank's Staff Share Option Schemes. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 35.

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35內。



Notes on the Accounts (continued)  
賬項附註(續)

17.FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

		2008		2007	
		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	21		19	
Performance-related bonuses	表現獎勵花紅	3		25	
Share options	認股權	52		21	
Pension contributions	退休金供款	2		2	
		<b>78</b>		<b>67</b>	

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

5名薪酬最高的僱員的金額範圍如下：

HK\$ 港幣	2008 Number of Employees 僱員人數	2007 Number of Employees 僱員人數
6,000,001 – 6,500,000	–	1
7,000,001 – 7,500,000	–	2
8,500,001 – 9,000,000	2	–
10,500,001 – 11,000,000	1	–
12,500,001 – 13,000,000	–	1
16,000,001 – 16,500,000	1	–
33,500,001 – 34,000,000	1	1

Included in the emoluments of the five top-paid employees were the emoluments of 2 (2007: 2) Directors. Their respective directors' emoluments have been included in Note 16 above.

5名薪酬最高的僱員中包括2位(2007年:2位)董事。他們的薪酬已包括於上述附註16。

## 18. SEGMENT REPORTING 分部報告

Segment information is presented in respect of the Group's business or geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

### (a) Business segments

The Group comprises the following main business segments:

Personal financial services include branch operations, personal Internet banking, consumer finance, property loans, credit card business and private banking to personal customers.

Corporate banking business includes corporate lending and loan syndication, asset based lending, commercial lending, enterprise lending, securities lending, trust services, mandatory provident fund business and corporate Internet banking.

Investment banking business includes treasury operations, securities broking and dealing, and provision of internet security trading services.

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

Other businesses include bancassurance, insurance business and property-related business.

Unallocated items mainly comprise the central management unit, bank premises, and any items which cannot be reasonably allocated to specific business segments.

本集團就其業務或地區的分部編製分部資料。由於業務分部較切合本集團內部財務資料的匯報形式，故此採用此業務分部資料為基本報告形式。

### (a) 業務分部

本集團經營以下主要業務分部：

個人金融服務包括分行營運、個人電子網絡銀行、消費性貸款、按揭貸款、信用卡業務及提供予個人客戶的私人銀行服務。

企業銀行業務包括企業借貸及銀團貸款、資產融資、商業貸款、企業貸款、證券業務貸款、信託服務、強制性公積金業務及企業電子網絡銀行。

投資銀行業務包括財資運作、證券經紀及買賣、及提供網上證券買賣服務。

企業服務包括公司秘書服務、股票登記及商業服務，及離岸企業及信託服務。

其他業務包括銀行保險、保險業務及與地產有關的業務。

未分類的業務項目主要包括中央管理層、行址，以及其他未能合理分配予特定業務分部的業務。

Notes on the Accounts (continued)  
賬項附註(續)

		2008							
		Personal Financial Services 個人 金融服務 HK\$ Mn 港幣百萬元	Corporate Banking 企業銀行 HK\$ Mn 港幣百萬元	Investment Banking 投資銀行 HK\$ Mn 港幣百萬元	Corporate Services 企業服務 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元	Unallocated 未分類 HK\$ Mn 港幣百萬元	Inter-segment elimination 分部間之 交易抵銷 HK\$ Mn 港幣百萬元	Consolidated 綜合總額 HK\$ Mn 港幣百萬元
<b>The Group</b>	<b>集團</b>								
Net interest income/(expense)	淨利息收入/(支出)	1,686	5,046	(122)	2	181	-	-	6,793
Other operating income/(expense) from external customers	源自外界客戶的其他經營收入/(支出)	808	(156)	(2,009)	815	146	60	-	(336)
Inter-segment income	分部間之交易收入	-	-	-	-	-	213	(213)	-
Operating income	經營收入	2,494	4,890	(2,131)	817	327	273	(213)	6,457
Operating expenses	經營支出	(2,238)	(2,136)	(431)	(502)	(276)	(196)	-	(5,779)
Inter-segment expenses	分部間之交易支出	(165)	(24)	(12)	-	(2)	(10)	213	-
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	91	2,730	(2,574)	315	49	67	-	678
(Charge for)/Write back of impairment losses on loans and advances	貸款減值損失(支銷)/回撥	(128)	(422)	-	(10)	2	-	-	(558)
Write back of impairment losses on bank premises	行址減值損失回撥	-	-	-	-	-	6	-	6
Impairment losses on available-for-sale financial assets, held-to-maturity investments and associates	可供出售金融資產、持至到期投資及聯營公司之減值損失	-	-	(263)	-	(133)	-	-	(396)
Operating (loss)/profit after impairment losses	已扣除減值損失後之經營(虧損)/溢利	(37)	2,308	(2,837)	305	(82)	73	-	(270)
Profit/(Loss) on sale of fixed assets, available-for-sale financial assets, held-to-maturity investments and subsidiaries/associates	出售固定資產、可供出售金融資產、持至到期投資及附屬公司/聯營公司之溢利/(虧損)	1	(8)	230	-	(9)	179	-	393
Valuation losses on investment properties	重估投資物業虧損	-	-	-	-	(168)	-	-	(168)
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(5)	167	17	-	(127)	1	-	53
(Loss)/Profit before taxation	除稅前(虧損)/溢利	(41)	2,467	(2,590)	305	(386)	253	-	8
Depreciation for the year	年度內折舊	(169)	(116)	(37)	(17)	(10)	(88)	-	(437)
Segment assets	分部資產	54,254	178,015	155,371	3,400	5,506	-	-	396,546
Investments in associates	聯營公司投資	42	2,126	113	-	204	1	-	2,486
Unallocated assets	未分類資產	-	-	-	-	-	16,222	-	16,222
Total assets	資產總額	54,296	180,141	155,484	3,400	5,710	16,223	-	415,254
Segment liabilities	分部負債	173,515	153,810	36,146	119	3,254	-	-	366,844
Unallocated liabilities	未分類負債	-	-	-	-	-	4,889	-	4,889
Loan capital	借貸資本	-	-	-	-	-	11,036	-	11,036
Total liabilities	負債總額	173,515	153,810	36,146	119	3,254	15,925	-	382,769
Capital expenditure incurred during the year	年度內資本開支	105	366	397	72	8	1,667	-	2,615

Notes on the Accounts (continued)  
賬項附註(續)

18. SEGMENT REPORTING (continued) 分部報告(續)

(a) Business segments (continued)

(a) 業務分部(續)

		2007							
		Personal Financial Services 個人 金融服務 HK\$ Mn 港幣百萬元	Corporate Banking 企業銀行 HK\$ Mn 港幣百萬元	Investment Banking 投資銀行 HK\$ Mn 港幣百萬元	Corporate Services 企業服務 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元	Unallocated 未分類 HK\$ Mn 港幣百萬元	Inter-segment elimination 分部間之 交易抵銷 HK\$ Mn 港幣百萬元	Consolidated 綜合總額 HK\$ Mn 港幣百萬元
<b>The Group</b>	<b>集團</b>								
Net interest income/(expense)	淨利息收入/(支出)	1,996	2,970	980	1	31	(1)	-	5,977
Other operating income from external customers	源自外界客戶的其他經營收入	1,056	446	308	759	239	29	-	2,837
Inter-segment income	分部間之交易收入	-	-	-	-	-	158	(158)	-
Operating income	經營收入	3,052	3,416	1,288	760	270	186	(158)	8,814
Operating expenses	經營支出	(1,898)	(1,327)	(570)	(441)	(222)	(233)	-	(4,691)
Inter-segment expenses	分部間之交易支出	(126)	(17)	(7)	-	(2)	(6)	158	-
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	1,028	2,072	711	319	46	(53)	-	4,123
(Charge for)/Write back of impairment losses on loans and advances	貸款減值損失(支銷)/回撥	(43)	(172)	-	(5)	4	-	-	(216)
Write back of impairment losses on bank premises	行址減值損失回撥	-	-	-	-	-	132	-	132
Impairment losses on available-for-sale financial assets, held-to-maturity investments and associates	可供出售金融資產、持至到期投資及聯營公司減值損失	-	-	(311)	-	-	-	-	(311)
Operating profit after impairment losses	已扣除減值損失後之經營溢利	985	1,900	400	314	50	79	-	3,728
Profit/(loss) on sale of fixed assets, available-for-sale financial assets, held-to-maturity investments and subsidiaries/associates	出售固定資產、可供出售金融資產、持至到期投資及附屬公司/聯營公司之溢利/(虧損)	-	-	1,073	-	-	(1)	-	1,072
Valuation gains on investment properties	重估投資物業盈利	-	-	-	-	293	-	-	293
Share of profits less losses of associates	應佔聯營公司溢利減虧損	3	34	52	-	3	-	-	92
Profit before taxation	除稅前溢利	988	1,934	1,525	314	346	78	-	5,185
Depreciation for the year	年度內折舊	(128)	(74)	(26)	(14)	(8)	(76)	-	(326)
Segment assets	分部資產	56,901	159,796	151,171	1,106	8,218	1,014	-	378,206
Investments in associates	聯營公司投資	55	2,261	133	-	343	1	-	2,793
Unallocated assets	未分類資產	-	-	-	-	-	12,980	-	12,980
Total assets	資產總額	56,956	162,057	151,304	1,106	8,561	13,995	-	393,979
Segment liabilities	分部負債	171,181	114,690	55,647	126	2,677	-	-	344,321
Unallocated liabilities	未分類負債	-	-	-	-	-	5,560	-	5,560
Loan capital	借貸資本	-	-	-	-	-	13,652	-	13,652
Total liabilities	負債總額	171,181	114,690	55,647	126	2,677	19,212	-	363,533
Capital expenditure incurred during the year	年度內資本開支	48	400	226	56	17	445	-	1,192

Notes on the Accounts (continued)  
賬項附註(續)

(b) Geographical Segments

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

(b) 地區分部

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

		2008					
		Hong Kong	People's Republic of China	Other Asian Countries	Others	Inter-segment elimination	Consolidated
		香港	中華人民共和國	其他亞洲國家	其他	分部間之交易抵銷	綜合總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>The Group</b>	<b>集團</b>						
Operating income	經營收入	2,962	3,447	525	492	(969)	6,457
Profit(loss) before taxation	除稅前溢利/(虧損)	(1,876)	1,484	381	19	-	8
Total assets	資產總額	284,089	141,012	18,735	28,946	(57,528)	415,254
Total liabilities	負債總額	255,882	129,123	15,778	24,372	(42,386)	382,769
Contingent liabilities and commitments	或然負債及承擔	53,162	15,944	3,818	3,244	-	76,168
Capital expenditure during the year	年度內資本開支	477	2,028	70	40	-	2,615
		2007					
		Hong Kong	People's Republic of China	Other Asian Countries	Others	Inter-segment elimination	Consolidated
		香港	中華人民共和國	其他亞洲國家	其他	分部間之交易抵銷	綜合總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>The Group</b>	<b>集團</b>						
Operating income	經營收入	5,938	2,391	446	578	(539)	8,814
Profit before taxation	除稅前溢利	3,568	1,227	229	161	-	5,185
Total assets	資產總額	288,115	111,711	19,472	29,968	(55,287)	393,979
Total liabilities	負債總額	261,012	101,516	16,609	26,037	(41,641)	363,533
Contingent liabilities and commitments	或然負債及承擔	52,063	14,431	7,045	5,197	-	78,736
Capital expenditure during the year	年度內資本開支	250	617	238	87	-	1,192

Notes on the Accounts (continued)  
賬項附註(續)

**19. CASH AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (NOTE 42(c))**  
現金及在銀行和其他金融機構的結存(附註42(c))

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash in hand	現金	1,083	824	698	632
Balances with central banks	在中央銀行的結存	17,911	10,605	167	129
Balances with banks and other financial institutions	在銀行和其他金融機構的結存	9,111	6,424	3,987	2,372
		<b>28,105</b>	<b>17,853</b>	<b>4,852</b>	<b>3,133</b>

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

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		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
Placements with banks and authorised institutions	在銀行及認可金融機構的存款	96,458	92,930	92,735	82,967
Placements with other financial institutions	在其他金融機構的存款	116	1,774	-	156
		<b>96,574</b>	<b>94,704</b>	<b>92,735</b>	<b>83,123</b>
Maturing	到期期限				
- within one month	- 1個月內	46,714	65,361	43,009	56,569
- between one month and one year	- 1個月至1年內	49,860	29,343	49,726	26,554
		<b>96,574</b>	<b>94,704</b>	<b>92,735</b>	<b>83,123</b>

**21. TRADE BILLS 貿易票據**

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross trade bills	貿易票據總額	1,164	812	521	470



Notes on the Accounts (continued)  
賬項附註(續)

22. TRADING ASSETS 交易用途資產

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		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
Treasury bills (including Exchange Fund Bills)	國庫債券 (包括外匯基金票據)	400	1,195	400	1,195
Debt securities	債務證券	126	18	126	18
Equity securities	股份證券	989	1,808	949	1,744
Investment funds	投資基金	188	274	188	274
<hr/>					
Trading securities	交易用途證券	1,703	3,295	1,663	3,231
Positive fair values of derivatives (Note 41(b))	衍生工具的正公平值 (附註 41(b))	1,734	1,552	1,251	1,390
<hr/>					
		3,437	4,847	2,914	4,621
<hr/>					
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	400	1,195	400	1,195
Public sector entities	公營機構	13	19	13	19
Banks and other financial institutions	銀行及其他金融機構	443	546	433	533
Corporate entities	企業實體	840	1,524	810	1,473
Other entities	其他實體	7	11	7	11
<hr/>					
		1,703	3,295	1,663	3,231
<hr/>					
Analysed by place of listing:	按上市地區分析:				
Listed in Hong Kong	在香港上市	825	1,627	785	1,563
Listed outside Hong Kong	在香港以外地區上市	294	211	294	211
<hr/>					
		1,119	1,838	1,079	1,774
Unlisted	非上市	584	1,457	584	1,457
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		1,703	3,295	1,663	3,231

Notes on the Accounts (continued)  
賬項附註(續)

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

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		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
Certificates of deposit held	持有的存款證	-	50	-	50
Debt securities	債務證券	4,130	8,608	4,114	8,591
		4,130	8,658	4,114	8,641
Issued by:	發行機構:				
Public sector entities	公營機構	142	184	142	184
Banks and other financial institutions	銀行及其他金融機構	1,642	1,096	1,634	1,087
Corporate entities	企業實體	2,346	7,378	2,338	7,370
		4,130	8,658	4,114	8,641
Analysed by place of listing:	按上市地區分析:				
Listed in Hong Kong	在香港上市	1,325	1,755	1,325	1,755
Listed outside Hong Kong	在香港以外地區上市	1,178	796	1,161	779
		2,503	2,551	2,486	2,534
Unlisted	非上市	1,627	6,107	1,628	6,107
		4,130	8,658	4,114	8,641

Notes on the Accounts (continued)  
賬項附註(續)

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

		(a) Advances to customers and other accounts		(a) 客戶貸款及其他賬項			
				The Group 集團		The Bank 銀行	
		2008	2007	2008	2007	2008	2007
		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
(i)	Advances to customers	客戶貸款	230,339	218,184	131,123	134,858	
	Less: Impairment allowances	減：減值準備					
	– Individual	– 個別	(523)	(264)	(438)	(79)	
	– Collective	– 整體	(521)	(433)	(392)	(332)	
			229,295	217,487	130,293	134,447	
(ii)	Other accounts	其他賬項					
	Advances to banks and other financial institutions*	銀行及其他金融機構貸款*	850	2,008	205	209	
	Notes and bonds	債券	129	262	125	258	
	Certificates of deposit held	持有的存款證	39	39	39	39	
	Accrued interest	應計利息	1,863	1,912	1,119	1,414	
	Bankers acceptances	銀行承兌匯票	2,989	1,426	272	309	
	Other accounts	其他賬項	8,592	8,637	6,587	5,016	
			14,462	14,284	8,347	7,245	
	Less: Impairment allowances	減：減值準備					
	– Individual	– 個別	(23)	(25)	–	–	
	– Collective	– 整體	(9)	(6)	–	–	
			14,430	14,253	8,347	7,245	
			243,725	231,740	138,640	141,692	

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

Receivables from reverse repurchase agreements under which the Group obtains securities on terms which permit it to re-pledge or resell securities to others in the absence of default. At 31st December, 2008, the fair value of financial assets accepted as collateral that the Group is permitted to sell or re-pledge under such terms is HK\$155 million (2007: HK\$1,275 million).

\* 以上銀行及其他金融機構貸款包括：

返售回購協議之應收賬款，根據該協議本集團可獲得證券及依條款在沒有違約之情況下可再抵押或重售證券予其他人士。於2008年12月31日，根據該條款本集團可出售或再抵押的金融資產之公平價值為港幣155,000,000元(2007年：港幣1,275,000,000元)。

Notes on the Accounts (continued)  
賬項附註(續)

24. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (continued) 客戶貸款及其他賬項(續)

(b) Impairment allowances against advances and other accounts for 2008

(b) 2008年貸款及其他賬項之減值準備

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

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

Notes on the Accounts (continued)  
賬項附註(續)

(b) Impairment allowances against advances and other accounts for 2007

(b) 2007年貸款及其他賬項之減值準備

		Advances to customers		Other Accounts		Total	
		客戶貸款		其他賬項		總額	
		Individual	Collective	Individual	Collective	Individual	Collective
		個別	整體	個別	整體	個別	整體
		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
At 1st January	於1月1日	254	444	26	8	280	452
New provisions charged to profit and loss account (Note 10)	損益賬內支銷的新準備(附註10)	336	68	10	-	346	68
Net provisions released back to profit and loss account (Note 10)	撥回損益賬的準備淨額(附註10)	(183)	-	(4)	(3)	(187)	(3)
Amounts written off	撇銷額	(246)	(87)	(8)	-	(254)	(87)
Recoveries (Note 10)	收回額(附註10)	107	-	-	-	107	-
Additions through acquisition of subsidiaries	購入附屬公司的增置	-	-	-	1	-	1
Effect of discounting (Note 3)	計算折扣的影響(附註3)	(8)	-	-	-	(8)	-
Exchange adjustments	匯兌調整	4	8	1	-	5	8
At 31st December	於12月31日	264	433	25	6	289	439

		Advances to customers		The Bank銀行		Total	
		客戶貸款		Other Accounts 其他賬項		總額	
		Individual	Collective	Individual	Collective	Individual	Collective
		個別	整體	個別	整體	個別	整體
		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
At 1st January	於1月1日	160	432	-	-	160	432
New provisions charged to profit and loss account	損益賬內支銷的新準備	251	102	-	-	251	102
Net provisions released back to profit and loss account	撥回損益賬的準備淨額	(153)	-	-	-	(153)	-
Amounts written off	撇銷額	(241)	(84)	-	-	(241)	(84)
Recoveries	收回額	80	-	-	-	80	-
Transfer to The Bank of East Asia (China) Limited	轉入東亞銀行(中國)有限公司	(17)	(122)	-	-	(17)	(122)
Effect of discounting	計算折扣的影響	(5)	-	-	-	(5)	-
Exchange adjustments	匯兌調整	4	4	-	-	4	4
At 31st December	於12月31日	79	332	-	-	79	332

Notes on the Accounts (continued)  
賬項附註(續)

24. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (continued) 客戶貸款及其他賬項(續)

(c) Advances to customers – by industry sectors

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

(c) 客戶貸款 – 按行業分類

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

		2008		2007	
		Gross Advances	% of secured advances	Gross Advances	% of secured advances
		貸款總額	有抵押貸款的百分比	貸款總額	有抵押貸款的百分比
		HK\$ Mn 港幣百萬元	% 百分率	HK\$ Mn 港幣百萬元	% 百分率
<b>The Group</b>	<b>集團</b>				
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	8,855	61.25	9,080	66.41
– Property investment	– 物業投資	27,431	86.88	26,023	87.04
– Financial concerns	– 金融企業	2,542	69.94	1,932	76.71
– Stockbrokers	– 股票經紀	550	99.75	659	99.60
– Wholesale and retail trade	– 批發與零售業	2,405	64.60	1,469	50.12
– Manufacturing	– 製造業	2,055	52.54	1,934	48.35
– Transport and transport equipment	– 運輸與運輸設備	3,642	74.80	4,345	70.36
– Recreational activities	– 娛樂活動	285	91.11	285	90.81
– Information technology	– 資訊科技	4	49.13	5	38.89
– Others	– 其他	9,954	71.52	9,673	72.40
– Sub-total	– 小計	57,723	76.78	55,405	77.27
Individuals	個人				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇的貸款	1,318	100.00	1,041	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	24,297	99.74	36,245	99.68
– Credit card advances	– 信用卡貸款	2,997	0.00	2,619	0.00
– Others	– 其他	6,553	74.35	5,450	70.57
– Sub-total	– 小計	35,165	86.52	45,355	90.43
Total loans for use in Hong Kong	在香港使用的貸款總額	92,888	80.47	100,760	83.20
Trade finance	貿易融資	2,905	59.03	3,714	57.09
Loans for use outside Hong Kong*	在香港以外使用的貸款*	134,546	76.56	113,710	72.67
Total advances to customers	客戶貸款總額	230,339	77.91	218,184	77.27

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

\* 在香港以外使用的貸款包括以下在中華人民共和國使用的貸款。

		2008		2007	
		Gross Advances	% of secured advances	Gross Advances	% of secured advances
		貸款總額	有抵押貸款的百分比	貸款總額	有抵押貸款的百分比
		HK\$Mn 港幣百萬元	% 百分率	HK\$Mn 港幣百萬元	% 百分率
Property development	物業發展	14,351	78.64	11,399	72.07
Property investment	物業投資	24,215	87.95	22,049	92.58
Wholesale and retail trade	批發與零售業	19,021	88.93	11,276	84.46
Manufacturing	製造業	9,547	63.58	7,418	47.35
Others	其他	31,906	69.99	27,173	59.45
		99,040	78.66	79,315	72.90



Notes on the Accounts (continued)  
賬項附註(續)

		2008		2007	
		Gross Advances	% of secured advances	Gross Advances	% of secured advances
		貸款總額	有抵押貸款的百分比	貸款總額	有抵押貸款的百分比
		HK\$ Mn 港幣百萬元	% 百分率	HK\$ Mn 港幣百萬元	% 百分率
<b>The Bank</b>	<b>銀行</b>				
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
- Property development	- 物業發展	8,844	61.32	8,967	67.25
- Property investment	- 物業投資	27,345	86.84	25,939	87.00
- Financial concerns	- 金融企業	2,542	69.95	1,931	76.73
- Stockbrokers	- 股票經紀	550	99.75	659	99.60
- Wholesale and retail trade	- 批發與零售業	2,353	63.82	1,457	49.72
- Manufacturing	- 製造業	2,055	52.54	1,935	48.35
- Transport and transport equipment	- 運輸與運輸設備	3,642	74.80	4,345	70.36
- Recreational activities	- 娛樂活動	285	91.11	285	90.81
- Information technology	- 資訊科技	4	49.13	5	38.89
- Others	- 其他	9,830	71.16	9,454	71.76
- Sub-total	- 小計	57,450	76.69	54,977	77.30
Individuals	個人				
- Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	- 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇的貸款	1,318	100.00	1,041	100.00
- Loans for the purchase of other residential properties	- 購買其他住宅物業的貸款	24,273	99.75	36,220	99.68
- Credit card advances	- 信用卡貸款	2,997	0.00	2,619	0.00
- Others	- 其他	6,147	74.92	5,318	71.35
- Sub-total	- 小計	34,735	86.76	45,198	90.58
Total loans for use in Hong Kong	在香港使用的貸款總額	92,185	80.49	100,175	83.29
Trade finance	貿易融資	2,684	58.87	3,353	54.92
Loans for use outside Hong Kong*	在香港以外使用的貸款*	36,254	57.35	31,330	58.35
Total advances to customers	客戶貸款總額	131,123	73.65	134,858	76.79

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

\* 在香港以外使用的貸款包括以下在中華人民共和國使用的貸款。

		2008		2007	
		Gross Advances	% of secured advances	Gross Advances	% of secured advances
		貸款總額	有抵押貸款的百分比	貸款總額	有抵押貸款的百分比
		HK\$ Mn 港幣百萬元	% 百分率	HK\$ Mn 港幣百萬元	% 百分率
Property development	物業發展	2,310	0.00	1,381	9.95
Property investment	物業投資	951	98.95	824	96.36
Wholesale and retail trade	批發與零售業	12	99.97	-	0.00
Manufacturing	製造業	1,878	74.86	672	13.92
Others	其他	2,733	8.17	1,870	0.00
		7,884	32.75	4,747	21.59

Notes on the Accounts (continued)  
賬項附註(續)

24. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (continued) 客戶貸款及其他賬項(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) 客戶貸款—按行業分類(續)

以下按行業分類並佔客戶貸款總額百分之十或以上的貸款中，已個別減值的貸款、個別及整體減值準備如下：

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
(i) Property development	(i) 物業發展				
a. Individually impaired loans	a. 已個別減值的貸款	207	305	171	181
b. Individual impairment allowance	b. 個別減值準備	8	90	2	–
c. Collective impairment allowance	c. 整體減值準備	36	35	20	23
d. Provision charged to profit and loss	d. 於損益賬支銷的準備				
– individual impairment loss	– 個別減值損失	2	–	2	–
– collective impairment loss	– 整體減值損失	12	12	7	8
e. Written off	e. 撇銷	84	–	–	–
(ii) Property investment	(ii) 物業投資				
a. Individually impaired loans	a. 已個別減值的貸款	145	23	6	13
b. Individual impairment allowance	b. 個別減值準備	29	–	–	–
c. Collective impairment allowance	c. 整體減值準備	96	89	62	59
d. Provision charged to profit and loss	d. 於損益賬支銷的準備				
– individual impairment loss	– 個別減值損失	29	–	–	–
– collective impairment loss	– 整體減值損失	24	27	16	20
e. Written off	e. 撇銷	–	–	–	–
(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	117	189	108	166
b. Individual impairment allowance	b. 個別減值準備	2	6	2	6
c. Collective impairment allowance	c. 整體減值準備	30	25	21	18
d. Provision charged to profit and loss	d. 於損益賬支銷的準備				
– individual impairment loss	– 個別減值損失	5	7	5	7
– collective impairment loss	– 整體減值損失	6	3	3	–
e. Written off	e. 撇銷	3	6	3	6
(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	222	112	181	96
b. Individual impairment allowance	b. 個別減值準備	129	24	120	24
c. Collective impairment allowance	c. 整體減值準備	48	27	24	14
d. Provision charged to profit and loss	d. 於損益賬支銷的準備				
– individual impairment loss	– 個別減值損失	133	39	116	37
– collective impairment loss	– 整體減值損失	21	11	12	3
e. Written off	e. 撇銷	4	8	4	6

## Notes on the Accounts (continued)

### 賬項附註(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) 客戶貸款—按區域分類

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

		The Group 集團 2008				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶貸款 總額 HK\$ Mn 港幣百萬元	逾期3個月 以上的 客戶貸款 HK\$ Mn 港幣百萬元	減值客戶 貸款 HK\$ Mn 港幣百萬元	個別減值 準備 HK\$ Mn 港幣百萬元	整體減值 準備 HK\$ Mn 港幣百萬元
Hong Kong	香港	112,038	207	642	267	278
People's Republic of China	中華人民共和國	85,741	242	454	78	115
Other Asian Countries	其他亞洲國家	10,798	159	246	168	103
Others	其他	21,762	25	244	10	25
Total		230,339	633	1,586	523	521
% of total advances to customers	佔客戶貸款總額的百分比			0.69%		
Market value of security held against impaired advances to customers	減值貸款 抵押品市值			3,769		
		The Group 集團 2007				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶貸款 總額 HK\$ Mn 港幣百萬元	逾期3個月 以上的 客戶貸款 HK\$ Mn 港幣百萬元	減值客戶 貸款 HK\$ Mn 港幣百萬元	個別減值 準備 HK\$ Mn 港幣百萬元	整體減值 準備 HK\$ Mn 港幣百萬元
Hong Kong	香港	123,539	296	622	148	265
People's Republic of China	中華人民共和國	62,518	114	334	87	84
Other Asian Countries	其他亞洲國家	10,340	57	90	28	60
Others	其他	21,787	1	196	1	24
Total		218,184	468	1,242	264	433
% of total advances to customers	佔客戶貸款總額的百分比			0.57%		
Market value of security held against impaired advances to customers	減值貸款 抵押品市值			3,647		

Notes on the Accounts (continued)  
賬項附註(續)

24. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (continued) 客戶貸款及其他賬項(續)

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

(d) 客戶貸款—按區域分類(續)

		The Bank 銀行 2008				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶貸款 總額 HK\$ Mn 港幣百萬元	逾期3個月 以上的 客戶貸款 HK\$ Mn 港幣百萬元	減值客戶 貸款 HK\$ Mn 港幣百萬元	個別減值 準備 HK\$ Mn 港幣百萬元	整體減值 準備 HK\$ Mn 港幣百萬元
Hong Kong	香港	93,211	169	556	232	248
People's Republic of China	中華人民共和國	14,271	95	280	36	26
Other Asian Countries	其他亞洲國家	9,856	159	246	168	102
Others	其他	13,785	14	192	2	16
Total		131,123	437	1,274	438	392
% of total advances to customers	佔客戶貸款總額的百分比			0.97%		
Market value of security held against impaired advances to customers	減值貸款 抵押品市值			2,168		
		The Bank 銀行 2007				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶貸款 總額 HK\$ Mn 港幣百萬元	逾期3個月 以上的 客戶貸款 HK\$ Mn 港幣百萬元	減值客戶 貸款 HK\$ Mn 港幣百萬元	個別減值 準備 HK\$ Mn 港幣百萬元	整體減值 準備 HK\$ Mn 港幣百萬元
Hong Kong	香港	104,082	206	442	50	237
People's Republic of China	中華人民共和國	8,521	2	189	1	23
Other Asian Countries	其他亞洲國家	9,511	56	89	28	60
Others	其他	12,744	–	177	–	12
Total		134,858	264	897	79	332
% of total advances to customers	佔客戶貸款總額的百分比			0.67%		
Market value of security held against impaired advances to customers	減值貸款 抵押品市值			2,282		

Notes on the Accounts (continued)  
賬項附註(續)

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

There were no impaired advances to banks and other financial institutions as at 31st December, 2008 and 31st December, 2007, nor were there any individual impairment allowances made for them on these two dates.

(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:

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

於2008年12月31日及2007年12月31日，銀行及其他金融機構的貸款中並無減值貸款，亦無就該等貸款提撥個別減值準備。

(e) 客戶貸款 – 融資租賃的淨投資額

客戶貸款包括以融資租賃形式租出的設備。根據融資租賃應收的最低租賃付款總額，及其現值如下：

		The Group and The Bank 集團及銀行					
		2008			2007		
		Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments	Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments
		最低租賃付款現值	相關未來利息收入	最低租賃付款總額	最低租賃付款現值	相關未來利息收入	最低租賃付款總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Amounts receivable:	應收賬款：						
Within one year	1年以內	1,280	152	1,432	1,087	202	1,289
After one year but within five years	1年以後至5年內	1,512	206	1,718	1,434	401	1,835
After five years	5年以後	1,468	246	1,714	1,900	632	2,532
		<b>4,260</b>	<b>604</b>	<b>4,864</b>	<b>4,421</b>	<b>1,235</b>	<b>5,656</b>
Less: Individual impairment allowances	減：個別減值準備	(21)			(4)		
Net investment in finance leases	融資租賃的淨投資額	<b>4,239</b>			<b>4,417</b>		

The net investment in finance leases is carried on the balance sheet as a receivable. No accrual is made for the interest income relating to future periods.

融資租賃的淨投資額被視作應收賬款計入資產負債表，但並無應計未來相關的利息收入。

Notes on the Accounts (continued)  
賬項附註(續)

25. AVAILABLE-FOR-SALE FINANCIAL ASSETS 可供出售金融資產

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Treasury bills (including Exchange Fund Bills)	國庫債券 (包括外匯基金票據)	10,391	2,869	4,558	2,838
Certificates of deposit held	持有的存款證	762	807	508	766
Debt securities	債務證券	6,398	6,797	5,210	5,682
Equity securities	股份證券	899	1,602	611	1,248
Investment funds	投資基金	110	142	98	74
		<b>18,560</b>	12,217	<b>10,985</b>	10,608
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	10,419	2,914	4,558	2,858
Public sector entities	公營機構	231	2,337	126	2,297
Banks and other financial institutions	銀行及其他金融機構	5,773	4,076	4,759	3,616
Corporate entities	企業實體	2,027	2,586	1,444	1,601
Other entities	其他實體	110	304	98	236
		<b>18,560</b>	12,217	<b>10,985</b>	10,608
Analysed by place of listing:	按上市地區分析:				
Listed in Hong Kong	在香港上市	397	1,025	197	760
Listed outside Hong Kong	在香港以外地區上市	9,329	2,548	2,619	1,619
		<b>9,726</b>	3,573	<b>2,816</b>	2,379
Unlisted	非上市	8,834	8,644	8,169	8,229
		<b>18,560</b>	12,217	<b>10,985</b>	10,608



Notes on the Accounts (continued)  
賬項附註(續)

26. HELD-TO-MATURITY INVESTMENTS 持至到期投資

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Treasury bills (including Exchange Fund Bills)	國庫債券 (包括外匯基金票據)	180	67	180	67
Certificates of deposit held	持有的存款證	1,717	1,625	1,056	702
Debt securities	債務證券	3,216	9,111	2,189	8,046
		<b>5,113</b>	10,803	<b>3,425</b>	8,815
Less: Impairment allowances	減: 減值準備	(107)	(42)	(107)	(42)
		<b>5,006</b>	10,761	<b>3,318</b>	8,773
Issued by:		發行機構:			
Central governments and central banks	中央政府和中央銀行	243	5,411	239	5,407
Public sector entities	公營機構	318	664	231	544
Banks and other financial institutions	銀行及其他金融機構	3,344	3,507	2,117	2,051
Corporate entities	企業實體	1,101	1,179	731	771
		<b>5,006</b>	10,761	<b>3,318</b>	8,773
Analysed by place of listing:		按上市地區分析:			
Listed in Hong Kong	在香港上市	287	194	268	174
Listed outside Hong Kong	在香港以外地區上市	1,863	2,129	1,477	1,696
		<b>2,150</b>	2,323	<b>1,745</b>	1,870
Unlisted	非上市	2,856	8,438	1,573	6,903
		<b>5,006</b>	10,761	<b>3,318</b>	8,773
Market value:		市值:			
Listed securities	上市證券	2,028	2,330	1,640	1,882
Unlisted securities	非上市證券	2,870	8,463	1,569	6,914
		<b>4,898</b>	10,793	<b>3,209</b>	8,796

Movement of impairment allowances

減值準備的變動

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January	於1月1日	42	-	42	-
Charge for the year	年度內支銷	44	42	44	42
Exchange and other adjustments	匯兌及其他調整	21	-	21	-
		<b>107</b>	42	<b>107</b>	42
At 31st December	於12月31日				

Notes on the Accounts (continued)  
賬項附註(續)

27. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

		The Bank 銀行	
		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Unlisted shares, at cost	非上市股份(原值)	11,906	10,774
Less: impairment allowances	減: 減值準備	(233)	(170)
		<b>11,673</b>	<b>10,604</b>

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary.

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。此等股份屬普通股股份。

Details of these companies are as follows:-

此等公司的詳情如下:

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行 所佔權益	The Group 本集團 所佔權益	
Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司	Hong Kong 香港	HK\$港幣150,000,000元	100%		Trustee 信託服務
BEA Life Limited 東亞人壽保險有限公司	Hong Kong 香港	HK\$港幣500,000,000元	100%		Life insurance 人壽
BEA Pacific Asia Limited	Hong Kong 香港	US\$13,000,000美元		100%	Investment holding 投資控股
BEA Pacific Holding Company Limited	Bermuda 百慕達	HK\$港幣10,000元	100%		Investment holding 投資控股
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Hong Kong 香港	HK\$港幣750,000,000元	100%		Insurance 保險
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Hong Kong 香港	HK\$港幣10,000,000元	51%		Asset management 資產管理
Carribbean Corporate Services Ltd.	Barbados 巴巴多斯	BDS巴巴多斯\$2,000元		60.49%	Corporate secretarial and accounting services 公司秘書及會計服務

## Notes on the Accounts (continued)

### 賬項附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行 所佔權益	The Group 本集團 所佔權益	
Credit Gain Finance Company Limited 領達財務有限公司	Hong Kong 香港	HK\$港幣1元	100%		Money lenders 放款人
East Asia Financial Services (BVI) Ltd.	BVI 英屬處女群島	US\$24,096,000美元	100%		Investment holding 投資控股
East Asia Futures Limited 東亞期貨有限公司	Hong Kong 香港	HK\$港幣7,000,000元	100%		Futures and options trading 期貨及期權買賣
*East Asia Holding Company, Inc.	U.S.A. 美國	US\$5美元	100%		Bank holding company 銀行控股公司
East Asia Indonesian Holdings Limited	Seychelles 塞舌爾	US\$100,000美元		100%	Investment holding 投資控股
East Asia Investments Holdings (BVI) Ltd.	BVI 英屬處女群島	HK\$港幣186,038,725元	100%		Investment holding 投資控股
*East Asia Properties (US), Inc.	U.S.A. 美國	US\$5美元		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		75.6%	Investment holding 投資控股
East Asia Securities Company Limited 東亞證券有限公司	Hong Kong 香港	HK\$港幣25,000,000元	100%		Securities broking 證券買賣
East Asia Strategic Holdings Limited	BVI 英屬處女群島	US\$50,000,000美元	100%		Investment holding 投資控股
Flowery World Corporation	BVI 英屬處女群島	US\$1美元		75.6%	Holding company 控股公司
PFA Malaysia Sdn. Bhd.	Malaysia 馬來西亞	RM馬幣750,000元		60.49%	Secretarial, finance & accounting services, and human resource consulting services 秘書、財務及會計服務，及人事資源諮詢服務

Notes on the Accounts (continued)  
賬項附註(續)

27. INVESTMENTS IN SUBSIDIARIES (continued) 附屬公司投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行 所佔權益	The Group 本集團 所佔權益	
The Bank of East Asia (Canada) 加拿大東亞銀行	Canada 加拿大	C\$加幣58,000,000元	100%		Banking services 銀行服務
The Bank of East Asia (China) Limited (Note 1) 東亞銀行(中國)有限公司(附註1)	PRC 中華人民共和國	RMB¥人民幣8,000,000,000元	100%		Banking and related financial services 銀行及有關的金融服務
*The Bank of East Asia (U.S.A.) N.A. *美國東亞銀行	U.S.A. 美國	US\$4,500美元		100%	Banking 銀行
Tricor Consultancy (Beijing) Limited (Note 1) 東亞卓佳諮詢(北京)有限公司(附註1)	PRC 中華人民共和國	US\$1,850,000美元		75.6%	Business consultancy in China 國內商業諮詢
Tricor Holdings Limited	BVI 英屬處女群島	US\$7,001美元		75.6%	Investment holding 投資控股
Tricor Investor Services Limited 卓佳證券登記有限公司	Hong Kong 香港	HK\$港幣2元		75.6%	Investor services 投資者服務
Tricor Services Limited 卓佳專業商務有限公司	Hong Kong 香港	HK\$港幣2元		75.6%	Business, corporate and investor services 商務、企業及投資者服務
Tricor Singapore Pte. Ltd.	Singapore 新加坡	S\$新加坡幣100,000元		75.6%	Business management and consultancy services, and employment agency 商務管理及諮詢服務，及招聘代理
Vitaway (Mauritius) Limited	Mauritius 毛里裘斯	US\$1美元		75.6%	Regional treasurer 地區司庫

## Notes on the Accounts (continued)

### 賬項附註(續)

Notes:

1. Represents a wholly foreign owned enterprise.
2. BVI denotes the British Virgin Islands and PRC denotes the People's Republic of China.

\* Companies not audited by KPMG. The accounts of the subsidiaries not audited by KPMG reflect total net assets and total income constituting approximately 1.6% and 522.0% respectively of the related consolidated totals.

附註：

1. 指一全資擁有外資企業。

\* 非由畢馬威會計師事務所稽核的公司。非由畢馬威會計師事務所稽核的附屬公司賬項之資產總額及收入總額分別佔相關綜合總額的1.6%及522.0%。

## 28. INVESTMENTS IN ASSOCIATES 聯營公司投資

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Listed shares, at cost	上市股份(原值)	–	–	1,743	1,725
Unlisted shares, at cost	非上市股份(原值)	–	–	271	333
Share of net assets	應佔淨資產	2,260	2,607	–	–
Goodwill	商譽	226	227	–	–
		<b>2,486</b>	2,834	<b>2,014</b>	2,058
Less: impairment allowances	減：減值準備	–	(41)	(30)	(93)
		<b>2,486</b>	2,793	<b>1,984</b>	1,965

Loans to associates amounting to HK\$76 million (2007: HK\$102 million) are included under advances to customers.

聯營公司貸款共港幣76,000,000元(2007年：港幣102,000,000元)已包括在客戶貸款。

Share of associates' taxation for the year amounted to HK\$59 million (2007: HK\$22 million)

年度內應佔聯營公司稅項為港幣59,000,000元(2007年：港幣22,000,000元)

The following list contains only the particulars of associates which principally affected the results or assets of the Group:

以下摘要只包括對本集團的業績或資產有重大影響的聯營公司。

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary shares 普通股 held by		Nature of business 業務性質
		The Bank 銀行所佔權益	The Group 本集團所佔權益	
<b>Listed 上市</b>				
Affin Holdings Berhad	Malaysia 馬來西亞	20.507%		Investment holding 投資控股

Notes on the Accounts (continued)  
賬項附註(續)

28. INVESTMENTS IN ASSOCIATES (continued) 聯營公司投資(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 本集團所佔權益	
<b>Unlisted 非上市</b>				
ICEA Finance Holdings Limited 工商東亞金融控股有限公司	BVI 英屬處女群島	25%		Investment holding 投資控股
Mercedes-Benz Financial Services Hong Kong Limited 梅賽德斯－奔馳財務服務香港有限公司	Hong Kong 香港		20%	Financing, leasing and insurance services 財務、租賃及保險服務
Mercedes-Benz Financial Services Korea Limited	Republic of Korea 韓國		20%	Financial services 金融服務
Platinum Holdings Company Limited	Cayman Islands 開曼群島	29.99%		Investment holding 投資控股
PT. Bank Resona Perdania	Indonesia 印尼		30%	Banking and related financial services 銀行及有關金融服務
Sunfire Enterprises Limited 申發企業有限公司	BVI 英屬處女群島		20%	Property development 物業發展
TCL Finance Co., Ltd. TCL集團財務有限公司	PRC 中華人民共和國	20%		Financial services and cash management 金融服務及現金管理
Trans-Ocean Insurance Company, Limited 遠洋保險有限公司	Hong Kong 香港	48.7%		Insurance 保險



Notes on the Accounts (continued)  
賬項附註(續)

Summary financial information on associates

聯營公司財務資料摘要

		Assets 資產 HK\$ Mn 港幣百萬元	Liabilities 負債 HK\$ Mn 港幣百萬元	Equity 股東權益 HK\$ Mn 港幣百萬元	Revenues 收入 HK\$ Mn 港幣百萬元	Profit 溢利 HK\$ Mn 港幣百萬元
<b>2008</b>						
100 per cent	百分之一百	<b>95,485</b>	<b>83,118</b>	<b>12,367</b>	<b>3,584</b>	<b>516</b>
Group's effective interest	本集團的有效權益	<b>19,756</b>	<b>17,496</b>	<b>2,260</b>	<b>767</b>	<b>53</b>
<b>2007</b>						
100 per cent	百分之一百	105,537	92,273	13,264	1,098	354
Group's effective interest	本集團的有效權益	22,248	19,641	2,607	295	92

29. GOODWILL AND INTANGIBLE ASSETS 商譽及無形資產

Goodwill and intangible assets include goodwill arising on business combinations and acquired intangible assets. Acquired intangible assets comprise core deposits which are amortised over their estimated economic useful life of ten years.

商譽及無形資產包括因業務合併產生的商譽及購入無形資產。購入無形資產包括核心存款，並按其估計經濟使用期10年攤銷。

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Goodwill	商譽	<b>2,705</b>	2,656	<b>1,460</b>	1,460
Acquired intangible assets	購入無形資產	<b>29</b>	12	-	-
		<b>2,734</b>	2,668	<b>1,460</b>	1,460

(a) Goodwill

(a) 商譽

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	<b>2,656</b>	2,592	<b>1,460</b>	1,460
Additions through acquisition of subsidiaries	經收購附屬公司的增置	<b>52</b>	40	-	-
Exchange adjustments	匯兌調整	<b>(3)</b>	24	-	-
At 31st December	於12月31日	<b>2,705</b>	2,656	<b>1,460</b>	1,460

Notes on the Accounts (continued)  
賬項附註(續)

29. GOODWILL AND INTANGIBLE ASSETS (continued) 商譽及無形資產(續)

(a) Goodwill (continued)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segment as follows:

(a) 商譽(續)

包含商譽的現金生產單位之減值測試

本集團按業務分部分配商譽予可辨別的現金生產單位如下：

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Personal Financial Services	個人金融服務	849	849
Corporate Banking	企業銀行	453	453
Investment Banking	投資銀行	158	158
Corporate Services	企業服務	1,067	1,027
Others	其他	178	169
		2,705	2,656

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 8.28% (2007: 10.88%) and the long-term growth rate is 4% (2007: 5%).

Management determined the budgeted net profit based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the forecasts included in industry reports.

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8.28% (2007:10.88%) 及長期增長率為4% (2007:5%)。

管理層根據過往及預計市場發展以釐定預算溢利。加權平均增長率與行業報告的預測是一致的。

Notes on the Accounts (continued)  
賬項附註(續)

(b) Intangible assets (other than goodwill)

Intangible assets include acquired core deposits. Intangible assets are stated at cost less accumulated amortisation and impairment loss (Note 2(k)(iv)).

Amortisation of intangible assets with finite useful lives is charged to the profit and loss account on a diminishing basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available to use and their estimated useful lives are as follows:-

Acquired core deposits 10 years

Naming rights over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

(b) 無形資產(商譽除外)

無形資產包括購入核心存款。無形資產按成本減除累計折舊及減值損失列賬(附註2(k)(iv))。

有限定可用期的無形資產按其估計可用期以遞減法於損益賬內攤銷。以下有限定可用期的無形資產由可供使用日起按以下的估計可用期攤銷：

購入核心存款為10年

冠名權按建築物或土地兩者較短的租賃期

每年須檢討其期限及攤銷方法。

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cost	成本				
At 1st January	於1月1日	16	15	-	-
Additions	增置	6	-	-	-
Formation of a new subsidiary	成立一間附屬公司	-	1	-	-
Exchange and other adjustments	匯兌調整	16	-	-	-
At 31st December	於12月31日	38	16	-	-
Accumulated amortisation and impairment losses	累計攤銷及減值損失				
At 1st January	於1月1日	(4)	(2)	-	-
Amortisation charge for the year (Note 9)	年度內攤銷(附註9)	(3)	(2)	-	-
Exchange adjustments	匯兌調整	(2)	-	-	-
At 31st December	於12月31日	(9)	(4)	-	-
Carrying amount at 31st December	於12月31日賬面值	29	12	-	-

Notes on the Accounts (continued)  
賬項附註(續)

30. FIXED ASSETS 固定資產

		2008 The Group 集團				
		Investment Properties	Bank Premises	Furniture, Fixtures and Equipment 傢俬、裝修 及設備	Sub-total	Total
		投資物業 HK\$ Mn 港幣百萬元	行址 HK\$ Mn 港幣百萬元	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, 2008	於2008年1月1日	1,726	4,609	2,711	7,320	9,046
Additions	增置	-	1,659	898	2,557	2,557
Additions through acquisition	經收購的增置	303	-	15	15	318
Revaluation losses	重估虧損	(168)	-	-	-	(168)
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	-	9	-	9	9
Transfer from bank premises to investment properties	由行址轉入投資 物業	9	(9)	-	(9)	-
Disposals	出售	(13)	(34)	(126)	(160)	(173)
Exchange adjustments	匯兌調整	(18)	59	9	68	50
At 31st December, 2008	於2008年12月31日	1,839	6,293	3,507	9,800	11,639
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2008	於2008年1月1日	-	617	1,573	2,190	2,190
Additions through acquisition	經收購的增置	-	-	11	11	11
Charge for the year (Note 9)	年度內支銷 (附註9)	-	81	356	437	437
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	-	(1)	-	(1)	(1)
Write back of impairment loss	減值損失回撥	-	(6)	-	(6)	(6)
Written back on disposals	出售時回撥	-	(25)	(113)	(138)	(138)
Exchange adjustments	匯兌調整	-	9	(9)	-	-
At 31st December, 2008	於2008年12月31日	-	675	1,818	2,493	2,493
Net book value at 31st December, 2008	賬面淨值 於2008年12月31日	1,839	5,618	1,689	7,307	9,146
The gross amounts of the above assets are stated:	上述資產的總額 列示如下：					
At cost	按成本	-	5,466	3,507	8,973	8,973
At Directors' valuation - 1989	按董事估值 - 1989年	-	827	-	827	827
At professional valuation - 2008	按專業估值 - 2008年	1,839	-	-	-	1,839
		1,839	6,293	3,507	9,800	11,639

Notes on the Accounts (continued)  
賬項附註(續)

		2008				
		The Bank 銀行				
		Investment	Bank	Furniture,	Sub-total	Total
		Properties	Premises	Fixtures and		
				Equipment		
				傢俬、裝修		
				及設備		
		投資物業	行址	HK\$ Mn	小計	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2008	於2008年1月1日	1,829	3,192	1,858	5,050	6,879
Additions	增置	-	2	487	489	489
Revaluation losses	重估虧損	(87)	-	-	-	(87)
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	52	-	52	52
Transfer from bank premises to investment properties	由行址轉入投資物業	89	(89)	-	(89)	-
Disposals	出售	(12)	(20)	(79)	(99)	(111)
Exchange adjustments	匯兌調整	-	(2)	(20)	(22)	(22)
At 31st December, 2008	於2008年12月31日	1,819	3,135	2,246	5,381	7,200
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2008	於2008年1月1日	-	304	1,168	1,472	1,472
Charge for the year	年度內支銷	-	43	218	261	261
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	(5)	-	(5)	(5)
Write back of impairment loss	減值損失回撥	-	(6)	-	(6)	(6)
Written back on disposals	出售時回撥	-	(12)	(77)	(89)	(89)
Exchange adjustments	匯兌調整	-	(1)	(19)	(20)	(20)
At 31st December, 2008	於2008年12月31日	-	323	1,290	1,613	1,613
Net book value at 31st December, 2008	賬面淨值於2008年12月31日	1,819	2,812	956	3,768	5,587
The gross amounts of the above assets are stated:	上述資產的總額列示如下:					
At cost	按成本	-	2,308	2,246	4,554	4,554
At Directors' valuation - 1989	按董事估值 - 1989年	-	827	-	827	827
At professional valuation - 2008	按專業估值 - 2008年	1,819	-	-	-	1,819
		1,819	3,135	2,246	5,381	7,200

Notes on the Accounts (continued)  
賬項附註(續)

30. FIXED ASSETS (continued) 固定資產(續)

		2007 The Group 集團				
		Investment Properties	Bank Premises	Furniture, Fixtures and Equipment 傢俬、裝修 及設備	Sub-total	Total
		投資物業 HK\$ Mn 港幣百萬元	行址 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	小計 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2007	於2007年1月1日	1,288	4,231	2,255	6,486	7,774
Additions	增置	-	442	482	924	924
Additions through acquisition	經收購的增置	-	-	1	1	1
Revaluation surplus	重估盈餘	293	-	-	-	293
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	-	21	-	21	21
Transfer from bank premises to investment properties	由行址轉入投資物業	143	(143)	-	(143)	-
Disposals	出售	-	(13)	(48)	(61)	(61)
Exchange adjustments	匯兌調整	2	71	21	92	94
At 31st December, 2007	於2007年12月31日	1,726	4,609	2,711	7,320	9,046
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2007	於2007年1月1日	-	684	1,341	2,025	2,025
Additions through acquisition	經收購的增置	-	-	1	1	1
Charge for the year (Note 9)	年度內支銷 (附註9)	-	68	258	326	326
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	-	(15)	-	(15)	(15)
Write back of impairment loss	減值損失回撥	-	(132)	-	(132)	(132)
Written back on disposals	出售時回撥	-	(7)	(40)	(47)	(47)
Exchange adjustments	匯兌調整	-	19	13	32	32
At 31st December, 2007	於2007年12月31日	-	617	1,573	2,190	2,190
Net book value at 31st December, 2007	賬面淨值 於2007年12月31日	1,726	3,992	1,138	5,130	6,856
The gross amounts of the above assets are stated:	上述資產的總額 列示如下:					
At cost	按成本	-	3,775	2,711	6,486	6,486
At Directors' valuation - 1989	按董事估值 -1989年	-	834	-	834	834
At professional valuation - 2007	按專業估值 -2007年	1,726	-	-	-	1,726
		1,726	4,609	2,711	7,320	9,046



Notes on the Accounts (continued)  
賬項附註(續)

		2007 The Bank 銀行				
		Investment Properties	Bank Premises	Furniture, Fixtures and Equipment 傢私、裝修 及設備	Sub-total	Total
		投資物業 HK\$ Mn 港幣百萬元	行址 HK\$ Mn 港幣百萬元	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, 2007	於2007年1月1日	1,317	3,976	1,937	5,913	7,230
Additions	增置	–	228	206	434	434
Revaluation surplus	重估盈餘	326	–	–	–	326
Revaluation loss on bank premises	行址重估虧損	–	(3)	–	(3)	(3)
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	–	21	–	21	21
Transfer to The Bank of East Asia (China) Ltd.	轉入東亞銀行 (中國)有限公司	(11)	(835)	(259)	(1,094)	(1,105)
Transfer from bank premises to investment properties	由行址轉入 投資物業	197	(197)	–	(197)	–
Disposals	出售	–	–	(30)	(30)	(30)
Exchange adjustments	匯兌調整	–	2	4	6	6
At 31st December, 2007	於2007年12月31日	1,829	3,192	1,858	5,050	6,879
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2007	於2007年1月1日	–	600	1,155	1,755	1,755
Charge for the year	年度內支銷	–	50	184	234	234
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	–	(15)	–	(15)	(15)
Transfer to The Bank of East Asia (China) Ltd.	轉入東亞銀行 (中國)有限公司	–	(200)	(147)	(347)	(347)
Write back of impairment loss	減值損失回撥	–	(132)	–	(132)	(132)
Written back on disposals	出售時回撥	–	–	(26)	(26)	(26)
Exchange adjustments	匯兌調整	–	1	2	3	3
At 31st December, 2007	於2007年12月31日	–	304	1,168	1,472	1,472
Net book value at 31st December, 2007	賬面淨值 於2007年12月31日	1,829	2,888	690	3,578	5,407
The gross amounts of the above assets are stated:	上述資產的總額 列示如下：					
At cost	按成本	–	2,358	1,858	4,216	4,216
At Directors' valuation – 1989	按董事估值 –1989年	–	834	–	834	834
At professional valuation – 2007	按專業估值 –2007年	1,829	–	–	–	1,829
		1,829	3,192	1,858	5,050	6,879

Notes on the Accounts (continued)  
賬項附註(續)

30. FIXED ASSETS (continued) 固定資產(續)

The net book value of bank premises and investment properties comprises:

行址及投資物業的賬面淨值包括:

		The Group 集團			
		2008		2007	
		Investment Properties	Bank Premises	Investment Properties	Bank Premises
		投資物業	行址	投資物業	行址
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	78	1,748	114	408
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease (over 50 years)	長期租約(50年以上)	1,449	1,477	1,247	1,477
On medium-term lease (10 – 50 years)	中期租約(10至50年)	303	1,354	352	1,387
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)	–	193	–	175
On medium-term lease (10 – 50 years)	中期租約(10至50年)	9	846	13	545
		1,839	5,618	1,726	3,992
		The Bank 銀行			
		2008		2007	
		Investment Properties	Bank Premises	Investment Properties	Bank Premises
		投資物業	行址	投資物業	行址
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	–	150	–	153
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease (over 50 years)	長期租約(50年以上)	1,365	1,391	1,315	1,421
On medium-term lease (10 – 50 years)	中期租約(10至50年)	454	1,267	514	1,302
Held outside Hong Kong	在香港以外地區				
On long lease (over 50 years)	長期租約(50年以上)	–	3	–	11
On medium-term lease (10 – 50 years)	中期租約(10至50年)	–	1	–	1
		1,819	2,812	1,829	2,888

The carrying amount of the bank premises of the Group and the Bank would have been HK\$4,624 million (2007: HK\$2,937 million) and HK\$1,929 million (2007: HK\$1,955 million) respectively had they been stated at cost less accumulated depreciation.

假設本集團及本行以成本減累計折舊入賬，行址的賬面值將分別為港幣4,624,000,000元(2007年:港幣2,937,000,000元)及港幣1,929,000,000元(2007年:港幣1,955,000,000元)

Investment properties were valued by independent valuers. Investment properties in Hong Kong were valued at HK\$1,543 million as at 31st December, 2008 by an independent valuer, Savills Valuation and Professional Services Limited, Chartered Surveyors, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuation has been incorporated in the accounts as at 31st December, 2008 and it was performed on an open market value basis.

投資物業是按獨立估值師估值。於2008年12月31日，香港投資物業的估值為港幣1,543,000,000元。該等物業由獨立估值師 – 特許測量師第一太平戴維斯，其僱員具香港測量師學會士資歷並對須估值物業的所在及類別有近期經驗。估值是以公開市場價值為基礎，並已計入2008年12月31日之賬項內。

## Notes on the Accounts (continued)

### 賬項附註(續)

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.

Rental income receivable from investment properties held for use under operating leases amounted to HK\$90 million in 2008 (2007: HK\$72 million). There was no contingent rental recognised during the year 2008 (2007: Nil).

The total future minimum lease payments of bank premises and investment properties held for use under non-cancellable operating leases are receivable as follows:

本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。

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90,000,000元(2007年：港幣72,000,000元)。2008年年度內未有確認或有租金(2007年：無)。

以不可撤銷經營租賃作出租的行址及投資物業的未來最低應收租賃付款總額如下：

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Within one year	1年以內	74	62	69	56
After one year but within five years	1年以後至5年內	62	71	47	36
		136	133	116	92

### 31.AMOUNTS DUE FROM AND DUE TO SUBSIDIARIES 附屬公司欠款及欠附屬公司款項

During the year, the Bank entered into transactions with certain subsidiaries in the ordinary course of its banking business. Details of the amounts due from and due to subsidiaries are as follows:

於年度內，本行與若干附屬公司有正常的業務交易。附屬公司欠款及欠附屬公司款項詳列如下：

#### (a) Amounts Due from Subsidiaries

#### (a) 附屬公司欠款

		The Bank 銀行	
		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Financial institutions	金融機構	15,454	16,316
Others	其他	944	1,648
		16,398	17,964

#### (b) Amounts Due to Subsidiaries

#### (b) 欠附屬公司款項

		The Bank 銀行	
		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Financial institutions	金融機構	47	53
Others	其他	1,947	1,581
		1,994	1,634

Notes on the Accounts (continued)  
賬項附註(續)

32. INCOME TAX IN THE BALANCE SHEET 資產負債表內的所得稅

(a) Current Taxation in the Balance Sheet Represents:

(a) 資產負債表內的本期稅項為:

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Provision for Hong Kong Profits Tax for the year (Note 12(a))	本年度香港利得稅準備(附註12(a))	64	265	-	153
Provisional Profits Tax paid	已付暫繳利得稅	(51)	(189)	-	(134)
		13	76	-	19
Balance of Profits Tax provision relating to prior years	以往年度利得稅準備結餘	(1)	15	(14)	10
Overseas taxation	海外稅項	321	138	74	52
		333	229	60	81

(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 balance sheet and the movements during the year are as follows:

確認於綜合資產負債表中遞延稅項(資產)/負債的組成部分及年內之變動如下:

		The Group 集團						
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total
		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	可供出售證券重估	稅損	其他	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Deferred tax arising from:	遞延稅項源自:							
At 1st January, 2008	於2008年1月1日	321	274	58	94	(59)	114	802
Charged/(credited) to profit and loss account (Note 12(a))	損益賬內支銷/(存入)(附註 12(a))	26	(14)	(114)	-	(601)	(23)	(726)
Credited to reserves (Notes 37(c) and (h))	存入儲備內(附註 37(c) 及 (h))	-	(3)	-	(98)	-	-	(101)
Additions through acquisition	購入的增置	14	-	-	-	(2)	-	12
Exchange and other adjustments	匯兌及其他調整	-	-	7	-	1	(105)	(97)
At 31st December, 2008	於2008年12月31日	361	257	(49)	(4)	(661)	(14)	(110)

Notes on the Accounts (continued)  
賬項附註(續)

		The Group 集團						
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, 2007	於2007年1月1日	277	211	(18)	110	(23)	2	559
Write off against investment	投資撇銷額	-	-	-	-	-	(121)	(121)
Charged/(credited) to profit and loss account (Note 12(a))	損益賬內支銷/(存入)(附註 12(a))	45	57	76	-	(35)	232	375
Charged to reserves (Notes 37(c) and (h))	儲備內支銷(附註 37(c) 及 (h))	-	6	-	(16)	-	-	(10)
Exchange and other adjustments	匯兌及其他調整	(1)	-	-	-	(1)	1	(1)
At 31st December, 2007	於2007年12月31日	321	274	58	94	(59)	114	802

		The Bank 銀行						
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, 2008	於2008年1月1日	313	274	(43)	94	(9)	113	742
Charged/(credited) to profit and loss account	損益賬內支銷/(存入)	34	(14)	(1)	-	(519)	(11)	(511)
Credited to reserves (Notes 37(c) and (h))	存入儲備內(附註 37(c) 及 (h))	-	(3)	-	(99)	-	-	(102)
Exchange and other adjustments	匯兌及其他調整	-	-	-	-	-	(104)	(104)
At 31st December, 2008	於2008年12月31日	347	257	(44)	(5)	(528)	(2)	25

		The Bank 銀行						
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, 2007	於2007年1月1日	275	211	(12)	110	(23)	11	572
Write off against investment	投資撇銷額	-	-	-	-	-	(121)	(121)
Charged to profit and loss account	損益賬內支銷	38	57	3	-	10	223	331
Charged to reserves (Notes 37(c) and (h))	儲備內支銷(附註 37(c) 及 (h))	-	6	-	(16)	-	-	(10)
Transfer to The Bank of East Asia (China) Ltd.	轉入東亞銀行(中國)有限公司	-	-	(34)	-	4	-	(30)
At 31st December, 2007	於2007年12月31日	313	274	(43)	94	(9)	113	742

Notes on the Accounts (continued)  
賬項附註(續)

32. INCOME TAX IN THE BALANCE SHEET (continued) 資產負債表內的所得稅(續)

(b) Deferred Tax Assets and Liabilities Recognised (continued)

(b) 遞延稅項資產及負債確認(續)

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net deferred tax assets recognised on the balance sheet	確認於資產負債表的遞延稅項資產淨額	(187)	(70)	(38)	(12)
Net deferred tax liabilities recognised on the balance sheet	確認於資產負債表的遞延稅項負債淨額	77	872	63	754
		(110)	802	25	742

(c) Deferred Tax Assets Not Recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$737 million (2007: HK\$674 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737,000,000元(2007年：港幣674,000,000元)為遞延稅項資產。根據現時稅務條例，該等稅損的到期日如下：

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Expiring within 5 years	於五年內到期	57	95
Expiring more than 5 years	五年後到期	7	8
No expiry date	無到期日	673	571
		737	674

33. OTHER LIABILITIES 其他負債

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(a) Trading Liabilities	交易用途負債				
Exchange fund bills sold	外匯基金票據空倉	330	1,098	330	1,098
Exchange fund notes sold	外匯基金債券空倉	-	33	-	33
		330	1,131	330	1,131
Negative fair value of derivatives	衍生工具的負公平價值	2,516	1,241	2,219	1,044
		2,846	2,372	2,549	2,175
(b) Other Accounts and Provisions	其他賬項及準備				
Accrued interest payable	應計應付利息	1,953	1,586	1,035	1,186
Bankers acceptances	銀行承兌匯票	2,989	1,426	272	309
Other accounts	其他賬項	7,197	7,985	2,172	2,967
		12,139	10,997	3,479	4,462



Notes on the Accounts (continued)  
賬項附註(續)

34. LOAN CAPITAL 借貸資本

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
USD550 million 5.625% subordinated notes, measured at fair value through profit or loss	按通過損益以反映公平價值列賬的550,000,000美元年息5.625%的後償票據	3,644	4,383	3,644	4,383
GBP300 million 6.125% step-up perpetual subordinated notes, measured at fair value through profit or loss	按通過損益以反映公平價值列賬的300,000,000英鎊6.125%無到期日步陞後償票據	2,751	4,600	2,751	4,600
USD600 million floating rate step-up subordinated notes, measured at amortised cost	按攤銷成本列賬的600,000,000美元浮息步陞後償票據	4,641	4,669	4,641	4,669
		<b>11,036</b>	13,652	<b>11,036</b>	13,652

Loan capital of face value of HK\$4,263 million (USD550 million) and carrying amount of HK\$3,644 million represents 5.625% subordinated notes qualifying as tier 2 capital which were issued on 13th December, 2005 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 13th December, 2015.

票面值港幣4,263,000,000元(550,000,000美元)及賬面值港幣3,644,000,000元的借貸資本，是指由本行於2005年12月13日發行年息5.625%，並評定為二級資本的後償票據。該票據於香港交易所上市，並將於2015年12月13日到期。

Loan capital of face value of HK\$3,364 million (GBP300 million) and carrying amount of HK\$2,751 million represents 6.125% step-up perpetual subordinated notes qualifying as tier 2 capital which were issued on 20th March, 2007 by the Bank. The notes are listed on the Singapore Stock Exchange.

票面值港幣3,364,000,000元(300,000,000英鎊)及賬面值港幣2,751,000,000元的借貸資本，是指由本行於2007年3月20日發行年息6.125%，並評定為二級資本的無到期日步陞後償票據。該後償票據於新加坡交易所上市。

The carrying amount of financial liabilities designated at fair value through profit or loss as at 31st December, 2008 was HK\$1,232 million (2007: HK\$16 million) lower than the contractual amount at maturity for the Group and the Bank respectively. The difference in the accumulated amount of the changes in fair value attributable to changes in credit risk were HK\$1,858 million (2007: HK\$325 million) for the Group and the Bank respectively. The charge for the year ended 31st December, 2008 was HK\$2,183 million (2007: HK\$334 million) for the Group and the Bank respectively.

於2008年12月31日，本集團及本行按通過損益以反映公平價值列賬的金融負債在合約到期日的金額比賬面值分別下跌港幣1,232,000,000元(2007年：港幣16,000,000元)。在累計公平價值變動的金額中，可歸屬於本集團及本行之信貸風險變動的差額分別為港幣1,858,000,000元(2007年：港幣325,000,000元)。在截至2008年12月31日止年度本集團及本行賬項內分別支銷的金額為港幣2,183,000,000元(2007年：港幣334,000,000元)。

Loan capital of face value of HK\$4,650 million (USD600 million) and carrying amount of HK\$4,641 million represents floating rate step-up subordinated notes qualifying as tier 2 capital which were issued on 21st June, 2007 by the Bank. The notes are listed on the Singapore Stock Exchange and will mature on 22nd June, 2017. The fair value as of 31st December, 2008 was HK\$3,953 million (USD510 million). There was no material difference between the carrying amount and the fair value as of 31st December, 2007.

票面值港幣4,650,000,000元(600,000,000美元)及賬面值港幣4,641,000,000元的借貸資本，是指由本行於2007年6月21日發行，並評定為二級資本的浮息步陞後償票據。該後償票據於新加坡交易所上市，並將於2017年6月22日到期。於2008年12月31日的公平價值為港幣3,953,000,000元(510,000,000美元)。於2007年12月31日的賬面值與公平價值比較未有重大差別。

Notes on the Accounts (continued)  
賬項附註(續)

35. EQUITY SETTLED SHARE-BASED TRANSACTIONS 以股份為基礎作支付的交易

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Directors and Chief Executive, of the Group options to subscribe for shares of the Bank. The options may be exercised during the period beginning on the first anniversary of the Date of Grant and ending on the fifth anniversary of the Date of Grant. All options were granted for nil consideration.

本行所採納的僱員認股計劃是本行董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及行政總裁，以認購本行股份。認股權的行使期限為授予日的第1周年開始至授予日的第5周年止。所有認股權均以不計價款形式發出。

(a) Particulars of share options

(a) 認股權詳情

Date of Grant 發行日期	Vesting Period 有效期	Exercise Period 行使期	Exercise Price Per Share 每股行使價 HK\$港幣元
02/5/2003	02/5/2003 – 01/5/2004	02/5/2004 – 02/5/2008	14.90
22/4/2004	22/4/2004 – 21/4/2005	22/4/2005 – 22/4/2009	23.23
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	22.95
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	33.05
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	47.13
05/8/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	44.10

(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：

		2008		2007	
		Weighted average exercise price 加權平均行使價 HK\$港幣元	Number of options 認股權數目 Mn	Weighted average exercise price 加權平均行使價 HK\$港幣元	Number of options 認股權數目 Mn
Outstanding at the beginning of the year	年初結餘	27.21	19	22.86	24
Exercised during the year	年度內行使	20.42	(5)	20.58	(8)
Granted during the year	年度內授予	44.10	6	47.13	3
Lapsed during the year	年度內失效	23.23	-	-	-
Outstanding at the end of the year	年末結餘	33.59	20	27.21	19
Exercisable at the end of the year	年末可供行使	29.55	14	23.90	16

The weighted average share price at the date of exercise for shares options exercised during the year was HK\$33.72 (2007: HK\$46.16).

年度內於行使認股權當日的加權平均股價為港幣33.72元(2007年：港幣46.16元)。

The options outstanding at 31st December, 2008 had an exercise price from HK\$22.95 to HK\$47.13 (2007: from HK\$14.90 to HK\$47.13) and a weighted average remaining contractual life of 2.44 years (2007: 2.35 years).

於2008年12月31日，尚未行使認股權的行使價由港幣22.95元至港幣47.13元(2007年：由港幣14.90元至港幣47.13元)，及剩餘合約年期之加權平均數為2.44年(2007年：2.35年)。

Notes on the Accounts (continued)  
賬項附註(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 option granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

(c) 認股權的公平價值及假設

獲得服務以換取認股權的公平價值按授予認股權的公平價值計量。授予認股權之估計公平價值按三項式期權定價模式。認股權的合約年期須輸入該定價模式。

		2008	2007
Fair value at measurement date	於計量日的公平價值	<b>HK\$港幣15.27元</b>	HK\$港幣11.13元
Share price	股價	<b>HK\$港幣44.10元</b>	HK\$港幣47.00元
Exercise price	行使價	<b>HK\$港幣44.10元</b>	HK\$港幣47.13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)	<b>48.88%</b>	30.92%
Option life	認股權年期	<b>5 years年</b>	5 years年
Expected dividends	估計股息	<b>4.64%</b>	4.82%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(根據外匯基金票據)	<b>2.48%</b>	4.10%

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.

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估計變動。估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。

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.

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 on the Accounts (continued)  
賬項附註(續)

36.SHARE CAPITAL 股本

		2008		2007	
		No. of shares 股份數目 million 百萬	Nominal value 面值 HK\$ Mn 港幣百萬元	No. of shares 股份數目 million 百萬	Nominal value 面值 HK\$ Mn 港幣百萬元
Authorised: Ordinary shares of HK\$2.50 each	法定股本： 普通股每股港幣2.50元	2,600	6,500	2,600	6,500
Issued and fully paid:	已發行及繳足股本：				
At 1st January	於1月1日	1,574	3,936	1,550	3,875
Shares issued under Staff Share Option Schemes	根據僱員認股計劃 發行的股份	5	12	7	19
Subscription for new shares	發行新股	79	197	-	-
Shares issued in lieu of dividends	以股代息發行的股份	15	38	17	42
At 31st December	於12月31日	1,673	4,183	1,574	3,936

Pursuant to the approved Staff Share Option Schemes (the "Schemes"), options to purchase ordinary shares in the Bank were granted to eligible employees. The option price of the Schemes equals the fair value of the underlying shares at the date of grant. The options granted under the Schemes will be exercisable between the first and the fifth anniversaries of the date of grant.

根據已核准的僱員認股權計劃「計劃」，認股權授予合格僱員以認購本行的普通股股份。認股權行使價與相關股份於授予日的公平價值相同。根據計劃所授予的認股權可於授予日的第1周年至授予日的第5周年期間內行使。

(a) Shares Issued under Staff Share Option Scheme

During the year, options were exercised to subscribe for 4,910,000 ordinary shares in the Bank at a consideration of HK\$100 million of which HK\$12 million was credited to share capital and the balance of HK\$88 million was credited to the share premium account (Note 37). HK\$9 million has been transferred from the capital reserve to the share premium account in accordance with policy set out in Note 2(q)(iv).

(a) 根據僱員認股權計劃發行的股份

年度內，已行使認股權以認購本行普通股4,910,000股之代價為港幣100,000,000元，其中港幣12,000,000元存入股本，餘數港幣88,000,000元存入股份溢價(附註37)。根據附註2(q)(iv)所載，已由資本儲備轉撥港幣9,000,000元往股份溢價內。

(b) Terms of Unexpired and Unexercised Share Options at Balance Sheet Date

(b) 於結算日尚未期滿及行使的認股權之條款

Date of options granted 認股權授予日期	Option price 認購價	2008	2007
		No. of shares 股份數目	No. of shares 股份數目
02/5/2003	HK\$港幣14.90元	-	2,205,000
22/4/2004	HK\$港幣23.23元	2,765,000	3,915,000
03/5/2005	HK\$港幣22.95元	6,105,000	7,230,000
03/5/2006	HK\$港幣33.05元	2,700,000	3,200,000
10/5/2007	HK\$港幣47.13元	2,750,000	2,750,000
05/5/2008	HK\$港幣44.10元	5,500,000	-
		19,820,000	19,300,000

Notes on the Accounts (continued)  
賬項附註(續)

37. RESERVES 儲備

		2008	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
(a) Share premium (undistributable)	(a) 股份溢價(不可派發)		
At 1st January	於1月1日	1,118	1,118
Net premium on shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份溢價淨額	88	88
Transfer of the fair value of options from capital reserve – share options issued	撥自資本儲備(已發行認股權)的認股權之公平價值	9	9
Shares issued in lieu of dividends	以股代息發行的股份	(38)	(38)
Subscription for new shares	發行新股	3,745	3,745
As 31st December	於12月31日	4,922	4,922
(b) General reserve	(b) 一般儲備		
At 1st January	於1月1日	14,004	13,757
Transfer from retained profits	撥自留存溢利	18	-
Shares issued in lieu of dividends	以股代息發行的股份	597	597
Realised surplus on disposals transferred from property revaluation reserve	撥自物業重估儲備的已實現出售物業盈餘	15	15
At 31st December	於12月31日	14,634	14,369
(c) Revaluation reserve on bank premises (undistributable)	(c) 行址重估儲備(不可派發)		
At 1st January	於1月1日	866	854
Recognition of net deferred tax liabilities (Note 32(b))	確認遞延稅項負債淨額(附註 32(b))	3	3
Revaluation surplus on bank premises transferred to investment properties	行址轉作投資物業所產生的重估盈餘	10	57
Realised surplus on disposals transferred to general reserve	已實現出售物業盈餘撥入一般儲備	(15)	(15)
Exchange adjustments	匯兌調整	(1)	-
At 31st December	於12月31日	863	899
(d) Statutory reserves (undistributable)	(d) 法定儲備(不可派發)		
At 1st January	於1月1日	-	-
Transfer from retained profits	撥自留存溢利	1,216	-
At 31st December	於12月31日	1,216	-
(e) Capital reserve (undistributable)	(e) 資本儲備(不可派發)		
At 1st January and 31st December	於1月1日及12月31日	86	-
(f) Exchange revaluation reserve (undistributable)	(f) 匯兌重估儲備(不可派發)		
At 1st January	於1月1日	672	80
Exchange adjustments	匯兌調整	334	(32)
At 31st December	於12月31日	1,006	48

Notes on the Accounts (continued)  
賬項附註(續)

37. RESERVES (continued) 儲備(續)

		2008	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
(g) Capital reserve – staff share options issued (undistributable)	(g) 資本儲備-已發行僱員認股權 (不可派發)		
At 1st January	於1月1日	68	68
Transfer of the fair value of options to share premium	認股權公平價值撥入股份溢價	(9)	(9)
Additions	增加	66	66
At 31st December	於12月31日	125	125
(h) Investment revaluation reserve (undistributable)	(h) 投資重估儲備 (不可派發)		
At 1st January	於1月1日	475	422
Changes in fair value of securities	證券的公平價值變動	(830)	(472)
Reversal upon disposal (Note 11)	於出售時轉回(附註11)	(115)	(114)
Recognition of deferred tax liabilities (Note 32(b))	確認遞延稅項負債 (附註32(b))	98	99
Impairment loss	減值損失	153	20
Exchange adjustments	匯兌調整	(9)	-
At 31st December	於12月31日	(228)	(45)
(i) Retained Profits	(i) 留存溢利		
At 1st January	於1月1日	8,874	5,946
Net profit/(loss) for the year	年度內溢利/(虧損)	39	(882)
Transfer to general reserve	撥入一般儲備	(18)	-
Transfer to statutory reserve	撥入法定儲備	(1,216)	-
Dividends (Note 14)	股息(附註14)		
– Interim dividend	– 中期股息	(384)	(384)
– Final dividend in respect of previous year	– 上年度末期股息	(1,956)	(1,956)
At 31st December	於12月31日	5,339	2,724
(j) Total Reserves	(j) 儲備總額	27,963	23,042



## Notes on the Accounts (continued)

### 賬項附註(續)

		2007	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
(a) Share premium (undistributable)	(a) 股份溢價(不可派發)		
At 1st January	於1月1日	1,012	1,012
Net premium on shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份溢價淨額	136	136
Transfer of the fair value of options from capital reserve – share options issued	撥自資本儲備(已發行認股權)的認股權之公平價值	12	12
Shares issued in lieu of dividends	以股代息發行的股份	(42)	(42)
As 31st December	於12月31日	1,118	1,118
(b) General reserve	(b) 一般儲備		
At 1st January	於1月1日	13,257	13,027
Transfer from retained profits	撥自留存溢利	17	–
Shares issued in lieu of dividends	以股代息發行的股份	730	730
At 31st December	於12月31日	14,004	13,757
(c) Revaluation reserve on bank premises (undistributable)	(c) 行址重估儲備(不可派發)		
At 1st January	於1月1日	836	838
Recognition of net deferred tax liabilities (Note 32(b))	確認遞延稅項負債淨額(附註 32(b))	(6)	(6)
Revaluation surplus on bank premises transferred to investment properties	行址轉作投資物業所產生的重估盈餘	36	36
Transfer to The Bank of East Asia (China) Ltd.	轉入東亞銀行(中國)有限公司	–	(14)
At 31st December	於12月31日	866	854
(d) Statutory reserves (undistributable)	(d) 法定儲備(不可派發)		
At 1st January and 31st December	於1月1日及12月31日	–	–
(e) Capital reserve (undistributable)	(e) 資本儲備(不可派發)		
At 1st January and 31st December	於1月1日及12月31日	86	–
(f) Exchange revaluation reserve (undistributable)	(f) 匯兌重估儲備(不可派發)		
At 1st January	於1月1日	184	125
Exchange adjustments	匯兌調整	488	(45)
At 31st December	於12月31日	672	80

Notes on the Accounts (continued)  
賬項附註(續)

37. RESERVES (continued) 儲備(續)

		2007	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
(g) Capital reserve – staff share options issued (undistributable)	(g) 資本儲備-已發行僱員認股權 (不可派發)		
At 1st January	於1月1日	52	52
Transfer of the fair value of options to share premium	認股權公平價值撥入股份溢價	(12)	(12)
Additions	增加	28	28
At 31st December	於12月31日	68	68
(h) Investment revaluation reserve (undistributable)	(h) 投資重估儲備 (不可派發)		
At 1st January	於1月1日	861	642
Changes in fair value of securities	證券的公平價值變動	(421)	(323)
Reversal upon disposal (Note 11)	於出售時轉回(附註11)	27	99
Recognition of deferred tax liabilities (Note 32(b))	確認遞延稅項負債 (附註32(b))	16	16
Exchange adjustments	匯兌調整	(8)	(12)
At 31st December	於12月31日	475	422
(i) Retained profits	(i) 留存溢利		
At 1st January	於1月1日	7,099	5,294
Net profit for the year	年度內溢利	4,144	3,004
Transfer to general reserve	撥入一般儲備	(17)	–
Dividends (Note 14)	股息(附註14)		
– Interim dividend	– 中期股息	(753)	(753)
– Final dividend in respect of previous year	– 上年度末期股息	(1,599)	(1,599)
At 31st December	於12月31日	8,874	5,946
(j) Total Reserves	(j) 儲備總額	26,163	22,245

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

股份溢價賬目的運用，受香港《公司條例》第48B條所管控。

General reserve was set up from the transfer of retained earnings, the realised revaluation surplus on disposal of properties and the value of shares issued in lieu of dividend.

一般儲備的組成，包括留存溢利轉賬、出售物業時的已實現重估盈餘及以股代息發行的股份的價值。

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組成及處理，是根據行址和外幣折算所採用的會計政策。

## Notes on the Accounts (continued)

### 賬項附註(續)

Statutory reserves are set up to supplement the paid-up capital until the sum of paid-up capital and the statutory reserves is equal to the registered capital for a subsidiary and certain associates.

Capital reserve represents the capitalization of subsidiaries' reserves.

Capital reserve – staff share options issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in Note 2(q)(iv).

Investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities held until the securities are derecognised and is dealt with in accordance with the accounting policies in Notes 2(f) and (k).

A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the Hong Kong Monetary Authority. As at 31st December, 2008, HK\$1,996 million (2007: HK\$2,100 million) was included in the retained profits in this respect which was distributable to equity holders of the Group subject to consultation with the Hong Kong Monetary Authority.

At 31st December, 2008, the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$17,093 million (2007: HK\$19,703 million). After the balance sheet date the directors proposed a final dividend of HK\$0.02 per ordinary share (2007: HK\$1.18 per share), amounting to HK\$33 million (2007: HK\$1,858 million). The dividend has not been recognised as a liability at the balance sheet date.

法定儲備是用作支持實收股本直至實收股本及法定儲備的總額與一間附屬公司及若干聯營公司的註冊股本相同。

資本儲備指附屬公司儲備的資本化發行。

資本儲備(已發行僱員認股權)包括根據已採納有關附註2(q)(iv)所載以股份為基礎作支付的會計政策確認授予本行僱員之實際或估計未行使認股權數目的公平價值。

投資重估儲備包括持有可供出售證券直至證券被終止確認的累計公平價值變動淨額，有關處理的會計政策已詳載於附註2(f)和(k)。

為符合香港《銀行條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款減值損失金額。經諮詢香港金融管理局後，儲備的變動已直接在留存溢利內劃定。於2008年12月31日，留存溢利中包括與此有關屬可派發予本集團股東港幣1,996,000,000元(2007年：港幣2,100,000,000元)，但派發前須諮詢香港金融管理局。

於2008年12月31日，可派發予本行股東的儲備總額為港幣17,093,000,000元(2007年：港幣19,703,000,000元)。在結算日後董事擬派末期息每股普通股港幣0.02元(2007年：港幣1.18元)，總額達港幣33,000,000元(2007年：港幣1,858,000,000元)。於結算日並未確認該股息為負債。

## 38. MINORITY INTERESTS 少數股東權益

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	347	382
– sale of interests in businesses to minority interests investors	– 出售商業權益予少數股東投資者	–	50
– purchase of interests in businesses from minority interests investors	– 向少數股東投資者購入商業權益權益	(64)	(15)
– reversal upon disposal of available-for-sale financial assets	– 於出售可供出售金融資產時轉回	–	(149)
– final dividend in respect of previous year	– 屬上年度末期股息	(7)	–
– exchange adjustments	– 匯兌調整	(2)	2
Profit for the year	年度內溢利	65	77
At 31st December	於12月31日	339	347

### 39. FINANCIAL RISK MANAGEMENT 財務風險管理

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

The Group has in place a risk management system to identify, measure, monitor and control the various types of risk that the Group faces and, where appropriate, to set strategy and allocate capital against those risks. The risk management policies covering credit risk, market risk, operational risk, liquidity risk, interest rate risk and foreign exchange risk of the Group are reviewed regularly by the Management and specialized risk management committees, and recommendations are made by the Risk Management Committee, which comprises the Group's Chairman and Chief Executive, Executive Director and Deputy Chief Executive, General Manager and Head of Investment Banking Division, General Manager and Head of Strategic Planning & Control Division who is also Group Chief Financial Officer and Chief Compliance Officer, Head of Operations Support Division and Chief Risk Officer, for the approval of the Board of Directors. There is an independent centralized risk management unit responsible for monitoring the activities relating to these principal risks. The internal auditors also perform regular audits on business units to check compliance with policies and procedures.

#### (a) Credit Risk Management

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

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

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

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

本部分載述有關本集團財務風險管理的資料。

本集團已建立一套完善的風險管理系統，以識別、衡量、監察及控制本集團所承受各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團就信貸風險、市場風險、利率風險、流動資金風險、營運風險、法律風險、信譽風險和策略風險制定的管理政策，均由管理層和有關的專責委員會定期檢討，並由風險管理委員會提出建議，最後經董事會批核。該委員會由本集團主席兼行政總裁、執行董事兼副行政總裁、總經理兼投資銀行處主管、總經理兼策劃及調控處主管暨集團財務總監兼法規監管總監、營運支援處主管和風險總監組成。本集團設有一個獨立中央風險管理單位，專責處理與主要風險有關的活動。內部稽核員亦會對業務部門定期進行稽核，以確保該等政策及程序得以遵從。

#### (a) 信貸風險管理

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

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

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

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

## Notes on the Accounts (continued)

### 賬項附註(續)

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

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

(i) Corporate and bank credit risk

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

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

(ii) Retail credit risk

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

(iii) Credit for treasury transactions

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

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

本集團就下列各類主要信貸風險實行信貸風險管理：

(i) 企業及銀行信貸風險

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

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

(ii) 零售信貸風險

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

(iii) 財資交易的信貸風險

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

Notes on the Accounts (continued)  
賬項附註(續)

39. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

(iv) Credit-related commitment

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

(v) Concentrations of credit risk

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

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

(vi) Maximum exposure

The maximum exposure to credit risk at the balance sheet date without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial assets in the balance sheet after deducting any impairment allowance. A summary of the maximum exposure is as follows:

(iv) 與信貸有關的承諾

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

(v) 信貸集中的風險

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

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

(vi) 最高風險

於結算日並未計算任何抵押品或其他信貸提升的最高信貸風險，即指每一項已減除任何減值準備的金融資產在資產負債表的賬面值。最高風險摘要如下：

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks, central banks and other financial institutions	現金及在銀行、中央銀行和其他金融機構的結存	27,022	17,029	4,154	2,501
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	96,574	94,704	92,735	83,123
Trade bills	貿易票據	1,164	812	521	470
Trading assets	交易用途資產	2,260	2,765	1,777	2,603
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	4,130	8,658	4,114	8,641
Loans and advances to customers	客戶貸款	230,339	218,184	131,123	134,858
Available-for-sale financial assets	可供出售金融資產	17,551	10,473	10,276	9,286
Held-to-maturity investments	持至到期投資	5,006	10,761	3,318	8,773
Other assets	其他資產	11,478	12,312	7,376	6,209
Financial guarantees and other credit related contingent liabilities	財務擔保其他與信貸有關的或然負債	10,088	10,965	9,138	10,891
Loan commitments and other credit related commitments	貸款承擔及其他與信貸有關的承擔	66,080	67,771	53,283	52,858
		<b>471,692</b>	<b>454,434</b>	<b>317,815</b>	<b>320,213</b>



Notes on the Accounts (continued)  
賬項附註(續)

(vii) Credit quality of loans and advances

Loans and advances to banks are only made to banks with good credit standing. At 31st December, 2008 and 2007, no loans and advances to bank are impaired. The credit quality of loans and advances to customers can be analysed as follows:

(vii) 貸款的信貨質素

銀行貸款只提供予信貸信譽優良之銀行。於2008年及2007年12月31日，均沒有減值銀行貸款。客戶貸款的信貨質素分析如下：

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross loans and advances to customers	客戶貸款總額				
- neither past due nor impaired	- 無逾期及減值	228,479	216,485	129,683	133,852
- past due but not impaired	- 有逾期但未有減值	274	457	166	109
- impaired	- 已減值	1,586	1,242	1,274	897
		<b>230,339</b>	218,184	<b>131,123</b>	134,858

Of which:

其中：

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross loans and advances to customers that are neither past due nor impaired	無逾期及減值的客戶貸款總額				
- Pass	- 合格	226,550	214,476	128,219	132,488
- Special mention	- 需要關注	1,929	2,009	1,464	1,364
		<b>228,479</b>	216,485	<b>129,683</b>	133,852

The Group classifies the loans and advances in accordance with the loan classification system required to be adopted for reporting to the HKMA.

本集團根據用作匯報予香港金融管理局的貸款分類系統以分類貸款。

The ageing analysis of loans and advances to customers that are past due but not impaired is as follows:

已逾期但未有減值之客戶貸款的年期分析如下：

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross loans and advances to customers that are past due but not impaired	有逾期但未有減值的客戶貸款總額				
- Overdue 3 months or less	- 逾期3個月以下	274	409	166	109
- 6 months or less but over 3 months	- 3個月以上至6個月	-	16	-	-
- 1 year or less but over 6 months	- 6個月以上至1年	-	32	-	-
		<b>274</b>	457	<b>166</b>	109

Notes on the Accounts (continued)  
賬項附註(續)

39. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

(vii) Credit quality of loans and advances (continued)

Loans and advances that would be past due or impaired had the terms not been renegotiated amounted to HK\$239 million as at 31st December, 2008 (2007: HK\$283 million).

(viii) Credit quality of financial assets other than loans and advances

Credit risk of treasury transactions is managed in the same way as the Group manages its corporate lending risk and risk gradings are applied to the counterparties with individual counterparty limits set.

At the balance sheet date, the credit quality of investment in debt securities analysed by designation of external credit assessment institution, Moody's Investor Services, or equivalent, is as follow:

(vii) 貸款的信貨質素(續)

於2008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的金額為港幣239,000,000元(2007年：港幣283,000,000元)。

(viii) 非貸款金融資產的信貨質素

資金交易的信貨風險管理方法，與本集團管理其企業借貸的方法一致及風險級別是適用於設有個別對手限額的對手。

於結算日，按照外部信貨評級機構，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貨質素分析如下：

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Aaa	Aaa	1,790	9,983	1,608	9,869
Aa1 to Aa3	Aa1 至 Aa3	5,706	4,524	4,604	3,355
A1 to A3	A1 至 A3	2,706	1,919	2,029	1,413
Lower than A3	A3 以下	1,121	5,319	851	4,911
		11,323	21,745	9,092	19,548
Unrated	無評級	2,440	2,747	2,440	2,747
Total	總額	13,763	24,492	11,532	22,295

(ix) Collateral and other credit enhancements

The Group holds collateral against loans and advances to customers in the forms of mortgages over property, other registered securities over assets, cash deposits and guarantees. Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collaterals held as security for financial assets other than loans and advances is determined by the nature of the instrument.

Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-based securities and similar instruments, which are secured by pools of financial assets. The Group entered into the ISDA Master Agreement which contractually binds both parties to apply close-out netting arrangement across outstanding derivatives.

(ix) 抵押品及其他信用提升

本集團持有以物業按揭形式、其他登記抵押資產、現金存款及擔保，以用作貸款的抵押品。除持有用作反向回購及證券借貸活動的抵押品外，銀行貸款一般不需要抵押品。持有用作非貸款金融資產的抵押品，是按照工具之性質決定。

除以一籃子金融資產作抵押的資產融資證券及相同工具外，債務證券、庫券及其他認可票據一般俱屬無抵押的。本集團簽訂ISDA的主合約，可合法地約束雙方以淨額結算安排一律應用於未履行之衍生交易。

## Notes on the Accounts (continued)

### 賬項附註(續)

The lower of gross loan amount and the estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

貸款總額及持有作抵押金融資產之抵押品及其他信用提升的估計公平價值兩者之較低者如下：

	The Group 集團		The Bank 銀行	
	2008	2007	2008	2007
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Fair value of collateral and other credit enhancements held against financial assets that are:				
– neither past due nor impaired	178,200	167,370	95,567	102,777
– past due but not impaired	210	360	147	86
	<b>178,410</b>	<b>167,730</b>	<b>95,714</b>	<b>102,863</b>

#### (b) Market risk management

Market risk arises from all market risk sensitive financial instruments, including debt securities, foreign exchange contracts, equity and derivative instruments, as well as from balance sheet or structural positions. The objective of market risk management is to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board of Directors reviews and approves policies for the management of market risks. The Board has delegated the responsibility for ongoing market risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

The Asset and Liability Management Committee deals with all market risk and liquidity risk related issues of the Group. It is also responsible for deciding the future business strategy with respect to interest rates trend review.

The use of derivatives for proprietary trading and their sale to customers as risk management products is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk, as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest rate, foreign exchange and equity related contracts, in the form of both over-the-counter derivatives and exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

In this connection, the key types of risk to manage are:

##### (i) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed within limits approved by the Board.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries and associated companies, are excluded from VaR measurements, as related gains or losses are taken to reserves. Such foreign currency positions are managed with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

#### (b) 市場風險管理

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

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

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

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

在此方面需要管理的主要風險類別如下：

##### (i) 貨幣風險

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

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

Notes on the Accounts (continued)  
賬項附註(續)

39. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

(b) Market risk management (continued)

(i) Currency risk (continued)

The following table indicates the concentration of currency risk at the balance sheet date:

The Group

		2008				2007			
		USD	CNY	Other foreign	Total	USD	CNY	Other foreign	Total
		美元	人民幣	其他外幣	總額	美元	人民幣	其他外幣	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	2,425	23,215	1,263	26,903	1,331	11,133	870	13,334
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	28,670	1,252	18,795	48,717	36,794	2,179	19,554	58,527
Trade bills	貿易票據	1,078	-	72	1,150	564	198	31	793
Trading assets	交易用途資產	652	438	160	1,250	792	-	192	984
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工具	2,158	-	631	2,789	6,278	-	316	6,594
Advances to customers and other accounts	貸款及其他賬項	42,442	75,119	17,419	134,980	38,066	61,919	18,670	118,655
Available-for-sale financial assets	可供出售金融資產	3,261	6,184	3,594	13,039	2,427	118	2,588	5,133
Held-to-maturity investments	持至到期投資	1,941	-	1,864	3,805	7,786	-	1,540	9,326
Investment in associates	聯營公司投資	292	-	-	292	327	-	-	327
Fixed assets	固定資產	211	3,083	267	3,561	188	53	303	544
Goodwill and intangible assets	商譽及無形資產	241	20	386	647	249	1	331	581
Deferred tax assets	遞延稅項資產	161	-	8	169	57	-	10	67
Spot assets	現貨資產	83,532	109,311	44,459	237,302	94,859	75,601	44,405	214,865
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	(1,456)	(25,020)	(297)	(26,773)	(742)	(35,965)	(2,174)	(38,881)
Deposits from customers	客戶存款	(59,678)	(73,464)	(41,000)	(174,142)	(69,467)	(33,681)	(37,959)	(141,107)
Trading liabilities	交易用途負債	(1,595)	(148)	(199)	(1,942)	(317)	-	(141)	(458)
Certificates of deposit issued	已發行存款證	(2,452)	-	(426)	(2,878)	(1,497)	-	(553)	(2,050)
Current taxation	本期稅項	(27)	(192)	(31)	(250)	(14)	(68)	(53)	(135)
Deferred tax liabilities	遞延稅項負債	(4)	-	-	(4)	(4)	-	-	(4)
Other accounts and provisions	其他賬項及準備	(2,176)	(4,524)	(966)	(7,666)	(1,494)	(669)	(1,640)	(3,803)
Loan capital	借貸資本	(8,285)	-	(2,751)	(11,036)	(9,052)	-	(4,600)	(13,652)
Spot liabilities	現貨負債	(75,673)	(103,348)	(45,670)	(224,691)	(82,587)	(70,383)	(47,120)	(200,090)
Forward purchases	遠期買入	51,244	18,872	11,843	81,959	36,089	3,399	15,231	54,719
Forward sales	遠期賣出	(55,976)	(18,781)	(8,713)	(83,470)	(45,224)	(4,418)	(11,369)	(61,011)
Net option position	期權倉淨額	3	-	(4)	(1)	(10)	-	22	12
Net long non-structural position	非結構性長盤淨額	3,130	6,054	1,915	11,099	3,127	4,199	1,169	8,495
Net structural position	結構性持倉淨額	2,179	6,602	940	9,721	1,792	4,771	891	7,454

(b) 市場風險管理(續)

(i) 貨幣風險(續)

下表顯示於結算日貨幣風險集中的情況：

集團

Notes on the Accounts (continued)  
賬項附註(續)

The Bank		銀行							
		2008				2007			
		USD	CNY	Other foreign currencies	Total	USD	CNY	Other foreign currencies	Total
		美元	人民幣	其他外幣	總額	美元	人民幣	其他外幣	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	1,107	1,373	962	3,442	557	1,375	680	2,612
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	26,730	-	18,795	45,525	29,405	-	19,228	48,633
Trade bills	貿易票據	454	-	55	509	425	-	26	451
Trading assets	交易用途資產	611	1	159	771	778	-	44	822
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工具	2,141	-	631	2,772	6,262	-	316	6,578
Advances to customers and other accounts	貸款及其他賬項	20,184	18	14,602	34,804	17,532	7	14,810	32,349
Available-for-sale financial assets	可供出售金融資產	2,178	428	3,511	6,117	1,305	118	2,487	3,910
Amounts due from subsidiaries	附屬公司欠款	12,663	549	-	13,212	206	-	634	840
Held-to-maturity investments	持至到期投資	1,098	-	1,738	2,836	6,823	-	1,384	8,207
Investment in subsidiaries and associates	附屬公司和聯營公司的投資	1,786	-	361	2,147	1,233	-	209	1,442
Fixed assets	固定資產	9	-	203	212	7	-	189	196
Deferred tax assets	遞延稅項資產	33	-	5	38	6	-	6	12
Spot assets	現貨資產	68,994	2,369	41,022	112,385	64,539	1,500	40,013	106,052
<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	(620)	-	(202)	(822)	(647)	-	(1,755)	(2,402)
Deposits from customers	客戶存款	(48,260)	(2,488)	(39,107)	(89,855)	(52,751)	(1,477)	(36,323)	(90,551)
Trading liabilities	交易用途負債	(1,464)	-	(181)	(1,645)	(207)	-	(53)	(260)
Certificates of deposit issued	已發行存款證	(2,452)	-	(426)	(2,878)	(1,497)	-	(553)	(2,050)
Amounts due to subsidiaries	欠附屬公司款項	(552)	-	(198)	(750)	(1,111)	-	(2)	(1,113)
Current taxation	本期稅項	(29)	-	(45)	(74)	(5)	-	(47)	(52)
Other accounts and provisions	其他賬項及準備	(821)	(6)	(829)	(1,656)	(927)	(2)	(745)	(1,674)
Loan capital	借貸資本	(8,285)	-	(2,751)	(11,036)	(9,052)	-	(4,600)	(13,652)
Spot liabilities	現貨負債	(62,483)	(2,494)	(43,739)	(108,716)	(66,197)	(1,479)	(44,078)	(111,754)
Forward purchases	遠期買入	44,169	15	11,820	56,004	33,069	216	14,800	48,085
Forward sales	遠期賣出	(49,326)	(19)	(8,184)	(57,529)	(43,248)	(371)	(10,749)	(54,368)
Net option position	期權倉淨額	3	-	(4)	(1)	(10)	-	22	12
Net long(short) non-structural position	非結構性長/(短)盤淨額	1,357	(129)	915	2,143	(11,847)	(134)	8	(11,973)
Net structural position	結構性持倉淨額	2,179	6,602	940	9,721	1,792	4,771	891	7,454

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 39. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

##### (b) Market risk management (continued)

###### (ii) Interest rate risk

The Group's interest rate positions arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and non-trading portfolios. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also relates to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is managed daily by the Treasury Department within the limits approved by the Board of Directors. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

###### (iii) Equity risk

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

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

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

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

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

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

##### (b) 市場風險管理(續)

###### (ii) 利率風險

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

###### (iii) 股份風險

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

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

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

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

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

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



## Notes on the Accounts (continued)

### 賬項附註(續)

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

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

#### Value-at-risk statistics

#### 風險數額統計

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

		2007			
		At 31st December	Maximum	Minimum	Mean
		於12月31日	最高	最低	平均
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	62	98	22	54
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	1	9	1	1
VaR for interest rate trading positions	利率交易持倉的風險數額	1	1	-	-
VaR for equity trading positions	股份交易持倉的風險數額	61	95	21	53

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

\* 包括所有外匯持倉但不包括結構性外匯持倉。

#### (c) Operational risk management

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

#### (c) 營運風險管理

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

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

營運風險管理的目標在於辨別、評估及監控營運風險，尤其是要遵守相關監管規定。

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

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

### 39. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

#### (c) Operational risk management (continued)

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

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

#### (d) Liquidity risk management

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

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

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

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

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

#### (c) 營運風險管理(續)

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

此外，本集團之獨立中央風險管理單位亦就本集團是否符合香港金管局監管政策手冊關於業務操作風險管理的規定進行自我評估，並經內部稽核部獨立審閱後得出滿意的結果。

#### (d) 流動資金風險管理

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

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

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

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

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

Notes on the Accounts (continued)  
賬項附註(續)

Analysis of assets and liabilities by remaining maturity:

資產及負債的剩餘期限分析：

The Group

集團

		2008						
		Repayable on demand	3 months or less	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
		即時還款	3個月或以下	至1年	5年	5年以上	或逾期	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
Assets	資產							
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	19,099	67	-	-	-	8,939	28,105
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	82,624	13,950	-	-	-	96,574
Trade bills	貿易票據	18	991	139	-	-	16	1,164
Trading assets	交易用途資產	-	400	2	81	43	2,911	3,437
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融工具	-	140	448	3,104	438	-	4,130
Advances to customers and other accounts	客戶貸款及其他賬項	4,431	43,750	42,249	86,169	55,285	11,841	243,725
Available-for-sale financial assets	可供出售金融資產	-	5,441	5,651	5,510	949	1,009	18,560
Held-to-maturity investments	持至到期投資	-	980	1,546	2,160	320	-	5,006
Undated assets	無註明日期資產	-	-	-	-	-	14,553	14,553
<b>Total assets</b>	<b>資產總額</b>	<b>23,548</b>	<b>134,393</b>	<b>63,985</b>	<b>97,024</b>	<b>57,035</b>	<b>39,269</b>	<b>415,254</b>
Liabilities	負債							
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	871	18,150	7,644	362	10	8	27,045
Deposits from customers	客戶存款	86,109	192,093	35,341	9,237	1,022	-	323,802
- Demand deposits and current accounts	- 活期存款及往來賬戶	36,332	-	-	-	-	-	36,332
- Savings deposit	- 儲蓄存款	45,781	-	-	-	-	-	45,781
- Time, call and notice deposits	- 定期及通知存款	3,996	192,093	35,341	9,237	1,022	-	241,689
Trading liabilities	交易用途負債	-	130	200	-	-	2,516	2,846
Certificates of deposit issued	已發行存款證	-	1,941	881	2,028	641	-	5,491
Current taxation	本期稅項	-	-	333	-	-	-	333
Loan capital	借貸資本	-	-	-	11,036	-	-	11,036
Undated liabilities	無註明日期負債	-	-	-	-	-	12,216	12,216
<b>Total liabilities</b>	<b>負債總額</b>	<b>86,980</b>	<b>212,314</b>	<b>44,399</b>	<b>22,663</b>	<b>1,673</b>	<b>14,740</b>	<b>382,769</b>
<b>Net gap</b>	<b>淨差距</b>	<b>(63,432)</b>	<b>(77,921)</b>	<b>19,586</b>	<b>74,361</b>	<b>55,362</b>		

Notes on the Accounts (continued)  
賬項附註(續)

39. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

(d) Liquidity risk management (continued)  
The Group

(d) 流動資金風險管理(續)  
集團

		2007						Total
		Repayable on demand	3 months or less	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	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	無註明日期或逾期	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
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	13,583	63	-	-	-	4,207	17,853
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	90,574	4,130	-	-	-	94,704
Trade bills	貿易票據	58	624	91	-	-	39	812
Trading assets	交易用途資產	-	798	397	-	18	3,634	4,847
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工具	-	155	523	7,980	-	-	8,658
Advances to customers and other accounts	客戶貸款及其他賬項	4,211	36,840	34,529	83,440	61,708	11,012	231,740
Available-for-sale financial assets	可供出售金融資產	-	1,922	4,681	2,899	971	1,744	12,217
Held-to-maturity investments	持至到期投資	-	970	6,096	2,607	1,088	-	10,761
Undated assets	無註明日期資產	-	-	-	-	-	12,387	12,387
<b>Total assets</b>	<b>資產總額</b>	<b>17,852</b>	<b>131,946</b>	<b>50,447</b>	<b>96,926</b>	<b>63,785</b>	<b>33,023</b>	<b>393,979</b>
Liabilities	負債							
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	3,722	17,592	17,685	50	10	1	39,060
Deposits from customers	客戶存款	81,228	178,156	17,107	7,659	36	-	284,186
- Demand deposits and current accounts	- 活期存款及往來賬戶	29,990	-	-	-	-	-	29,990
- Savings deposit	- 儲蓄存款	49,216	-	-	-	-	-	49,216
- Time, call and notice deposits	- 定期及通知存款	2,022	178,156	17,107	7,659	36	-	204,980
Trading liabilities	交易用途負債	-	1,098	-	33	-	1,241	2,372
Certificates of deposit issued	已發行存款證	-	288	9,663	1,326	888	-	12,165
Current taxation	本期稅項	-	-	229	-	-	-	229
Loan capital	借貸資本	-	-	-	9,269	4,383	-	13,652
Undated liabilities	無註明日期負債	-	-	-	-	-	11,869	11,869
<b>Total liabilities</b>	<b>負債總額</b>	<b>84,950</b>	<b>197,134</b>	<b>44,684</b>	<b>18,337</b>	<b>5,317</b>	<b>13,111</b>	<b>363,533</b>
<b>Net gap</b>	<b>淨差距</b>	<b>(67,098)</b>	<b>(65,188)</b>	<b>5,763</b>	<b>78,589</b>	<b>58,468</b>		

Notes on the Accounts (continued)  
賬項附註(續)

The Bank		銀行						Total
		Repayable on demand	3 months or less	1 year or less but over 3 months	2008 5 years or less but over 1 year	Over 5 years	Undated or overdue	
		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	無註明日期或逾期	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
Assets	資產							
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	4,189	-	-	-	-	663	4,852
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	78,787	13,948	-	-	-	92,735
Trade bills	貿易票據	14	356	135	-	-	16	521
Trading assets	交易用途資產	-	400	2	81	43	2,388	2,914
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融工具	-	140	448	3,088	438	-	4,114
Advances to customers and other accounts	客戶貸款及其他賬項	4,319	27,088	16,085	51,694	31,570	7,884	138,640
Available-for-sale financial assets	可供出售金融資產	-	1,136	3,947	5,067	126	709	10,985
Held-to-maturity investments	持至到期投資	-	462	1,092	1,653	111	-	3,318
Undated assets	無註明日期資產	-	-	-	-	-	37,140	37,140
<b>Total assets</b>	<b>資產總額</b>	<b>8,522</b>	<b>108,369</b>	<b>35,657</b>	<b>61,583</b>	<b>32,288</b>	<b>48,800</b>	<b>295,219</b>
Liabilities	負債							
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	329	749	7	-	-	8	1,093
Deposits from customers	客戶存款	54,219	166,314	18,439	1,057	-	-	240,029
- Demand deposits and current accounts	- 活期存款及往來賬戶	10,272	-	-	-	-	-	10,272
- Savings deposit	- 儲蓄存款	43,262	-	-	-	-	-	43,262
- Time, call and notice deposits	- 定期及通知存款	685	166,314	18,439	1,057	-	-	186,495
Trading liabilities	交易用途負債	-	130	200	-	-	2,219	2,549
Certificates of deposit issued	已發行存款證	-	1,941	881	2,028	2,841	-	7,691
Current taxation	本期稅項	-	-	60	-	-	-	60
Loan capital	借貸資本	-	-	-	11,036	-	-	11,036
Undated liabilities	無註明日期負債	-	-	-	-	-	5,536	5,536
<b>Total liabilities</b>	<b>負債總額</b>	<b>54,548</b>	<b>169,134</b>	<b>19,587</b>	<b>14,121</b>	<b>2,841</b>	<b>7,763</b>	<b>267,994</b>
Net gap	淨差距	(46,026)	(60,765)	16,070	47,462	29,447		

Notes on the Accounts (continued)  
賬項附註(續)

39. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

(d) Liquidity risk management (continued)  
The Bank

(d) 流動資金風險管理(續)  
銀行

		2007						
		Repayable on demand	3 months or less	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
		即時還款 HK\$ Mn 港幣百萬元	3個月或以下 HK\$ Mn 港幣百萬元	3個月以上 至1年 HK\$ Mn 港幣百萬元	1年以上至 5年 HK\$ Mn 港幣百萬元	5年以上 HK\$ Mn 港幣百萬元	無註明日期 或逾期 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
Assets	資產							
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	2,721	-	-	-	-	412	3,133
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	80,493	2,630	-	-	-	83,123
Trade bills	貿易票據	34	312	85	-	-	39	470
Trading assets	交易用途資產	-	798	397	-	18	3,408	4,621
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工具	-	154	523	7,964	-	-	8,641
Advances to customers and other accounts	客戶貸款及其他賬項	3,862	23,246	12,886	52,567	42,388	6,743	141,692
Available-for-sale financial assets	可供出售金融資產	-	1,903	4,393	2,745	244	1,323	10,608
Held-to-maturity investments	持至到期投資	-	735	5,554	1,821	663	-	8,773
Undated assets	無註明日期資產	-	-	-	-	-	37,412	37,412
<b>Total assets</b>	<b>資產總額</b>	<b>6,617</b>	<b>107,641</b>	<b>26,468</b>	<b>65,097</b>	<b>43,313</b>	<b>49,337</b>	<b>298,473</b>
Liabilities	負債							
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	369	1,923	287	-	-	2	2,581
Deposits from customers	客戶存款	56,358	164,306	9,445	2,479	-	-	232,588
- Demand deposits and current accounts	- 活期存款及往來賬戶	10,144	-	-	-	-	-	10,144
- Savings deposit	- 儲蓄存款	46,189	-	-	-	-	-	46,189
- Time, call and notice deposits	- 定期及通知存款	25	164,306	9,445	2,479	-	-	176,255
Trading liabilities	交易用途負債	-	1,099	-	33	-	1,043	2,175
Certificates of deposit issued	已發行存款證	-	289	9,662	1,326	3,088	-	14,365
Current taxation	本期稅項	-	-	81	-	-	-	81
Loan capital	借貸資本	-	-	-	9,270	4,382	-	13,652
Undated liabilities	無註明日期負債	-	-	-	-	-	6,850	6,850
<b>Total liabilities</b>	<b>負債總額</b>	<b>56,727</b>	<b>167,617</b>	<b>19,475</b>	<b>13,108</b>	<b>7,470</b>	<b>7,895</b>	<b>272,292</b>
<b>Net gap</b>	<b>淨差距</b>	<b>(50,110)</b>	<b>(59,976)</b>	<b>6,993</b>	<b>51,989</b>	<b>35,843</b>		

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估計日期。



Notes on the Accounts (continued)  
賬項附註(續)

The following tables provide an analysis of the residual contractual maturities of non-derivatives financial liabilities of the Group at the balance sheet date:

下表提供於結算日集團的非衍生性金融負債之剩餘合約期限分析：

The Group

集團

		2008							
		Carrying Amount	Gross cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years	Undated
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	27,045	27,374	871	18,293	7,803	389	10	8
Deposits from customers	客戶存款	323,802	326,711	86,289	193,188	36,028	9,964	1,242	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	36,332	36,332	36,332	-	-	-	-	-
- Savings deposit	- 儲蓄存款	45,781	45,781	45,781	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	241,689	244,598	4,176	193,188	36,028	9,964	1,242	-
Trading liabilities	交易用途負債	2,846	2,846	-	130	200	-	-	2,516
Certificates of deposit issued	已發行存款證	5,491	5,625	-	1,996	911	2,077	641	-
Current taxation	本期稅項	333	333	-	-	333	-	-	-
Loan capital	借貸資本	11,036	12,621	-	130	422	12,069	-	-
Interest rate swaps	利率掉期合約	1,792	1,792	-	297	522	835	138	-
Other liabilities	其他負債	12,216	12,216	-	-	-	-	-	12,216
<b>Total</b>	<b>總額</b>	<b>384,561</b>	<b>389,518</b>	<b>87,160</b>	<b>214,034</b>	<b>46,219</b>	<b>25,334</b>	<b>2,031</b>	<b>14,740</b>

		2007							
		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	39,060	39,649	3,741	17,784	18,063	49	10	2
Deposits from customers	客戶存款	284,186	286,298	81,232	179,299	17,674	8,054	39	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	29,990	29,990	29,990	-	-	-	-	-
- Savings deposit	- 儲蓄存款	49,216	49,216	49,216	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	204,980	207,092	2,026	179,299	17,674	8,054	39	-
Trading liabilities	交易用途負債	2,372	2,377	-	1,099	2	35	-	1,241
Certificates of deposit issued	已發行存款證	12,165	12,635	-	365	9,995	1,387	888	-
Current taxation	本期稅項	229	229	-	-	229	-	-	-
Loan capital	借貸資本	13,652	16,861	-	210	584	11,684	4,383	-
Interest rate swaps	利率掉期合約	2,247	2,247	72	151	366	1,449	209	-
Other liabilities	其他負債	11,869	11,869	-	-	-	-	-	11,869
<b>Total</b>	<b>總額</b>	<b>365,780</b>	<b>372,165</b>	<b>85,045</b>	<b>198,908</b>	<b>46,913</b>	<b>22,658</b>	<b>5,529</b>	<b>13,112</b>

Notes on the Accounts (continued)  
賬項附註(續)

39. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

(d) Liquidity risk management (continued)

The Bank

(d) 流動資金風險管理(續)

銀行

		2008							
		Carrying Amount	Gross cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years	Undated
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	1,093	1,094	329	750	7	-	-	8
Deposits from customers	客戶存款	240,029	241,201	54,219	167,044	18,744	1,194	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	10,272	10,272	10,272	-	-	-	-	-
- Savings deposit	- 儲蓄存款	43,262	43,262	43,262	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	186,495	187,667	685	167,044	18,744	1,194	-	-
Trading liabilities	交易用途負債	2,549	2,549	-	130	200	-	-	2,219
Certificates of deposit issued	已發行存款證	7,691	7,825	-	1,996	911	2,077	2,841	-
Current taxation	本期稅項	60	60	-	-	60	-	-	-
Loan capital	借貸資本	11,036	12,621	-	130	422	12,069	-	-
Interest rate swaps	利率掉期合約	1,285	1,285	-	226	373	616	70	-
Other liabilities	其他負債	5,536	5,695	-	10	23	68	58	5,536
<b>Total</b>	<b>總額</b>	<b>269,279</b>	<b>272,330</b>	<b>54,548</b>	<b>170,286</b>	<b>20,740</b>	<b>16,024</b>	<b>2,969</b>	<b>7,763</b>

		2007							
		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	2,581	2,597	369	1,937	289	-	-	2
Deposits from customers	客戶存款	232,588	233,975	56,358	165,342	9,773	2,502	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	10,144	10,144	10,144	-	-	-	-	-
- Savings deposit	- 儲蓄存款	46,189	46,189	46,189	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	176,255	177,642	25	165,342	9,773	2,502	-	-
Trading liabilities	交易用途負債	2,175	2,179	-	1,099	2	35	-	1,043
Certificates of deposit issued	已發行存款證	14,365	14,835	-	365	9,995	1,388	3,087	-
Current taxation	本期稅項	81	81	-	-	81	-	-	-
Loan capital	借貸資本	13,652	16,861	-	210	584	11,684	4,383	-
Interest rate swaps	利率掉期合約	2,247	2,247	73	150	365	1,449	210	-
Other liabilities	其他負債	6,850	6,856	2	4	-	-	-	6,850
<b>Total</b>	<b>總額</b>	<b>274,539</b>	<b>279,631</b>	<b>56,802</b>	<b>169,107</b>	<b>21,089</b>	<b>17,058</b>	<b>7,680</b>	<b>7,895</b>

## Notes on the Accounts (continued)

### 賬項附註(續)

#### (e) Interest rate risk management

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

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

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

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

#### Sensitivity analysis on interest rate risk

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

		2008			2007		
		HKD 港元 HK\$ Mn 港幣百萬元	USD 美元 HK\$ Mn 港幣百萬元	CNY 人民幣 HK\$ Mn 港幣百萬元	HKD 港元 HK\$ Mn 港幣百萬元	USD 美元 HK\$ Mn 港幣百萬元	CNY 人民幣 HK\$ Mn 港幣百萬元
Impact on earnings over the next 12 months if interest rates rise by 200 basis points	倘利率上調200個基點對未來12個月的盈利影響	64	(26)	185	57	(112)	36
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	(98)	(203)	113	(180)	(273)	(56)

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:

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

#### (e) 利率風險管理

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

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

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

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

#### 利率風險敏感度分析

本行採用敏感度分析來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：

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

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

Notes on the Accounts (continued)  
賬項附註(續)

39. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

(e) Interest rate risk management (continued)

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

The following table indicates the expected next repricing dates (or maturity dates whichever are earlier) for the interest bearing assets and liabilities at the balance sheet date:

The Group

(e) 利率風險管理(續)

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

下表顯示於結算日帶息資產及負債的預計下次利率重訂日(或到期日取其較短者)：

集團

2008

		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	25,610	-	-	-	2,495	28,105
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	82,624	13,950	-	-	-	96,574
Trade bills	貿易票據	977	137	-	-	50	1,164
Trading assets	交易用途資產	406	2	81	37	2,911	3,437
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融工具	1,110	595	1,987	438	-	4,130
Advances to customers	客戶貸款	152,460	40,417	27,439	6,556	2,423	229,295
Other accounts	其他賬項	551	661	-	-	13,218	14,430
Available-for-sale financial assets	可供出售金融資產	8,125	5,508	2,965	953	1,009	18,560
Held-to-maturity investments	持至到期投資	2,029	1,513	1,197	267	-	5,006
Non-interest bearing assets	非帶息資產	-	-	-	-	14,553	14,553
<b>Total Assets</b>	<b>資產總額</b>	<b>273,892</b>	<b>62,783</b>	<b>33,669</b>	<b>8,251</b>	<b>36,659</b>	<b>415,254</b>
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	18,091	8,671	260	10	13	27,045
Deposits from customers	客戶存款	270,892	38,309	4,354	33	10,214	323,802
Trading liabilities	交易用途負債	130	200	-	-	2,516	2,846
Certificates of deposit issued	已發行存款證	2,503	654	1,014	1,320	-	5,491
Loan capital	借貸資本	4,641	-	6,395	-	-	11,036
Non-interest bearing liabilities	非帶息負債	-	-	-	-	12,549	12,549
<b>Total liabilities</b>	<b>負債總額</b>	<b>296,257</b>	<b>47,834</b>	<b>12,023</b>	<b>1,363</b>	<b>25,292</b>	<b>382,769</b>
Interest rate sensitivity gap	利率敏感度差距	(22,365)	14,949	21,646	6,888		

Notes on the Accounts (continued)  
賬項附註(續)

The Group		集團					Total
		2007					
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	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	12,679	–	–	–	5,174	17,853
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	90,578	4,126	–	–	–	94,704
Trade bills	貿易票據	687	53	–	–	72	812
Trading assets	交易用途資產	815	397	–	–	3,635	4,847
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融工具	5,353	446	2,845	–	14	8,658
Advances to customers	客戶貸款	140,055	42,212	26,094	6,920	2,206	217,487
Other accounts	其他賬項	1,269	1,352	39	–	11,593	14,253
Available-for-sale financial assets	可供出售金融資產	7,109	1,842	807	743	1,716	12,217
Held-to-maturity investments	持至到期投資	2,122	6,064	1,569	1,006	–	10,761
Non-interest bearing assets	非帶息資產	–	–	–	–	12,387	12,387
<b>Total Assets</b>	<b>資產總額</b>	<b>260,667</b>	<b>56,492</b>	<b>31,354</b>	<b>8,669</b>	<b>36,797</b>	<b>393,979</b>
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	19,327	14,414	49	10	5,260	39,060
Deposits from customers	客戶存款	249,053	22,275	3,439	378	9,041	284,186
Trading liabilities	交易用途負債	1,099	–	33	–	1,240	2,372
Certificates of deposit issued	已發行存款證	3,918	6,533	504	1,210	–	12,165
Loan capital	借貸資本	4,669	–	4,600	4,383	–	13,652
Non-interest bearing liabilities	非帶息負債	–	–	–	–	12,098	12,098
<b>Total liabilities</b>	<b>負債總額</b>	<b>278,066</b>	<b>43,222</b>	<b>8,625</b>	<b>5,981</b>	<b>27,639</b>	<b>363,533</b>
Interest rate sensitivity gap	利率敏感度差距	(17,399)	13,270	22,729	2,688		

Notes on the Accounts (continued)  
賬項附註(續)

39. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

(e) Interest rate risk management (continued)  
The Bank

(e) 利率風險管理(續)  
銀行

		2008					
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	3,619	-	-	-	1,233	4,852
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	78,787	13,948	-	-	-	92,735
Trade bills	貿易票據	342	129	-	-	50	521
Trading assets	交易用途資產	406	2	81	37	2,388	2,914
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融工具	1,110	595	1,971	438	-	4,114
Advances to customers	客戶貸款	89,323	9,292	24,308	4,996	2,374	130,293
Other accounts	其他賬項	340	188	-	-	7,819	8,347
Available-for-sale financial assets	可供出售金融資產	3,821	3,803	2,522	126	713	10,985
Held-to-maturity investments	持至到期投資	1,512	1,058	690	58	-	3,318
Non-interest bearing assets	非帶息資產	-	-	-	-	37,140	37,140
<b>Total Assets</b>	<b>資產總額</b>	<b>179,260</b>	<b>29,015</b>	<b>29,572</b>	<b>5,655</b>	<b>51,717</b>	<b>295,219</b>
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	1,072	8	-	-	13	1,093
Deposits from customers	客戶存款	211,740	18,398	1,057	-	8,834	240,029
Trading liabilities	交易用途負債	130	200	-	-	2,219	2,549
Certificates of deposit issued	已發行之存款證	2,503	654	1,014	3,520	-	7,691
Loan capital	借貸資本	4,641	-	6,395	-	-	11,036
Non-interest bearing liabilities	非帶息負債	-	-	-	-	5,596	5,596
<b>Total liabilities</b>	<b>負債總額</b>	<b>220,086</b>	<b>19,260</b>	<b>8,466</b>	<b>3,520</b>	<b>16,662</b>	<b>267,994</b>
Interest rate sensitivity gap	利率敏感度差距	(40,826)	9,755	21,106	2,135		



Notes on the Accounts (continued)  
賬項附註(續)

The Bank		銀行					Total
		2007					
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	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	2,087	–	–	–	1,046	3,133
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	80,493	2,630	–	–	–	83,123
Trade bills	貿易票據	375	47	–	–	48	470
Trading assets	交易用途資產	815	397	–	–	3,409	4,621
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工具	5,353	446	2,828	–	14	8,641
Advances to customers	客戶貸款	96,635	8,200	22,316	5,154	2,142	134,447
Other accounts	其他賬項	463	238	39	–	6,505	7,245
Available-for-sale financial assets	可供出售金融資產	7,006	1,553	653	69	1,327	10,608
Held-to-maturity investments	持至到期投資	1,886	5,523	783	581	–	8,773
Non-interest bearing assets	非帶息資產	–	–	–	–	37,412	37,412
<b>Total Assets</b>	<b>資產總額</b>	<b>195,113</b>	<b>19,034</b>	<b>26,619</b>	<b>5,804</b>	<b>51,903</b>	<b>298,473</b>
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	2,284	287	–	–	10	2,581
Deposits from customers	客戶存款	213,128	9,476	2,101	378	7,505	232,588
Trading liabilities	交易用途負債	1,099	–	33	–	1,043	2,175
Certificates of deposit issued	已發行之存款證	3,918	6,533	504	3,410	–	14,365
Loan capital	借貸資本	4,669	–	4,600	4,383	–	13,652
Non-interest bearing liabilities	非帶息負債	–	–	–	–	6,931	6,931
<b>Total liabilities</b>	<b>負債總額</b>	<b>225,098</b>	<b>16,296</b>	<b>7,238</b>	<b>8,171</b>	<b>15,489</b>	<b>272,292</b>
Interest rate sensitivity gap	利率敏感度差距	(29,985)	2,738	19,381	(2,367)		

Notes on the Accounts (continued)  
賬項附註(續)

39. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理 (續)

(e) Interest rate risk management (continued)

The following table summarises the range of effective average interest rates for the year ended 31st December for monetary financial instruments:

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		%	%	%	%
<b>Assets</b>	<b>資產</b>				
Cash and short-term funds and placements with banks and other financial institutions	現金及在銀行和其他金融機構的結存，及在銀行及其他金融機構的存款	<b>0-10.28</b>	0-10.00	<b>0-10.28</b>	0.10-8.60
Trade bills, advances to customers and advances to banks and other financial institutions	貿易票據，客戶貸款及銀行及其他金融機構的貸款	<b>0.50-36.10</b>	0-37.62	<b>0.60-18.33</b>	0.88-18.36
Securities (Note)	證券(附註)	<b>0.04-8.23</b>	1.00-7.75	<b>0.04-8.23</b>	1.00-7.75
<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	<b>0.02-13.21</b>	0.01-8.48	<b>0.02-13.21</b>	0.01-7.90
Deposits from customers	客戶存款	<b>0-9.00</b>	0-13.33	<b>0-9.00</b>	0-8.75
Certificates of deposit issued and loan capital	已發行存款證及借貸資本	<b>0.92-10.14</b>	2.25-10.48	<b>0.92-10.14</b>	2.25-10.48

Note: Securities include certificates of deposit held, trading assets, financial assets designated at fair value through profit or loss, securities measured as loans and receivables, available-for-sale financial assets and held-to-maturity investments.

(e) 利率風險管理(續)

下表概述於截至12月31日止年度按貨幣金融工具之有效利率範圍：

附註：證券包括持有存款證、交易資產、指定為通過損益以反映公平價值的金融資產、以貸款及應收賬款計量的證券、可供出售金融資產及持至到期投資。

(f) Strategic risk management

The objective of strategic risk management is to monitor the risk to earnings or capital arising from bad business decisions or from an improper implementation of good business decisions.

The Board of Directors reviews and approves policy for the management of the strategic risk. The Board has delegated the responsibility for ongoing strategic risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

(f) 策略性風險管理

策略性風險管理的目的是監控因不良商業決定或不當地實施良好商業決定而引致盈利或資本方面的風險。

董事會檢討和審批策略性風險管理政策，及已授權資產負債管理委員會負責持續管理策略性風險。資產負債管理委員會經風險管理委員會向董事會匯報。

(g) Legal risk and reputation risk management

Legal risk is the risk arising from the potential that unenforceable contracts, lawsuits or adverse judgements may disrupt or otherwise negatively affect the operations or financial condition of the Group.

Reputation risk is the risk arising from the potential that negative publicity regarding the Group's business practices, whether true or not, will cause a decline in the customer base or lead to costly litigation or revenue reductions.

The objective of managing the aforesaid risks is to identify, assess and monitor these risks and, in particular, to comply with the relevant regulatory requirements.

The Board of Directors reviews and approves policies for these risks, and it has delegated the responsibility for ongoing risk management to the Operational Risk Management Committee. The Operational Risk Management Committee reports to the Board of Directors via the Risk Management Committee.

(g) 法律風險和信譽風險管理

法律風險，是指於合約未能如期執行、一般訴訟、或不利審判的情形下，可能影響本集團的日常運作或財務狀況。

聲譽風險，通常源自公眾對本集團營商規則的報導，不管真實與否，有可能令本集團之客戶基礎下跌、或導致高昂之訴訟費用或收入減少。

有關風險管理之目的，在於識別、評估和監控各項風險，及確實執行有關監管條例之要求。

董事會為此等風險檢討和審批有關政策，已授權營運風險管理委員會負責持續管理此等風險。營運風險管理委員會經風險管理委員會向董事會匯報。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### (h) Capital management

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

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

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

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

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

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

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2008 and 31st December, 2007 and the Group is well above the minimum required ratio set by the HKMA.

#### (h) 資本管理

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

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

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

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

本集團依據行業慣例，以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變，唯一改變是資本充足比率的計算方法。

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

截至2008年12月31日及2007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。

#### 40. FAIR VALUES OF FINANCIAL INSTRUMENTS 金融工具的公平價值

##### (a) Estimation of fair values

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. Where available, the most suitable measure for fair value is the quoted market price. In the absence of organised secondary markets for most financial instruments, and in particular for loans, deposits and unlisted derivatives, direct market prices are not available. The fair value of such instruments was therefore calculated on the basis of well-established valuation techniques using current market parameters. In particular, the fair value is a theoretical value applicable at a given reporting date, and hence can only be used as an indicator of value realisable in a future sale.

The Group compares valuations derived from models with quoted prices of similar financial instruments, and with actual values when realised, in order to further validate and calibrate the models. These techniques involve uncertainties and are significantly affected by the assumptions used and judgments made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experiences and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and, in many cases, could not be realized in an immediate sale of the instruments.

The following methods and significant assumptions have been applied in determining the fair values of financial instruments:

- (i) the fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the balance sheet date;
- (ii) the fair value of variable rate financial instruments is assumed to approximate 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 amortized 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.

##### (a) 公平價值估計

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。若有市場報價，市場報價是計量公平價值最適合的方法，但由於大多數金融工具，尤其是貸款、存款及非上市衍生工具，均欠缺一個有組織的二手市場，因此並無直接市場報價。此等工具的公平價值會根據一些使用現時市場參數的既定估值模式計算。要特別指出的是，公平價值是指適用於某一特定報告日期的理論價值，所以只可作為日後將金融工具出售時，金融工具可變現價值的指標。

本集團會將使用模式推算所得的估值與相若金融工具的報價比較，及在變現後將估值與實際價值比較，以進一步驗證此等模式和作出調整。此等模式涉及不穩定因素，並會受到本集團所用假定和本集團對各類金融工具的風險特性、貼現率、估計將來現金流、預期將來損失和其他因素所作判斷的重大影響。如本集團更改有關假定，便可能對此等估計和估計所得的公平價值產生顯著影響。本集團不一定能夠與獨立市場內的相若價值比較，以證明推算所得的公平價值估計正確。在很多時候，本集團均不能將金融工具即時出售以實現此等公平價值。

本集團採用下列方法和重要假定，以釐定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，乃假定為於結算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。

## Notes on the Accounts (continued) 賬項附註(續)

- (iv) the fair value of unquoted equity investments is estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuers.
- (v) the fair value of unlisted open-ended investment funds are estimated using the net asset value per share as reported by the managers of such funds.
- (vi) the fair value of forward exchange contracts and interest rate swaps is estimated either using broker quotes or by discounting future cash flows. Future cash flows are estimated based on management's best estimate of the amount it would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties. The discount rate used is a market rate for a similar instrument at the balance sheet date. The fair value of an option contract is determined by applying the Black-Scholes option valuation model. Inputs are based on market related data at the balance sheet date.
- (iv) 非上市股票投資的公平價值是在可能情況下，將相若上市公司適用的價格／盈利比率調整，以反映發行商所處的特殊狀況。
- (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) 遠期外匯合約和利率掉期的公平價值，是採用經紀報價或折讓將來現金流方法估計。將來現金流乃按管理層在考慮市場現況和另一方的目前信貸狀況後，就其在結算日可藉終止合約而收取或支付的最佳估計金額。本集團採用的貼現率是在結算日適用於相若工具的市場利率。期權合約的公平價值是採用柏力克－舒爾斯期權估值模式估計。本集團輸入的資料則是以結算日的相關市場資料為基礎。

### (b) Fair value

All financial instruments are stated at fair value or carried at amounts not materially different from their fair values as at 31st December, 2008 and 2007, except for held-to-maturity investments as set out in Note 26.

### (b) 公平價值

除附註26所載有關持至到期投資外，所有金融工具均是以公平價值或與其於2007年12月31日和2006年同日的公平價值相若的金額入賬。

## 41.OFF-BALANCE SHEET EXPOSURES 資產負債表以外的風險

### (a) Contingent Liabilities and Commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

### (a) 或然負債及承擔

以下為每項或然負債及承擔主要類別的合約數額摘要：

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Direct credit substitutes	直接信貸代替品	7,272	8,496	6,888	9,151
Transaction-related contingencies	與交易有關的或然項目	1,771	976	1,529	707
Trade-related contingencies	與貿易有關的或然項目	1,045	1,493	721	1,033
Commitments that are unconditionally cancellable without prior notice	可無條件取消而毋須事先通知的承擔	41,692	49,117	38,683	37,442
Other commitments	其他承擔：				
- up to 1 year	-1年或以下	5,651	4,510	3,049	2,062
- over 1 year	-1年以上	18,737	14,144	11,551	13,354
		<b>76,168</b>	<b>78,736</b>	<b>62,421</b>	<b>63,749</b>

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts does not represent expected future cash flows.

或然負債及承擔是與信貸有關的工具，包括用以提供信貸的承兌票據、信用證、擔保書和承付款項。合約數額是指當合約被完全提取及客戶違約時所承擔風險的數額。由於預期擔保書及承付款項的大部分數額會在未經提取前逾期，合約總額並不代表估計未來現金流量。

Notes on the Accounts (continued)  
賬項附註(續)

41. OFF-BALANCE SHEET EXPOSURES (continued) 資產負債表以外的風險 (續)

(b) Derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivative for the Group and the Bank:

(b) 衍生工具

衍生工具是指由一項或多項基本資產或指數價值釐定價值的財務合約。

以下為集團及銀行的每項衍生工具主要類別的名義數額摘要：

		The Group 集團					
		2008			2007		
		Trading 交易	Non-trading 非交易	Total 總額	Trading 交易	Non-trading 非交易	Total 總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	23,860	-	23,860	14,816	22	14,838
Swaps	掉期交易	1,633	12,863	14,496	15,141	8,456	23,597
Options purchased	購入期權	919	151	1,070	3,717	-	3,717
Options written	沽出期權	1,075	151	1,226	3,527	-	3,527
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	25	-	25	185	-	185
Swaps	掉期交易	-	44,699	44,699	1,261	26,894	28,155
Equity contracts	股份合約						
Swaps	掉期交易	-	-	-	-	2,864	2,864
Options purchased	購入期權	82	1,638	1,720	1,332	6,031	7,363
Options written	沽出期權	427	1,039	1,466	3,545	-	3,545
		28,021	60,541	88,562	43,524	44,267	87,791
		The Bank 銀行					
		2008			2007		
		Trading 交易	Non-trading 非交易	Total 總額	Trading 交易	Non-trading 非交易	Total 總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	10,842	-	10,842	12,707	-	12,707
Swaps	掉期交易	1,311	12,253	13,564	15,141	9,840	24,981
Options purchased	購入期權	971	151	1,122	3,717	-	3,717
Options written	沽出期權	1,075	151	1,226	3,527	-	3,527
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	25	-	25	185	-	185
Swaps	掉期交易	-	42,684	42,684	1,261	24,893	26,154
Equity contracts	股份合約						
Swaps	掉期交易	-	-	-	-	4,093	4,093
Options purchased	購入期權	82	2,307	2,389	1,331	6,031	7,362
Options written	沽出期權	427	1,039	1,466	3,545	-	3,545
		14,733	58,585	73,318	41,414	44,857	86,271



## Notes on the Accounts (continued)

### 賬項附註(續)

Derivatives arise from futures, forward, swap and option transactions undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

衍生工具是由本集團及本行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在結算日仍未完成的交易量，但並不代表所承受風險的數額。

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.

前述資產負債表以外風險的公平價值及信貸風險加權金額如下。這些金額並未計入雙邊淨額安排的影響。

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Fair value (Note 22)	公平價值 (附註22)				
Exchange rate contracts	匯率合約	488	235	262	172
Interest rate contracts	利率合約	1,012	804	755	705
Options purchased	購入期權				
– exchange rate contracts	– 匯率合約	3	–	3	–
– equity contracts	– 股份合約	231	513	231	513
		1,734	1,552	1,251	1,390

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Credit risk weighted amounts*	信貸風險加權金額*				
Contingent liabilities and commitments	或然負債及承擔	20,642	18,725	14,002	12,305
Exchange rate contracts	匯率合約	391	130	340	131
Interest rate contracts	利率合約	225	196	321	197
Equity contracts	股份合約	181	75	248	99
Debt security & other commodity	債務證券及商品	22	–	38	–
		21,461	19,126	14,949	12,732

\* The Bank adopted the Foundation Internal Ratings Based (“IRB”) approach according to Banking (Capital) Rules for calculating the credit risk weighted amount as at 31st December, 2008.

\* 根據《銀行業(資本)規則》，本行採納「基礎內部評級基準計算法」計算於2008年12月31日之信貸風險之風險加權金額。

Notes on the Accounts (continued)  
賬項附註(續)

41. OFF-BALANCE SHEET EXPOSURES (continued) 資產負債表以外的風險 (續)

(b) Derivatives (continued)

The tables above give the contractual or notional amounts, fair value and credit risk weighted amounts of off-balance sheet transactions. The fair value is calculated for the purposes of deriving the credit risk weighted amounts. These are assessed in accordance with the Banking (Capital) Rules. Fair value represents the cost of replacing all contracts which have a positive value when marked to market.

Fair value is a close approximation of the credit risk for these contracts as at the balance sheet date. The credit risk weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules.

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the balance sheet date.

(b) 衍生工具(續)

上表列出資產負債表以外交易的合約或名義金額、公平價值及信貸風險加權金額。公平價值是用來計算信貸風險加權金額。該等金額是按照《銀行業(資本)規則》作評估。公平價值是指重置所有按市場價值計算差額時附有正值的合約成本。

公平價值是在結算日該等合約的略計信貸風險。信貸風險加權金額是指按照《銀行業(資本)規則》計算。

下表分析在結算日本集團根據到期期限歸類之剩餘結算期限有關衍生工具的名義金額。

		The Group 集團							
		Notional amounts with remaining life of 剩餘期限的名義金額							
		2008				2007			
		1 year or less	Over 1 year to 5 years	Over 5 years	Total	1 years 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	26,641	14,193	3,890	44,724	10,651	13,047	4,642	28,340
Currency derivatives	貨幣衍生工具	35,145	5,507	-	40,652	40,699	4,980	-	45,679
Other derivatives	其他衍生工具	2,514	8	664	3,186	10,737	2,450	585	13,772
		64,300	19,708	4,554	88,562	62,087	20,477	5,227	87,791

		The Bank 銀行							
		Notional amounts with remaining life of 剩餘期限的名義金額							
		2008				2007			
		1 year or less	Over 1 year to 5 years	Over 5 years	Total	1 years 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	26,341	12,384	3,984	42,709	11,021	11,222	4,096	26,339
Currency derivatives	貨幣衍生工具	21,247	5,507	-	26,754	40,286	4,646	-	44,932
Other derivatives	其他衍生工具	3,183	8	664	3,855	11,137	3,278	585	15,000
		50,771	17,899	4,648	73,318	62,444	19,146	4,681	86,271

Notes on the Accounts (continued)  
賬項附註(續)

(c) Capital Commitments

Capital commitments outstanding at 31st December and not provided for in the accounts were as follows:

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Expenditure authorised and contracted for	已核准支出並已簽約	1,611	1,880	608	647
Expenditure authorised but not contracted for	已核准支出但未簽約	107	131	98	89
		<b>1,718</b>	<b>2,011</b>	<b>706</b>	<b>736</b>

(c) 資本承擔

於12月31日未償付但並未在賬項中提撥準備的資本承擔如下：

(d) Operating Lease Commitments

At 31st December, 2008, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Properties	物業				
Within one year	1年以內	338	272	135	119
After one year but within five years	1年至5年內	684	619	117	125
After five years	5年以後	358	307	-	1
		<b>1,380</b>	<b>1,198</b>	<b>252</b>	<b>245</b>

(d) 經營租賃承擔

於2008年12月31日，在不可撤銷的經營租賃內，未來最低應付租賃款項總額如下：

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Equipment	設備				
Within one year	1年以內	7	5	2	2
After one year but within five years	1年至5年內	10	9	2	2
After five years	5年以後	-	-	-	-
		<b>17</b>	<b>14</b>	<b>4</b>	<b>4</b>

The Group and the Bank lease certain properties and equipment under operating leases. The leases run for an initial period of one to twenty five years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually adjusted annually to reflect market rentals. None of the leases includes contingent rentals.

本集團及本行以經營租賃形式租入某些物業和設備。租賃年期由1年至25年，到期日後可再續約但其他條款須另議。租賃付款金額通常每年調整以反映市值租金。所有租約並不包括或有租金。

Notes on the Accounts (continued)  
賬項附註(續)

42. 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	
		2008	2007
		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	12	2
Advances and other accounts less provisions	已扣除準備之貸款及其他賬項	10	5
Fixed assets	固定資產	4	-
Goodwill	商譽	25	-
Other accounts and provisions	其他賬項及準備	(45)	(3)
		6	4
Goodwill arising on consolidation	賬項綜合時產生的商譽	27	36
Total purchase price	以現金支付的購入價	33	40
Less: cash and cash equivalents acquired	減: 購入的現金及等同現金項目	(12)	(2)
Cash flow on acquisition net of cash acquired	已抵銷因收購所購入的現金流	21	38
(b) Disposal of Subsidiary		(b) 出售附屬公司	
		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Advances and other accounts less provisions	已扣除準備之貸款及其他賬項	-	53
Taxation	稅項	-	(3)
Other accounts and provisions	其他賬項及準備	-	(1)
		-	49
Add: gain on disposal	加: 出售盈利	-	406
Cash flow on disposal of subsidiary	出售附屬公司的現金流	-	455

## Notes on the Accounts (continued)

### 賬項附註(續)

#### (c) Cash and Cash Equivalents

(i) Components of cash and cash equivalents in the consolidated cash flow statement

#### (c) 現金及等同現金項目

(i) 在綜合現金流量表內現金及等同現金項目的組成部分

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	20,042	14,187
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	70,442	87,395
Treasury bills with original maturity within three months	原本期限為3個月以內的國庫債券	3,251	1,919
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	371	217
		94,106	103,718

(ii) Reconciliation with the consolidated balance sheet

(ii) 與綜合資產負債表的對賬

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions (Note 19)	現金及在銀行及其他金融機構的結存(附註19)	28,105	17,853
Placements with banks and other financial institutions (Note 20)	在銀行及其他金融機構的存款(附註20)	96,574	94,704
Treasury bills and certificates of deposit held	國庫債券及持有存款證		
– trading assets (Note 22)	– 交易用途資產(附註22)	400	1,195
– designated at fair value through profit or loss (Note 23)	– 指定通過損益以反映公平價值(附註23)	–	50
– advances and other accounts (Note 24)	– 貸款及其他賬項(附註24)	39	39
– available-for-sale (Note 25)	– 可供出售(附註25)	11,153	3,676
– held-to-maturity (Note 26)	– 持至到期(附註26)	1,897	1,692
		13,489	6,652
Amounts shown in the consolidated balance sheet	在綜合資產負債表出現的金額	138,168	119,209
Less: amounts with an original maturity of beyond three months cash balance with central bank subject to regulatory restriction	減：原本期限為3個月以上的金額 受規管限制的在中央銀行的現金結存	(35,999)	(11,825)
		(8,063)	(3,666)
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	94,106	103,718

Notes on the Accounts (continued)  
賬項附註(續)

43. ASSETS PLEDGED AS SECURITY 用作抵押品的資產

The following balances with banks have been pledged as collateral for securities borrowings and margin deposits of derivatives.

以下的銀行結餘經已用予抵押證券借貸及衍生工具孖展按金之抵押品。

		The Group 集團		The Bank 銀行	
		2008	2007	2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash collateral for borrowed securities	用作證券借貸的現金抵押品	7	-	7	-
Collateral deposit for derivatives dealing	用作衍生工具買賣的抵押按金	912	55	912	55
		<b>919</b>	<b>55</b>	<b>919</b>	<b>55</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。

44. LOANS TO OFFICERS 行政人員貸款

The aggregate of loans to officers of the Bank disclosed pursuant to Section 161B(4B) and (4C) of the Hong Kong Companies Ordinance is as follows:

按照香港《公司條例》第161B條(4B)及(4C)款規定，本行行政人員之貸款總額公佈如下：

		2008		2007	
		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
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	4,169	1,432		
By subsidiaries	由附屬公司借出	1,073	625		
		<b>5,242</b>	<b>2,057</b>		
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	4,573	1,864		
By subsidiaries	由附屬公司借出	1,492	625		
		<b>6,065</b>	<b>2,489</b>		

There was no interest due but unpaid nor any impairment allowance made against these loans at 31st December, 2008 and 31st December, 2007.

於2008年12月31日及2007年12月31日，沒有逾期未償付利息，亦未有對該等貸款作減值準備。



Notes on the Accounts (continued)  
賬項附註(續)

45. MATERIAL RELATED PARTY TRANSACTIONS 關聯人士的重大交易

The Group maintains certain retirement benefit schemes for its staff as per Note 2(q)(iii). In 2008, the total amount of contributions the Group made to the schemes was HK\$107 million (2007: HK\$93 million).

本集團為其職員提供某些退休保障計劃，並已於附註2(q)(iii)披露。於2008年內，本集團對這些計劃的供款總數為港幣107,000,000元(2007年：港幣93,000,000元)。

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. Except that there is interest free shareholder's advance extended to one (2007: one) associate amounting to HK\$7 million at 31st December, 2008 (2007: HK\$7 million), 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.

本集團與其關聯人士進行多項交易，這些人士包括聯營公司、主要行政人員與其近親家庭成員、及受這些人士所控制的公司或具有重大影響力的公司。這些交易包括接受這些人士存款及為他們提供信貸。除本行借予一間(2007年：一間)聯營公司的免息股東貸款外，其於2008年12月31日的結餘為港幣7,000,000元(2007年：港幣7,000,000元)，除此之外，所有存款及信貸的利率，均按照與一般同等信用水平之客戶相若的條款及規定。

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:

於2008年，本集團從關聯人士所收取與支付予他們的利息，及在2008年12月31日，關聯人士的欠款及欠關聯人士的款項，及在年度內關聯人士最高欠款及欠關聯人士的最高款項現總結如下：

		Key management personnel 主要管理人員		Subsidiaries 附屬公司		Associates 聯營公司	
		2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元
Interest income	利息收入	264	155	1,079	833	8	9
Interest expense	利息支出	88	134	148	204	-	-
Amounts due from	關聯人士的欠款	8,209	10,448	16,398	17,964	124	213
Amounts due to	欠關聯人士的款項	3,696	3,961	1,994	1,634	7	10
Maximum amounts due from	關聯人士的最高欠款	12,429	11,361	22,072	23,699	446	422
Maximum amounts due to	欠關聯人士的最高款項	8,527	8,593	2,850	1,894	34	62

Notes on the Accounts (continued)  
賬項附註(續)

46. EQUITY COMPENSATION PLANS 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Directors and Chief Executive, of the Group options to subscribe for shares of the Bank. The options may be exercised during the period beginning on the first anniversary of the Date of Grant and ending on the fifth anniversary of the Date of Grant. All options were granted for nil consideration.

本行所採納的僱員認股計劃是本行董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及行政總裁，以認購本行股份。認股權的行使期限為授予日的第1周年開始至授予日的第5周年止。所有認股權均以無計價形式發出。

(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
02/5/2003	02/5/2003 – 01/5/2004	02/5/2004 – 02/5/2008	14.90
22/4/2004	22/4/2004 – 21/4/2005	22/4/2005 – 22/4/2009	23.23
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	22.95
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	33.05
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	47.13
05/5/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	44.10

(b) Movement of Share Options

(b) 認股權之變動

2008 Date of Grant 授予日期	Outstanding at 1/1/2008 於2008年 1月1日 尚未行使	Number of Share Options 認股權數目			Outstanding at 31/12/2008 於2008年 12月31日 尚未行使
		Granted 已授予	Exercised 已行使	Lapsed 已失效	
02/5/2003	2,205,000	–	2,205,000	–	Nil
22/4/2004	3,915,000	–	1,080,000	70,000	2,765,000
03/5/2005	7,230,000	–	1,125,000	–	6,105,000
03/5/2006	3,200,000	–	500,000	–	2,700,000
10/5/2007	2,750,000	–	–	–	2,750,000
05/5/2008	–	5,500,000	–	–	5,500,000
Total 總額	19,300,000	5,500,000	4,910,000	70,000	19,820,000

Notes on the Accounts (continued)  
賬項附註(續)

2007 Date of Grant 授予日期	Outstanding at 1/1/2007 於2007年 1月1日 尚未行使	Number of Share Options 認股權數目			Outstanding at 31/12/2007 於2007年 12月31日 尚未行使
		Granted 已授予	Exercised 已行使	Lapsed 已失效	
18/4/2002	1,855,000	–	1,855,000	–	NIL
02/5/2003	2,895,000	–	690,000	–	2,205,000
22/4/2004	5,750,000	–	1,835,000	–	3,915,000
03/5/2005	10,310,000	–	3,080,000	–	7,230,000
03/5/2006	3,250,000	–	50,000	–	3,200,000
10/5/2007	–	2,750,000	–	–	2,750,000
Total 總額	24,060,000	2,750,000	7,510,000	–	19,300,000

(c) No share options were cancelled during the years ended 31st December, 2008 and 2007.

(c) 截至2008及2007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	
		2008	2007
January 1月	18/4/2002	–	20,000
	02/5/2003	1,005,000	55,000
	22/4/2004	130,000	390,000
	03/5/2005	75,000	420,000
February 2月	18/4/2002	–	55,000
	02/5/2003	20,000	55,000
	22/4/2004	20,000	155,000
	03/5/2005	25,000	320,000
March 3月	18/4/2002	–	930,000
	02/5/2003	1,060,000	125,000
	22/4/2004	665,000	180,000
	03/5/2005	715,000	180,000
April 4月	03/5/2006	500,000	–
	18/4/2002	–	850,000
	02/5/2003	30,000	10,000
	22/4/2004	165,000	75,000
May 5月	03/5/2005	110,000	290,000
	02/5/2003	90,000	210,000
	22/4/2004	20,000	155,000
	03/5/2005	75,000	390,000

Notes on the Accounts (continued)  
賬項附註(續)

46. EQUITY COMPENSATION PLANS (continued) 股份補償計劃 (續)

(d) Details of Share Options Exercised (continued)

(d) 已行使認股權詳情(續)

Exercise Period 行使期間	Date of Grant 授予日期	Number of Share Options 認股權數目	
		2008	2007
June 6月	02/5/2003	–	150,000
	22/4/2004	25,000	65,000
	03/5/2005	25,000	655,000
July 7月	22/4/2004	5,000	75,000
	03/5/2005	55,000	145,000
August 8月	02/5/2003	–	30,000
	22/4/2004	30,000	120,000
	03/5/2005	45,000	105,000
September 9月	22/4/2004	20,000	30,000
	03/5/2005	–	115,000
October 10月	22/4/2004	–	180,000
	03/5/2005	–	100,000
November 11月	02/5/2003	–	15,000
	22/4/2004	–	310,000
	03/5/2005	–	160,000
December 12月	03/5/2006	–	50,000
	02/5/2003	–	40,000
	22/4/2004	–	100,000
	03/5/2005	–	200,000
		<b>4,910,000</b>	<b>7,510,000</b>

47. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

The preparation of accounts requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these accounts and the reported amounts of revenues and expenses for the years presented. Changes in assumptions may have a significant impact on the accounts in the periods where the assumptions are changed. The application of assumptions and estimates means that any selection of different assumptions would cause the Group's reporting to differ. The Group believes that the assumptions that have been made are appropriate and that the accounts therefore present the financial position and results fairly, in all material respects.

Management discussed with the Audit Committee the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

在編製本集團的賬項時，管理層必須作出若干於該等賬項的日期，對所匯報資產及負債之金額和或然資產及負債披露有影響的估計和假定，同時亦須作出若干對報告年度內收入及支出之金額有影響的估計和假定。如本集團更改該等假定，便可能對作出有關改變期間的賬項產生重大影響。採用此等不同的假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。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### (a) Key Sources of Estimation Uncertainty

Notes 29, 35 and 40 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and fair values of financial instruments. Other key sources of estimation uncertainty are as follows:

##### (i) Impairment losses

###### *Loans and advances*

Loan portfolios are reviewed periodically to assess whether impairment losses exist. The Group makes judgement as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence for impairment includes observable data that the payment status of borrowers in a group has adversely changed. It may also include observable data that correlate with defaults on the assets in the Group. If management has determined, based on their judgement, that objective evidence for impairment exists, expected future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted on the basis of the current observable data. Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

###### *Available-for-sale financial assets and held-to-maturity investments*

The Group determines that available-for-sale financial assets and held-to-maturity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of when a decline in fair value below its cost is not recoverable within a reasonable time period is judgmental by nature, so profit and loss could be affected by differences in this judgement.

##### (ii) Valuation of financial instruments

The Group's accounting policy for valuation of financial instruments is included in Note 2. The fair value of the financial instruments is mainly based on the quoted market price on a recognised stock exchange or a price quoted from a broker/dealer for non-exchanged traded financial instruments. The fair value of collateralised debt obligations is based on bid prices quoted by reputable brokers and has been carefully assessed for reasonableness by management. The fair value of SIV is based on their net asset values as provided by the SIV's managers.

#### (a) 估計不穩定因素的主要來源

附註29、35和40載述有關商譽減值、已授予股權的公平價值和金融工具的公平價值的假設及其風險因素。估計不穩定因素的其他主要來源如下：

##### (i) 減值損失

###### *貸款*

本集團會定期檢討貸款組合，以評估減值損失是否存在。本集團需要判斷是否有任何客觀證據可以證明貸款組合已經減值，即估計將來現金流有所減少。減值客觀證據包括與借款人有關的可觀察資料整體上的付款狀況已出現逆轉，而該等資料與本集團的不履行資產是互相關連的。當管理層根據其判斷決定減值的客觀證據存在，便會依據若干與該等資產的信貸風險特性相若之資產的以往損失經驗，以估計預期將來現金流。以往損失經驗是以目前的可觀察資料為基礎作出調整。管理層亦會定期檢討用以估計將來現金流的方法和假設，從而減少估計損失與實際損失的差異。

###### *可供出售金融資產及持至到期投資*

若可供出售金融資產及持至到期投資的公平價值明顯或持續地低於其成本，本集團即判斷該等資產及投資已減值。本集團判斷公平價值低於成本的金額會在一段合理時間內不可收回純屬假設性質，因此判斷之差異會對損益賬有所影響。

##### (ii) 金融工具的估值

本集團對金融工具估值的會計政策列載於附註2。金融工具的公平價值主要根據認可之交易所的市場報價，或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。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 47. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued) 會計估計及判斷 (續)

##### (b) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

##### (i) Held-to-maturity investments

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Group evaluates its intention and ability to hold such investments till maturity.

If the Group fails to hold these investments to maturity other than for certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale, as such class is deemed to have been tainted.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

##### (ii) Recognition of deferred tax assets

The group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

##### (b) 本集團應用會計政策的重要會計判斷

本集團應用會計政策的若干重要會計判斷如下：

##### (i) 持至到期投資

本集團將設有固定或可確定付款金額和固定到期日，以及本集團有正面計劃及能力持有至到期日的非衍生金融資產，分類為持至到期投資。在作出有關判斷時，本集團會評估本身是否有計劃及能力持有該等投資至到期日。

在若干特殊情況下除外，若本集團未能持有該等投資至到期日，本集團會將整個可持至到期日的投資組合，重新分類為可供出售。這是由於此類投資已被蒙污。

因此，原以攤銷成本計量的可持至到期投資會改以公平價值計量。

##### (ii) 遞延稅項資產之確認

須在未來可能有應課稅溢利予以抵銷遞延稅項資產的情況下，本集團才確認遞延稅項資產。在釐定未來應課稅溢利的金額及其可能性時，須估計及判斷在可見之將來該未來應課稅溢利可否支持確認該遞延稅項資產。本集團使用所有已有的資料，包括根據合理及可支持之假設和對收入及支出成本的估計，以釐定未來應課稅溢利。此等估計的變動可能對遞延稅項資產確認的時間及資產確認的金額有重大影響。

#### 48. COMPARATIVE FIGURES 比較數字

The comparative figures have been restated to conform with current year's presentation.

比較數字已作重報，以符合本年度的呈報方式。

#### 49. PROPOSED IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2008

Up to the date of issue of these accounts, the HKICPA has issued a number of amendments, new standard and interpretations which are not yet effective for the accounting year ended 31st December, 2008 and which have not been adopted in these accounts.

#### 在截至2008年12月31日止年度前已公佈但尚未生效的修訂、新標準和詮釋所產生的可能影響

直至此等賬項發佈日期，香港會計師公會已頒佈了多項經修訂、新標準和詮釋；但該等經修訂、新標準和詮釋及額外的披露於截至2008年12月31日止年度尚未生效，因此尚未應用於此等賬項。

*Notes on the Accounts (continued)*  
 賬項附註(續)

The Group is in the process of making an assessment of what the impact of these amendments, new standards, new interpretations and additional disclosures 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 Bank's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the accounts:

本集團正在評估該等修訂、新標準、新詮釋和額外披露在首個應用期可能產生的影響。至今所得結論為若採納該等修訂、新標準、新詮釋和額外披露對銀行的業績及財務狀況未有重大影響。

此外，以下的發展可能引致在賬項中作出全新或修訂的披露。

**Effective for accounting periods  
 beginning on or after  
 由會計期開始或以後起生效**

HK(IFRIC) 13 – Customer loyalty programmes 香港(國際財務報告準則詮釋委員會)詮釋第13條—「客戶忠心方案」	1st July 2008 2008年7月1日
HKFRS 2 – Share-based payment (Revised) 經修訂《香港財務報告準則》第2號—「以股份為基礎的支出」	1st January 2009 2009年1月1日
HKFRS 8 – Operating segments 《香港財務報告準則》第8號—「營運分部」	1st January 2009 2009年1月1日
Amendment to HKAS 1, Presentation of financial statements: capital disclosures 經修訂《香港會計準則》第1號「財務報表之呈報：資本披露」	1st January 2009 2009年1月1日



# UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

## 未經審核補充財務資料

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

#### (a) Capital Adequacy Ratio

#### (a) 資本充足比率

		2008 %百分率	2007 %百分率
Capital adequacy ratio as at 31st December	於12月31日的資本充足比率	<b>13.8</b>	12.6
Core capital adequacy ratio as at 31st December	於12月31日的核心資本充足比率	<b>9.1</b>	7.4

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

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

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

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

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

(b) Group Capital Base after Deductions

(b) 集團扣減後的資本基礎

		2008	2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Core capital	核心資本		
Paid up ordinary share capital	繳足股款的普通股股本	4,183	3,936
Share premium	股份溢價	4,922	1,118
Reserves	儲備	18,308	16,884
Profit or loss account	損益賬	(71)	873
Deduct: Goodwill	減：商譽	(1,624)	(1,616)
Net deferred tax assets	淨遞延稅項資產	(119)	–
Other intangible assets	其他無形資產	(29)	(11)
		<b>25,570</b>	21,184
Less: Core capital items deductions	減：核心資本的扣減項目	<b>(2,749)</b>	(2,742)
Total core capital	核心資本總額	<b>22,821</b>	18,442
Eligible supplementary capital	可計算的附加資本		
Reserves attributable to fair value gains on revaluation of holdings of land and building	因按公平值重估持有土地及建築物而產生盈利的儲備	801	788
Revaluation reserves for fair value gains on revaluation of holdings of available-for-sale equities and debt securities	因按公平值重估持有可供出售股份及債務證券而產生盈利的重估儲備	–	128
Unrealised fair value gains arising from holdings of equities and debt securities designated at fair value through profit or loss	因按公平值重估持有股份及被指定為通過損益以反映公平價值之債務證券而產生的未實現盈利	–	2
Regulatory reserve for general banking risks	一般銀行業風險的法定儲備	156	247
Collectively assessed impairment allowances	整體評估減值準備	42	51
Surplus provisions	過剩準備	1,024	694
Perpetual subordinated debt	無到期日的後償債項	3,356	4,661
Term subordinated debt	有期後償債項	8,899	8,952
		<b>14,278</b>	15,523
Less: Supplementary capital items deductions	減：附加資本的扣減項目	<b>(2,749)</b>	(2,742)
Total supplementary capital	附加資本總額	<b>11,529</b>	12,781
Total capital base	資本基礎總額	<b>34,350</b>	31,223

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

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

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

(2) LIQUIDITY RATIO 流動資金比率

		2008 %百分率	2007 %百分率
Average liquidity ratio for the year	年度內平均流動資金比率	38.4	43.5

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

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

(3) CROSS-BORDER CLAIMS 跨國債權

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

跨國債權資料披露對海外交易對手風險額最終風險的所在地，並已顧及轉移風險因素。一般而言，有關貸款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。當某一地區的風險額佔風險總額的10%或以上，該地區的風險額便予以披露。

		2008					
		Banks and other financial institutions		Public sector entities	Others	Total	
		銀行及其他金融機構		公營機構	其他	總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
The Group	集團						
People's Republic of China	中華人民共和國	31,237		2,867	49,999	84,103	
Asian countries, excluding People's Republic of China	其他亞洲國家 (不包括中華人民共和國)	17,388		1,703	11,797	30,888	
North America	北美洲	11,688		10	10,028	21,726	
Western Europe	西歐	70,048		-	2,383	72,431	
		2007					
		Banks and other financial institutions		Public sector entities	Others	Total	
		銀行及其他金融機構		公營機構	其他	總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
The Group	集團						
People's Republic of China	中華人民共和國	27,967		3,720	35,375	67,062	
Asian countries, excluding People's Republic of China	其他亞洲國家 (不包括中華人民共和國)	14,535		1,471	11,478	27,484	
North America	北美洲	7,101		5,303	8,947	21,351	
Western Europe	西歐	67,486		-	4,784	72,270	

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

**(4) NON-BANK MAINLAND EXPOSURES 國內非銀行類客戶風險**

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

國內非銀行類客戶直接風險總額及其個別減值準備如下：

Type of counterparties	On-balance sheet exposure	2008		Total	Individual impairment allowance
		Off-balance Sheet exposure			
交易對手的類別	資產負債表以內的風險	資產負債表以外的風險		總額	個別減值準備
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Mainland entities	92,563	14,764		107,327	60
Companies and individuals outside Mainland where the credit is granted for use in Mainland	13,804	2,192		15,996	37
Other counterparties the exposures to whom are considered to be non-bank Mainland exposures	4,266	43		4,309	-
<b>Total</b>	<b>110,633</b>	<b>16,999</b>		<b>127,632</b>	<b>97</b>

Type of counterparties	On-balance sheet exposure	2007		Total	Individual impairment allowance
		Off-balance Sheet exposure			
交易對手的類別	資產負債表以內的風險	資產負債表以外的風險		總額	個別減值準備
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Mainland entities	76,128	15,247		91,375	184
Companies and individuals outside Mainland where the credit is granted for use in Mainland	11,848	2,785		14,633	1
Other counterparties the exposures to whom are considered to be non-bank Mainland exposures	1,729	27		1,756	-
<b>Total</b>	<b>89,705</b>	<b>18,059</b>		<b>107,764</b>	<b>185</b>

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

(a) Overdue and Rescheduled Advances

(a) 逾期及經重組貸款

		2008		2007	
		% of total advances to customers 佔客戶貸款總額的百分比		% of total advances to customers 佔客戶貸款總額的百分比	
		HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元	
The Group	集團				
Advances to customers overdue for	逾期客戶貸款				
– 6 months or less					
but over 3 months	– 3個月以上至6個月	233	0.1	151	0.1
– 1 year or less					
but over 6 months	– 6個月以上至1年	229	0.1	168	0.1
– Over 1 year	– 1年以上	171	0.1	149	0.0
		633	0.3	468	0.2
Rescheduled advances to customers	經重組客戶貸款	239	0.1	283	0.1
Total overdue and rescheduled advances	逾期及經重組客戶貸款總額	872	0.4	751	0.3
Secured overdue advances	有抵押逾期貸款	261	0.1	261	0.1
Unsecured overdue advances	無抵押逾期貸款	372	0.2	207	0.1
Market value of security held against secured overdue advances	有抵押逾期貸款抵押品市值	1,542		1,553	
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	231		136	

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

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

## Unaudited Supplementary Financial Information (continued)

### 未經審核補充財務資料(續)

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

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

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

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

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

- (a) Debt Rescheduling/Restructuring
- (b) Enforcement of security
- (c) Legal Action
- (d) Recovery via Debt Collector

There were no advances to banks and other financial institutions which were overdue for over 3 months as at 31st December, 2008 and 31st December, 2007, nor were there any rescheduled advances to banks and other financial institutions on these two dates.

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，銀行一般採用以下方式以追收欠款：

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

於2008年12月31日及2007年12月31日，銀行及其他金融機構的貸款中，並無逾期3個月以上或經重組的貸款。

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

(b) Other Overdue and Rescheduled Assets

(b) 其他逾期及經重組資產

		2008		2007	
		Accrued interest	Other assets*	Accrued interest	Other assets*
		應計利息	其他資產*	應計利息	其他資產*
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
The Group	集團				
Other assets overdue for	其他逾期資產				
– 6 months or less but over 3 months	– 3個月以上至6個月	–	3	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	1	–	1	–
– Over 1 year	– 1年以上	–	–	1	4
		1	3	2	4
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	3	2	4

\* Other assets refer to trade bills and receivables.

\* 其他資產是指貿易票據及應收款項。

(c) Repossessed Assets

(c) 收回資產

		2008		2007
		HK\$ Mn	港幣百萬元	HK\$ Mn
The Group	集團			
Repossessed land and buildings *	收回土地及建築物*	57		19
Repossessed vehicles and equipment	收回汽車及設備	1		1
Total repossessed assets	收回資產總額	58		20

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

此等金額指於12月31日收回資產的估計市值。

\* The balance included HK\$37 million (2007: HK\$15 million) relating to properties that were contracted for sale but not yet completed.

\* 結餘包括總值港幣37,000,000元(2007年:港幣15,000,000元)已簽約出售但仍未成交的物業。

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

(a) Summary of Approach to Assess Capital Adequacy

Different approaches are adopted for assessing capital adequacy as follows:

(a) 評估資本充足度的方法概要

評估資本充足度採納以下不同方法：

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



## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

### (b) Principal Risks

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

The Group has in place a risk management system to identify, measure, monitor and control the various types of risk that the Group faces and, where appropriate, to set strategy and allocate capital against those risks. The risk management policies covering credit risk, market risk, operational risk, liquidity risk, interest rate risk and foreign exchange risk of the Group are reviewed regularly by the Management and specialised risk management committees, and recommendations are made by the Risk Management Committee, which comprises the Group's Chairman and Chief Executive, Executive Director and Deputy Chief Executive, General Manager and Head of Investment Banking Division, General Manager and Head of Strategic Planning & Control Division who is also Group Chief Financial Officer and Chief Compliance Officer, Head of Operations Support Division and Chief Risk Officer, for the approval of the Board of Directors. There is an independent centralised risk management unit responsible for monitoring the activities relating to these principal risks. The internal auditors also perform regular audits on business units to check compliance with policies and procedures.

#### Credit Risk Management

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

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

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

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

### (b) 主要風險

本部分載述有關本集團主要風險管理的資料。

本集團已建立一套完善的風險管理系統，以識別、衡量、監察及控制本集團所承受各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團就信貸風險、市場風險、利率風險、流動資金風險、營運風險、法律風險、信譽風險和策略風險制定的管理政策，均由管理層和有關的專責委員會定期檢討，並由風險管理委員會提出建議，最後經董事會批核。該委員會由本集團主席兼行政總裁、執行董事兼副行政總裁、總經理兼投資銀行處主管、總經理兼策劃及調控處主管暨集團財務總監兼法規監管總監、營運支援處主管和風險總監組成。本集團設有一個獨立中央風險管理單位，專責處理與主要風險有關的活動。內部稽核員亦會對業務部門定期進行稽核，以確保該等政策及程序得以遵從。

#### 信貸風險管理

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

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

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

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

## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

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

#### (b) Principal Risks (continued)

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

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

##### (i) Corporate and bank credit risk

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

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

##### (ii) Retail credit risk

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

#### (b) 主要風險(續)

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

本集團就下列各類主要信貸風險實行信貸風險管理：

##### (i) 企業及銀行信貸風險

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

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

##### (ii) 零售信貸風險

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

## Unaudited Supplementary Financial Information (continued)

### 未經審核補充財務資料(續)

#### (iii) Credit for treasury transactions

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

#### (iv) Credit-related commitment

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

#### (v) Concentrations of credit risk

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

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

#### (vi) Capital requirement for credit risk by exposure class

The following table indicates the capital requirement for credit risk on each class of exposure at 31st December, 2008 and 31st December, 2007 respectively:

Exposure class 風險承擔類別		Capital requirement	Capital requirement
		資本要求 2008	資本要求 2007
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Bank	銀行	2,313	2,320
Corporate	企業	10,559	10,029
Residential mortgage	住宅按揭	661	760
Qualifying revolving retail	合資格循環零售	428	467
Other retail	其他零售	416	252
Equity booked on banking book under Simple Risk-weight Method	銀行賬下的股權 -以簡單風險加權法計算	155	104
Equity booked on banking book under Internal Models Method	銀行賬下的股權 -以內部模型計算法計算	103	274
Securitisation	證券化	-	499
Others*	其他風險*	3,474	3,209

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

#### (iii) 財資交易的信貸風險

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

#### (iv) 與信貸有關的承諾

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

#### (v) 信貸集中的風險

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

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

#### (vi) 各風險承擔類別的信貸風險資本要求

下表分別顯示於2008年12月31日及2007年12月31日每種風險承擔類別的信貸風險資本要求情況：

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

## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

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

#### (b) Principal Risks (continued)

##### Market risk management

Market risk arises from all market risk sensitive financial instruments, including debt securities, foreign exchange contracts, equity and derivative instruments, as well as from balance sheet or structural positions. The objective of market risk management is to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board of Directors reviews and approves policies for the management of market risks. The Board has delegated the responsibility for ongoing market risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

The Asset and Liability Management Committee deals with all market risk and liquidity risk related issues of the Group. It is also responsible for deciding the future business strategy with respect to interest rates trend review.

The use of derivatives for proprietary trading and their sale to customers as risk management products is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk, as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest rate, foreign exchange and equity related contracts, in the form of both over-the-counter derivatives and exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

In this connection, the key types of risk to manage are:

#### (i) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed within limits approved by the Board.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries and associated companies, are excluded from VaR measurements, as related gains or losses are taken to reserves. Such foreign currency positions are managed with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

#### (b) 主要風險(續)

##### 市場風險管理

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

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

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

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

在此方面，本集團主要管理的風險包括：

#### (i) 貨幣風險

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

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

## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

### (ii) Interest rate risk

The Group's interest rate positions arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and non-trading portfolios. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also relates to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is managed daily by the Treasury Department within the limits approved by the Board of Directors. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

### (iii) Equity risk

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

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

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

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

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

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

### (ii) 利率風險

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

### (iii) 股份風險

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

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

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

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

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

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

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

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

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

The following table indicates the capital charge for market risk:

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

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

下表顯示市場風險的資本要求：

		<b>Market risk capital charge 市場風險資本要求 As at 31st December, 2008 HK\$ Mn 港幣百萬元</b>	<b>Market risk capital charge 市場風險資本要求 As at 31st December, 2007 HK\$ Mn 港幣百萬元</b>
Internal Models Approach	內部模式計算法		
– General Market Risk	— 一般市場風險	<b>648</b>	596
Standardised Approach	標準計算法		
– Specific Market Risk Debt Charge	— 特定市場風險債務要求	<b>2</b>	–
– Specific Market Risk Equity Charge	— 特定市場風險股份要求	<b>92</b>	186
– Vega Risk	— 維加風險	<b>2</b>	25
<b>Total</b>	<b>總額</b>	<b>744</b>	807

According to the Banking (Capital) Rules, the Group adopts back testing to assess the predictive power of the VaR estimation. Back testing consists of a periodic comparison of the daily VaR measures with the subsequent daily actual and hypothetical trading outcomes. Back testing is a statistical technique developed to gauge the quality and accuracy of risk measurement model. 4 exceptions are found during 2008 (4 exceptions during 2007), 99% confidence level and 250-day observation period.

根據《銀行（資本）規則》，本集團採用回溯測試評估風險值估計數字的預測準確度。回溯測試包括定期將每日風險值與其後的每日實際及模擬交易結果進行對比。回溯測試是一種用以衡量風險管理模式的質素與準確度的統計技術。2008年發現了4次例外情況（2007年4次例外情況），99%的置信水平及250日觀察期。



Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

Back testing exceptions

回溯測試的例外情況

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

\* The large exception on 5th September, 2008 was due to one of the employees in manipulation on the valuation of certain equity derivatives held by the Bank which was uncovered in September 2008. Announcement had been made by the Bank thereafter according to the Listing Rules.

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

		4th January, 2007 2007年1月4日	28th February, 2007 2007年2月28日	5th March, 2007 2007年3月5日	27th July, 2007 2007年7月27日
Year 2007 年		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Loss of total trading activities	交易活動的虧損	34	35	48	49
VaR for total trading activities of corresponding date	相對當日的風險值	22	31	38	36

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

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

Value-at-risk statistics

風險數額統計

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



Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

Value-at-risk statistics (continued)

風險數額統計(續)

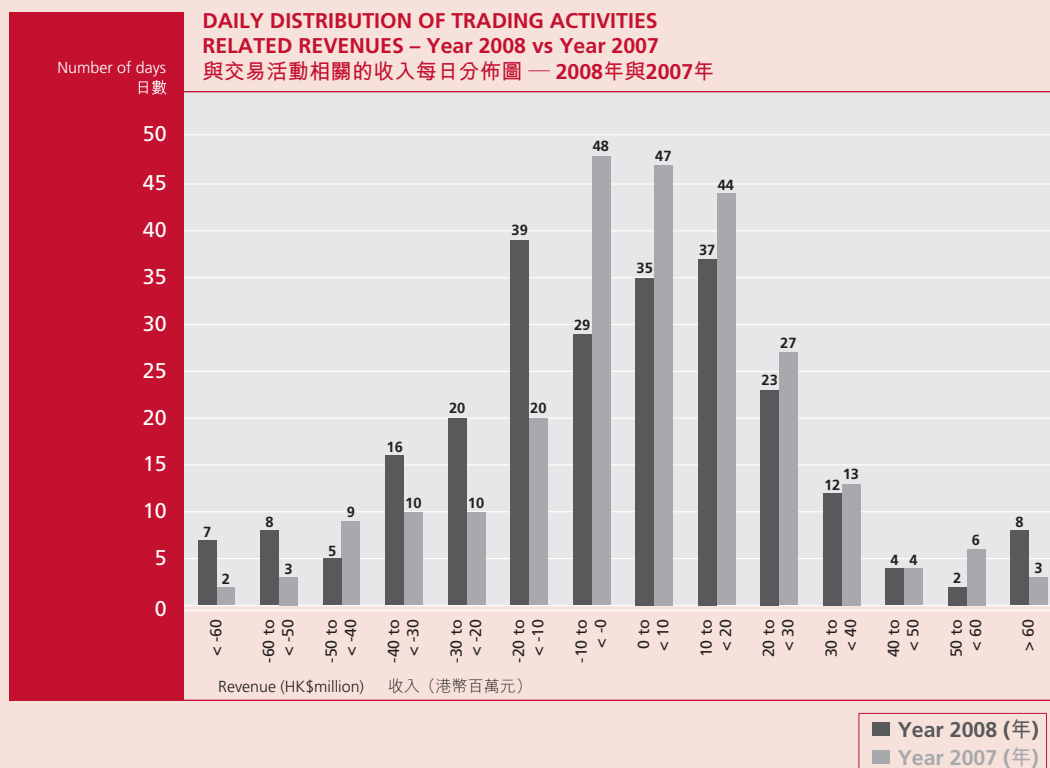
Year 2007 年		At 31st December 於12月31日	Maximum 最高	Minimum 最低	Mean 平均
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
	VaR for total trading activities 交易活動的風險數額總額	62	98	22	54
	VaR for foreign exchange trading positions* 外匯交易持倉的風險數額*	1	9	1	1
	VaR for interest rate trading positions 利率交易持倉的風險數額	1	1	-	-
	VaR for equity trading positions 股份交易持倉的風險數額	61	95	21	53

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

\* 包括所有外匯持倉但不包括結構性外匯持倉。

The average daily loss for trading activities in 2008 was HK\$1.64 million (average daily profit of HK\$4.19 million in 2007). The standard deviation of the daily revenues was HK\$29.96 million (standard deviation of HK\$24.58 million for 2007). The frequency distribution of daily revenue is shown below:

於2008年，交易活動的每日平均損失為港幣1,640,000元(2007年的每日平均收入為港幣4,190,000元)。每日收入的標準差為港幣29,960,000元(2007年為港幣24,580,000元)。以下為每日收入的頻率分佈情況：



## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

### Operational risk management

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

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

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

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

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

### Capital Charge for Operational Risk

As at 31st December 2008, capital charge for operational risk amounted to HK\$1,134 million (2007: HK\$1,107 million).

### Liquidity risk management

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

### 營運風險管理

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

營運風險管理的目標在於辨別、評估及監控營運風險，尤其是要遵守相關監管規定。

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

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

此外，本集團之獨立中央風險管理單位亦就本集團是否符合香港金管局監管政策手冊關於業務操作風險管理的規定進行自我評估，並經內部稽核部獨立審閱後得出滿意的結果。

### 營運風險的資本要求

於2008年12月31日，營運風險的資本要求為港幣1,134,000,000元(2007年：港幣1,107,000,000元)。

### 流動資金風險管理

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

## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

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

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

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

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

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

#### Interest rate risk management

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

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

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

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

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

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

#### 利率風險管理

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

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

## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

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

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

### Sensitivity analysis on interest rate risk

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

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

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

### 利率風險敏感度分析

本行採用敏感度分析來量度利率變動對淨利息收入及經濟價值變動可能產生的影響：

		2008			2007		
		HKD港元	USD美元	CNY人民幣	HKD港元	USD美元	CNY人民幣
		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
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	64	(26)	185	57	(112)	36
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	(98)	(203)	113	(180)	(273)	(56)

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:

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

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

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

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

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

## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

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

#### (c) Capital management

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

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

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

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

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

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

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2008 and 31st December, 2007 and the Group is well above the minimum required ratio set by the HKMA.

#### (c) 資本管理

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

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

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

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

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

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

截至2008年12月31日及2007年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

### (7) CREDIT RISK UNDER INTERNAL RATINGS-BASED (“IRB”) APPROACH 根據內部評級基準計算法計算的信貸風險

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

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

#### (a) Structure of Internal Ratings Systems

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

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

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

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

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

#### (b) Use of Internal Ratings

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

#### (c) Control Mechanisms for Rating Systems

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

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

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

#### (a) 內部評級系統的架構

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

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

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

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

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

#### (b) 內部評級的應用

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

#### (c) 評級系統的監控機制

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



## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

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

#### 根據內部評級基準計算法計算的信貸風險(續)

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

#### (d) Internal Rating Process

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

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

#### (e) Types of exposures

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

#### (f) Variables, Methods and Data for Estimation and Validation of Internal Ratings

##### Probability of Default (PD)

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

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

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

#### (d) 內部評級程序

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

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

#### (e) 風險承擔類別

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

#### (f) 估計及核實內部評級的可變因素、方法及數據

##### 違責或然率

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

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



## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

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

### Loss-Given-Default (LGD)

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

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

### Exposure-at-Default (EAD)

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

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

### Assumptions Employed in Derivation of Variables

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

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

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

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

### 違責損失率

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

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

### 違責風險承擔

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

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

### 計算可變因素時採用的假設

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

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

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

## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

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

#### 根據內部評級基準計算法計算的信貸風險(續)

#### (f) Variables, Methods and Data for Estimation and Validation of Internal Ratings (continued)

##### Methods of Validation

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

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

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

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

#### (g) Policies for Establishing Provisions

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

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

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

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

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

#### (f) 估計及核實內部評級的可變因素、方法及數據(續)

##### 核實方法

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

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

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

就評級應用的審查，乃以評級及審批程序為重點。

#### (g) 設立準備金的政策

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

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

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

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

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

## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

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 profit and loss account. 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 core capital and supplementary capital. On the other hand, if total EL amount is less than the eligible provisions, the Bank includes the differences in its supplementary capital up to a maximum of 0.6% of the Bank's risk weighted amount for credit risk calculated using IRB Approach.

### (h) Exposure subject to Supervisory Estimates

The following table indicates the exposure classes and the respective exposure amounts that are subject to supervisory estimates as at 31st December, 2008 and 31st December 2007 respectively:

Exposure Class	風險承擔類別	Exposure Amount	Exposure Amount
		風險承擔數額 2008 HK\$ Mn 港幣百萬元	風險承擔數額 2007 HK\$ Mn 港幣百萬元
Bank	銀行	97,062	95,977
Corporate	企業	186,711	166,758
Equity booked on banking book under Simple Risk-weight Method	在銀行賬下以簡單風險 權重方法計算之股權	458	306

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，本行會自核心資本及附加資本減去超出數額。相反，倘預期損失總額較合資格準備金總額低，本行則把差額計入本行附加資本內，上限為以內部評級基準計算法計算所得本行信貸風險的風險加權數額的0.6%。

### (h) 受限於監管性估計的風險承擔

下表分別顯示於2008年12月31日及2007年12月31日受限於監管性估計的風險承擔類別及相應的風險承擔數額：

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

根據內部評級基準計算法計算的信貸風險(續)

(i) Risk Assessment for IRB Exposure Classes

The following tables indicate the exposure amount, exposure weighted average risk weight and exposure weighted average PD under bank exposure and corporate exposure across borrower grade and the exposure amount under retail exposures across facility grade as at 31st December, 2008 and 31st December, 2007 respectively:

For Bank Exposure

2008

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

2007

Borrower Grade 借款人等級	Exposure Amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure Weighted Average Risk Weight 平均風險承擔加權風險權重	Exposure Weighted Average PD 風險承擔加權平均違責或然率
1	337	14.40%	0.03%
2	42,045	19.17%	0.05%
3	19,249	25.18%	0.08%
4	17,189	32.74%	0.12%
5	3,469	38.38%	0.16%
6	6,706	44.24%	0.20%
7	3,106	49.15%	0.25%
8	1,711	57.67%	0.34%
9	594	73.38%	0.56%
10	648	85.65%	0.82%
11	924	105.35%	1.49%

(i) 內部評級基準風險承擔類別的風險評估

下表分別顯示於2008年12月31日及2007年12月31日各級借款人在銀行風險承擔及企業風險承擔下的風險承擔數額、平均風險承擔加權風險權重及風險承擔加權平均違責或然率，以及各級融通在零售風險承擔下的風險承擔數額：

就銀行風險承擔而言

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

For Corporate Exposure

就企業風險承擔而言

2008

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

2007

Borrower Grade 借款人等級	Exposure Amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure Weighted Average Risk Weight 平均風險承擔加權風險權重	Exposure Weighted Average PD 風險承擔加權平均違責或然率
4	5,039	29.00%	0.12%
5	3,419	34.82%	0.16%
6	6,840	41.64%	0.20%
7	4,785	42.69%	0.25%
8	12,544	48.67%	0.34%
9	22,860	59.56%	0.56%
10	24,196	66.49%	0.82%
11	2,925	70.90%	1.49%
12	1,951	75.24%	2.09%
13	2,762	88.83%	3.00%
14	2,160	107.98%	4.49%
15	936	99.28%	6.28%
16	632	111.98%	9.37%
17	2,944	166.56%	21.85%
18	238	433.04%	100.00%
19	139	247.30%	100.00%
20	2	440.49%	100.00%

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

根據內部評級基準計算法計算的信貸風險(續)

(i) Risk Assessment for IRB Exposure Classes (continued)  
For Residential Mortgage

(i) 內部評級基準風險承擔類別的風險評估(續)  
就住宅按揭而言

Facility Grade 融通等級	Exposure Amount 風險承擔數額	
	2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元
3	2,622	20,078
4	18,247	8,302
5	13,246	9,677
6	2,025	7,700
7	3,273	850
8	77	–
9	–	979
10	–	351
11	2,141	2,162
12	24	–
17	157	234
19	–	11

For Qualifying Revolving Retail Exposures

就合資格循環零售風險承擔而言

Facility Grade 融通等級	Exposure Amount 風險承擔數額	
	2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元
4	–	542
5	7,587	4,205
6	2,724	3,957
7	5,434	2,526
8	1,420	2,802
9	572	920
10	3,534	3,383
11	171	169
12	51	20
13	62	85
14	165	182
15	49	–
16	121	101
17	101	234
19	51	1
20	2	39

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	
	2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元
1	-	8
3	74	79
4	2	2,250
5	3,364	177
6	1	1,592
7	1,217	2,454
8	23	17
9	2,193	684
10	340	55
11	1,347	245
12	203	33
13	77	-
14	2	359
16	-	53
17	109	203
19	42	45
20	28	4

(j) Comparison of Rating Estimates Against Actual Outcome

Comparison is made on the 1-year rating estimates for the Group's performing credit portfolios at 31st December, 2007 against the actual outcome for the same portfolios during the financial period ended 31st December, 2008.

Comparison of Actual Loss and Estimated Loss

The following tables indicate the actual loss during the financial year ended 31st December, 2008 and 31st December, 2007 which are compared against the estimated loss at 31st December, 2007 and 31st December 2006 of the respective portfolio. Actual loss refers to impairment loss allowance and charge-off charged to the Group's profit and loss account during the financial year ended 31st December, 2008 and 31st December, 2007. The difference between the actual loss for the financial year ended 31st December, 2007 and 31st December, 2008 is immaterial when compared with the Group's loan portfolio in the respective period.

(j) 比較評級估計與實際數字

以於2007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2008年12月31日止財政期間內相同組合的實際數字作比較。

比較實際損失與估計損失

下表顯示截至2008年12月31日及2007年12月31日止財政年度的實際損失，並與相應的組合在截至2007年12月31日及2006年12月31日的估計損失比較。實際損失指截至2008年12月31日及2007年12月31日止財政年度的減值損失準備及計入本集團損益表的撇賬。截至2007年12月31日及截至2008年12月31日的實際損失，相對於本集團的貸款組合在相關期間的總額，並沒有重大的分別。



Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

根據內部評級基準計算法計算的信貸風險(續)

(j) Comparison of Rating Estimates Against Actual Outcome (continued)		(j) 比較評級估計與實際數字(續)	
2008		Actual loss for the year ended	Estimated 1-year loss at
Exposure Class	風險承擔類別	31st December, 2008	31st December, 2007
		截至2008年12月31日止 之財政年度的實際損失	於2007年12月31日內 估計的一年損失
		HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元
Bank	銀行	-	50
Corporate	企業	328	499
Residential Mortgage	住宅按揭	1	95
Qualifying Revolving Retail	合資格循環零售	57	165
Other Retail	其他零售	24	75
Total	總額	410	884
2007		Actual loss for the year ended	Estimated 1-year loss at
Exposure Class	風險承擔類別	31st December, 2007	31st December, 2006
		截至2007年12月31日止 之財政年度的實際損失	於2006年12月31日內 估計的一年損失
		HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元
Bank	銀行	-	40
Corporate	企業	203	571
Residential Mortgage	住宅按揭	7	123
Qualifying Revolving Retail	合資格循環零售	4	10
Other Retail	其他零售	69	209
Total	總額	283	953

## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

### Comparison of Actual Default against Estimated Probability of Default

The following tables indicate the actual percentage of default during the financial year ended 31st December, 2008 and 31st December, 2007, which is compared against the estimated 1-year probability of default (PD) at 31st December, 2007 and 31st December, 2006 of the respective portfolio.

### 比較實際違責與估計違責或然率

下表顯示截至2008年12月31日及2007年12月31日止財政年度的實際違責百分比，並與相應的組合分別於2007年12月31日及2006年12月31日的估計一年違責或然率比較。

#### 2008

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

#### 2007

Exposure Class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2007 截至2007年12月31日止之財政年度的實際違責百分比	Estimated 1-year probability of default at 31st December, 2006 於2006年12月31日內估計的一年違責或然率
Bank	銀行	0.00%	0.21%
Corporate	企業	1.35%	3.06%
Residential Mortgage	住宅按揭	0.33%	1.10%
Qualifying Revolving Retail	合資格循環零售	0.52%	0.66%
Other Retail	其他零售	1.22%	3.35%

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

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

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

#### (a) Ratings from External Credit Assessment Institutions (ECAI)

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

#### (a) 外部信貸評估機構的評級

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

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

**(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, 2008 and 31st December, 2007 respectively:

**(b) 標準計算法下風險承擔類別的風險評估**

下表顯示分別於2008年12月31日及2007年12月31日經由及沒有經由外部信貸評估機構評級的每種風險承擔類別下的風險承擔數額及風險加權數額：

**2008**

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

**2007**

Exposure type	風險承擔類別	Total exposure 風險承擔總額 HK\$ Mn 港幣百萬元	Total exposure after Credit Risk Mitigation 使用減低信貸風險措施後 的風險承擔總額		Risk weight amount after Credit Risk Mitigation 使用減低信貸風險措施後 的風險加權數額	
			Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元	Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元
Sovereign	主權	19,873	19,873	-	2,281	-
Public Sector Entities	公營機構	560	560	-	32	-
Bank	銀行	19,253	516	18,734	258	5,951
Securities Firm	證券商號	25	-	25	-	13
Corporate	企業	8,923	-	6,743	-	6,743
Regulatory Retail	監管零售	366	-	293	-	220
Residential Mortgage	住宅按揭	2,373	-	2,285	-	2,285
Other Exposures that are not Past Due	未逾期的其他 風險承擔	6,389	-	3,950	-	3,950
Past Due	逾期	174	-	174	-	238
Off Balance Sheet Exposure	資產負債表外的 風險承擔	5,597	187	3,655	38	3,501
Counterparty Exposure	交易對手風險承擔	849	-	849	-	825
<b>Total</b>	<b>總額</b>	<b>64,382</b>	<b>21,136</b>	<b>36,708</b>	<b>2,609</b>	<b>23,726</b>

## Unaudited Supplementary Financial Information (continued) 未經審核補充財務資料(續)

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

#### (a) Process of Managing and Recognising Credit Risk Mitigation

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

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

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

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

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

#### (a) 管理及認定減低信貸風險措施的程序

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

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

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

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

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

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

(b) Total Exposures Covered by Recognised Collateral under IRB Approach

(b) 內部評級基準計算法下以認可抵押品涵蓋的風險承擔總額

Exposure Class	風險承擔類別	Exposure amount covered 已涵蓋的風險承擔金額	
		2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元
Bank	銀行	147	188
Corporate	企業	40,028	30,622
Retail	零售	48,676	55,461
Total	總額	88,851	86,271

The total exposures indicated above represent 23.83% of the total exposure amount under IRB Approach as at 31st December, 2008 and 23.90% as at 31st December, 2007.

於2008年12月31日及2007年12月31日，上述所示的風險承擔總額分別佔內部評級基準計算法下風險承擔總額的23.83%及23.90%。

(c) Total Exposures Covered by Recognised Collateral under Standardised Approach

(c) 標準計算法下以認可抵押品涵蓋的風險承擔總額

Exposure Class	風險承擔類別	Exposure amount covered 已涵蓋的風險承擔金額	
		2008 HK\$ Mn 港幣百萬元	2007 HK\$ Mn 港幣百萬元
Bank	銀行	2	3
Corporate	企業	3,225	2,180
Regulatory retail	監管零售	3	73
Residential mortgage	住宅按揭	161	87
Other exposures which are not past due	未逾期的其他風險承擔	1,254	2,439
Past Due	逾期	–	31
Counterparty	交易對手	537	–
Off Balance Sheet	資產負債表外項目	1,420	1,755
Total	總額	6,602	6,568

The Total exposures indicated above represent 8.56% of the total exposure amount under Standardised Approach as at 31st December, 2008 and 10.20% as at 31st December, 2007.

於2008年12月31日及2007年12月31日，上述所示的風險承擔總額分別佔標準計算法下風險承擔總額的8.56%及10.20%。

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

The Bank has adopted Current Exposure Method to determine the exposure amount for counterparty credit risk which arises from OTC derivative transactions in banking book and trading book.

本行採納現行風險承擔方法，以釐定銀行賬及交易賬中由場外衍生工具交易引致的交易對手信貸風險的風險承擔金額。

At 31st December, 2008, there are no repo-style transactions nor credit derivative contracts in the Bank. No recognised credit derivative contracts is held as credit protection for counterparty credit risk-related exposures while credit protection adopted by the Bank for counterparty credit risk-related exposures at 31st December, 2008 includes commercial real estates, financial cash and financial non-cash. Credit equivalent amount after credit protection under IRB approach amounts to HK\$1,690 million (2007: N/A) while the credit equivalent amount after credit protection under Standardised approach amounts to HK\$238 million (2007: N/A).

於2008年12月31日，本行並無回購形式交易或信貸衍生工具合同。於2008年12月31日，本行持有認可抵押品作為與交易對手信貸風險相關的風險承擔的信貸保障，當中的認可抵押品包括商業地產，金融現金抵押品和金融非現金抵押品，但並不包括認可信貸衍生工具合同。內部評級基準計算法下不受信貸保障涵蓋的信貸等值金額為港幣1,690,000,000元(2007年：不適用)，而在標準計算法下不受信貸保障涵蓋的信貸等值數額則為港幣238,000,000元(2007年：不適用)。

(a) Counterparty Credit Risk-Related Exposures under IRB Approach

The following table indicates the information of counterparty credit risk-related exposures under IRB approach by exposure class as at 31st December, 2008 and 31st December, 2007 respectively:

(a) 內部評級基準計算法下與交易對手信貸風險相關的風險承擔

於2008年12月31日及2007年12月31日，下表分別顯示按不同風險承擔類別劃分的內部評級基準計算法下與交易對手信貸風險相關的風險承擔的資料：

2008

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

2007

Exposure class	風險承擔類別	Current exposure		Credit equivalent amount		Risk weighted amount	
		現行風險承擔	信貨等值數額	信貨等值數額	風險加權數額		
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Corporate	企業		198		251		141
Bank	銀行		389		1,031		260
Total	總額		587		1,282		401

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

(b) Counterparty Credit Risk-related exposures under Standardised Approach

The following table indicates the information of counterparty credit risk-related exposures under Standardised Approach as at 31st December, 2008 and 31st December, 2007 respectively:

(b) 標準計算法下與交易對手信貸風險相關的風險承擔

於2008年12月31日及2007年12月31日，下表分別顯示標準計算法下與交易對手信貸風險相關的風險承擔的資料：

2008

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

2007

Current exposure 現行風險承擔 HK\$ Mn 港幣百萬元	Credit equivalent amount 信貸等值金額 HK\$ Mn 港幣百萬元	Risk weighted amount 風險加權金額 HK\$ Mn 港幣百萬元
303	849	825

(11) ASSET SECURITISATION 資產證券化

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

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



*Unaudited Supplementary Financial Information (continued)*  
 未經審核補充財務資料(續)

All securitisation exposures are rated and those with investment grades are under senior positions backed by granular pools. The following table indicates the total principal amount and the respective risk weighted amount of all securitisation exposure as at 31st December, 2008 and 31st December 2007:

證券化類別風險承擔均獲評級，有投資評級的證券化類別風險承擔會被歸類為以多元化組合支持的高級持倉。下表顯示於2008年12月31日及2007年12月31日所有證券化類別風險承擔的本金總額及相應的風險加權金額：

Risk weight	風險權重	Principal Amount		Risk Weighted Amount	
		本金額		風險加權金額	
		2008	2007	2008	2007
		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
20%		-	235	-	47
50%		-	2,599	-	1,299
60%		10	-	6	-
75%		-	525	-	394
100%		-	335	-	335
250%		-	287	-	717
425%		-	728	-	3,093
Total	總額	10	4,709	6	5,885

Capital requirement of securitisation exposure under IRB approach at 31st December, 2008 was HK\$0.5 million and HK\$499 million at 31st December, 2007. The deductible items from core and supplementary capital under asset securitisation at 31st December, 2008 amounted to HK\$0.05 million and HK\$238 million at 31st December, 2007.

於2008年12月31日及2007年12月31日，內部評級基準計算法下證券化類別風險承擔的資本要求為港幣500,000元及港幣499,000,000元。於2008年12月31日及2007年12月31日，資產證券化下自核心及附加資本可扣除的項目為港幣50,000元及港幣238,000,000元。

Unaudited Supplementary Financial Information (continued)  
未經審核補充財務資料(續)

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

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

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

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

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

		For the year ended 31st December, 2008 截至2008年12月31日止 之財政年度			
		The Group 集團		The Bank 銀行	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cumulative realised gains or (losses) arising from sales and liquidations of equity exposure	來自出售和兌現持有股權的累積實現收益或(虧損)	185		186	
Total unrealised gains or (losses) recognised in the Bank's reserves but not through the profit and loss account	在儲備內確認，但沒有經損益表入賬的未實現收益或(虧損)的總計	(703)		(467)	
Unrealised gains included in or (losses deducted from) the Bank's supplementary capital for capital adequacy ratio purpose	為計算資本充足比率而包括在附加資本內的任何未實現收益的金額或(從該附加資本中扣減的未實現虧損的金額)	159		159	
		For the year ended 31st December, 2007 截至2007年12月31日止 之財政年度			
		The Group 集團		The Bank 銀行	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cumulative realised gains or (losses) arising from sales and liquidations of equity exposure	來自出售和兌現持有股權的累積實現收益或(虧損)	665		662	
Total unrealised gains or (losses) recognised in the Bank's reserves but not through the profit and loss account	在儲備內確認，但沒有經損益表入賬的未實現收益或(虧損)的總計	(386)		(220)	
Unrealised gains included in or (losses deducted from) the Bank's supplementary capital for capital adequacy ratio purpose	為計算資本充足比率而包括在附加資本內的任何未實現收益的金額或(從該附加資本中扣減的未實現虧損的金額)	2		2	

## SHAREHOLDER INFORMATION

### FINANCIAL CALENDAR

Full year results announced	17th February, 2009
Ex-all date for final dividend and bonus issue	18th March, 2009
Closure of register of members - final dividend and bonus issue	20th March, 2009 to 23rd March, 2009
Record date for final dividend and bonus issue	23rd March, 2009
Despatch of Listing Document and Form of Election (scrip dividend scheme)	(on or about) 23rd March, 2009
Closure of register of members - Annual General Meeting	15th April, 2009 to 16th April, 2009
Annual General Meeting	16th April, 2009
Despatch of final dividend warrants and share certificates (scrip dividend and bonus issue)	(on or about) 17th April, 2009

### FINAL DIVIDEND AND BONUS ISSUE OF SHARES

The Board recommended the payment of a final dividend of HK\$0.02 per share for 2008 and a bonus issue of one for every 10 shares held to shareholders. Subject to shareholders' approval, the final dividend will be payable in cash with a scrip option under the Scrip Dividend Scheme and the bonus shares will be issued to the shareholders whose names appear on the Register of Members as at Monday, 23rd March, 2009. The Scrip Dividend Scheme and Bonus Issue are conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the New Shares and the Bonus Shares.

The Listing Document containing details of the Scrip Dividend Scheme and the Bonus Issue and the Form of Election for the Scrip Dividend Scheme will be sent to shareholders on or about Monday, 23rd March, 2009. Shareholders who elect for the scrip dividend in lieu of cash dividend, in whole or in part, shall return the Form of Election to the Bank's Registrars on or before 4:00 p.m. Wednesday, 8th April, 2009.

The dividend warrants and the share certificates for the scrip dividend and the share certificates for the Bonus Issue will be despatched to shareholders on or about Friday, 17th April, 2009.

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Bank will be closed from Friday, 20th March, 2009 to Monday, 23rd March, 2009, both days inclusive, for the purpose of determining shareholders who qualify for the final dividend and the Bonus Issue. In order to qualify for the final dividend and the Bonus Issue, all transfer documents should be lodged for registration with the Bank's Registrars by 4:00 p.m. Thursday, 19th March, 2009.

The Register of Members of the Bank will also be closed from Wednesday, 15th April, 2009 to Thursday, 16th April, 2009, both days inclusive, for the purpose of determining shareholders who are entitled to attend and vote at the 2009 Annual General Meeting. In order to qualify for attending and voting at the 2009 Annual General Meeting, all transfer documents should be lodged with the Bank's Registrars by 4:00 p.m. Tuesday, 14th April, 2009.

## SHARE LISTING

The Stock Exchange of Hong Kong Limited

## SHARE REGISTRARS

Tricor Standard Limited

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## 股東資料

### 財務日誌

公佈全年業績	2009年2月17日
末期股息及紅股除淨日期	2009年3月18日
暫停辦理過戶登記手續 - 末期股息及紅股	2009年3月20日 至2009年3月23日
末期股息及紅股記錄日期	2009年3月23日
寄發上市文件及 選擇表格(以股代息計劃)	(約於)2009年3月23日
暫停辦理過戶登記手續 - 股東周年常會	2009年4月15日 至2009年4月16日
股東周年常會	2009年4月16日
寄發末期股息單及股票(以股代息及紅股)	(約於)2009年4月17日

### 末期股息及派發紅股

董事會建議派發2008年度末期股息每股港幣2仙及按每10股送一股股份之比率派發紅股。待股東批准後，末期股息將以現金派發(按以股代息計劃隨附以股代息選擇)及派發紅股予於2009年3月23日星期一已登記在股東名冊之股東。惟以股代息計劃及派發紅股須待香港聯合交易所有限公司上市委員會批准新股及紅股上市及買賣方可作實。

載有以股代息計劃及派發紅股詳情的上市文件及以股代息計劃之選擇表格將約於2009年3月23日星期一寄予股東。股東若選擇收取全部新股或部分現金及部分新股，以代替現金股息，請於2009年4月8日星期三下午4時前將選擇表格送達本行股份登記處。

股息單及以股代息的股票，以及紅股股票，將約於2009年4月17日星期五寄予股東。

### 過戶日期

本行將於2009年3月20日星期五至2009年3月23日星期一(包括首尾兩天)暫停辦理股票過戶登記，以決定合資格享有末期股息及紅股股東之身份。如欲享有上述末期股息及紅股，請於2009年3月19日星期四下午4時前將過戶文件送達本行股份登記處。

本行亦將於2009年4月15日星期三至2009年4月16日星期四(包括首尾兩天)暫停辦理股票過戶登記，以決定合資格出席2009股東周年常會並於會上投票股東之身份。如欲出席及在2009股東周年常會上投票，請於2009年4月14日星期二下午4時前將過戶文件送達本行股份登記處。

## 股份上市

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*Shareholders are encouraged to rely on the website version to help reduce the quantity of printed copies of Corporate Communications and hence the impact on the environment. In this connection, Shareholders are requested to send a notice in writing to the Bank's Registrars, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong or by fax to (852) 2861 1465.*

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