(Stock Code 股份代號：23)

Annual Report 2009 年報

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CORPORATE PROFILE
本行簡介

Our Mission
使命宣言

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

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

Incorporated in 1918, The Bank of East Asia ("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 nearly 140 branches and SupremeGold Centres throughout the city and total consolidated assets of HK$434.1 billion (US$56.0 billion) as of 31st December, 2009. Listed on The Stock Exchange of Hong Kong, the Bank is one of the constituent stocks of the Hang Seng Index.

With more than 70 outlets in Mainland China, the BEA Group also operates one of the most extensive networks of any foreign bank in China through The Bank of East Asia (China) Limited. Overseas, the Bank maintains a strong presence in North America, the United Kingdom, the British Virgin Islands, and Southeast Asia, with over 240 outlets and over 10,000 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.

BEA looks forward to strengthening and deepening its customer relationships in Hong Kong, China, and the many communities that it serves 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，在港設有近140間分行和顯卓理財中心，於2009年12月31日，綜合資產總額達港幣4,341 億元（560億美元）。本行於香港聯合交易所上市，為恒生指數成份股之一。

透過東亞銀行（中國）有限公司，東亞銀行集團在內地設有逾70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，遍佈北美、英國、英屬處女群島和東南亞等地，聘用逾10,000名員工。

本行提供多元化的零售和商業銀行服務，設有個人銀行、企業銀行、財富管理、投資銀行、中國業務、國際業務等各分處；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，本行也透過集團附屬公司進一步完善業務範圍，提供全面而適切的方案，配合日益壯大的客戶群之需要。東亞人壽保險有限公司及藍十字（亞太）保險有限公司為集團拓展保險業務，分別承保人壽保險和一般保險產品，讓個人和企業客戶享有周全保障。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，以其外判支援服務，全力協助客戶開拓商機。

展望未來，本行期盼繼續加強與香港、內地和海外客戶的聯繫，致力滿足客戶的需要。

FINANCIAL HIGHLIGHTS
財務摘要

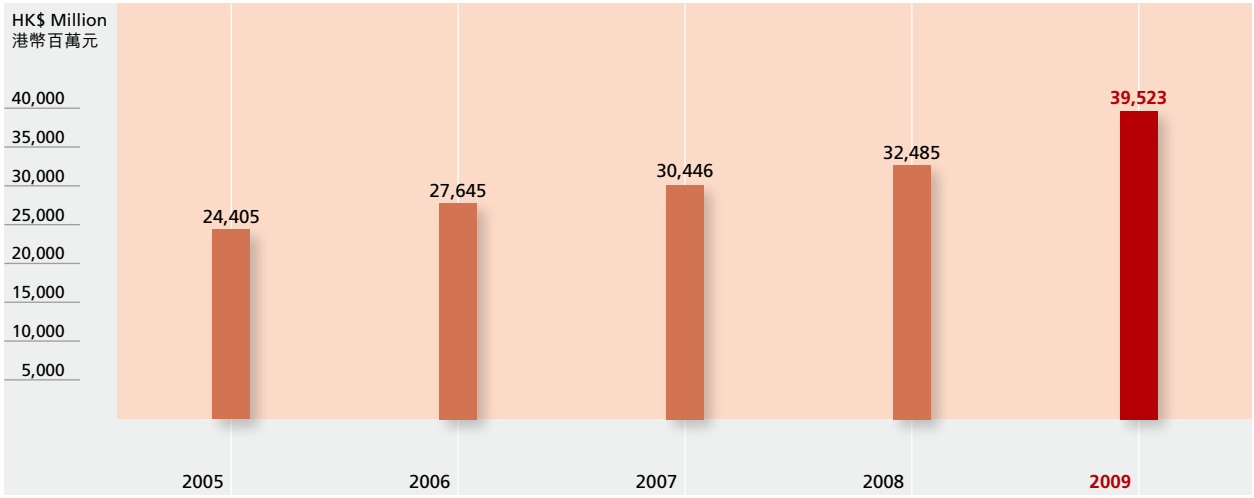
	2009 HK$ Million 港幣百萬元	2008 HK$ Million 港幣百萬元	Change 變動 % 百分率
Profitability 盈利能力			
Total operating income 經營收入總額	**10,188**	6,457	+57.8
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	**2,565**	39	+6,510.0
Balance Sheet Strength 資產負債狀況			
Advances to customers 客戶貸款	**247,654**	230,339	+7.5
Total consolidated assets 綜合資產總額	**434,082**	415,254	+4.5
Total deposits 存款總額	**345,340**	329,293	+4.9
Total equity 股東權益總額	**39,523**	32,485	+21.7
Earnings Per Share and Dividends Per Share 每股盈利及每股股息			
Basic earnings 基本盈利	**HK$1.36**	HK$0.02*	+6,700.0
Dividends 股息	**HK$0.76**	HK$0.23*	+230.4
Key Ratios 主要比率			
Loan to deposit ratio 貸款對存款比率	**71.7%**	69.9%	
Impaired loan ratio 減值貸款比率	**1.0%**	0.7%	
Average liquidity ratio 平均流動資金比率	**43.3%**	38.4%	
Capital adequacy ratio 資本充足比率	**13.3%**	13.8%	

* *After adjusting for the bonus issue in 2009*

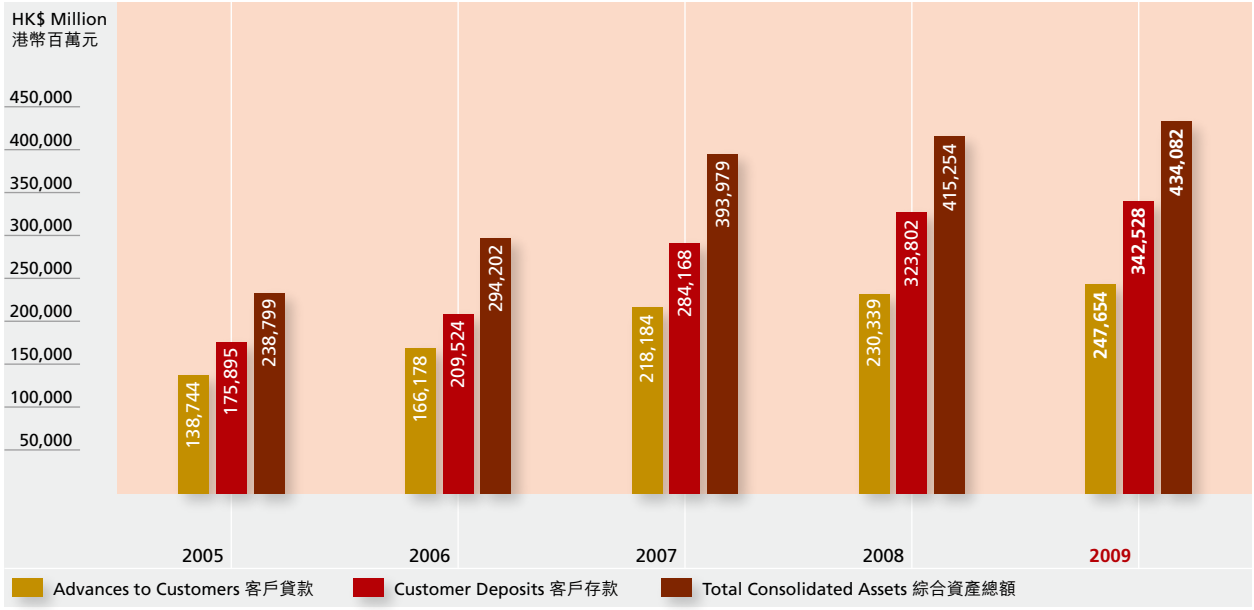
* *經已調整2009年的紅股*

FIVE-YEAR FINANCIAL SUMMARY
5 年財務概要

TOTAL EQUITY 股東權益總額

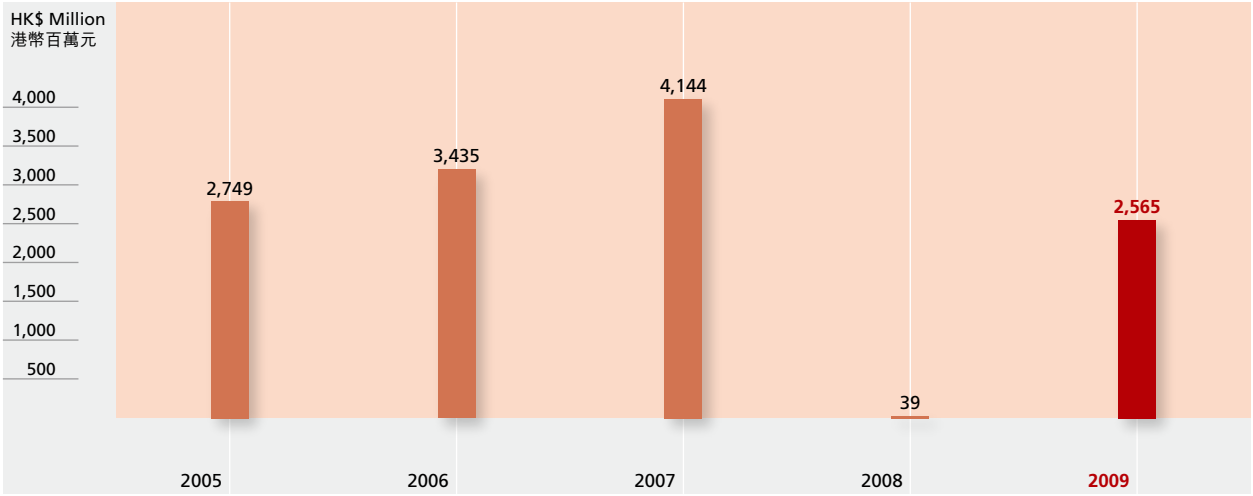


ADVANCES TO CUSTOMERS / CUSTOMER DEPOSITS / TOTAL CONSOLIDATED ASSETS
客戶貸款 / 客戶存款 / 綜合資產總額



FIVE-YEAR FINANCIAL SUMMARY (CONTINUED)
5 年財務概要（續）

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT
可歸屬於本集團股東溢利



FIVE-YEAR COMPARISON 5年比較

	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	**2009 HK$ Million 港幣百萬元**
Total equity 股東權益總額	24,405	27,645	30,446	32,485	**39,523**
Customer deposits 客戶存款	175,895	209,524	284,186	323,802	**342,528**
Debt instruments issued 已發行債務證券	6,431	6,999	12,165	5,491	**2,812**
Advances to customers 客戶貸款	138,744	166,178	218,184	230,339	**247,654**
Total consolidated assets 綜合資產總額	238,799	294,202	393,979	415,254	**434,082**
Loan to deposit ratio 貸款對存款比率	76%	77%	74%	70%	**72%**
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	2,749	3,435	4,144	39	**2,565**
Earnings per share* 每股盈利 *	HK$1.66	HK$2.04	HK$2.41	HK$0.02	**HK$1.36**
Dividends per share* 每股股息 *	HK$1.15	HK$1.33	HK$1.51	HK$0.23	**HK$0.76**

* *After adjusting for the bonus issue in 2009*

* *經已調整2009年的紅股*

CHAIRMAN'S STATEMENT

For the year 2009, the BEA Group recorded a profit after tax of HK$2,638 million, representing an increase of HK$2,534 million, or 2,445.1%, compared to the HK$104 million earned in 2008. Basic earnings per share reached HK$1.36. Return on average assets and return on average equity were 0.6% and 7.7%, respectively.

As at 31st December, 2009, total consolidated assets stood at HK$434,082 million, an increase of HK$18,828 million over the position at the end of 2008. Advances to customers stood at HK$247,654 million. Customer deposits were HK$342,528 million, while certificates of deposit and subordinated debt issued stood at HK$15,171 million. Total equity increased by 21.7% to HK$39,523 million.

At the forthcoming Annual General Meeting to be held on Thursday, 22nd April, 2010, the Directors will propose a final dividend of HK$0.48 per share, which, together with the interim dividend of HK$0.28 per share paid in October 2009, will constitute a total dividend of HK$0.76 per share for the full year. This represents an increase of 230.4% over the total dividend of HK$0.23[Note] per share for the year 2008.

The global deleveraging that followed the dramatic events of September 2008 resulted in weak demand for local banking services in the early part of 2009. After bottoming-out in March and spurred by the unprecedented support measures introduced by governments worldwide, the global economy returned to growth in the second half of the year. However, with most advanced economies suffering from high government debt and weak domestic demand, the outlook will remain challenging in 2010.

Against this backdrop, China will continue to be the leading engine of growth for the global economy. Hong Kong should benefit from the Mainland's strength and the emerging recovery elsewhere in the world, providing new business opportunities for local companies and steadily improving business prospects for the Bank.

Going forward, BEA will maintain its focus on building a strong franchise in Greater China. The Bank of East Asia (China) Limited ("BEA China") has established one of the strongest branch networks among foreign banks operating on the Mainland, and is ideally placed to benefit from closer cross-boundary financial ties between Hong Kong and the Mainland. To further strengthen its network, BEA China will take advantage of newly introduced measures that permit Hong Kong-based banks to establish "cross-location" sub-branches in Guangdong province. These measures will allow BEA China to expand to all major municipalities within the province.

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

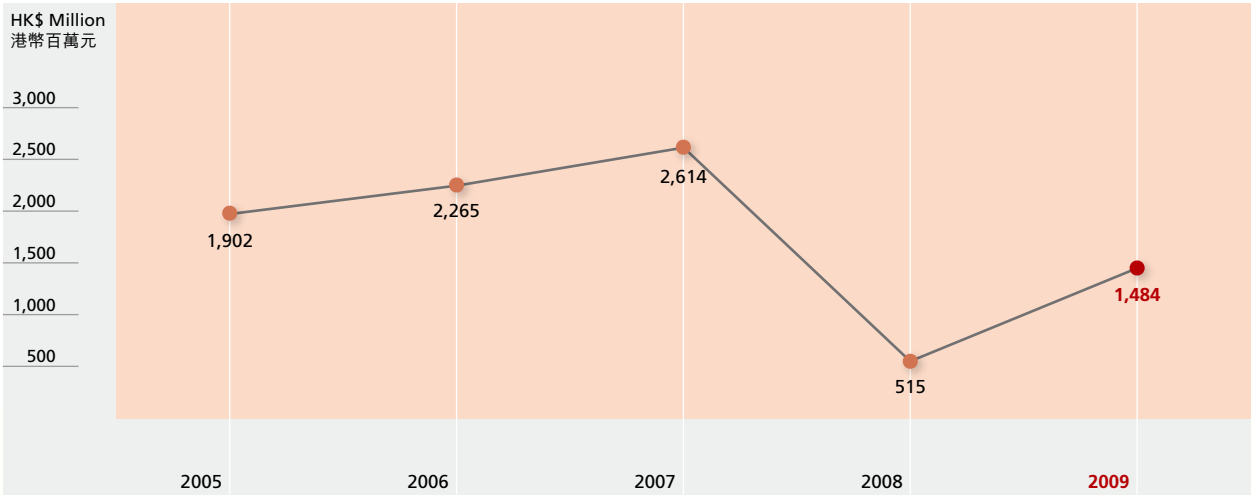
在2009年度，東亞銀行集團錄得除税後溢利港幣26億3,800萬元，相比2008年度溢利港幣1億400萬元，增加港幣25億3,400萬元，或2,445.1%。每股基本盈利上升至港幣1.36元。平均資產回報率為0.6%，而平均股本回報率為7.7%。

2009年12月31日，本集團綜合資產總額為港幣4,340億8,200萬元，比較2008年年底總額增加港幣188億2,800萬元。客戶貸款為港幣2,476億5,400萬元。客戶存款為港幣3,425億2,800萬元。存款證和後償債項總額為港幣151億7,100萬元。股東權益總額上升21.7%，至港幣395億2,300萬元。

董事會將於2010年4月22日星期四舉行股東周年常會，並建議派發末期股息每股港幣0.48元。連同2009年10月派發的中期股息每股港幣0.28元，全年合共派發股息每股港幣0.76元，相比2008年全年派發股息每股港幣0.23元[附註]，升幅為230.4%。

2008年9月金融海嘯發生後全球減債，致使2009年初期本地市場對銀行服務的需求疲弱。及至3月，全球經濟見底回升，加上多國政府推行規模前所未有的救市措施，全球經濟於下半年回復增長。然而，鑒於大部分已發展經濟體系均受到龐大的政府債務和疲弱的當地需求困擾，預期2010年世界經濟依然充滿挑戰。

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



CHAIRMAN'S STATEMENT (CONTINUED)

In Hong Kong, the Bank will continue to focus on a full range of banking business and products for large corporate customers, Small and Medium Enterprises and retail customers. The Bank will also further broaden its fee-based services in order to generate new revenue streams. Efforts to maximise cross-selling opportunities via the Bank's subsidiaries, including Tricor Group, Blue Cross and BEA Life, will be stepped up. The Bank will also enhance its investment and financial products to further improve sales performance and returns.

In parallel with the above organic growth strategies, the Bank will maintain its ongoing effort to identify and explore the potential for expansion through acquisitions and strategic alliances. In June 2009, the Bank reached an agreement with the Industrial and Commercial Bank of China ("ICBC") to acquire the entire 75% interest in ICEA Finance Holdings Limited formerly held by ICBC, with a view to further reinforcing the Bank's position in the securities broking business. In addition, the Bank completed the acquisition of the former AIG wealth management business in Taiwan, and renamed the company BEA Wealth Management Services (Taiwan) Limited.

BEA entered into a wide-ranging co-operation agreement with la Caixa Group in June 2009 and established a strategic partnership with Hana Bank of South Korea in July 2009. The alliances with la Caixa Group and Hana Bank will enhance the Bank's access to the markets in which its strategic partners operate, and further facilitate the growth of the international business of the Bank.

BEA enters 2010 with a healthy capital position, following the successful launch of the landmark Hybrid Tier 1 Capital Issue in November 2009, and the completion of the share placement to strategic partners Criteria CaixaCorp., S.A. and Sumitomo Mitsui Banking Corporation ("SMBC"), which was announced on 30th December, 2009. SMBC and BEA have a longstanding business relationship, and concluded a strategic co-operation agreement in November 2008.

The new management structure implemented on 1st April, 2009, has further strengthened the capability of the Bank's various business and operation units by introducing more effective executive leadership and greater accountability. Through this reorganisation, the Bank has reinforced its commitment to improving both the top and bottom lines. At the same time, control functions have been further enhanced through the allocation of additional resources to risk management, corporate governance and information technology.

Mr. Joseph Pang Yuk-wing resigned as a Director of the Bank upon the conclusion of the Annual General Meeting held on 16th April, 2009. Mr. Pang served the Bank for over 35 years, and played an instrumental role in the Bank's growth. The Bank has been fortunate to retain Mr. Pang's services upon his retirement, and has appointed him as a Senior Advisor to the Bank.

Dr. Isido Fainé Casas was appointed as a Non-executive Director of the Bank in June 2009. Dr. Fainé is a highly accomplished business leader. He is the chairman of Criteria CaixaCorp, the largest industrial and financial investment group in Spain, and la Caixa, a leading savings bank in Spain. With Dr. Fainé's wealth of experience and international exposure, I am confident that his wise counsel and guidance to the Board will lead to the further success of the BEA Group.

Your Management is confident that, with a unique market position, focussed strategy and performance-based outlook, BEA is entering a new era of achievement and growth.

David LI Kwok-po
Chairman & Chief Executive

Hong Kong, 11th February, 2010

Note: For ease of comparison, the stated dividend for the year 2008 has been adjusted downward from HK$0.25 per share to HK$0.23 per share to reflect the effect of the bonus issue in celebration of the Bank's 90th Anniversary.

在此形勢下，中國仍然是推動全球經濟增長的主要引擎。由此，香港應可受惠於內地強大的經濟實力和其他地區經濟日漸復蘇的機遇，為本地公司帶來新商機，同時本行也能藉機穩定地改善營運前景。

展望未來，本行將會繼續加強拓展大中華區業務領域。東亞銀行（中國）有限公司（「東亞中國」）建立的分行網絡，為內地外資銀行網絡中最強大之一，相信必能受惠於香港與內地日趨緊密的跨境金融聯繫。為進一步加強業務網絡，東亞中國也會借助港資銀行可以在廣東省設立異地支行的多項新措施，致力在省內各主要城市拓展業務。

在香港，本行將會一如既往，著重拓展以大型企業客戶、中小型企業和零售客戶為對象的各項銀行業務和產品，亦會致力拓展收費服務，從而增闢收入來源。此外，本行在通過附屬公司 — 包括卓佳集團、藍十字和東亞人壽 — 以增加交叉銷售機會之餘，也會著力加強投資和金融產品，不斷提升銷售表現和回報。

在推行業務自然增長策略的同時，本行將會通過收購和結盟，不斷開拓擴張業務的機會。2009年6月，本行與中國工商銀行股份有限公司（「工商銀行」）簽署協定，收購工商銀行持有的工商東亞金融控股有限公司全數75%股權，以鞏固本行在證券經紀業務的市場地位。另外，本行於年內完成收購台灣友邦證券股份有限公司，並將之更名為東亞證券股份有限公司。

本行於2009年6月與la Caixa Group達成範圍廣泛的合作協議後，也於同年7月與南韓的韓亞銀行簽訂策略合作備忘錄。與la Caixa Group和韓亞銀行結盟，有助本行進一步拓展新策略夥伴所經營的市場，亦有利於本行擴展國際業務。

本行繼於2009年11月成為香港首家銀行，成功發行混合一級資本工具，又於同年12月30日宣佈完成配售股份予策略夥伴Criteria CaixaCorp., S.A.和三井住友銀行。此等計劃令本行於2010年的資本狀況更為穩健。三井住友銀行與本行早於2008年11月結盟，開展長遠的業務聯繫。

本行於2009年4月1日施行新管理架構，通過更有效的行政領導和問責程序，進一步加強各個業務和營運部門的管理。本行藉著是次架構重組，實現提高收入和盈利的目標。與此同時，本行也增撥資源提升風險管理、企業管治和資訊科技，加強整體控制功能。

彭玉榮先生於2009年4月16日股東周年常會結束後辭任本行董事。彭先生服務本行逾35年，對本集團業務取得長足進展貢獻良多。本行已委任彭先生為高級顧問，俾能為本行日後的發展提供寶貴意見。

范禮賢博士於2009年6月獲委任為本行非執行董事。范博士是傑出的商界領袖，現任西班牙最大工業和金融投資集團Criteria CaixaCorp及儲蓄存款銀行翹楚la Caixa的主席，在銀行界經驗豐富。本人深信憑藉范博士的國際視野及其對董事會提出的真知灼見，定能帶領東亞銀行集團續創佳績。

管理層深信，憑藉獨特的市場地位、明確的發展策略和表現為本的營運方針，本行現正邁進新紀元，在未來取得更大的成就和業績增長。

主席兼行政總裁
李國寶

香港，2010年2月11日

附註：為方便進行比較，現陳述2008年度之股息已由每股港幣0.25元調整為每股港幣0.23元，以反映本行為誌慶90周年所發紅股的影響。

EXECUTIVE DIRECTOR'S REPORT

FINANCIAL REVIEW

Financial Performance

For the year 2009, the BEA Group recorded a profit after tax of HK$2,638 million, representing an increase of HK$2,534 million, or 2,445.1%, compared to the HK$104 million earned in 2008. Basic earnings per share reached HK$1.36. Return on average assets and return on average equity were 0.6% and 7.7%, respectively.

Against the persistently low interest rate environment in the wake of the financial tsunami, the Group recorded a slight decrease in net interest income in 2009, earning HK$6,747 million. Following the disposal or write-down of the Bank's entire collateralised debt obligation ("CDO") portfolio in 2008, coupled with an increase in trading profits in 2009, non-interest income grew by HK$3,777 million to HK$3,441 million. Total operating income grew by 57.8% to HK$10,188 million.

Operating expenses increased by 6.1% compared to 2008, reaching HK$6,129 million, due to the continuing expansion of the Group's activities. The cost-to-income ratio dropped from 89.5% in 2008 to 60.2% in 2009.

Operating profit before impairment losses was HK$4,059 million, an increase of HK$3,381 million, or 498.8%, as compared with 2008.

Impairment losses on loans and advances increased by HK$547 million, or 98.0%, mainly due to deterioration in overseas credit markets. Impairment losses on available-for-sale financial assets shrank to HK$14 million. As a result, total impairment losses increased by HK$193 million, or 20.3%, when compared with the previous year.

Operating profit after impairment losses was HK$2,918 million, an increase of HK$3,188 million, or 1,178.2%, as compared with 2008.

Net profit on disposal of available-for-sale financial assets dropped to HK$102 million. With the buoyant property market in Hong Kong, the Bank recorded a valuation gain on investment properties of HK$206 million. This contrasts with a valuation loss of HK$168 million in 2008. Due to the strong performance of associates, the Group shared after-tax profits from associates of HK$264 million.

After accounting for income taxes, profit after taxation was HK$2,638 million, an increase of 2,445.1% compared to the HK$104 million recorded the previous year. Profit attributable to owners of the parent was HK$2,565 million, representing an increase of 6,510.0%.

Financial Position

Total consolidated assets of the Group stood at HK$434,082 million at the end of 2009, an increase of 4.5% over the HK$415,254 million at the end of 2008. Advances to customers increased to HK$247,654 million, a rise of 7.5%. Total equity increased to HK$39,523 million, up 21.7%.

Demand deposits and current accounts combined increased by HK$10,048 million to HK$46,380 million. The balance of savings accounts increased to HK$81,711 million, a rise of HK$35,930 million. The value of time deposits at year-end 2009 stood at HK$214,437 million, a drop of HK$27,252 million compared to the balance at the end of 2008. Total customer deposits rose by 5.8% to HK$342,528 million, while certificates of deposit decreased by 48.8% to HK$2,812 million. After taking into account certificates of deposit issued, the loan-to-deposit ratio was 71.7% at the end of 2009, 1.8% higher than the 69.9% reported at the end of 2008. Subordinated debt issued stood at HK$12,359 million.

During 2009, BEA issued HKD fixed rate certificates of deposit with a face value of HK$300 million and HKD floating rate certificates of deposit with a face value of HK$270 million. The Bank redeemed a quantity of certificates of deposit amounting to HK$2,387 million equivalent upon maturity, and repurchased its own certificates of deposit amounting to HK$465 million equivalent.

At the end of December 2009, the face value of the outstanding debt portfolio was HK$2,992 million, with a carrying amount equal to HK$2,812 million.

執行董事報告書

財務回顧

財務表現

在2009年度，東亞銀行集團錄得除稅後溢利港幣26億3,800萬元，相比2008年度溢利港幣1億400萬元，增加港幣25億3,400萬元，或2,445.1%。每股基本盈利上升至港幣1.36元。平均資產回報率為0.6%，而平均股本回報率為7.7%。

受金融海嘯影響，利率持續低企，本集團於2009年的淨利息收入因而輕微減少至港幣67億4,700萬元。非利息收入則增加港幣37億7,700萬元，至港幣34億4,100萬元，原因是本集團於2008年全數出售所持有的債務抵押證券或將其價值撇銷至零，以及2009年度內交易溢利有所增加。經營收入總額增加57.8%，至港幣101億8,800萬元。

本集團業務不斷擴展，經營支出總額相比2008年上升6.1%，至港幣61億2,900萬元。成本對收入比率由2008年的89.5%下跌至2009年的60.2%。

2009年的未扣除減值損失之經營溢利為港幣40億5,900萬元，比對2008年增加港幣33億8,100萬元，或498.8%。

本集團貸款減值損失增加港幣5億4,700萬元，或98.0%，主要因為海外信貸市場轉差。可供出售金融資產的減值損失縮減至港幣1,400萬元，故此減值損失總額相對上年度增加港幣1億9,300萬元，或20.3%。

已扣除減值損失之經營溢利較2008年增加港幣31億8,800萬元，或1,178.2%，至港幣29億1,800萬元。

出售可供出售金融資產的淨溢利下降至港幣1億200萬元。

隨著本港地產市道轉為活躍，本行錄得投資物業重估盈利港幣2億600萬元，2008年度估值損失為港幣1億6,800萬元。由於聯營公司的業績優異，本集團可佔聯營公司除稅後溢利為港幣2億6,400萬元。

經計入稅項後，除稅後溢利為港幣26億3,800萬元，相較上年度溢利港幣1億400萬元，上升2,445.1%。可歸屬於集團股東溢利為港幣25億6,500萬元，上升6,510.0%。

財務狀況

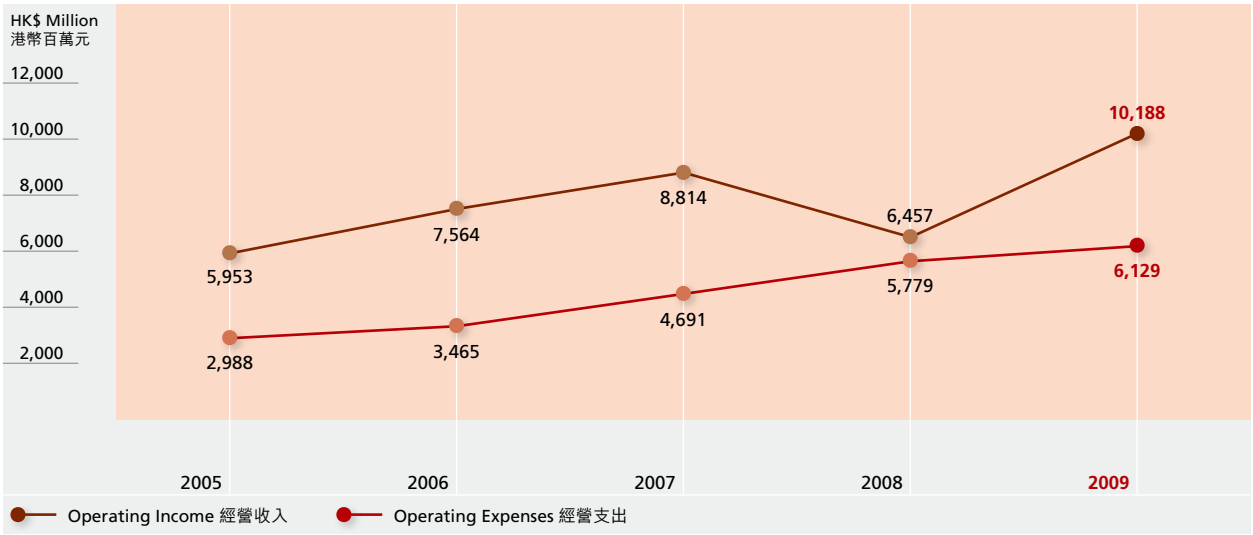
在2009年年底，本集團綜合資產總額為港幣4,340億8,200萬元，較2008年年底總額港幣4,152億5,400萬元，上升4.5%。客戶貸款增加7.5%，至港幣2,476億5,400萬元。股東權益總額上升21.7%，至港幣395億2,300萬元。

活期存款和往來存款合計港幣463億8,000萬元，增加港幣100億4,800萬元。儲蓄賬戶結餘為港幣817億1,100萬元，增加港幣359億3,000萬元。2009年年底的定期存款為港幣2,144億3,700萬元，對比2008年年底結餘減少港幣272億5,200萬元。總體客戶存款上升5.8%，至港幣3,425億2,800萬元。存款證總額減少48.8%，至港幣28億1,200萬元。經計及所有已發行存款證後，本行於2009年年底的貸款對存款比率為71.7%，較2008年年底的69.9%上升1.8%。已發行後償債券總額為港幣123億5,900萬元。

本行於2009年發行面值港幣3億元的港元定息存款證和面值港幣2億7,000萬元的港元浮息存款證。本行於到期時贖回等值港幣23億8,700萬元的各類存款證，和購回其等值港幣4億6,500萬元的存款證。

2009年12月底，債務組合總面值為港幣29億9,200萬元，賬面值為港幣28億1,200萬元。

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



EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

Maturity Profile of Debts Issued
As at 31st December, 2009
(All expressed in millions of dollars)

	Currency	Total Face Value	Year of Maturity 2010	2011	2013	2014	2015
Floating Rate Certificates of Deposit							
Issued in 2008	HKD	100	100				
Issued in 2009	HKD	270	120	150			
Issued in 2008	USD	30		30			
Fixed Rate Certificates of Deposit							
Issued in 2008	HKD	500	500				
Issued in 2009	HKD	300	300				
Issued in 2008	USD	65	50	15			
Zero Coupon Certificates of Deposit							
Issued in 2007	USD	140			40	50	50
Total Debts issued in HKD equivalent		2,992	1,407	499	310	388	388

Maturity Profile of Loan Capital
As at 31st December , 2009
(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		600	
Issued in 2007	*Note 3*	GBP	300			300
Total Loan Capital issued in HKD equivalent			12,667	4,265	4,653	3,749

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*

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 that 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.

The risk management mechanisms are built around a centralised framework and incorporate specialised risk management committees, namely: Credit Committee; Asset and 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, ongoing 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 Bank policies, and legal and regulatory requirements in Hong Kong, China and overseas.

已發行債務證券的年期
2009年12月31日
（以百萬元位列示）

	貨幣	總面值	到期年份 2010	2011	2013	2014	2015
浮息存款證							
2008年發行	港元	100	100				
2009年發行	港元	270	120	150			
2008年發行	美元	30		30			
定息存款證							
2008年發行	港元	500	500				
2009年發行	港元	300	300				
2008年發行	美元	65	50	15			
零息存款證							
2007年發行	美元	140			40	50	50
所有已發行債務證券（相等於港元）		2,992	1,407	499	310	388	388

借貸資本的年期
2009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	*附註1*	美元	550	550		
2007年發行	*附註2*	美元	600		600	
2007年發行	*附註3*	英鎊	300			300
所有已發行借貸資本（相等於港元）			12,667	4,265	4,653	3,749

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

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的各類風險，包括信貸風險、市場風險、流動資產風險和營運風險，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。

風險管理機制以中央架構為中心構建，設置專責風險管理委員會 — 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、持續監控合規等工作，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、法例和監管規定。

OPERATIONS REVIEW

Hong Kong Operations

Corporate Branding

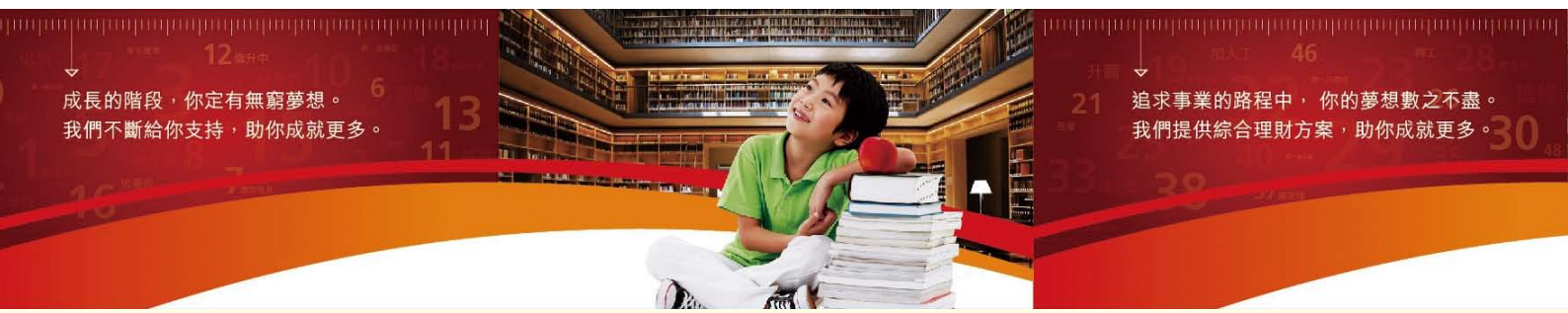
To enhance its corporate brand image, BEA unveiled a new brand platform in May 2009, based on the concept "Extending Your Reach". The new platform reflects BEA's commitment to helping people realise their dreams by enabling them to manage their finances more effectively. Graphically, the platform is represented by a soaring arc in BEA's corporate colours, which reinforces the dynamic and progressive image that is central to the Bank's service commitment. BEA introduced the new concept to the market in an advertising campaign and the new positioning was also widely applied to communication materials to further reinforce the Bank's enhanced brand image.

Recognition

During the period under review, the Bank received many awards, reflecting its outstanding achievements, including:

- the 10th Annual Asia Risk Awards 2009 – "House of the Year, Hong Kong", from *Asia Risk* magazine;
- "Best Bank Bond" in "The Asset Asian Awards 2009" from *The Asset* magazine for the Bank's US$500 million Hybrid Tier 1 Capital Issue;
- for the second consecutive year, winner of the "Best SME's Partner Award", organised by The Hong Kong Chamber of Small and Medium Business Limited;
- "2008 Top Merchant Sales Volume Acquiring Bank Award – Visa", in the Visa Explorer Award Program;
- second runner-up in the "2008 Highest Growth Rate in Number of Open Cards in Hong Kong – MasterCard"; and
- silver prize for "2008 Highest Card Number Growth (Credit Card) in Hong Kong – China UnionPay".

BEA's subsidiaries, including The Bank of East Asia (China) Limited ("BEA China"), BEA Union Investment Management Limited ("BEA Union Investment"), Blue Cross (Asia-Pacific) Insurance Limited ("Blue Cross") and Credit Gain Finance Company Limited ("Credit Gain"), were also recognised for their achievements. Details of such recognitions are set out in the respective sections below.



The new branding platform reflects BEA's ability to help customers realise their dreams by enabling them to improve their financial prospects.

全新企業品牌平台彰顯本行一直不遺餘力，協助客戶實現夢想的服務理念。

BEA won the "House of the Year, Hong Kong Award" as part of the "10th Annual Asia Risk Awards 2009".

榮獲《亞洲風險》雜誌第10屆「亞洲風險大獎」之「2009年度最佳銀行（香港）」。

The Bank's US$500 million Hybrid Tier 1 Capital Issue was named "Best Bank Bond" in "The Asset Asian Awards 2009" organised by *The Asset* magazine.

本行發行5億美元之混合一級資本工具，獲得《財資》雜誌「2009年度財資亞洲獎項」之「最佳銀行債券大獎」。

For the second year in a row, BEA was the winner of the "Best SME's Partner Award".

連續2年榮獲香港中小型企業商會有限公司之「中小企業最佳拍檔獎」。

業務回顧

香港業務

企業品牌

為提升企業品牌形象，本行於2009年5月推出以「跨越新領域」為主題的全新企業品牌計劃，藉以彰顯本行一直不遺餘力，協助客戶妥善理財，實現夢想的服務理念。嶄新品牌平台使用一個配以企業色彩的向上延伸弧形作為構圖，強化本行積極進取的形象，貫徹本行服務為本的承諾。本行推出廣告計劃向市場介紹新的品牌概念，並將新概念廣泛應用於其他推廣宣傳品，傳遞鮮明而統一的品牌訊息。

榮譽與獎項

本行於年內榮獲多個獎項，反映本行的卓越表現，其中包括：

- 《亞洲風險》(*Asia Risk*) 雜誌第10屆「亞洲風險大獎」之「2009年度最佳銀行（香港）」(House of the Year, Hong Kong)；
- 本行發行5億美元之混合一級資本工具，獲得《財資》雜誌「2009年度財資亞洲獎項」(The Asset Asian Awards 2009) 之「最佳銀行債券大獎」(Best Bank Bond)；
- 香港中小型企業商會有限公司之「中小企業最佳拍檔獎」(連續2年獲獎)；
- 「Visa商戶大搜尋獎勵計劃」之「2008最高Visa商戶簽賬額營業員大獎」；
- 萬事達國際組織之「2008香港區最高發卡量升幅獎銅獎」；及
- 中國銀聯之「2008香港區發卡量升幅獎（信用卡）銀獎」。

東亞銀行多間附屬公司，包括東亞銀行（中國）有限公司（「東亞中國」）、東亞聯豐投資管理有限公司（「東亞聯豐」）、藍十字（亞太）保險有限公司（「藍十字」）和領達財務有限公司（「領達財務」），亦憑超卓表現獲取殊榮，詳情載於以下相關章節。

BEA's credit card business was recognised by Visa, MasterCard, and China UnionPay for its outstanding achievements in 2009.

本行信用卡業務成就卓越，屢獲殊榮，於2009年獲得Visa、萬事達國際組織及中國銀聯頒贈多個獎項以作表揚。

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

Corporate Banking

The local corporate loan market exhibited weakness in the first quarter of 2009, as the impact of the financial tsunami reverberated through the economy. Loan demand was mainly driven by refinancing needs. Commercial loan and trade finance business fell at the beginning of the year, as local companies suffered a sharp slowdown in orders from overseas trading partners. The weak first quarter was followed by a rebound from the second quarter onwards.

Corporate Lending

Bargain-hunters took advantage of the improving local credit environment from the second quarter to pursue investment opportunities, leading to a gradual revival in corporate lending business during the year. As a result, the Bank registered satisfactory growth in corporate loan volume combined with enhanced overall pricing for 2009 as a whole.

In light of the relatively quiet syndicated loan market and the tenuous nature of the economic recovery, BEA is taking a proactive approach to expanding its client base by focussing on high quality local and Mainland enterprises. With its strong Mainland network, BEA is particularly well positioned to serve local and Mainland customers, and meet both their onshore and offshore financing needs.

Share-financing activity rebounded strongly in the second half of the year, as Mainland enterprises took advantage of the surging appetite for China-oriented stocks to list on the Stock Exchange of Hong Kong. BEA acted as a receiving bank for a total of 12 IPO projects in 2009, firmly establishing itself as one of the market leaders in this highly competitive business and further broadening its non-interest income base. For 2010, BEA will continue to develop the IPO receiving bank business, and look to additional business opportunities in pre-IPO financing, targeting Mainland enterprises in particular.

Commercial Lending and Trade Finance

The Bank actively supported the Hong Kong Government's Special Loan Guarantee Scheme to assist local small and medium sized enterprises, granting more than HK$2 billion in loans under the Scheme. As a result, BEA recorded a substantial rise in commercial loan business in 2009. The Bank will continue its active participation in the Scheme, which has now been extended to June 2010.

To further complement the Bank's range of commercial products, BEA introduced factoring in the second half of the year. This will provide additional flexibility to customers in managing their business, by improving the efficiency of collection of receivables, enhancing cash flow management and providing protection against buyer default.

In line with the Central Government's recent policy initiatives on settlement of cross-boundary trade in Renminbi, BEA was among the first banks to provide Renminbi one-stop trade settlement services. This new policy applies to enterprises based in Hong Kong and the Mainland, and covers RMB deposit accounts for trade settlement, currency exchange, fund transfers and trade finance. These new services bring greater flexibility and reduce exchange rate risk and trade costs for clients involved in cross-boundary trade with the Mainland.

The Bank rolled out various programmes to help corporate banking customers meet their financing needs and facilitate business expansion.

本行推出多項貸款計劃，滿足企業銀行客戶不同的資金需要，以協助其業務發展。

BEA participated in the World SME Expo 2009 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2009。

企業銀行業務

2009年首季，本港經濟持續受到金融海嘯的影響，企業貸款市場疲弱，本地貸款需求主要為再融資業務所帶動。由於本地公司在年初從香港主要海外貿易夥伴所接獲的訂單大幅減少，本行商業貸款和貿易融資業務於去年首季下跌，及至第2季始見回升。

企業貸款

有見於本地信貸環境改善，進取及觸覺敏銳的投資者於第2季起積極物色投資機會，帶動年內企業貸款業務逐漸轉好。2009年內，本行企業貸款總額錄得理想增長，貸款利率和其他收費保持穩定。

鑒於銀團貸款市場相對淡靜，加上經濟復蘇的步伐尚未確定，本行採取積極進取的態度擴展客戶基礎，著重優質的本地和內地企業。在內地設立的龐大業務網絡令本行位佔先機，能為本港和內地客戶提供周全妥善的服務，滿足他們對本地和離岸融資的需要。

由於不少內地企業趁中資股熱潮，申請在香港聯合交易所上市，本地股票融資活動於去年下半年轉趨活躍。年內，本行擔任12個新股上市項目的收票銀行，鞏固本行在該競爭激烈業務的領導地位，同時亦藉此擴大非利息收入基礎。2010年，本行在繼續拓展新股上市項目收票銀行業務的同時，也會致力發掘上市前融資項目的商機，尤其著眼於內地企業的上市融資。

商業貸款和貿易融資

本行積極支持香港政府的特別信貸保證計劃，協助本地中小型企業。在計劃下中小企獲得超過港幣20億元的貸款，令商業貸款業務於2009年錄得顯著增長。該計劃申請期現已延長至2010年6月底止，本行將會繼續積極協力推廣。

為進一步加強商業貸款產品，本行於下半年推出應收賬融資業務，讓客戶可透過此新服務提升收賬效率、改善現金流和防範買家拖欠的風險，更靈活地管理業務。

配合中央政府近期推出的跨境貿易人民幣結算政策，本行為首批銀行之一，率先提供一站式的人民幣貿易結算服務。該新政策適用於香港和內地企業，範圍涵蓋貿易結算人民幣存款賬戶、人民幣兑換、轉賬和貿易融資。從事與內地跨境貿易的客戶，可藉此新服務靈活而有效地降低匯率風險和交易成本。

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

Asset Based Finance

Following the acquisition of a sizeable equipment loan portfolio from the market in 2008, BEA focussed on rationalising the portfolio in 2009. Affected by the global financial crisis, equipment loan demand shrank. Notwithstanding the difficult market conditions, BEA expanded its equipment dealership network as well as its marketing team in 2009. This has put the Bank in a position to fully exploit emerging business opportunities as the market turns for the better.

Meanwhile, BEA's Hong Kong commercial vehicle financing portfolio for taxi and public light buses expanded by more than 10% during the year. The quality of the loan portfolio remained satisfactory, with zero loan loss despite fluctuations in the value of taxi and public light bus licences.

Personal Banking

Branch Distribution and Services

The Bank's retail marketing initiatives focussed on developing long-term customer relationships, targeting key market segments including tertiary students and professionals.

The Bank's Supreme Account and i-Account services were enhanced in November 2009 with the addition of securities and linked-deposit sub-accounts. With this product enhancement, the Bank now provides comprehensive account services catering for both the banking and investment needs of customers through three distinct all-in-one accounts, namely SupremeGold Account, Supreme Account and i-Account.

Continuing the multi-year Branch Rationalisation Programme, the Bank opened Tai Wo Branch and Cheung Sha Wan Plaza Branch, and closed Lei Tung Estate Branch and Tokwawan Branch during 2009. Tsing Yi Garden Branch was relocated to a more prominent site at Maritime Square and renamed Maritime Square Branch. To further improve service to customers, new SupremeGold Centres were opened at Maritime Square Branch, Tai Wo Branch and King's Road Branch. At the end of December 2009, BEA operated a total of 90 branches and 51 SupremeGold Centres in Hong Kong.

The Bank has implemented the recommendations of the Hong Kong Monetary Authority ("HKMA") on the marketing and selling of investment products. An advanced Secure Voice Recording Solution was introduced in all local branches on 4th May, 2009. In addition, a mystery shopper programme was implemented on 1st June, 2009 to monitor staff compliance with Bank policies and regulatory rules and guidelines on the sale of investment products to retail customers. The Bank had fully implemented the new guidelines on physical segregation of general banking services and investment services by 2nd October, 2009.

Cyberbanking

The Cyberbanking website was revamped in August 2009 to introduce a more intuitive and user-friendly user interface and to offer a more personalised online banking experience. In addition, Corporate Cyberbanking website was revamped and has been launched in January 2010.

During the year, Cyberbanking's stock-trading services were extended to all types of all-in-one accounts, namely SupremeGold Account, Supreme Account and i-Account. In addition, Corporate Cyberbanking was enhanced to include Renminbi trade settlement features.

To enhance customer access to banking services in Tsing Yi, BEA opened its spacious Maritime Square Branch in October 2009.

2009年10月，本行於青衣城開設分行，為青衣區的客戶提供更舒適的理財環境及全面的銀行服務。

資產融資

繼2008年從市場購入一項大額設備貸款業務後，本行於2009年專注於優化該貸款組合。受全球金融危機影響，設備貸款需求萎縮。然而，儘管市況欠佳，本行於2009年仍全力擴張設備經銷商網絡，並壯大市場推廣隊伍，從而提升業務優勢，有利本行在未來市況好轉時全面捕捉新商機。

年內，本行在本地的士和小巴的商業汽車融資業務則有逾10%增長，而且貸款素質持續理想，縱使的士和小巴牌價波動，貸款拖欠比率仍保持在零水平。

個人銀行業務

分行業務

本行的零售業務推廣重點為發展與客戶的長遠關係，目標客戶包括大專院校學生和專業人士。

本行於2009年11月提升至尊理財戶口和i-Account服務，增設證券附屬賬戶和掛鈎存款附屬賬戶。產品提升後，本行現提供更全面的賬戶服務，透過3種不同的綜合戶口 — 顯卓理財戶口、至尊理財戶口和i-Account，滿足客戶的銀行服務和投資需要。

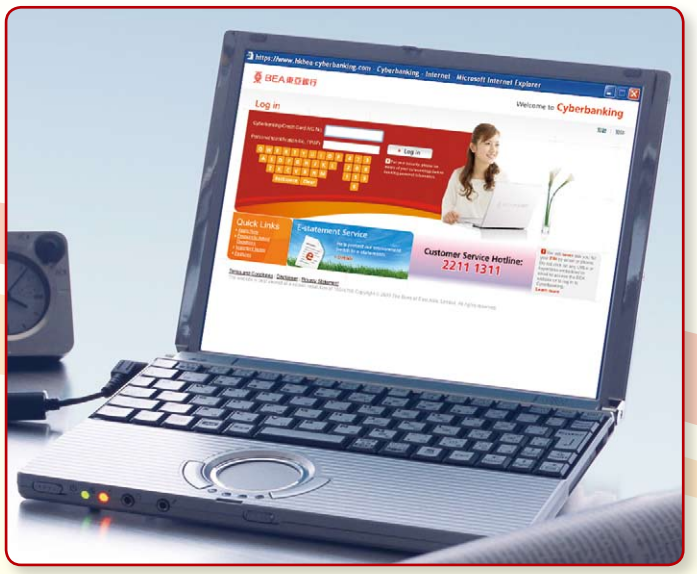
本行持續多年推行「分行優化計劃」，除了於2009年增設太和分行和長沙灣廣場分行外，亦關閉利東邨分行和土瓜灣分行；另外，已搬遷青怡花園分行至區內中心地點青衣城，同時將分行易名為青衣城分行。為向客戶提供更佳服務，本行在青衣城分行、太和分行和英皇道分行新開顯卓理財中心。截至2009年12月底，本行在香港共設有90間分行和51間顯卓理財中心。

配合香港金融管理局（「金管局」）就投資產品推廣和銷售作出的建議，本行於2009年5月4日起在本地全線分行推行先進的「安全錄音方案」，又於6月1日推行喬裝客戶檢查，藉以檢測分行職員在向零售客戶銷售投資產品時，是否能夠充分遵行本行所訂立的政策和有關監管守則及指引。本行亦於2009年10月2日起全面實施顧客服務及投資服務的實體分隔措施，以配合金管局的新規定。

電子網絡銀行服務

本行於2009年8月推出更新的電子網絡銀行服務網站，以煥然一新的設計和更簡便易用的功能，務求為客戶帶來最佳的網上銀行服務體驗。此外，企業電子網絡銀行服務網站亦已更新，並已於2010年1月推出。

年內，本行把電子網絡銀行服務的股票買賣服務拓展至各類綜合戶口，包括顯卓理財戶口、至尊理財戶口和i-Account；另外，亦提升企業電子網絡銀行服務，加設人民幣貿易結算功能。



Cyberbanking's webpages were revamped to enhance the user friendliness and personalisation of the online banking experience.

重新設計的電子網絡銀行服務網頁更簡便易用，同時也為客戶帶來個人化的網上銀行服務。

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

In line with the new security guidelines issued by the HKMA in respect of online transactions, the Bank further strengthened the security features of Cyberbanking and Corporate Cyberbanking in September 2009. The upgrade ensures that the Bank maintains a market-leading standard of security for all online transactions.

By the end of 2009, the number of registered Cyberbanking users and Corporate Cyberbanking users had recorded growth of 9% and 6%, respectively, compared with the end of the previous year. The Bank plans to further promote Cyberbanking and Corporate Cyberbanking services in order to enrol more users from the existing account holders of the Bank, as well as to drive more banking activities of customers to electronic channels to improve service efficiency.

Credit Cards

Promotional activities during the year aimed to reinforce the benefits of holding and using BEA credit cards, with particular focus on expanding the Bank's network of dining and entertainment affiliations. In order to build loyalty and to appeal to Private Banking and SupremeGold customers, a new product, BEA World MasterCard, was launched, providing an extra level of service and privilege for this premium customer segment.

In response to increasing travel by local residents to the Mainland, the BEA CUP Dual Currency PLATINUM Credit Card was launched in January 2010. The card supports two settlement currencies, namely Hong Kong dollars and Renminbi. This flexibility translates into greater convenience and savings for cross-boundary travellers.

Consumer Loans

The Bank reviewed its consumer loan policies during the year in the face of the difficult economic environment in the first half of the year. Implementing stringent control over loan quality, the Bank successfully launched the "Right for You" instalment loan programme, a revised tax loan programme and a new revolving loan programme, thus achieving continued growth in the loan portfolio. The Bank also launched a series of niche marketing programmes with well-known organisations, professional firms and educational institutions, succeeding in recruiting borrowers with a higher level of credit-worthiness.

Property Loans

The mortgage loan portfolio grew at an encouraging pace in 2009. A variety of mortgage products were introduced, covering both residential and non-residential properties. A series of promotional activities were conducted throughout the year to target different customer segments.

The Fixed Adjustable Rate Mortgage ("FARM") Programme, launched by the Hong Kong Mortgage Corporation, and the Surplus Home Ownership Scheme ("HOS") Flats Phase 5, launched by the Hong Kong Housing Authority, both served as good platforms for new business.

In view of the increasingly intense market competition, the Bank will further build on its strong relationships with local business partners, including property developers, solicitors, property agents and mortgage brokers, to provide highly competitive mortgage plans for homebuyers.

BEA World MasterCard enriches the lives of the Bank's most privileged clients through the provision of extensive offers, unique privileges, and dedicated services.

東亞銀行World萬事達卡為尊貴客戶提供獨特的優惠和升級服務，讓他們生活增添更多色彩。

BEA and China UnionPay jointly launched the BEA CUP Dual Currency PLATINUM Credit Card, providing greater convenience to travellers who regularly conduct transactions in Hong Kong dollars and Renminbi.

本行與中國銀聯攜手推出「東亞銀行銀聯雙幣白金信用卡」，讓經常往返內地與香港的人士可以以港幣和人民幣結算簽賬，令理財更容易方便。

因應金管局就網上交易發出的新保安指引，本行於2009年9月加強電子網絡銀行服務和企業電子網絡銀行服務的保安功能，確保通過本行進行的各類網上交易維持領先市場的保安標準。

截至2009年年底，電子網絡銀行服務和企業電子網絡銀行服務的客戶人數相較對上年度同期，分別增長9%和6%。本行計劃進一步推廣電子網絡銀行服務和企業電子網絡銀行服務至現有賬戶持有人，同時鼓勵更多客戶通過電子渠道使用銀行服務，藉此提高服務效率。

信用卡

本行於年內推行推廣活動，為東亞銀行信用卡客戶提供更豐富的優惠，並特別著重擴展本行與飲食和娛樂商戶的業務網絡。為增強與私人銀行和顯卓理財客戶的關係，本行推出新的信用卡產品 — 東亞銀行World萬事達卡，為尊貴客戶提供獨特的優惠和升級服務。

有見本地居民往來內地日益頻繁，本行於2010年1月推出「東亞銀行銀聯雙幣白金信用卡」，此卡的簽賬可用港幣和人民幣結算，讓跨境旅客既可享極大的便利，也能節省開支。

私人貸款

由於2009年上半年經濟狀況欠佳，本行檢討私人貸款政策，加強對貸款素質的控制。本行成功推出「好合你」分期貸款，以及更新的稅務貸款計劃和全新循環貸款計劃，在貸款業務取得持續增長。本行亦與多間著名的公司、專業機構和教育組織合作，推行一系列以高端消費客戶為對象的推廣計劃，成功吸納信用更佳的借款人。

樓宇按揭貸款

本行按揭貸款業務於2009年的增長速度令人鼓舞。本行於年內推出多種住宅和非住宅物業的按揭產品，還推行一系列以不同客戶群為對象的業務推廣計劃。

透過香港按揭證券公司的「定息按揭計劃」和香港房屋委員會出售剩餘居屋單位第5期，本行獲得不少商機。

按揭市場競爭日益劇烈，本行將會加強與本地業務夥伴的聯繫，其中包括物業發展商、律師、物業代理和按揭經紀，為物業買家提供更具競爭力的按揭計劃。

The Tax Loan Programme and other consumer loan products offered customers a number of attractive benefits including a highly competitive interest rate and flexible repayment terms.

「優悠稅悅」稅務貸款及其他私人貸款產品為客戶提供多重優惠，包括特低息率及靈活還款期。

The Bank launched a series of promotional activities for highly competitive residential mortgage plans.

本行推出一系列業務推廣計劃，提供更具競爭力的樓宇按揭計劃。

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

Wealth Management

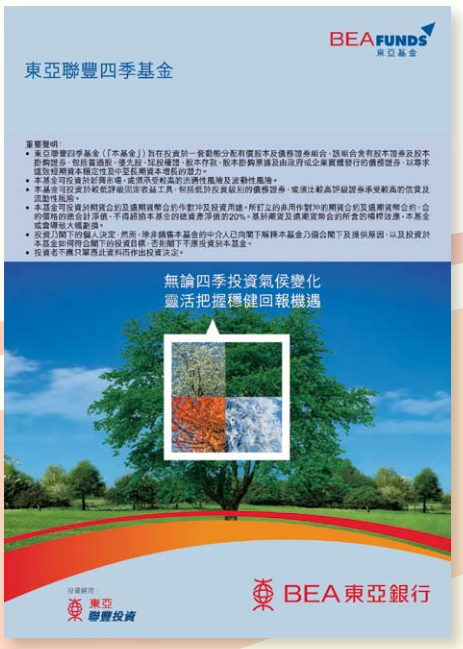
Investment Products and Advisory

Anticipating greater demand for conservative asset classes and product diversification, the Bank launched two capital preservation-themed investment funds in 2009, namely the BEA Global Bond Fund and the BEA Union Investment Four Seasons Fund. The former invests in high-grade debt securities with a focus on sovereign issues, while the latter seeks medium-term growth through exposure to a dynamically allocated portfolio of equity and debt securities.

Investor services were enhanced during the year, with the introduction of more fund choices for monthly subscription plans. Further, the Bank completed an upgrade of its financial planning system, offering investors the ability to keep close track of fund investment returns. These initiatives were well received by customers, contributing to a rise of more than 60% in terms of fund assets under custody, when compared with the end of 2008.

With demand impacted by the credit crisis, sales of structured products started off the year relatively slowly. However, with the rebound in stock markets, moderating volatility and narrowing of the credit spread, demand re-emerged during the course of the year. In particular, the transaction volume for currency-linked deposits returned to pre-crisis levels in the fourth quarter.

During 2009, the Bank has been an active participant in discussions with regulators to safeguard the interests of all parties in financial product transactions.



BEA's capital preservation funds help investors achieve stable long-term capital growth.

本行推出保本投資基金，讓投資者獲取穩定的長期潛在投資回報。

Private Banking

The regulatory environment for private banking business in Hong Kong has become stricter in the wake of the Lehman Brothers' bankruptcy, which has in turn increased the cost of doing business. BEA has adapted to the new environment by focussing on customer relationships and encouraging clients to practise asset diversification and investment discipline. In addition, the Bank enhanced its operating systems, in order to achieve more efficient internal operations and offer a more user-oriented service for clients.

Riding on the recovery in global markets and the improving investment sentiment, Private Banking had a better-than-expected year in 2009, with net profit growing by 33% year-on-year. Assets under management grew by 24%, while the number of accounts grew by 15%.

Private Banking continues to draw the majority of its clientele from the Greater China region, but also welcomes clients from elsewhere. Given the growing interest in China-centred investments, the Bank plans to expand the Private Banking team in order to attract a larger clientele from outside the region.

Investment Banking and Services

East Asia Securities Company Limited – Securities Cybertrading

East Asia Securities Company Limited ("East Asia Securities") offers a highly reliable service using proven technology, and continues to improve and expand its brokerage network. The company saw the number of Cybertrading accounts rise by 4% during the year. As of 31st December, 2009, more than 60% of the company's securities clients had subscribed to Cybertrading.

財富管理

投資產品及顧問

本行預計客戶對保守資產類別和產品多元化的需求增加，於2009年推出兩項保本為主的投資基金，包括「東亞環球債券基金」和「東亞聯豐四季基金」。前一項基金投資於高評級的債務證券，特別是各國政府發行的優質債券，後者則通過投資於靈活配置的股票和債務證券組合，為投資者尋求中長期資本增值。

為提升對投資者的服務，本行於年內為月供認購計劃增加了多個投資選項，亦完成更新財務策劃系統，讓投資者可更緊貼基金投資表現。該等計劃均大受客戶歡迎，令本行投資基金業務的資產值較2008年年底上升逾60%。

金融危機影響結構產品的市場需求，令有關產品於年初的銷售表現疲弱。然而，隨著年內股票市場復蘇，波動減少和信貸息差收窄，投資者對有關產品的需求回升，尤其是貨幣掛鈎存款的成交量已於第4季回復到危機爆發前的水平。

本行於2009年積極參加銀行業與監管機構的磋商，致力保障金融產品交易中各方人士的利益。

私人銀行

雷曼事件發生後，本港收緊對私人銀行業務的監管，致使經營有關業務的成本增加。鑒於經營環境的轉變，本行著重加強與客戶的關係及鼓勵客戶分散資產投資。本行亦已改善營運系統，藉此提升工作效率，讓客戶享用更佳服務。

隨著環球市場復蘇和投資氣氛改善，本行私人銀行業務於2009年的表現優於預期，淨溢利較2008年增加33%，管理資產增長24%，而賬戶數量的增幅達15%。

私人銀行業務繼續以大中華區客戶為主要目標對象，也同時歡迎其他地區的客戶使用其服務。以中國為目標的投資項目越來越受投資者歡迎，本行計劃擴大私人銀行服務團隊，從而吸引更多區外客戶。

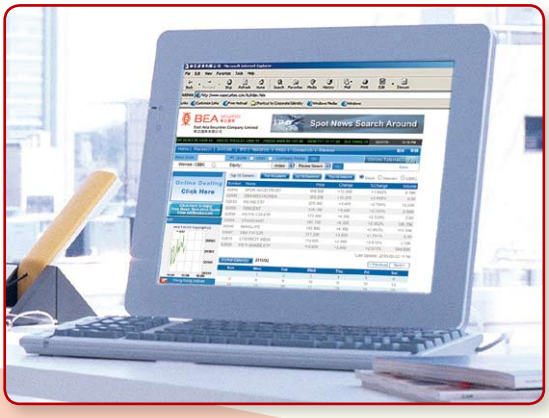
投資銀行業務

東亞證券有限公司 — 電子網絡股票買賣服務

東亞證券有限公司（「東亞證券」）使用先進科技提供高度可靠的服務，亦繼續加強和擴張與經紀的業務網絡。東亞證券於年內的電子網絡買賣服務賬戶上升4%。至2009年12月31日止，東亞證券逾60%客戶已登記使用此項服務。

Experts shared their views on the outlook for Hong Kong's financial and property markets at the BEA seminar.

在本行舉辦的投資研討會上，著名投資專家與客戶分享香港金融及地產市場的展望。



East Asia Securities enjoyed steady growth in the number of Cybertrading accounts and the volume of transactions executed via its online trading platform.

東亞證券電子網絡股票買賣服務的賬戶數目及交易量均錄得穩定增長。

The volume of transactions executed via the Cybertrading platform, expressed as a percentage of total turnover, reached 62% of the number of trades and 46% of the gross transaction value during the period under review.

With a view to further enhancing the Cybertrading Service, East Asia Securities launched an e-Statement Service in January 2010.

East Asia Futures Limited – Futures Cybertrading

On the back of improved local market sentiment and increased demand for derivative products, East Asia Futures Limited ("East Asia Futures"), the wholly-owned futures and options broking arm of the Bank, enjoyed steady growth in trading volume during the year. Nearly 80% of the total trading volume was executed via its user-friendly internet-based trading platform – the Futures Cybertrading System. As of 31st December, 2009, more than 74% of East Asia Futures clients had subscribed to Futures Cybertrading.

With a view to adding new services, enlarging the client base and promoting usage of its electronic trading platform, East Asia Futures will implement a software upgrade and launch a new promotional campaign in 2010.

China and International Operations

Mainland China Operations

BEA's locally-incorporated subsidiary bank on the Mainland, BEA China, continues to maintain a leading position among locally-incorporated foreign banks in this very important market.

BEA China's pioneering achievements and second-to-none banking services were recognised through a number of awards in 2009, including:

- the "2009 Best Foreign Bank Website" from Hexun.com;
- the "2009 Best SME Services in Asia" in the 4th Asian Banks Competitive Rankings held during the 21st Century Annual Finance Summit of Asia;
- the "2009 Best Localised Foreign Bank" and the "2009 Best Secured Credit Card" from *Moneyweek*; and
- the "2009 Best Wealth Management Bank" in the 2009 Bank Rating hosted by money.sohu.com.

BEA China adopted a proactive stand in the face of the global financial crisis, focussing on enlarging its deposit base and maintaining stable loan growth. Despite facing many external challenges, BEA China successfully navigated through the difficult period. From the second quarter, facilitated by the favourable monetary and fiscal policies adopted by the Chinese government, BEA China has maintained steady business growth.

Adjusting its policies in the face of the financial upheaval, BEA China took a prudent approach to growing its loan business in 2009. Total loan advances increased by 4.44% in comparison with 2008. BEA China strived to further diversify the industry mix of its loans and has been successful in maintaining impaired loans at a low level.

With the launch of new retail banking products, BEA China saw a significant increase in its personal deposits. Corporate deposits, the Bank's traditional focus, continued to expand. As a result, total deposits increased by 27.72% over 2008.

This focus on deposits will continue in 2010, with plans for a steady flow of new products, additional service channels and an expanding number of cooperation agreements with business partners.

BEA China further enhanced the security, functionality, and convenience of its award-winning Cyberbanking platform.

東亞中國享譽的網上銀行服務進一步提升，為客戶提供更安全、功能更全面和更便利的服務。

年內經由電子網絡股票買賣服務系統完成的交易（以營業總額的百分比計算）佔總成交宗數的62%和總成交金額的46%。

2010年1月，東亞證券推出電子結單服務，進一步擴充電子網絡股票買賣服務範圍。

東亞期貨有限公司 — 電子網絡期貨買賣服務

本行全資附屬期貨和期權買賣服務公司 — 東亞期貨有限公司（「東亞期貨」），受惠於本地市場氣氛改善及對衍生投資產品需求的增加，年內成交宗數錄得穩定增長。經由其方便易用的互聯網交易平台 — 電子網絡期貨買賣系統完成的交易約佔總成交宗數的80%。至2009年12月31日止，東亞期貨逾74%客戶已登記使用此項服務。

為開設新服務、擴大客戶群和提高其電子買賣平台的使用量，東亞期貨將會於2010年提升軟件和推出嶄新推廣計劃。

中國及國際業務

中國內地業務

本行在內地註冊成立的附屬銀行 — 東亞中國，在內地註冊的外資銀行中持續保持領導地位。

東亞中國所開創的成就和提供的卓越銀行服務屢獲嘉許，2009年內獲發的獎項包括：

- 和訊網之「2009年最佳外資銀行網站獎」；
- 第4屆21世紀亞洲金融年會暨亞洲銀行競爭力排名之「2009年亞洲最佳中小企業服務銀行」；
- 《理財週報》之「2009年最佳本土化外資銀行」和「2009年最佳安全性信用卡」；及
- 2009搜狐金融理財網絡盛典銀行評選之「2009年最佳財富管理銀行」。

東亞中國採取積極的措施以應對環球金融危機，集中擴大其存款基礎和維持穩定的貸款增長。儘管面對眾多外來挑戰，東亞中國仍能成功渡過此困難時期。由去年第2季起，東亞中國受惠於中國政府的貨幣和財政政策，保持穩定的業務增長。

2009年，東亞中國因應動盪的金融市場，調整其貸款策略，審慎地發展貸款業務，貸款總額較2008年增加4.44%。東亞中國更致力分散貸款客戶的行業類別，並成功保持減值貸款於低水平。

隨著新的零售銀行產品推出，東亞中國在個人存款方面錄得顯著增加；而作為傳統業務的企業存款亦持續增長。存款總額較2008年上升27.72%。

存款業務仍為2010年發展重點，東亞中國計劃定期推出新產品和增設服務渠道，並與更多業務夥伴簽訂合作協議。

In 2009, BEA China won a number of awards including "Best Foreign Bank Website", "Best SME Services in Asia", "Best Localised Foreign Bank", "Best Secured Credit Card", and "Best Wealth Management Bank".

東亞中國的卓越銀行服務屢獲嘉許，2009年獲頒發的獎項包括：「最佳外資銀行網站獎」、「亞洲最佳中小企業服務銀行」、「最佳本土化外資銀行」、「最佳安全性信用卡」及「最佳財富管理銀行」。

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

With 78 outlets as of 31st January, 2010, BEA and BEA China continue to operate one of the most extensive networks of any foreign bank on the Mainland. Since early 2009, BEA China has added a total of 11 new outlets, including a new branch in Shijiazhuang and the opening of 10 new sub-branches. These include two "cross-location" sub-branches[1] in Foshan and Zhongshan. BEA China is one of the first locally-incorporated foreign banks to set up "cross-location" sub-branches in Guangdong province.

In addition, BEA China opened six new 24-hour self-service banking centres in 2009.

BEA China's service coverage was also greatly expanded through the addition of new Automatic Teller Machines ("ATMs"). BEA China currently operates approximately 350 ATMs, up from 250 at the end of 2008.

BEA China launched Renminbi bonds in Hong Kong in June, becoming the first locally-incorporated foreign bank on the Mainland to issue Renminbi bonds to retail investors in Hong Kong.

The bonds, which bear an annual interest rate of 2.8% and have a tenor of two years, were warmly received by the market. As a result, BEA China fully utilised the RMB4 billion bond issue principal amount approved by the People's Bank of China and the National Development and Reform Commission of the People's Republic of China.

In September, BEA China became one of the first foreign banks to be granted domestic settlement bank and domestic agent bank status for cross-boundary Renminbi trade settlement services. Customers of BEA and BEA China can now enjoy greater flexibility, lower exchange rate risk and reduced costs when conducting cross-boundary trade business.

In November, BEA China became the first locally-incorporated foreign bank on the Mainland to establish a charity fund. The new "Shanghai Soong Ching Ling Foundation-BEA Charity Fund" focuses on promoting children's education in rural areas.

BEA China's personal banking business continues to grow. BEA China was honoured to be the only foreign bank selected to launch a special-themed credit card celebrating the 60th anniversary of the People's Republic of China. In addition, BEA China launched a co-branded card with Sina.com Leju in 2009.

The second phase of the new Personal Cyberbanking Service was rolled out in April and BEA China's next-generation Corporate Cyberbanking and Cash Management Services were launched in December, further enhancing BEA China's award-winning online banking service and providing customers with improved security, enhanced functions and greater convenience.

BEA China's Xi'an Branch is the fifth branch to launch private banking services on the Mainland, providing personalised financial and banking services to high-net-worth customers. Further, BEA China was the first bank to introduce a cooling-off period for the sale of investment products.

Taiwan and Macau Operations

BEA operates branches in the cities of Taipei and Kaohsiung and four outlets in Macau, providing customers with a comprehensive range of banking services to meet the growing banking needs arising from closer business ties in the Greater China Region.

[1] *Under the new liberalisation measures under Supplement VI to the Mainland and Hong Kong Closer Economic Partnership Arrangement, which came into effect on 1st October, 2009, branches of a wholly foreign-funded bank established on the Mainland by a Hong Kong bank can apply to establish "cross-location" sub-branches throughout Guangdong province. With this new provision, the capital requirement for setting up a sub-branch in Guangdong province has been reduced significantly.*

BEA China became the first mainland-incorporated foreign bank to issue RMB retail bonds in Hong Kong.

東亞中國為首家內地註冊外資銀行在香港發行人民幣零售債券。

截至2010年1月31日，本行與東亞中國在內地共設有78個網點，繼續成為內地網絡最龐大的外資銀行之一。自2009年年初至今，東亞中國共增設11個網點，即石家莊分行和10家支行，當中包括在佛山和中山的2家異地支行[1]。東亞中國是首批在廣東省設立異地支行的內地註冊外資銀行。

此外，東亞中國於2009年新設6間24小時自助銀行中心。

東亞中國更透過增設自動櫃員機擴大服務範圍，自動櫃員機的數目由2008年年底的250部增至現時約350部。

東亞中國於去年6月在香港推出人民幣債券，為首家在香港發行人民幣零售債券的內地註冊外資銀行。

該債券年息2.8%，期限兩年，市場認購反應熱烈。因此，東亞中國全數發行了獲中國人民銀行及中華人民共和國國家發展和改革委員會所批准的人民幣40億元額度之債券。

9月，東亞中國成為首批獲得境內結算銀行和境內代理銀行資格的外資銀行，以開展跨境貿易人民幣結算服務。本行和東亞中國的客戶可享用更靈活，更低匯率風險和成本的銀行服務，以處理其跨境貿易業務。

11月，東亞中國成為首家內地註冊外資銀行在內地成立慈善基金。該「上海宋慶齡基金會 — 東亞銀行公益基金」旨在改善偏遠地區兒童的教育機會。

東亞中國的個人銀行業務持續發展。2009年，東亞中國成為內地唯一的外資銀行發行特別主題信用卡以慶祝中華人民共和國成立60周年，並與新浪的樂居網站合作發行聯名卡。

東亞中國於去年4月展開個人網上銀行服務的第2階段服務改善工程，並於12月推出新一代的企業電子網絡銀行服務和現金管理服務，以進一步提升東亞中國享譽的網上銀行服務，為客戶提供更安全、功能更齊全和更便利的服務。

東亞中國西安分行為內地第5間分行推出私人銀行服務，為高端客戶提供貼身的金融和銀行服務。此外，東亞中國為內地首家推出為銷售投資產品設立冷靜期的銀行。

台灣及澳門業務

本行在台北市和高雄市設有分行，並在澳門設有4個網點。隨著大中華地區的業務來往日益緊密，本行致力提供更全面的銀行服務以滿足客戶對銀行服務不斷增加的需求。

[1] *根據2009年10月1日生效的《內地與香港關於建立更緊密經貿關係的安排》補充協議六的開放措施，香港銀行在內地設立的全資附屬銀行之分行可申請在廣東省設立異地支行。在新措施下，香港銀行在廣東省開設支行的資本金要求大大降低。*

BEA China opened a new branch in Shijiazhuang.
東亞中國於石家莊開設分行。

BEA celebrated the grand opening of BEA Wealth Management Services (Taiwan) Limited.
東亞銀行慶祝東亞證券股份有限公司隆重開幕。

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

BEA acquired AIG Wealth Management Services (Taiwan) Limited in June 2009 and re-launched the business in August 2009 under the new name, BEA Wealth Management Services (Taiwan) Limited ("BEAWMS"). BEAWMS provides its clients with a wide range of financial solutions including wealth management, investment funds, bond and equities dealing, structured products, etc.

Macau Branch has also broadened its product range to meet customer needs and develop new sources of fee income. In the second half of 2009, Macau Branch launched Cyberbanking and Securities Cybertrading services, and commenced the distribution of insurance products in Macau.

International Operations

The Bank's International Operations faced significant challenges in the first half of 2009, resulting from the deterioration in asset quality. The Bank has taken active measures to control impaired loans in the overseas operations, including aggressive loss provisioning and loan write-offs, and tightening of underwriting criteria.

Competing banks in these markets have had similar or worse experience, and the Bank sees significant opportunities in the current environment. An increasing number of Mainland and Hong Kong investors are searching for attractive investment opportunities overseas. Further, due to the absence of aggressive competition, the Bank is in a position to cherry-pick loans with good credit quality while earning a higher interest spread. On the back of a global economic recovery, it is expected that the International Operations will resume normal profitability in the year ahead.

In the United States, The Bank of East Asia (U.S.A.) N.A. opened a new branch in Oakland, California and merged its Branch in San Francisco Financial District with the San Francisco Chinatown Branch in January 2009. The Bank Group now operates a total of 16 outlets in the United States.

In June 2009, BEA signed a Sale and Purchase Agreement with the Industrial and Commercial Bank of China Limited ("ICBC") to sell a 70% interest in its banking subsidiary in Canada, The Bank of East Asia (Canada), to ICBC. The transaction closed on 28th January, 2010.

BEA London Branch achieved double-digit growth in loan assets during the year, mainly due to strong demand for mortgage loans. The Branch plans to launch local internet banking and debit card services in the fourth quarter of 2010.

Singapore Branch was relocated to the Bank's new building at 60 Robinson Road on 26th October, 2009. The Grand Opening Ceremony of the new building – BEA Building – was officiated by the Chief Executive of the Hong Kong Special Administrative Region, the Honourable Donald Tsang Yam-kuen, GBM, on 16th November, 2009. BEA Building serves as BEA's flagship in Singapore and as the hub for the Group's activities in Southeast Asia. In conjunction with the inauguration of the new building, BEA Singapore launched the Bank's SupremeGold service. The Branch will continue to expand the range of SupremeGold services and other personal banking products in the coming year.

BEA Union Investment Management Limited

Adhering to its proven business strategy, BEA Union Investment recorded a substantial 46% one-year rise in assets under management as of 31st December, 2009.

During the year, BEA Union Investment launched the innovative BEA Union Investment Four Seasons Fund; received a licence from the China Securities Regulatory Commission to act as a Qualified Foreign Institutional Investor; and diversified its retail distribution channels in Hong Kong by partnering with a leading online platform and an independent financial adviser.

BEA Union Investment continued to win new mandates from top-tier financial institutions in China, Hong Kong, and Taiwan during the past year. The sub-advisory mandate acquired in Taiwan enjoyed excellent response from investors, with the amount raised well above target.

BEA Union Investment was named the "The Best Fund Manager" in *CAPITAL* magazine's "Best of the Best For Executives 2009" award programme.

東亞聯豐獲《資本雜誌》頒發「資本傑出行政品牌2009」之「傑出基金經理」獎項。

本行於2009年6月收購台灣友邦證券股份有限公司，並於8月以東亞證券股份有限公司之新名稱，重新投入服務，向客戶提供廣泛的金融服務，包括財富管理、投資基金、債券和股票買賣和結構性產品等。

澳門分行擴大其產品服務範圍以配合客戶需要，並拓展佣金收入來源。2009年下半年，澳門分行推出電子網絡銀行服務和電子網絡股票買賣服務，並在當地開展保險產品分銷業務。

國際業務

2009年上半年，由於資產素質下降，本行國際業務面對重大挑戰。為此，本行採取積極的措施，控制海外業務中的減值貸款，包括作出大幅虧損準備和撇銷貸款，以及收緊信貸審批條件。

在該等市場競爭的同業均經歷相似或更壞的情況。本行認為在目前市況下商機湧現，因為越來越多內地和香港投資者在海外物色投資良機。再者，由於市場競爭溫和，本行可以慎選信用良好的貸款，同時增加息差收入。隨著環球經濟復蘇，本行預期國際業務將於2010年回復正常利潤增長。

2009年1月，美國東亞銀行在加州屋崙市開設分行，亦於同月把原三藩市金融區分行與三藩市華埠分行合併，使本集團於美國的分行總數達至16間。

6月，本行與中國工商銀行股份有限公司（「工商銀行」）簽署買賣協議，向工商銀行出售在加拿大附屬銀行 — 加拿大東亞銀行的70%股權。有關交易已於2010年1月28日完成。

本行倫敦分行的貸款資產於年內有雙位數字增長，主要由於市場對按揭貸款的需求強大。倫敦分行計劃於2010年第4季在當地推出網上銀行和借記卡服務。

新加坡分行於2009年10月26日遷至羅敏申路60號的全新辦公大樓 — 東亞銀行大廈，並於11月16日舉行了盛大的開幕慶典，邀得香港特別行政區行政長官曾蔭權先生主禮。新大廈是本行在新加坡的旗艦辦公大樓，也為本集團在東南亞的業務樞紐。與此同時，新加坡分行推出顯卓理財服務，在來年會繼續拓展此項服務和其他個人銀行產品。

東亞聯豐投資管理有限公司

秉持行之有效的業務發展策略，於2009年12月31日，東亞聯豐管理的資產錄得較2008年同期46%的顯著增長。

年內，東亞聯豐在推出創新的「東亞聯豐四季基金」之外，也獲得中國證券監督管理委員會發出合格境外機構投資者證券投資業務許可證，還與一個於網上平台擁有領先地位的獨立理財顧問公司合作，拓展香港的零售分銷渠道。

東亞聯豐於年內繼續獲得中國、香港和台灣的高端金融機構委託管理其資產，在台灣獲得的投資諮詢業務大受投資者歡迎，所籌集的資金更高於預定目標。

BEA Building
東亞銀行大廈

The Honourable Donald Tsang Yam-kuen, GBM, Chief Executive of the HKSAR unveiled the commemorative plaque for the new BEA Building in Singapore.
香港特別行政區行政長官曾蔭權先生為位於新加坡的東亞銀行大廈揭幕。

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

BEA Union Investment-managed Mandatory Provident Fund ("MPF") funds performed exceptionally well in 2009, with 93.3% of the funds (weighted by assets under management) delivering better-than-median performance for the year ended 31st December, 2009[2]. This positions the Bank to benefit from the new "Members' Choices Scheme", allowing MPF members to switch their MPF accounts to the provider of their choice.

With strong performance in business development, investment performance, and operation management, BEA Union Investment won the "Hong Kong – Best JV Fund House of the Year" award from *Asia Asset Management* in the Best of Best Awards 2009, and "The Best Fund Manager" award from *CAPITAL* Best of the Best For Executives 2009. Also, the company was ranked as one of the top MPF performers, according to the MPF Index compiled by Mercer Investment Consulting Limited[3].

Operations Support

A new bank-wide loan processing system, namely Bank Wide Commercial Loan Management System, was rolled out in the fourth quarter of 2009. The completion of the project has significantly enhanced the operational efficiency of commercial loans processing, thus improving the promptness and accuracy of information flow leading to better customer satisfaction.

Other Subsidiaries

Bank of East Asia (Trustees) Limited

Mandatory Provident Fund ("MPF")

Bank of East Asia (Trustees) Limited operates two MPF schemes, one under the Master Trust Scheme and one under the Industry Scheme. More than 450,000 members have joined BEA's MPF schemes, and total assets exceeded HK$10.9 billion as of 31st December, 2009. Although the global financial markets and local economy had not yet fully recovered in 2009, the MPF contributions received and assets under management expanded by 26% and 41%, respectively, during the year.

In recognition of its outstanding service to clients, the company received the "Hong Kong, Best MPF Trustee" award from *Asia Asset Management* in the Best of Best Awards 2009.

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 covering wills, family trusts, unit trusts, investment funds, charities and public funds for institutional and individual customers. In 2009, the company recorded a 20% increase in revenue from private trust business, despite a very competitive market.

BEA Life Limited

BEA Life Limited ("BEA Life"), the Bank's life insurance arm, recorded solid results in 2009 with new premium income achieving a double digit rise over 2008. The telemarketing channel registered very strong premium growth in 2009, rising 42%. Underwritten by BEA Life, the Bank launched a series of savings and endowment products in 2009, which were marketed under the names 2-Year Fast Savings Insurance, 3-Year Quick Savings Insurance, 5-Year QuickPay Whole Life Insurance and 8-Year Smart Savings Insurance. All products were well received by customers, reflecting increasing market demand for short-term savings products with guaranteed and steady returns.

[2] *Source: Lipper and BEA Union Investment own calculation.*

[3] *Source: Mercer Investment Consulting Limited. The ranking is for the performance of the one-year period ended 30th September, 2009.*

BEA Life launched a series of savings and endowment insurance plans in 2009.

東亞人壽於2009年推出一系列儲蓄壽險計劃，深受客戶歡迎。

東亞聯豐管理的強制性公積金在2009年表現卓越，在截至2009年12月31日止年度，東亞聯豐管理的基金中93.3%（按基金管理的資產計算）皆高於平均的強制性公積金表現[2]。憑此優秀表現，當「強積金半自由行」容許僱員可以轉換受託人時，本行預期可受惠於此新措施。

東亞聯豐在業務拓展、投資表現和營運管理方面均有傑出成就，因而榮獲《亞洲資產管理》雜誌「最佳之最獎2009」之「香港年度最佳聯營基金公司」獎項，和《資本雜誌》「資本傑出行政品牌2009」之「傑出基金經理」獎項。此外，根據Mercer Investment Consulting Limited的強積金指數，東亞聯豐亦於所有強積金受託人中名列前茅[3]。

營運支援

本行於2009年第4季推行新的銀行貸款處理系統 — 銀行商業貸款管理系統，大大提升了本行處理商業貸款的效率，而且改善有關資訊的流通速度和準確度，令客戶更感滿意。

其他附屬公司

東亞銀行（信託）有限公司

強制性公積金（「強積金」）

東亞銀行（信託）有限公司（「東亞信託」）同時經營兩個強積金計劃，包括集成信託計劃和行業計劃。截至2009年12月31日，參加東亞強積金計劃的成員人數超過45萬，資產總額逾港幣109億元。雖然2009年環球金融市場和本地經濟尚未完全復蘇，但強積金供款和管理資產仍分別上升26%和41%。

東亞信託憑超卓的客戶服務，榮獲《亞洲資產管理》雜誌「最佳之最獎2009」之「香港最佳強積金信託人」獎項。

信託服務

東亞信託除提供強積金服務外，還為機構客戶和個人客戶提供各種專業信託服務，包括遺囑、家庭信託、單位信託基金、投資基金、慈善和公眾基金。2009年，雖然市場競爭激烈，但東亞信託的私人信託業務收入錄得20%增長。

東亞人壽保險有限公司

本行全資附屬公司 — 東亞人壽保險有限公司（「東亞人壽」）於2009年業績理想，新增保費收入較2008年有雙位數字的升幅。經電話直銷所得的保費收入增長尤其強勁，達42%。本行於2009年推出一系列由東亞人壽承保的儲蓄壽險產品，包括「2年智易達」儲蓄保險計劃、「3年智快蓄」儲蓄保險計劃、「5年智迅」人壽終身保險計劃和「8年智富易」儲蓄保險計劃。所有產品皆廣受客戶歡迎，可見市場對提供穩定保證回報的短期儲蓄保險計劃的需求與日俱增。

[2] *資料來源：里柏報告及東亞聯豐自行計算結果。*

[3] *資料來源：Mercer Investment Consulting Limited強積金指數。截至2009年9月30日的一年期投資表現。*

Blue Cross celebrated its 40th Anniversary in Hong Kong in 2009.
藍十字於2009年慶祝在香港成立40周年。

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

Blue Cross (Asia-Pacific) Insurance Limited

Blue Cross, the Bank's wholly-owned general insurance arm, registered steady premium income growth in 2009, with particularly strong performance in medical and travel insurance. Online travel insurance continued to contribute double-digit premium income growth for Blue Cross.

Celebrating its 40th Anniversary in 2009, Blue Cross hosted a celebration cocktail reception on 23rd November, 2009 with Professor K.C. Chan, Secretary for Financial Services and the Treasury, and Ms. Annie Choi, Commissioner of Insurance, as officiating guests. Coinciding with the celebration, Blue Cross re-launched its corporate website with a new look and new user-friendly features.

To reinforce its branding in medical insurance, Blue Cross launched a high-impact advertising campaign in October and December 2009. It also introduced a 40-day Medical Policy Consultation Period, the first and the most generous available locally, to enhance service transparency.

Reflecting its high concern for the well-being of the local community, Blue Cross was the first Hong Kong insurer to offer extra benefits coverage for Human Swine Influenza on travel and medical insurance.

Further, Blue Cross introduced extended travel insurance to cover trip disruption, immediately following the launch of the Outbound Travel Alert System by the Hong Kong Government in October 2009.

In September 2009, A.M. Best Company assigned Blue Cross a financial strength rating of A- (Excellent) and issuer credit rating of "a-". The outlook assigned to both ratings is stable.

In recognition of its service excellence, Blue Cross received the following awards in 2009:

- "The Most Popular Travel Insurance Company Award 2009", from *Weekend Weekly* Magazine (for the fifth consecutive year);
- "Pro Choice Award 2009 – Medical & General Insurance", from *Capital Weekly* Magazine; and
- "The Quality Life Award 2009 – Quality Insurance Service", from *Liza* Magazine (for the second consecutive year)

As part of its ongoing efforts to support the less fortunate in the community, Blue Cross was involved in various charitable initiatives in 2009. The company supported the Children's Cancer Foundation, Médecins Sans Frontières and United Feline Odyssey. The partnership with the Hong Kong Physically Handicapped and Able-Bodied Association continued to achieve excellent results.

Credit Gain Finance Company Limited

During the year under review, Credit Gain continued to expand its network of branches with the opening of two branches in Hunghom and Yuen Long, bringing its branch network to a total of 14. Although the business environment for personal loans remained both competitive and challenging in 2009, Credit Gain recorded significant growth both in terms of the total loan portfolio and the number of client accounts. This achievement is the result of aggressive marketing, innovative products and efficient customer service.

Blue Cross received the "The Most Popular Travel Insurance Company Award 2009" from *Weekend Weekly* Magazine.

藍十字榮獲《新假期》周刊之「最受歡迎旅遊保險公司大獎2009」。

藍十字（亞太）保險有限公司

本行全資附屬公司 — 藍十字於2009年錄得穩定的保費增長，當中以醫療和旅遊保險業務的表現尤見突出。在旅遊保險方面，網上投保所得的保費收益更持續錄得雙位數字的增幅。

藍十字在2009年慶祝成立40周年，特於11月23日舉行慶祝酒會，並獲得財經事務及庫務局局長陳家強教授和保險業監理專員蔡淑嫻女士作為主禮嘉賓。藍十字更乘此慶典推出設計煥然一新和更方便易用的公司網站。

為強化在醫療保險業的品牌形象，藍十字於2009年10月和12月推出大型的廣告推廣活動。為提高服務透明度，藍十字更開創業界先河，在市場上推出為期最長的40天醫療保險諮詢期。

藍十字亦為本港首間保險公司就人類豬流感提供旅遊和醫療保險的額外保障，足見其對廣大市民福祉的殷切關懷。

此外，為配合香港政府於2009年10月推出的外遊警示制度，藍十字隨即推出顧及受影響旅程的旅遊保險伸延保障。

9月，A.M. Best Company給予藍十字A-（優異）的財務實力評級，以及a-的信貸評級，兩項評級的前景皆為穩定。

藍十字服務卓越，於2009年獲得的獎項包括：

- 《新假期》周刊之「最受歡迎旅遊保險公司大獎2009」（連續5年獲獎）；
- 《資本一周》雜誌之「智選品牌大獎2009 — 醫療及一般保險」；及
- 《味道Lisa》雜誌之「優質生活大獎2009 — 優質保險服務」（連續2年獲獎）。

貫徹一直以來對弱勢社群的支援，藍十字於2009年參與多項不同的慈善活動，包括支持兒童癌病基金、無國界醫生和貓同盟。而藍十字與香港傷健協會的合作計劃也持續取得卓越的成績。

領達財務有限公司

年內，領達財務繼續擴展分行網絡，分別在紅磡和元朗各設立1間分行，使分行總數達至14間。儘管2009年個人貸款市場的競爭依然劇烈，充滿挑戰，但領達財務在貸款總額和客戶賬戶方面均有顯著增長，全賴其積極的業務推廣、創新的產品和高效率的客戶服務所致。

Credit Gain won *Capital Weekly* Magazine's "Best Performance Company Award 2009".

領達財務榮獲《資本一周》雜誌頒發「優質信貸財務公司2009」獎項。

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

In October, Credit Gain was awarded the "Best Performance Company Award 2009" by *Capital Weekly* Magazine.

Blue Care Group

Blue Care Group, a collaborative effort between the Bank and The University of Hong Kong, commenced business in March 2005. Blue Care provides health protection services to the community through clinics providing Family Medicine and network medical services.

The business of Blue Care recorded steady growth during 2009, with medical service fee income growing by 34% year-on-year.

As part of its ongoing effort to promote health care and health protection, Blue Care will further expand its network of quality service providers and clients.

Tricor Holdings Limited

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.

During the first six months of the year, Tricor and its domestic and international clientele faced significant challenges arising from the financial tsunami. With many of its clients postponing their IPO plans in Hong Kong, Tricor's IPO and share registration business was adversely affected. Further, due to the decline in business activities, Tricor's company secretarial and executive search practices faced a fall in demand for their services. There was also tremendous pressure on fees from clients as a result of the economic downturn.

However, demand for Tricor's services picked up in the second half of the year. For the full year, the company performed satisfactorily and remained a key contributor to the BEA Group's fee and commission income earnings.

While exercising caution to guard against possible financial risks during a time of uncertainty, Tricor took every opportunity to make new investments that would add value to the company. In early 2009, Tricor Malaysia acquired a majority interest in Roots Consulting, which provides training and consultancy services in the fields of corporate governance, performance management and risk management for companies. In August 2009, Tricor Services spun off a new subsidiary company called Tricor Consulting Limited in Hong Kong to provide consulting services. Finally, in September 2009, Tricor, through its subsidiary Tricor Aldbridge LLP, successfully finalised the acquisition of the company secretarial services business of KPMG in the United Kingdom. This acquisition further enlarges Tricor's global services network and enhances the Group's servicing capabilities in the United Kingdom.

Tricor now employs some 1,420 professional and support staff and provides services in 21 cities. As the market leader in business, corporate and investor services, Tricor will continue to look for business opportunities as well as expand its global network.

10月，領達財務獲得《資本一周》雜誌頒發「優質信貸財務公司2009」獎項。

寶康醫療集團

本行與香港大學於2005年3月成立合營機構 — 寶康醫療集團（「寶康」），一方面提供優質的家庭醫療和網絡醫療服務，另一方面提供社區所需的保健服務。

寶康業務於2009年穩定擴展，醫療服務費收入錄得按年增長34%。

寶康將會繼續擴大優質服務供應商和客戶網絡，促進醫療和保健業務的發展。

卓佳集團有限公司

本集團成員 — 卓佳集團有限公司（「卓佳」）是區內具領導地位的商務、企業和投資者服務供應商，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。

去年上半年，卓佳及其本地和國際客戶均因金融海嘯而面對重大挑戰，不少客戶延遲推行在香港的首次公開招股計劃，對卓佳的首次公開招股和股份登記業務帶來負面影響。鑒於商業活動減少，市場對卓佳的公司秘書和行政人員招聘服務需求下降。在經濟低迷影響下，部分客戶亦對卓佳收費施壓。

然而，市場對卓佳的服務需求在下半年回升。綜觀全年，卓佳業績令人滿意，為本集團服務費和佣金收入帶來重大貢獻。

經濟前景尚未明朗，卓佳在採取審慎政策防範金融風險的同時，也把握新投資機遇以提高公司價值。2009年年初，卓佳馬來西亞收購Roots Consulting大部分權益。Roots Consulting為企業提供公司管治、績效管理和風險管理方面的培訓和顧問服務。8月，Tricor Services 在香港成立新的子公司Tricor Consulting Limited，為客戶提供顧問服務。9月，卓佳透過附屬公司Tricor Aldbridge LLP完成收購英國畢馬威會計師事務所於當地的公司秘書服務業務，藉此擴張了全球服務網絡和提升集團在英國的服務。

現時，卓佳業務遍及21個城市，聘用約1,420名專業人員和支援人員。作為商業、企業及投資者服務的領先供應商，卓佳將會繼續開拓商機和擴大環球網絡。

Tricor's Country Leaders from Singapore, Brunei, and Indonesia visited BEA's headquarters and exchanged views with BEA's Senior Management.
來自新加坡、汶萊及印尼的卓佳地區主管訪問東亞銀行總部，與本行高層管理人員分享對業務的展望。

The Blue Care Group recorded steady growth in 2009.
寶康醫療集團的業務於2009年取得穩定發展。

EXECUTIVE DIRECTOR'S REPORT (CONTINUED)

Human Resources

The Bank of East Asia Group employees by region as at 31st December, 2009:

Hong Kong	5,281
Other Greater China	4,100
Overseas	1,159
Total	10,540

The Bank believes that excellence in customer service is the key pillar of future growth, and that an experienced and motivated workforce underpins that pillar. To this end, the Bank made every effort to retain staff and avoid redundancies during the economic downturn. By taking quick action to contain costs, the Bank was able to keep staff morale high and individuals motivated, enabling the Bank to achieve its performance targets.

Employment in the banking and finance sector started to pick up in the second half of 2009. The Bank has focussed on recruiting high calibre candidates from the market, and matching reward to performance. The Bank re-launched the Management Trainee Programme during 2009, to groom promising young candidates as future leaders of the Bank. The Bank also initiated the Talent Management Programme, which aims to identify and retain talented individuals and put them on a coherent development path.

The Bank's human resource policies are designed to motivate staff members to excel in their careers. Following a review in 2009, the Bank has revamped its performance appraisal system in line with this objective. By identifying and rewarding deserving employees, the Bank also serves the best interests of clients and shareholders.

As a caring employer and responsible corporate citizen, the Bank encourages staff members to play an active role in community activities. During this past year, the Bank launched the Volunteer Team initiative, which empowers employees who wish to share their knowledge and experience with community groups and the disadvantaged. The Bank also runs a series of staff wellbeing programmes, including the Employee Assistance Programme and the Staff Relations Programme. In addition, the Bank organises numerous recreational activities in order to promote team spirit, enhance internal communication and nurture a caring work environment.

Throughout the year, the Bank ran training workshops to equip staff members with the necessary skills to take advantage of the ever-more sophisticated tools available to serve customer needs. Existing training courses were reviewed and strengthened where necessary, particularly in the areas of risk management, regulatory compliance, productivity and service delivery, etc. The Bank's strong commitment to training empowered staff members to rise to the challenges faced immediately following the financial tsunami, and has prepared them to take maximum advantage of emerging new opportunities.

Risk Management Division

In light of the experience gained from the financial crisis, the Bank has taken steps to further strengthen the management of risk within the Bank Group. A new Risk Management Division was established in April 2009, headed by the Group Chief Risk Officer. The Group Chief Risk Officer reports directly to the Chairman & Chief Executive.

The Risk Management Division is responsible for Group policy with regard to different types of risk, such as credit risk, market risk, operational risk, etc. In this regard, the Division assesses regulatory requirements, in particular the requirements under the Supervisory Policy Manuals issued by the HKMA, and carries out the following job mandates:-

- to formulate risk management policies and guidelines and to perform regular reviews in order to ensure that such policies and guidelines are kept up to date;
- to monitor risk exposure and compliance with the risk management framework;
- to co-ordinate risk-related projects;
- to report monitoring results and significant risk related issues to the specialised risk management committees, and / or Risk Management Committee and / or the Board, where appropriate, so as to assist the latter to discharge their major duty of overseeing risk management activities.

David LI Kwok-po
Chairman & Chief Executive

Hong Kong, 11th February, 2010

人力資源

東亞銀行集團於2009年12月31日的員工人數如下：

香港	5,281
大中華其他地區	4,100
海外	1,159
合計	10,540

本行認為卓越的客戶服務是未來業務發展的基石，而富經驗和積極進取的員工正是奠立基石的主要元素。為此，在經濟低迷時期本行仍著力保留員工和避免裁員，迅速採取行動減省成本，因而成功保持員工的士氣和工作熱誠，使本行達到績效目標。

2009年下半年，銀行和金融行業的聘用人數回升，本行專注從市場招聘人才之餘，也持續推行表現為本的獎賞制度。本行於年內重新推出「見習管理生計劃」，栽培畢業生成為本行未來的領袖。本行亦推出「人才發展計劃」，提拔優秀人才，藉此挽留及協助他們在本行進一步發展所長。

本行的人力資源政策以鼓勵員工盡展所長為目標。本行於2009年檢討有關政策後，也修訂了績效評估系統加以配合。本行透過獎勵表現優良的員工，保障客戶和股東最佳利益。

本行既關注員工的福祉，也致力履行企業責任，因此鼓勵員工積極參與社區活動。去年，本行推出義工隊計劃，讓員工可與社區團體和需要幫助的人士，分享知識和經驗。本行亦舉行一連串員工關懷活動，包括「僱員輔助計劃」和「員工關係項目」，另外也舉辦各種康體活動，從而促進團隊合作精神、加強內部溝通和建立關顧員工的企業文化。

年內，本行持續舉辦培訓課程，使員工熟習先進的運作系統和掌握有關技能，以滿足客戶的需求。本行在檢討培訓課程後加強了風險管理、法規監管、生產力和提供服務等元素，協助員工積極應對金融海嘯帶來的挑戰，並且做好準備迎接新機遇。

風險管理處

總結從金融危機汲取的經驗，本行採取適當措施，進一步強化集團的風險管理。2009年4月，本行成立新的風險管理處，委任集團風險總監為主管，直接向主席兼行政總裁匯報。

風險管理處負責有關各類風險的集團政策，當中包括信貸風險、市場風險、營運風險等。該處評估法定要求，特別是金管局發出的監管政策手冊中的規定，並且執行以下職務：

- 制訂風險管理政策及指引，同時定期檢討以確保政策及指引保持更新；
- 監察風險狀況和風險管理架構的遵從情況；
- 協調風險相關項目；
- 向各專責風險管理委員會、及/或風險管理委員會、及/或董事會適時匯報監察結果和重要風險相關事項，協助各會履行其監督風險管理活動的主要職責。

主席兼行政總裁
李國寶

香港，2010年2月11日

The Bank held a briefing session on its Management Trainee Programme.
本行舉行「見習管理生計劃」簡介會。

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, 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
Chairman & Chief Executive and Member of the Nomination Committee

Sir David, aged 70, 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 Saint 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, a Trustee of the Cambridge Overseas Trust and a Trustee Emeritus of the Institute for Advanced Study in Princeton. 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 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 AFFIN Holdings Berhad (listed in Malaysia), Criteria CaixaCorp, S.A.[Note] (listed in Spain), China Overseas Land & Investment Limited, COSCO Pacific Limited, Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, PCCW Limited, San Miguel Brewery Hong Kong Limited, SCMP Group Limited and Vitasoy International Holdings Limited. He is also a Director of Hong Kong Interbank Clearing Limited, The Hong Kong Mortgage Corporation Limited and IMG Worldwide Holdings, Inc. He was a director of China Merchants China Direct Investments Limited and Dow Jones & Company, Inc (listed in the United States of America).

Sir David is a member of the Board of Trustees of the Asia Society International Council and Asia Business Council, a

董事及高層管理人員的個人資料

Back row from left to right 後排左起	Front row from left to right 前排左起
Mr. KUOK Khoon-ean 郭孔演先生	Dr. Isidro FAINÉ CASAS 范禮賢博士
Mr. Stephen Charles LI Kwok-sze 李國仕先生	Mr. Eric LI Fook-chuen 李福全先生
Mr. Richard LI Tzar-kai 李澤楷先生	Dr. William MONG Man-wai 蒙民偉博士
Mr. Aubrey LI Kwok-sing 李國星先生	Mr. WONG Chung-hin 黃頌顯先生
Mr. Thomas KWOK Ping-kwong 郭炳江先生	Professor Arthur LI Kwok-cheung 李國章教授
Mr. Kenneth LO Chin-ming 駱錦明先生	Dr. The Hon. Sir David LI Kwok-po 李國寶爵士
Mr. William DOO Wai-hoi 杜惠愷先生	Dr. Allan WONG Chi-yun 黃子欣博士
Mr. Valiant CHEUNG Kin-piu 張建標先生	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

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70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，以及位於普林斯頓的Institute for Advanced Study之名譽信託人。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：AFFIN Holdings Berhad（在馬來西亞上市）、Criteria CaixaCorp, S.A.[註]（在西班牙上市）、中國海外發展有限公司、中遠太平洋有限公司、粵海投資有限公司、香港中華煤氣有限公司、香港上海大酒店有限公司、電訊盈科有限公司、香港生力啤酒廠有限公司、SCMP集團有限公司及維他奶國際集團有限公司。他亦為香港銀行同業結算有限公司、香港按揭證券有限公司及IMG Worldwide Holdings, Inc.之董事。他曾出任招商局中國基金有限公司及道瓊斯公司（在美國上市）之董事。

李爵士為Asia Society International Council及Asia Business Council信託委員會的委員、Crédit Agricole S.A.國際諮議

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

member of the Crédit Agricole S.A. International Advisory Board, a member of the Deutsche Bank Asia Pacific Advisory Board, a member of the Munich Re Greater China Advisory Board, and Chairman of the Asian Youth Orchestra Board. He serves on the advisory boards of Carlos P. Romulo Foundation for Peace and Development, Federal Reserve Bank of New York's 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, the cousin of Mr. Aubrey Li Kwok-sing and Mr. Stephen Charles Li Kwok-sze, and the father of Mr. Adrian David Li Man-kiu and Mr. Brian David Li Man-bun.

Professor Arthur LI Kwok-cheung

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

Professor Li, aged 64, 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 (listed in Malaysia). 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, the cousin of Mr. Aubrey Li Kwok-sing and Mr. Stephen Charles Li Kwok-sze, and the uncle of Mr. Adrian David Li Man-kiu and Mr. Brian David Li Man-bun.

Dr. Allan WONG Chi-yun

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

Dr. Wong, aged 59, 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. WONG Chung-hin

CBE, JP
Independent Non-executive Director and Member of the Audit Committee

Mr. Wong, aged 76, 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 81, 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.

委員會成員、德意志銀行亞太諮議委員會成員、Munich Re Greater China諮議委員會成員及Asian Youth Orchestra Board主席。他亦是其他諮議委員會成員，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、李民橋先生及李民斌先生之父親。

李國章教授

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

李教授，現年64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（在馬來西亞上市）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、李民橋先生及李民斌先生之叔父。

黃子欣博士

GBS，MBE，BSc，MSEE，Hon. DTech，JP
副主席、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59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。

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76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81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。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Mr. Aubrey LI Kwok-sing

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

Mr. Li, aged 60, 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, Pokfulam Development Company Limited and AFFIN Bank Berhad. He was the chairman of Atlantis Asian Recovery Fund plc (listed in Ireland), and 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, the cousin of Dr. The Hon. Sir David Li Kwok-po, Professor Arthur Li Kwok-cheung and Mr. Stephen Charles Li Kwok-sze, and the uncle of Mr. Adrian David Li Man-kiu and Mr. Brian David Li Man-bun.

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 82, 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 68, was appointed a Director in 2000. He is the Executive Chairman of Vitasoy International Holdings Limited.

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

Mr. Lo is Member of the National Committee of the Chinese People's Political Consultative Conference. He is a Director of Ping Ping Investment Company Ltd.

Tan Sri Dr. KHOO Kay-peng

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

Tan Sri Dr. Khoo, aged 71, 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 (both listed in Malaysia). Dr. Khoo is also the Chairman of Laura Ashley Holdings plc (listed in London) and Corus Hotels Limited in UK, and Morning Star Resources Limited. He is also a director of SCMP Group Limited and Pan Malaysian Industries Berhad (listed in Malaysia).

Dr. Khoo is a trustee of 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 Remuneration Committee

Mr. Kwok, aged 58, 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 and a member of the Executive Committee of The Real Estate Developers Association of Hong Kong. He also serves as a government appointed Member of the Exchange Fund Advisory Committee and the Commission on Strategic Development and a non-official member of the Provisional Minimum Wage Commission. In July 2007, the Government of the Hong Kong Special

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60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、博富臨置業有限公司及AFFIN Bank Berhad之董事。他曾出任Atlantis Asian Recovery Fund plc.（在愛爾蘭上市）之主席，以及佳訊（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、李國仕先生之堂兄、李民橋先生及李民斌先生之堂叔父。

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82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、香港科技大學校董會名譽校董以及香港浸會大學校董會名譽校董。

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68歲，在2000年獲委任為本行董事。他是維他奶國際集團有限公司執行主席。

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

羅先生為中國人民政治協商會議全國委員會委員。他為平平置業有限公司董事。

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71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。他亦是馬來西亞上市公司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，在倫敦上市)、英國Corus Hotels Limited及星晨集團有限公司之董事會主席。他亦是SCMP集團有限公司及馬來西亞上市公司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
獨立非執行董事及薪酬委員會委員

郭先生，現年58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及其執行委員會成員，並獲政府委任為外匯基金諮詢委員會委員及策略發展委員會委員；以及臨時最

Administrative Region awarded Mr. Kwok the Silver Bauhinia Star for his distinguished community service. He is an Honorary Citizen of Guangzhou and a Standing Committee Member of the Ninth Chinese People's Political Consultative Conference Shanghai Committee.

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. He is a fellow of The Hong Kong Management Association.

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, Business Facilitation Advisory Committee, the Council for Sustainable Development and Construction Industry Council. 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 43, 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 (listed in Singapore). 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.

Mr. Kenneth LO Chin-ming

MA, BA
Independent Non-Executive Director and Member of the Audit Committee

Mr. Lo, aged 67, was appointed a Director in 2005. Mr. Lo is the Chairman and Chief Executive Officer of the Industrial Bank of Taiwan, the Chairman of EverTrust Bank (USA), 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 80, 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, Professor Arthur Li Kwok-cheung, Mr. Aubrey Li Kwok-sing and Mr. Stephen Charles Li Kwok-sze, and the granduncle of Mr. Adrian David Li Man-kiu and Mr. Brian David Li Man-bun.

低工資委員會非官方成員。郭先生於2007年7月獲香港特別行政區政府頒授銀紫荊星章，以表揚其對社會作出之傑出貢獻。郭先生為廣州市榮譽市民及第九屆中華人民共和國全國政協上海市委員會的常務委員。

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。他是香港管理專業協會會士。

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、方便營商諮詢委員會委員、持續發展委員會之委員及建造業議會成員。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43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，以及新加坡上市公司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。

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67歲，在2005年獲委任為本行董事。他現為台灣工業銀行及美國華信銀行董事長，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80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、李國章教授、李國星先生及李國仕先生之堂叔父、李民橋先生及李民斌先生之堂叔公。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Mr. Stephen Charles LI Kwok-sze

BSc (Hons.), ACA
Non-executive Director

Mr. Li, aged 50, 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 Consilium Investment Management. He is also a director of AFFIN Bank Berhad and AFFIN Investment Bank Berhad. He has extensive experience in investment banking, having held senior capital markets positions with international investment banks in London and Hong Kong.

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

Mr. William DOO Wai-hoi

BSc, MSc, G.G., JP
Independent Non-executive Director and Member of the Audit Committee

Mr. Doo, aged 65, was appointed a Director in 2008. He is currently the vice-chairman of New World China Land Limited and the deputy chairman of NWS Holdings 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 a deputy chairman of Taifook Securities Group Limited.

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 54, was appointed a Director in 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 Shangri-La Hotel Public Company Limited and The Post Publishing Public Company Limited (both 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

FCPA, FCA
Independent Non-executive Director and Member of the Audit Committee

Mr. Cheung, aged 64, was appointed a Director in 2008. He 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 Winteam Pharmaceutical Group Limited (formerly known as 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.

Dr. Isidro FAINÉ CASAS

Non-executive Director and Member of the Nomination Committee

Dr. Fainé, aged 67, was appointed a Director in June 2009. Dr. Fainé is the Chairman of the following companies:

(i) Criteria CaixaCorp, S.A.[Note], the holding company of the largest industrial and financial investment group in Spain (listed on the Spanish Stock Exchange since 2007)

(ii) Caja de Ahorros y Pensiones de Barcelona "la Caixa" [Note], the first Spanish and European savings bank and controlling shareholder of Criteria CaixaCorp, S.A.

(iii) "la Caixa" Foundation

李國仕先生

BSc (Hons.)，ACA
非執行董事

李先生，現年50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Consilium Investment Management所管理的數個基金的董事。李先生亦為AFFIN Bank Berhad及AFFIN Investment Bank Berhad之董事。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、李國章教授及李國星先生之堂弟、李民橋先生及李民斌先生之堂叔父。

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65歲，在2008年獲委任為本行董事。他現為新世界中國地產有限公司及新創建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。他曾擔任大福證券集團有限公司副主席。

杜先生現為第十一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54歲，在2008年獲委任為本行董事。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Shangri-La Hotel Public Company Limited和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

FCPA，FCA
獨立非執行董事及審核委員會委員

張先生，64歲，在2008年獲委任為本行董事。他於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盈天醫藥集團有限公司（前榮山國際有限公司）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。

范禮賢博士

非執行董事及提名委員會委員

范博士，67歲，在2009年6月獲委任為本行董事。范博士現時為以下公司的主席：

(i) Criteria CaixaCorp, S.A.[註]，為西班牙最大之工業及金融投資集團的控股公司（自2007年起在西班牙證券交易所上市）

(ii) Caja de Ahorros y Pensiones de Barcelona "la Caixa"[註]，為西班牙及歐洲首家儲蓄銀行，並且是Criteria CaixaCorp, S.A.的控股股東

(iii) "la Caixa"基金

Dr. Fainé currently holds chairmanships and directorships in other listed companies as follows:

(i) Deputy Chairman of Abertis Infraestructuras, S.A. (infrastructure manager, listed in Spain)

(ii) Deputy Chairman of Telefónica, S.A. (integrated operator in the telecommunication sector, listed in Spain)

(iii) Second Deputy Chairman of Repsol YPF, S.A. (oil company, listed in Spain)

(iv) Director of Banco BPI, S.A. (financial and multi-specialist group focusing on the banking business, listed in Portugal)

(v) Director of Grupo Financiero Inbursa, S.A.B. de C.V. (financial and banking group, listed in Mexico)

Dr. Fainé was a Director of Brisa Auto-Estradas de Portugal, S.A. from 2003 to 2008 (listed in Portugal).

Dr. Fainé is a member of the Royal Academy of Economics and Finance and of the Royal Academy of Doctors, First Deputy Chairman of the Association of Spanish Savings Banks and Chairman of the Association of Catalan Savings Banks. He is also Chairman of the Spanish Confederation of Directors and Executives and the Spanish Chapter of the Club of Rome. He has been a member of the Executive Committee of the Deposit Guarantee Fund for Savings Bank since 2007.

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

Dr. Fainé joined "la Caixa" and was appointed Deputy Executive General Manager in 1982. He was appointed General Manager in 1999 and was further appointed Chairman of "la Caixa" in 2007.

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

Dr. Fainé adopts a Chinese name "范禮賢" with effect from 1st January, 2010.

SENIOR MANAGEMENT

Mr. Adrian David LI Man-kiu

MA (Cantab), MBA, LPC, JP
Deputy Chief Executive

Mr. Li, aged 36, joined the Bank in 2000 as General Manager & Head of Corporate Banking Division. He was promoted to Deputy Chief Executive for Hong Kong Business in April 2009. Mr. Li is primarily responsible for the overall management and control of the Bank's business in Hong Kong, including corporate banking, personal banking, and wealth management. He is also a director of various members of the Bank Group and a member of various committees appointed by the Board.

Mr. Li is currently an Independent Non-executive Director of Sino Land Company Limited, Tsim Sha Tsui Properties Limited, Sino Hotels (Holdings) Limited and China State Construction International Holdings Limited. He is an Alternate Independent Non-executive Director of San Miguel Brewery Hong Kong Limited. Further, he is an Alternate Non-independent Non-executive Director of AFFIN Holdings Berhad, a company listed on the main board of the Malaysia Stock Exchange.

Mr. Li is a member of the Ninth and Tenth Guangdong Provincial Committees of the Chinese People's Political Consultative Conference ("CPPCC") and was formerly a member of the Ninth and Tenth Guangzhou Committees of the CPPCC. He is also a member of the Ninth and Tenth Committees of the All-China Youth Federation, the Deputy Chairman of the Ninth Committee of the Beijing Municipality Youth Federation and a Counsellor of the Hong Kong United Youth Association. In addition, he is a Council Member of the Vocational Training Council and the Chairman of its Banking and Finance Industry Training Board, and a member of the Mandatory Provident Fund Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority. Mr. Li was formerly a board member of Ocean Park Corporation and an advisory board member of the Hong Kong Export Credit Insurance Corporation.

Note "la Caixa" is the controlling shareholder of Criteria CaixaCorp, S.A. which is the sole shareholder of Negocio de Finanzas e Inversiones I, S.L.U. Each of "la Caixa", Criteria CaixaCorp, S.A. and Negocio de Finanzas e Inversiones I, S.L.U. is a substantial shareholder of the Bank as defined under the Listing Rules and within the meaning of Part XV of the Securities and Futures Ordinance, the details of which are disclosed in the "Interest of Substantial Shareholders and Other Persons" section of the Report of the Directors. Dr. The Hon. Sir David LI Kwok-po is a director of Criteria CaixaCorp, S.A. and Dr. Isidro FAINÉ CASAS is the Chairman of Criteria CaixaCorp, S.A. and "la Caixa". Dr. FAINÉ owns 0.017% interest in Criteria CaixaCorp, S.A. while he is not aware of any of his associates owning any interest in Criteria CaixaCorp, S.A. or any of its subsidiaries.

范博士目前還在其他上市公司擔任主席及董事職務，詳情如下：

(i) Abertis Infraestructuras, S.A. 副主席，該公司在西班牙上市，專營基建項目管理

(ii) Telefónica, S.A. 副主席，該公司在西班牙上市，為電訊業之一家綜合經營公司

(iii) Repsol YPF, S.A. 第二副主席，該公司在西班牙上市，為一家石油公司

(iv) Banco BPI, S.A. 董事，該公司在葡萄牙上市，為主要從事銀行業務之金融及多元化專項集團

(v) Grupo Financiero Inbursa, S.A.B. de C.V. 董事，該公司在墨西哥上市，為一家金融及銀行集團

於2003至2008年期間，范博士曾在葡萄牙上市公司Brisa Auto-Estradas de Portugal, S.A. 擔任董事。

范博士是皇家經濟及金融學院以及皇家醫生學院的會員、西班牙儲蓄銀行協會第一副主席、加泰羅尼亞儲蓄銀行協會主席、西班牙董事及行政人員聯合會主席、羅馬俱樂部西班牙分會主席，以及自2007年起出任儲蓄銀行存款保證金執行委員會委員。

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

范博士於1982年加入"la Caixa"，並獲委任為副執行總經理。於1999年，他獲委任該公司總經理一職，並且於2007年進一步獲委任為主席。

除其他學術及專業資格外，范博士持有經濟及商業科學博士學位、哈佛大學頒發的國際高級經理項目（工商管理）資格以及IESE商學院頒發的高級商業管理文憑。

范博士於2010年1月1日起採納「范禮賢」為其中文姓名。

高層管理人員

李民橋先生

MA(Cantab)，MBA，LPC，JP
副行政總裁

李先生，現年36歲，在2000年加入本行為總經理兼企業銀行主管。其後於2009年4月獲擢升為副行政總裁。李先生主要負責本行香港業務之整體運作、管理及監督，當中包括企業銀行、個人銀行及財富管理等業務。他同時亦出任本集團系內多間公司之董事及多個由董事會委任之委員會委員。

李先生現任信和置業有限公司、尖沙咀置業集團有限公司、信和酒店（集團）有限公司及中國建築國際集團有限公司之獨立非執行董事。此外，他亦出任香港生力啤酒廠有限公司之替代獨立非執行董事，以及馬來西亞證券交易所主板上市公司AFFIN Holdings Berhad之替代非獨立非執行董事。

李先生現為中國人民政治協商會議第九屆及第十屆廣東省委員會委員及曾任中國人民政治協商會議第九屆及第十屆廣州市委員會委員。現時，他亦是中華全國青年聯合會第九屆及第十屆委員會港區特邀委員、北京市青年聯合會第九屆委員會副主席及香港青年聯會參事。此外，李先生是香港職業訓練局理事會委員及其銀行及金融業訓練委員會主席，以及香港強制性公積金計劃管理局強制性公積金行業計劃委員會委員。李先生亦曾任海洋公園公司董事及香港出口信用保險局諮詢委員會委員。

註　"la Caixa"為Criteria CaixaCorp, S.A.的控股股東，Criteria則為Negocio de Finanzas e Inversiones I. S.L.U.的唯一股東。根據《上市規則》及《證券及期貨條例》第XV部之定義，"la Caixa"、Criteria CaixaCorp, S.A. 及 Negocio de Finanzas e Inversiones I. S.L.U.均為本行的主要股東，詳情在董事會報告書內大股東及其他人士的權益項下披露。李國寶爵士為Criteria CaixaCorp, S.A.的董事；而范禮賢博士則是Criteria CaixaCorp, S.A.及"la Caixa"的主席。范博士擁有Criteria CaixaCorp, S.A. 0.017%的權益，他並不知悉其任何聯繫人士擁有Criteria CaixaCorp, S.A.或其任何附屬公司的任何權益。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

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

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

Mr. Brian David LI Man-bun

MA (Cantab), MBA, ACA
Deputy Chief Executive

Mr. Li, aged 35, joined the Bank Group in 2002. He was General Manager & Head of Wealth Management Division from 2004 to March 2009. He was promoted to Deputy Chief Executive for China and International Business in April 2009. Mr. Brian Li is primarily responsible for the Bank's China and international businesses, as well as the management of BEA Union Investment Management Limited. He is also a director of various members of the Bank Group and a member of various committees appointed by the Board.

Mr. Li is currently an Independent Non-executive Director of Towngas China Company Limited and an Alternate Director of AFFIN Bank Berhad.

Mr. Li holds a number of public and honorary positions, including being a Member of the Eleventh National Committee of the Chinese People's Political Consultative Conference, a Member of the Eleventh Beijing Municipal Committee of the Chinese People's Political Consultative Conference, a Member of HKSAR Energy Advisory Committee, a Member of HKSAR Standing Committee on Judicial Salaries and Conditions of Service, a Member of HKSAR Financial Reporting Review Panel and a Member of HKSAR Traffic Accident Victims Assistance Advisory Committee, etc.

Mr. Li is a Member of the Hong Kong Institute of Certified Public Accountants and a Member of Treasury Markets Association. Mr. Li is an Associate of The Institute of Chartered Accountants in England and Wales and holds an MBA from Stanford University as well as MA and BA from the University of Cambridge.

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

Mr. Samson LI Kai-cheong

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

Mr. Li, aged 49, 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 was a General Manager of the Bank from 1997 to March 2009. He was promoted to Deputy Chief Executive & Chief Investment Officer in April 2009. Mr. Li is primarily responsible for the Bank's investment activities and treasury & broking operations including treasury markets, as well as the management of East Asia Securities Company Limited and East Asia Futures Limited. He is also a director of various members of the Bank Group and a member of various committees appointed by the Board.

Mr. Li is currently an Independent Non-executive Director and the Chairman of Audit Committee of China Merchants China Direct Investments Limited.

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

Mr. TONG Hon-shing

BSc, ACIB, AHKIB, FCIS, FCS
Deputy Chief Executive & Chief Operating Officer

Mr. Tong, aged 50, joined the Bank in 1975. He was promoted to Assistant General Manager in 1995 and to General Manager in 2000. He was General Manager & Head of Personal Banking Division from 2001 to March 2009. He was further promoted to Deputy Chief Executive and Chief Operating Officer in April 2009. Mr. Tong is primarily responsible for strategic planning and control, operations support, compliance, human resources, and corporate communications of the Bank. He is also a director of various members of the Bank Group and a member of various committees appointed by the Board. Mr. Tong is a Fellow of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries & Administrators as well as an Associate of The Hong Kong Institute of Bankers and The Chartered Institute of Bankers. He holds a BSc from the University of Manchester.

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

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

李民斌先生

MA(Cantab)，MBA，ACA
副行政總裁

李先生，現年35歲，在2002年加入本集團，2004年至2009年3月期間出任總經理兼財富管理處主管，並於2009年4月獲擢升為副行政總裁，負責中國與國際業務。李民斌先生主要負責本行的中國及國際業務，以及東亞聯豐投資管理有限公司之管理。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。

李先生現任港華燃氣有限公司獨立非執行董事和AFFIN Bank Berhad之替代董事。

李先生擔任多項公職及榮譽職務，包括第十一屆中國人民政治協商會議全國委員會委員、第十一屆中國人民政治協商會議北京市政協委員會委員、香港特區政府能源諮詢委員會成員、香港特區政府司法人員薪俸及服務條件常務委員會委員、香港特區政府財務匯報檢討委員團成員，以及香港特區政府交通意外傷亡援助諮詢委員會委員。

李先生為香港會計師公會和香港財資市場公會會員，以及英格蘭及威爾士特許會計師公會會士，並獲美國斯坦福大學工商管理碩士學位，和英國劍橋大學文學碩士及學士學位。

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

李繼昌先生

FCCA，CPA，FCIS，FCS，HKSI
副行政總裁兼投資總監

李先生，現年49歲，在1987年加入本行為總內部稽核，於1992年獲擢升為助理總經理及1995年獲擢升為副總經理，1997年至2009年3月期間出任本行總經理，並於2009年4月獲擢升為副行政總裁兼投資總監。李先生主要負責本行的投資活動、資金及經紀業務的運作，包括資金市場，以及東亞證券有限公司及東亞期貨有限公司之管理。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。

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。

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

唐漢城先生

BSc，ACIB，AHKIB，FCIS，FCS
副行政總裁兼營運總監

唐先生，現年50歲，在1975年加入本行。於1995年獲擢升為助理總經理及2000年獲擢升為總經理，2001年至2009年3月期間出任總經理兼個人銀行處主管，並於2009年4月獲擢升為副行政總裁兼營運總監。唐先生主要負責本行的策劃及調控、營運支援、法規監管、人力資源，以及企業傳訊。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。唐先生為香港特許秘書公會和英國特許秘書及行政人員公會資深會士，及香港銀行學會和英國特許銀行學會會士，並獲英國曼徹斯特大學理學士學位。

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

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

Non-executive Directors

Professor Arthur LI Kwok-cheung
(Deputy Chairman)
Mr. Aubrey LI Kwok-sing
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
Dr. Isidro FAINÉ CASAS

Independent Non-executive Directors

Dr. Allan WONG Chi-yun
(Deputy Chairman)
Mr. WONG Chung-hin
Dr. LEE Shau-kee
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

SENIOR MANAGEMENT

Mr. Adrian David LI Man-kiu
MA(Cantab), MBA, LPC, JP
Deputy Chief Executive

Mr. Brian David LI Man-bun
MA(Cantab), MBA, ACA
Deputy Chief Executive

Mr. Samson LI Kai-cheong
FCCA, CPA, FCIS, FCS, HKSI
Deputy Chief Executive & Chief Investment Officer

Mr. TONG Hon-shing
BSc, ACIB, AHKIB, FCIS, FCS
Deputy Chief Executive & Chief Operating Officer

SENIOR ADVISORS

Mr. Joseph PANG Yuk-wing
BSSc, MBA, Hon. DSocSc, Hon. Fellow (CUHK), ACIB, FHKIB, JP

Mr. CHAN Kay-cheung
FHKIB

Mr. Chan Tze-ching
MBA, CPA, BBS, JP

COMPANY SECRETARY

Mr. Alson LAW Chun-tak
FCCA, FCPA, ACIS, ACS

AUDITORS

KPMG
Certified Public Accountants

公司資料

Front 前	Back row from left 後排左起
Dr. The Hon. Sir David LI Kwok-po 李國寶爵士	Mr. Samson LI Kai-cheong 李繼昌先生
	Mr. Adrian David LI Man-kiu 李民橋先生
	Mr. Brian David LI Man-bun 李民斌先生
	Mr. TONG Hon-shing 唐漢城先生

董事會

執行董事

李國寶爵士
（主席兼行政總裁）

非執行董事

李國章教授
（副主席）
李國星先生
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
范禮賢博士

獨立非執行董事

黃子欣博士
（副主席）
黃頌顯先生
李兆基博士
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

高層管理人員

李民橋先生
MA(Cantab), MBA, LPC, JP
副行政總裁

李民斌先生
MA(Cantab), MBA, ACA
副行政總裁

李繼昌先生
FCCA, CPA, FCIS, FCS, HKSI
副行政總裁兼投資總監

唐漢城先生
BSc, ACIB, AHKIB, FCIS, FCS
副行政總裁兼營運總監

高級顧問

彭玉榮先生
BSSc, MBA, Hon. DSocSc, Hon. Fellow (CUHK), ACIB, FHKIB, JP

陳棋昌先生
FHKIB

陳子政先生
MBA, CPA, BBS, JP

公司秘書

羅春德先生
FCCA, FCPA, ACIS, ACS

核數師

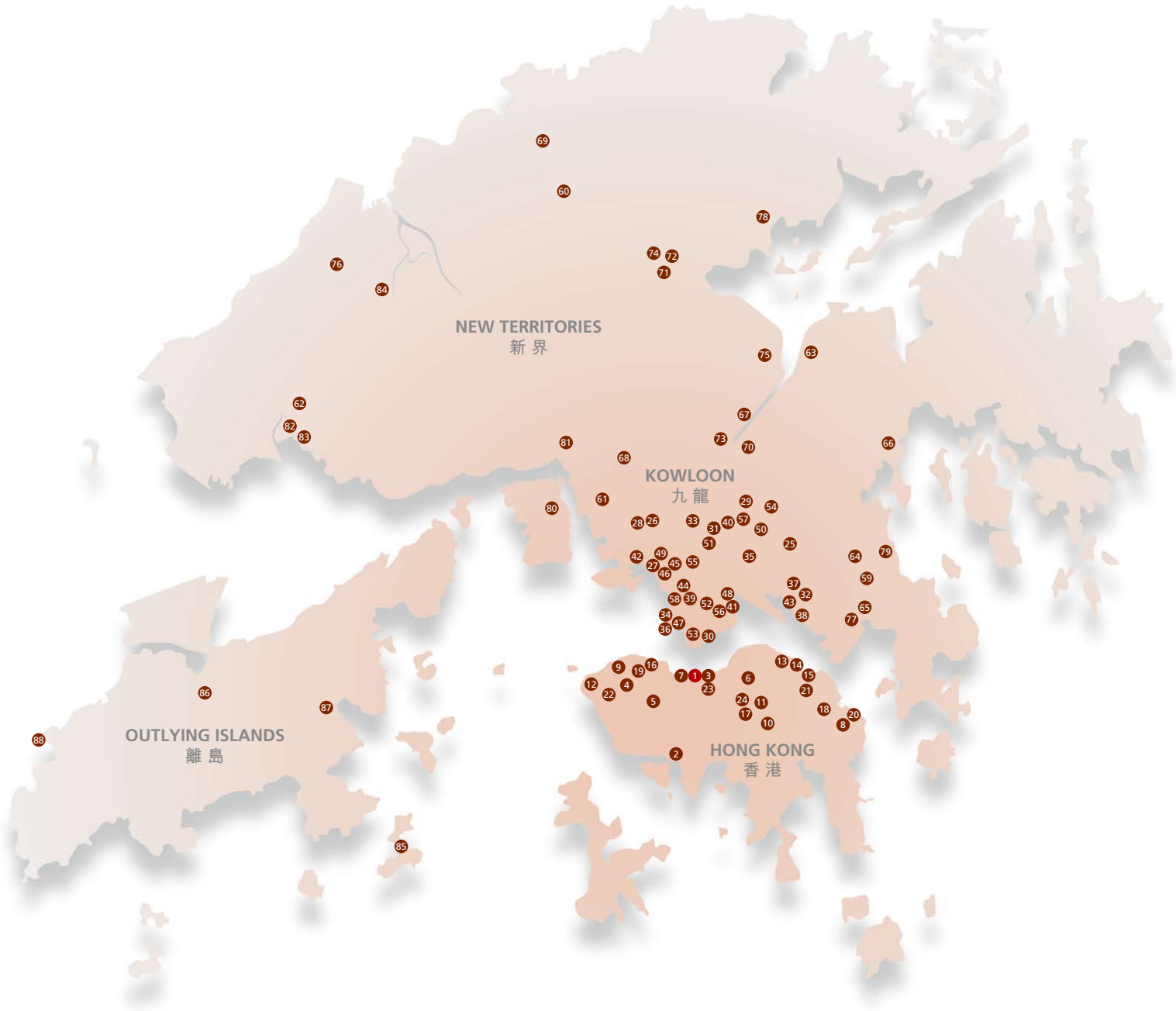
畢馬威會計師事務所
執業會計師

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 Shijiazhuang	石家莊
8 Qingdao	青島
9 Suzhou	蘇州
10 Shanghai	上海
11 Hangzhou	杭州
12 Xi'an	西安
13 Nanjing	南京
14 Hefei	合肥
15 Wuhan	武漢
16 Chengdu	成都
17 Chongqing	重慶
18 Fuzhou	福州
19 Xiamen	廈門
20 Guangzhou	廣州
21 Foshan	佛山
22 Dongguan	東莞
23 Shenzhen	深圳
24 Zhuhai	珠海
25 Zhongshan	中山
26 Macau	澳門
27 Taipei	台北
28 Kaohsiung	高雄
OVERSEAS	**海外**
29 San Francisco	三藩市
30 Los Angeles	洛杉磯
31 New York	紐約
32 British Virgin Islands	英屬處女群島
33 Birmingham	伯明翰
34 London	倫敦
SOUTHEAST ASIA	**東南亞**
35 Kuala Lumpur	吉隆坡
36 Singapore	新加坡
37 Labuan	納閩

LIST OF BRANCHES (CONTINUED)



分行一覽（續）

HONG KONG BRANCH NETWORK 香港分行網絡

		Main Branch 總行
S	1	

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
S	13	King's Road	英皇道
S	14	North Point	北角
	15	Quarry Bay	鰂魚涌
S	16	Queen's Road Central	皇后大道中
S	17	Queen's Road East	皇后大道東
S	18	Shaukiwan	筲箕灣
S	19	Sheung Wan	上環
	20	Siu Sai Wan	小西灣
S	21	Taikoo Shing	太古城
S	22	The University of Hong Kong	香港大學
S	23	United Centre	統一中心
S	24	Wanchai	灣仔

Kowloon Branches 九龍分行

	25	Amoy Plaza	淘大商場
S	26	Castle Peak Road	青山道
	27	Cheung Sha Wan Plaza	長沙灣廣場
	28	Cheung Sha Wan Road	長沙灣道
S	29	Chuk Yuen Estate	竹園邨
S	30	East Tsim Sha Tsui	尖東
	31	Festival Walk	又一城
S	32	Hoi Yuen Road	開源道
	33	Hong Kong Baptist University	香港浸會大學
S	34	Jordan	佐敦
	35	Kowloon City	九龍城
S	36	Kowloon Station	九龍站
S	37	Kwun Tong	觀塘
	38	Laguna City	麗港城
S	39	Langham Place	朗豪坊
	40	Lok Fu	樂富
S	41	Ma Tau Wei Road	馬頭圍道
S	42	Mei Foo Sun Chuen	美孚新邨
	43	Millennium City 5	創紀之城五期
S	44	Mongkok	旺角
S	45	Mongkok North	旺角北
	46	Olympian City	奧海城
S	47	One Peking	北京道一號
S	48	Pau Chung Street	炮仗街
S	49	Prince Edward	太子
S	50	San Po Kong	新蒲崗
S	51	Tai Hang Tung	大坑東
	52	The Hong Kong Polytechnic University	香港理工大學
S	53	Tsim Sha Tsui	尖沙咀
	54	Tsz Wan Shan	慈雲山
	55	Waterloo Road	窩打老道
	56	Whampoa Garden	黃埔花園
S	57	Wong Tai Sin	黃大仙
S	58	Yaumatei	油麻地

New Territories Branches 新界分行

	59	East Point City	東港城
	60	Fanling	粉嶺
S	61	Ha Kwai Chung	下葵涌
	62	Lingnan University	嶺南大學
	63	Ma On Shan Plaza	馬鞍山廣場
S	64	Metro City Plaza	新都城中心
	65	Park Central	將軍澳中心
S	66	Sai Kung	西貢
S	67	Shatin Plaza	沙田廣場
	68	Sheung Kwai Chung	上葵涌
S	69	Sheung Shui	上水
	70	Sun Chui Estate	新翠邨
	71	Tai Po	大埔
S	72	Tai Po Plaza	大埔廣場
S	73	Tai Wai	大圍
S	74	Tai Wo	太和
	75	The Chinese University of Hong Kong	香港中文大學
S	76	Tin Shui Wai	天水圍
	77	Tiu Keng Leng	調景嶺
	78	The Hong Kong Institute of Education	香港教育學院
S	79	The Hong Kong University of Science and Technology	香港科技大學
S	80	Maritime Square	青衣城
S	81	Tsuen Wan	荃灣
	82	Tuen Mun	屯門
S	83	Tuen Mun Town Plaza	屯門市廣場
S	84	Yuen Long	元朗

Outlying Islands Branches 離島分行

	85	Cheung Chau	長洲
	86	Fu Tung Estate	富東邨
	87	Silvermine Bay	梅窩
	88	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
• Shanghai Hongqiao Sub-Branch	• 上海虹橋支行	(86 21) 3252 8833
• 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
• Dalian Wusi Square Sub-Branch	• 大連五四廣場支行	(86 411) 8411 9888
• 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
• Guangzhou Jiangnanxi Sub-Branch	• 廣州江南西支行	(86 20) 8441 1998
• Guangzhou Bei Jing Road Sub-Branch	• 廣州北京路支行	(86 20) 8330 4388
• Foshan Sub-Branch	• 佛山支行	(86 757) 8185 8088
• 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
• Shenzhen Zhongxinqu Sub-Branch	• 深圳中心區支行	(86 755) 8899 6899
• 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	• 珠海檸溪支行	(86 756) 231 9522
• Zhuhai Xin Xiangzhou Sub-Branch	• 珠海新香洲支行	(86 756) 260 1600
• Zhongshan Sub-Branch	• 中山支行	(86 760) 8998 3838
• Chengdu Branch	• 成都分行	(86 28) 8620 2020
• Chengdu Jincheng Sub-Branch	• 成都錦城支行	(86 28) 8626 5050

分行一覽（續）

• 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
• 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
• Shijiazhuang Branch	• 石家莊分行	(86 311) 6678 8000
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) 6602 7702
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
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

* *BEA has completed the disposal of its 70% interest in The Bank of East Asia (Canada) ("BEA Canada") to Industrial and Commercial Bank of China Limited in January 2010. BEA Canada will be renamed to reflect the change in ownership, subject to the approval by the regulators.*

* *2010年1月，東亞銀行就早前出售加拿大東亞銀行70%權益予中國工商銀行股份有限公司之交易已經完成。加拿大東亞銀行將會易名，以反映其股權之變動，更名事宜有待監管機構之批准。*

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, 2009, except for a deviation from Code Provision A.2.1 which is explained 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 4 times a year at approximately quarterly 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 Board meetings are sent to all 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。

除偏離守則條文A.2.1外（該等偏離行為已在下列A項下作出解釋），本行在截至2009年12月31日止會計年度內，已遵守載於《香港聯合交易所有限公司證券上市規則》（「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。

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4次，大約每季一次。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紀錄由公司秘書備存。其他董事會轄下委員會（列於D段董事會轄下的委員會項下）的會議紀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，會公開有關會議紀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紀錄，對會議上各董事所考慮事項及達致的決定作足夠詳細的紀錄，其中包括董事提出的任何疑慮或表達的反對意見。董事會會議紀錄的初稿及最終定稿會發送全體董事，初稿供董事表達意見，最後定稿則作其紀錄之用。董事會會議的紀錄，通常在會議後的一星期內發出，而審核委員會、薪酬委員會及提名委員會的會議紀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。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。

Directors' attendance records

Attendance records of the Directors at Board Meetings (BM), Audit Committee Meetings (ACM), Remuneration Committee Meeting (RCM), Nomination Committee Meetings (NCM) and Annual General Meeting (AGM) held in 2009 are as follows:

	Number of meetings attended/held during the Directors' terms of office in 2009				
	BM	ACM	RCM	NCM	AGM
Executive Directors:					
David LI Kwok-po *(Chairman & Chief Executive)*	5/5	N/A	N/A	2/2	1/1
Joseph PANG Yuk-wing *(Former Deputy Chief Executive) (Resigned as a Director upon conclusion of the Annual General Meeting held on 16th April, 2009)*	1/1	N/A	N/A	N/A	1/1
Non-executive Directors:					
Arthur LI Kwok-cheung *(Deputy Chairman)*	5/5	N/A	N/A	N/A	1/1
Aubrey LI Kwok-sing	5/5	N/A	1/1	2/2	1/1
William MONG Man-wai	3/5	N/A	N/A	N/A	0/1
KHOO Kay-peng	4/5	N/A	N/A	N/A	1/1
Richard LI Tzar-kai	3/5	N/A	N/A	N/A	0/1
Eric LI Fook-chuen	5/5	N/A	1/1	2/2	1/1
Stephen Charles LI Kwok-sze	4/5	N/A	N/A	N/A	1/1
Isidro FAINÉ CASAS *(Appointed as a Director on 1st June, 2009 and a member of Nomination Committee on 26th August, 2009)*	2/2	N/A	N/A	1/1	N/A
Independent Non-executive Directors:					
Allan WONG Chi-yun *(Deputy Chairman)*	5/5	3/3	1/1	2/2	1/1
WONG Chung-hin	4/5	3/3	N/A	N/A	1/1
LEE Shau-kee	3/5	N/A	N/A	1/2	0/1
Winston LO Yau-lai	5/5	3/3	1/1	N/A	1/1
Thomas Kwok Ping-kwong *(Resigned as a member of Audit Committee on 2nd March, 2009)*	3/5	1/1	1/1	N/A	0/1
Kenneth LO Chin-ming	5/5	2/3	N/A	N/A	1/1
William DOO Wai-hoi	5/5	2/3	N/A	N/A	1/1
KUOK Khoon-ean	3/5	3/3	N/A	N/A	0/1
Valiant CHEUNG Kin-piu	5/5	3/3	N/A	N/A	1/1
Average attendance rate	85%	91%	100%	91%	72%

董事會議出席紀錄

各董事於2009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紀錄如下：

	董事於2009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
執行董事：					
李國寶	5/5	不適用	不適用	2/2	1/1
（主席兼行政總裁）					
彭玉榮	1/1	不適用	不適用	不適用	1/1
（前副行政總裁）					
（於2009年4月16日股東周年常會結束後辭任董事）					
非執行董事：					
李國章	5/5	不適用	不適用	不適用	1/1
（副主席）					
李國星	5/5	不適用	1/1	2/2	1/1
蒙民偉	3/5	不適用	不適用	不適用	0/1
邱繼炳	4/5	不適用	不適用	不適用	1/1
李澤楷	3/5	不適用	不適用	不適用	0/1
李福全	5/5	不適用	1/1	2/2	1/1
李國仕	4/5	不適用	不適用	不適用	1/1
范禮賢	2/2	不適用	不適用	1/1	不適用
（於2009年6月1日獲委任為董事及2009年8月26日獲委任為提名委員會委員）					
獨立非執行董事：					
黃子欣	5/5	3/3	1/1	2/2	1/1
（副主席）					
黃頌顯	4/5	3/3	不適用	不適用	1/1
李兆基	3/5	不適用	不適用	1/2	0/1
羅友禮	5/5	3/3	1/1	不適用	1/1
郭炳江	3/5	1/1	1/1	不適用	0/1
（於2009年3月2日辭任審核委員會委員）					
駱錦明	5/5	2/3	不適用	不適用	1/1
杜惠愷	5/5	2/3	不適用	不適用	1/1
郭孔演	3/5	3/3	不適用	不適用	0/1
張建標	5/5	3/3	不適用	不適用	1/1
平均出席率	85%	91%	100%	91%	72%

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 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 1 Executive Director, 8 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.

After obtaining the consent of the Hong Kong Monetary Authority, the Bank appointed Dr. Isidro Fainé Casas as Non-executive Director on 1st June, 2009 and subsequently as a Member of the Nomination Committee on 26th August, 2009. In accordance with the Articles of Association of the Bank, Dr. Fainé retired and was re-elected by Shareholders as a Director of the Bank at the Extraordinary General Meeting held on 4th December, 2009.

The composition of the Board is shown on page 52 under the subject Corporate Information. All Directors are expressly identified by categories of Executive Director, 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 with members of the Board, Senior Management and substantial shareholders (as defined in the Listing Rules) of the Bank 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 a procedure for the appointment of new Directors to the Board and plans in place for the succession for appointments to the Board.

Pursuant to the Articles of Association of the Bank, Directors (including Non-executive 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, Senior Management and Division Heads of the Bank, and for the review of management succession plan for Executive Directors, Senior Management 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, Allan WONG Chi-yun, LEE Shau-kee, Aubrey LI Kwok-sing and Isidro FAINÉ CASAS (appointed on 26th August, 2009).

Attendance of individual members at Nomination Committee meetings in 2009 is recorded on page 62.

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.

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開會，以商討影響本行運作的事項。透過董事會的運作，足以確保權力和職權得到平衡。董事會的組合具有強大的獨立元素，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1位執行董事，8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。

於取得香港金融管理局的批准後，本行在2009年6月1日委任范禮賢博士為非執行董事，其後再於2009年8月26日委任范博士為提名委員會成員。范博士已按本行組織章程細則規定，於2009年12月4日舉行的股東特別大會告退，並獲股東重選為本行董事。

董事會的成員刊載於第53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、高層管理人員和主要股東（根據《上市規則》之定義）的關係，刊載於第39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，董事（包括非執行董事）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、委任高層管理人員和處級主管，以及審議本行執行董事、高層管理人員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、黃子欣、李兆基、李國星及范禮賢（於2009年8月26日委任）。

2009年提名委員會會議個別成員的出席率載於第63頁。

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。

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

- Appointment of CHAN Tze-ching as a Consultant to the Bank;
- New organisational structure;
- Appointment of Deputy Chairmen of the Board;
- Appointment of Isidro FAINÉ CASAS as a Non-executive Director and a Member of the Nomination Committee, and re-appointment of Isidro FAINÉ CASAS as a Director of the Bank;
- Annual review on Terms of Reference of the Nomination Committee;
- Size, structure and composition of the Board;
- Management Succession Policy;
- Management Succession Plans;
- Assessment of the independence of Independent Non-executive Directors; and
- Re-election of David LI Kwok-po, Allan WONG Chi-yun, Aubrey LI Kwok-sing, Winston LO Yau-lai, KHOO Kay-peng and Stephen Charles LI Kwok-sze as Directors of the Bank to be proposed for shareholders' approval at the 2010 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. In-house briefings will be given by qualified professionals at Board meetings on regulatory requirements.

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 ongoing 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.

Directors have satisfactory attendance rates at both Board meetings and Committee meetings.

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 a newly appointed Director 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, 2009.

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 so 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.

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：

- 委任陳子政為本行顧問；
- 新組織架構；
- 委任董事會副主席；
- 委任范禮賢為非執行董事及提名委員會成員，以及重選范禮賢為本行董事；
- 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；
- 評核本行獨立非執行董事的獨立性；及
- 在2010股東周年常會上向股東提呈批准重選李國寶、黃子欣、李國星、羅友禮、邱繼炳及李國仕為本行董事。

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。本行安排合資格的專業人士於董事會舉行期間提供有關規管要求的講解。

每名新任的董事均會在首次接受委任時獲得由公司秘書準備的一份資料套件。此資料套件為一份全面、正式兼特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。

董事在董事會會議及委員會會議的出席率均令人滿意。

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（包括一名年內退任的董事及一名獲委任的董事）明確查詢，彼等已確認於截至2009年12月31日止年度內之所有適用時期，均已遵守標準守則及本行政策中所要求的標準。

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。

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 the Chief Executive, Senior Management and Division Heads of the Bank.

The basis of determining the emoluments payable by the Bank to its Directors and Senior Management is by reference to the level of emoluments normally paid by comparable banks and listed companies in Hong Kong to directors and senior executives of comparable calibre and responsibilities so as to ensure a fair and competitive remuneration package. The Bank will also ensure that no individual Director will be involved in deciding his own remuneration.

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 Remuneration Committee meeting in 2009 is recorded on page 62.

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

- 2009 Staff Cost Budget and Incentive Scheme Budget;
- Annual Salary Review 2009;
- Remuneration for Senior Executives 2009;
- Third offer and grant of share options under the Staff Share Option Scheme 2007 to eligible employees including Executive Director and Senior Management;
- Annual review on Terms of Reference of the Remuneration Committee; and
- 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.

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
Board of Directors:	
Chairman	HK$300,000
Other Directors	HK$200,000
Audit Committee:	
Chairman	HK$100,000
Other members	HK$60,000
Nomination Committee:	
Chairman	HK$50,000
Other members	HK$30,000
Remuneration Committee:	
Chairman	HK$50,000
Other members	HK$30,000

Information relating to the remuneration of each Director for 2009 is set out in Note 17 on the accounts.

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層管理人員的獨立途徑。

所有董事均有權查閱董事會文件、會議紀錄及相關資料。

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行政總裁、高層管理人員及處級主管的特定薪酬待遇，向董事會提出建議。

本行於釐定其董事及高層管理人員的酬金時，將參照本港同級銀行及上市公司一般支付予其具備同級水平及履行同類職責的董事及高級行政人員的酬金，以確保能提供既公平又具競爭力的薪酬予有關人士。本行亦確保任何董事不能自行釐定薪酬。

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。

2009年薪酬委員會會議個別成員的出席率載於第63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：

- 2009年度員工成本預算及賞金計劃預算；
- 2009年度薪酬檢討；
- 2009年高級行政人員薪酬；
- 根據本行的2007年僱員認股計劃，給予及授出第3批認股權予合資格僱員，包括執行董事及高層管理人員；
- 就薪酬委員會職權範圍進行年度檢討；及
- 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。

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
董事會：	
主席	港幣30萬元
其他董事	港幣20萬元
審核委員會：	
主席	港幣10萬元
其他成員	港幣6萬元
提名委員會：	
主席	港幣5萬元
其他成員	港幣3萬元
薪酬委員會：	
主席	港幣5萬元
其他成員	港幣3萬元

有關各董事2009年的薪酬資料載於賬項附註17。

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 as will 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, 2009, 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 to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

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

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紀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2009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113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。

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；保存恰當的會計紀錄；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説明函件），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

are reported to the Audit Committee twice each year. During the year 2009, no major issue 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.

Audit Committee

It is the responsibility of the Board to establish formal and transparent arrangements for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the Bank's auditors.

The Bank has established an Audit Committee with specific written Terms of Reference which deal clearly with its authority and duties. The Terms of Reference of the Audit Committee have included 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, the adequacy of resources, qualifications and experience of the accounting and financial reporting function, 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 Allan WONG Chi-yun, WONG Chung-hin, Kenneth LO Chin-ming, William DOO Wai-hoi, KUOK Khoon-ean and Valiant CHEUNG Kin-piu.

Attendance of individual members at Audit Committee meetings in 2009 is recorded on page 62.

The following is a summary of the work performed by the Audit Committee during and for the year 2009:

- 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 2009;
- Recommended to the Board to re-appoint KPMG as the Bank's Group external auditors for 2009;
- Reviewed the Group Internal Audit Policy;
- Reviewed the internal audit reports covering the evaluation of internal controls, including the adequacy of resources, qualifications and experience of the staff of the Bank's accounting and financial reporting function, and their training programmes and budget;
- Reviewed the Auditor's Report regarding the internal control systems for 2008 prepared under the Banking Ordinance;
- Reviewed the audited accounts and final results announcement for 2008;
- Reviewed the Interim Report and the interim results announcement for the six months ended 30th June, 2009;
- Reviewed the Terms of Reference of the Audit Committee;
- Recommended to the Board for the adoption of the revised or amended Hong Kong Accounting Standards and Hong Kong Financial Reporting Standards; and
- Reviewed and approved internal audit plan for 2010.

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 Management and 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 2010. The recommendation will be presented for the approval of shareholders at the Annual General Meeting to be held on 22nd April, 2010.

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 normally within a reasonable period after the meeting.

No former partners of the Bank's external auditors is acting as a member of the Audit Committee before expiry of a period of one year commencing the later of the date of his ceasing to be a partner of the firm or to have any financial interest in the firm.

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

年兩次向審核委員會匯報。2009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。

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、會計及財務匯報職能員工的資源、資歷和經驗，以及審閱年度報告、賬目和半年中期報告。

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，其他成員包括黃子欣、黃頌顯、駱錦明、杜惠愷、郭孔演及張建標。

2009年審核委員會會議個別成員的出席率載於第63頁。

審核委員會在年內及為2009年度所做的工作，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2009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2009年度的外聘核數師；
- 審核集團內部稽核政策；
- 審核涵蓋內部監控分析的內部稽核計劃，包括檢討本行財務匯報職能員工的資源、資歷和經驗，以及有關職能的培訓計劃和預算是否充裕；
- 審閱《銀行條例》下2008年度內部監控系統核數師報告；
- 審閱2008年度經審核賬目及全年業績公告；
- 審閱截至2009年6月30日止6個月的中期報告及中期業績公告；
- 檢討審核委員會的職權範圍；
- 向董事會建議採納修訂的香港會計準則和香港財務匯報準則；及
- 審核及批准2010年度的內部稽核計劃。

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

董事會同意審核委員會續聘畢馬威會計師事務所為本集團2010年度外聘核數師的建議。推薦建議將在2010年4月22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紀錄由公司秘書保存。審核委員會會議紀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，最後定稿作紀錄之用。

本行的審核委員會並無任何成員於其終止成為本行核數公司合夥人當日或其不再享有該核數公司財務利益當日起計1年內，擔任核數公司的前任合夥人。

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。

During 2009, the fees paid or payable to KPMG, the Bank's external auditor, and its associates for providing non-audit services amounted to HK$5.9 million, which included the following items:

- Ad hoc projects (including service for conducting due diligence exercise and issuance of Hybrid Tier 1 Capital and RMB Bonds): HK$2.9 million;
- Taxation services: HK$0.6 million;
- Services made at the request of regulators: HK$0.5 million;
- Other services (including consultation, advisory and review exercises): HK$1.9 million.

The fee paid or payable to KPMG for providing audit service of the group is HK$9 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.

The Bank has established *a Schedule of Matters Reserved to the Board for Decision* to formalise the functions reserved for the Board and 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 to be decided by the Board include:

- Appointment of directors and senior executives;
- Business plans of the Bank;
- Proposal for selection of external auditors;
- Job mandate of the Chief Executive and Deputy Chief Executive;
- 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), the 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 9 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;

2009年內支付或需支付予本行的外聘核數師 — 畢馬威會計師事務所 — 及其聯營公司提供非核數服務的費用為港幣590萬元，其中包括以下事項：

- 非經常性項目（包括盡職審查及就監控和發行混合一級資本工具及人民幣債券）：港幣290萬元；
- 稅務服務：港幣60萬元；
- 按監管機構要求所作的服務：港幣50萬元；
- 其他服務（包括顧問、諮詢及審查服務）：港幣190萬元。

為集團提供核數服務的已支付或須支付予畢馬威會計師事務所的費用為港幣900萬元。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。

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；
- 行政總裁及副行政總裁的職責；
- 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；
- 設立海外分行或設立或收購中國及海外的附屬公司或聯營公司的建議；
- 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9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. 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; and

9. Investment Committee, which is responsible for reviewing and formulating investment strategies as well as making investment decisions in respect of fixed income, equity and equity related investments for the Bank, East Asia Investment Holdings Limited, The Bank of East Asia, Limited Employees' Provident Fund and The Bank of East Asia, Limited Employees Provident Fund (UCB).

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

General Meetings

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

At the 2009 Annual General Meeting held on 16th April, 2009 and the Extraordinary General Meeting held on 4th December, 2009:

(i) A separate resolution was proposed by the Chairman in respect of each separate issue, including the re-election of Director(s).

(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 poll on all resolutions. KPMG, the Bank's external auditor, was engaged as scrutineer to ensure the votes were properly counted.

The 2010 Annual General Meeting will be held on 22nd April, 2010, the notice of which will be sent to shareholders at least 20 clear business days before the Meeting. Please refer to the 2010 Annual General Meeting Circular which will be despatched to the shareholders on or around 18th March, 2010 for further details.

Shareholders' rights and investor relations

The Articles of Association of the Bank provide that a resolution put to the vote of the general meeting shall be decided on a poll. 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 and extraordinary 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.

6. 營運風險管理委員會負責處理集團所有與營運、法律及信譽風險有關的事宜；

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有關的事宜；

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；及

9. 投資委員會負責檢討及制訂本行、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定息債券、股票及其他股票相關投資工具的投資策略。

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

股東大會

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。

於2009年4月16日舉行的股東周年常會及2009年12月4日舉行的股東特別大會上：

(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。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。

召開2010年4月22日股東周年常會的通告於會議前最少足20個營業日寄出，詳情請參閱約於2010年3月18日寄發予股東之2010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於股東大會上提呈的決議案以投票方式表決。投票結果會於股東大會後即日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、定期及適時的本集團最新發展及策略的公開披露。除上述的股東周年常會及股東特別大會外，其他傳訊渠道包括：

- 本集團網址http://www.hkbea.com，提供本行公告、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 pride ourselves on our long-standing commitment to the well-being of our employees and the community at large. In this Report, we highlight many of the initiatives undertaken by the BEA Group over the past year to enhance the workplace environment, promote community spirit and create new opportunities in the communities we serve.

THE BANK OF EAST ASIA

Employees

With a workforce of over 10,500, we view our employees as our most important asset. We encourage a healthy work-life balance, in order that all staff members find time to develop their physical and mental health, and pursue interests outside the workplace. Further, we constantly benchmark staff compensation and benefits against the market, so as to ensure that our employees are rewarded fairly for their efforts.

Family-friendly Employment and Benefit Policy

In line with the Bank's policy to promote work-life balance, all staff members – except those with specific job responsibilities – enjoy a five-day work week. Comprehensive hospitalisation and outpatient medical benefits are provided. We also offer flexible maternity leave and compassionate leave, making the Bank a family-friendly workplace. We also provide financial relief and personal assistance in cases of genuine need.

Staff Relations

The Bank's Employee Assistance Programme provides timely help in the event that work or outside pressures become too great, including a hotline, e-mail consultation, counselling and psychological consultation, management consultation, advice on stress management and other wellness programmes.

BEA supports life-long learning, both in-house and through extra-curricular activities. We operate a staff library with a comprehensive range of reading materials, including professional development reference materials and self-help books on subjects such as emotional well-being, positive attitude and family relations management. These materials are available to staff members and their families for loan.

The Bank takes a proactive stand against potential health risks, including most recently Avian Flu and Human Swine Influenza ("Swine Flu"). During the past year, a series of precautionary measures were implemented to cope with a potential flu pandemic, aiming to protect the health of our employees and minimise the opportunity for disease to spread through the workplace. The Bank conducted regular health seminars to raise awareness about the risk of pandemic diseases. Prior to the flu season, an Influenza Vaccination Assistance Programme was launched to enable staff members to obtain a vaccination on a voluntary basis at a discounted rate.

Staff Sports and Recreational Club

We have a very active programme of recreational activities for our staff members. Family outings, hiking, movie nights, ball games, and kickboxing classes are at the top of the popularity list. A gymnasium is available at BEA Tower in Kwun Tong for use by staff members during their free time. Further, a multifunction room is open at lunchtime, where TV, newspapers, magazines and table tennis are available. The room may also be used for health and fitness courses and interest classes at other times.

企業責任報告

本行為全港最大的獨立本地銀行，一直以能夠實踐對本行員工及締造社會福祉的長遠承諾而自豪。本報告摘錄東亞銀行集團過去一年在改善工作環境、提升社會支援及精神，以及在我們服務的社區創造更多新機會等各方面所作的計劃和貢獻。

東亞銀行

僱員

本行現聘用逾10,500名員工。我們重視人才，更視員工為最重要的資產。我們鼓勵僱員能平衡工作和生活，保持身心健康，並積極發展工餘嗜好。此外，我們定期參考市場的僱員薪酬方案，以確保為僱員提供合理的薪酬。

家庭事業兼顧的工作模式和薪酬政策

本行致力推行有關僱員工作與生活平衡的政策，因此除個別負責特定工種的員工外，本行全體職員均實行5天工作制。所有僱員均享有住院及門診醫療福利；同時，本行也為僱員提供產假及喪假，力求讓員工能夠兼顧家庭關係。如員工有確切需要，本行也會為他們提供財務及個人支援。

僱員關係

本行設有「僱員輔助計劃」，為在工作或外間遭受壓力的員工提供適時的協助，包括熱線服務、電郵諮詢、專業心理輔導、管理諮詢、協助壓力處理及其他康健訓練計劃等。

本行透過內部舉辦和與工作相關的外間活動，致力提倡終生學習。本行設立的員工圖書館備有多種閱讀資料，包括個人專業發展之參考資料和提升自我的書籍，如情緒控制、積極生活態度，以及和諧家庭關係管理等。此等材料均可供員工及其家人借用。

對可能危害員工健康的潛在疾病，包括近期的禽流感及人類豬型流感，我們採取了積極防範措施。2009年，本行推行了一連串的預防措施，以應付可能爆發的流感疾病，此舉旨在保障員工健康，並減低疾病在工作間傳播的機會。我們定期舉辦健康講座，藉以提升員工防範流感病傳播的意識。在流感高峰期前，本行推出了「流行感冒疫苗協助計劃」，為有意注射流行感冒疫苗的員工提供折扣優惠，方便其進行注射。

員工康體會

本行為職員提供非常多元化的康樂活動，例如：家庭郊遊、遠足、電影欣賞、各項球類活動和拳擊班等，均是大受員工歡迎的項目。同時，本行位於觀塘的東亞銀行中心設有健身房，讓員工在工餘時間使用，以提升體能。另外，多用途活動室於午飯時間開放，該處備有電視、報紙、雜誌及乒乓球活動設施等。多用途活動室於其他時段也用作其他康體課程和興趣小組的活動場地。

Recreational activities are organised regularly to encourage a healthy work-life balance among staff members.

本行定期舉辦不同的康體活動，鼓勵僱員能平衡工作和生活。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

Those who prefer to relax outdoors can take advantage of the landscaped roof garden at BEA Tower, which provides a perfect venue for staff members to relax and mingle after a busy day of work.

Staff who wish to improve their health and physical fitness can take advantage of our health seminars and special-interest classes, such as fat-burning training, Yeung's *Tai Chi*, line dance and belly dance.

In addition, we have formed three corporate sports teams that participate in matches with other corporations.

These matches promote a positive image of the Bank, and generate a deeper camaraderie among Bank staff.

Community

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

Charity and Sponsorship

We are a long-standing supporter of the Community Chest of Hong Kong ("the Chest"), and have received the President's Award for many years in a row. Staff members give generously of their time to participate in the Chest's programmes, such as Corporate and Employee Contribution Programme, Walk for Millions and Dress Special Day, etc.

Among the community projects and events that BEA has supported this year are: "Children's Storytelling Competition", hosted by The Boys' and Girls' Clubs Association of Hong Kong; "Hike for Hospice", organised by The Society for the Promotion of Hospice Care; "The 6th FHS Charity Walkathon", held by the Fu Hong Society; "2009 Haven of Hope Fundraising Golf Tournament", organised by Haven of Hope Christian Service; and the Mai Po Nature Reserve, under the direction of the WWF Hong Kong. We also sponsored the Social Enterprises Summit 2009, which was hosted by The Hong Kong Policy Research Foundation Limited, and supported the People's Food Bank and other charity projects run by St. James' Settlement.

A long-standing supporter of the Community Chest of Hong Kong, the Bank received a number of prestigious awards for its contributions throughout the year.

本行多年來一直支持香港公益金，年內榮獲多個獎項，表揚本行卓越貢獻。

如欲在戶外休憩的職員，更可往東亞銀行中心頂層，利用空中花園的設施，該處置有精心設計的綠化園藝，是職員在工餘時一洗工作疲累，及與其他同事暢聚的理想去處。

員工如希望保持健康的體魄，可以參加員工康體會舉辦的健康講座和特別興趣班，例如纖體訓練班、楊家太極班、排排舞班及肚皮舞班等。

此外，本行成立了3支球隊代表本行參與外界比賽，與其他機構球隊交流切磋。

有關的比賽活動為本行建立良好形象，同時有助提高員工士氣，強化團隊精神。

社會

本行積極參與業務所在地區的社會事務。

慈善捐獻與贊助

本行在過去多年一直支持香港公益金，並屢獲「公益榮譽獎」。員工也無私奉獻一己時間，積極參與公益金的慈善活動，如「商業及僱員募捐計劃」、「公益金百萬行」和「公益服飾日」等。

在2009年，本行捐款贊助了多家慈善和社會團體舉辦的活動，包括：香港小童群益會主辦的「全港兒童故事演講比賽」、善寧會的「登山善行2009」、扶康會舉行的第六屆「甜蜜心連心」步行籌款、基督教靈實協會的「2009靈實高爾夫球慈善賽」，以及世界自然基金會香港分會關於「米埔自然保護區」等多個活動。我們又積極支持由香港政策研究基金有限公司主辦的「2009社企民間高峰會」，並贊助由聖雅各福群會主辦的「眾膳坊」及其他慈善計劃。

The Bank received a certificate from The Boys' and Girls' Clubs Association of Hong Kong in recognition of its sponsorship of the "Children's Storytelling Competition".

本行贊助香港小童群益會主辦的「全港兒童故事演講比賽」，獲該會頒發感謝狀。

The Bank received a certificate of appreciation from St. James' Settlement as part of the agency's 60th Anniversary celebrations.

本行獲聖雅各福群會頒發感謝狀，頒發獎狀乃該會誌慶60周年活動的一部份。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

In addition, the Bank continues to support the annual fundraising campaigns of Yan Chai Hospital, Po Leung Kuk, Hong Kong Red Cross, Senior Citizen Home Safety Association, and many more.

Arts and Culture

The Bank is an active sponsor of various arts and cultural events, such as Le French May of The Association Culturelle France – Hong Kong Ltd, and the Hong Kong Arts Festival, a highlight of the cultural calendar each year.

Support for Professional Organisations

The Bank is a frequent sponsor of and participant in seminars and conferences organised by local professional bodies, such as the Hong Kong Institute of Bankers and the Hong Kong Management Association. Many of our senior staff members also serve on committees and working groups of professional and government bodies to provide advice and contribute ideas to the industry and the society at large.

Support for Youth

Each year, the Bank provides internship, work attachment and company visit opportunities for local and overseas secondary and undergraduate students. In addition, we provide various scholarships for students in the wider community. The Bank also supports The Friends of Cambridge University in Hong Kong Limited, which offers scholarships to local students who wish to pursue an undergraduate degree at The University of Cambridge. In the year 2009, the Bank also acted as the title sponsor for "The Bank of East Asia International English Contest (Hong Kong)".

BEA Volunteering Day

In December 2009, the Bank organised a community care event in association with Helping Hand, and provided an opportunity for staff members to participate in volunteer work. The volunteer team hosted a Christmas party at Helping Hand's centre at Siu Sai Wan Jockey Club Housing for the Elderly in mid-December 2009, during which foodstuffs and daily personal care products donated by staff were presented as gifts. The residents were joined by some 100 senior citizens from Siu Sai Wan Estate, who also received Christmas gifts from the Bank.

The Bank supported various arts and cultural events in Hong Kong, including the Finale of the 2009 Hong Kong Arts Festival.

2009年，本行贊助了不少文化康樂活動，包括香港藝術節的閉幕演出。

The Bank acted as the title sponsor of "The Bank of East Asia International English Contest (Hong Kong)".

本行贊助「東亞銀行國際英語大賽（香港）」，為該比賽的冠名贊助機構。

此外，我們繼續支持仁濟醫院、保良局、香港紅十字會、長者家居服務協會等多個慈善團體每年舉辦的籌募經費活動。

文化藝術

2009年，本行贊助的文化康樂活動包括 The Association Culturelle France – Hong Kong Ltd 主辦的「法國五月」，以及每年一度的本地文化盛事 — 香港藝術節的閉幕演出。

贊助專業團體

我們也贊助多個專業團體並積極參加其活動，例如香港銀行學會和香港管理專業協會等，藉此推廣專業目標和提升本港的業界標準。同時，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。

支持年青人

本行每年均為本地及海外大學及中學學生提供實習機會，或安排公司探訪，讓學生加深對銀行和金融業的瞭解。同時，我們為本地大學或專業團體提供多個獎學金予成績優異的學生，以茲鼓勵。東亞銀行也積極支持劍橋之友香港有限公司，該會一直為有志攻讀劍橋大學的本地學生提供獎學金。2009年，本行以「東亞銀行國際英語大賽（香港）」之名提供贊助經費，成為該比賽的冠名贊助機構。

東亞銀行義工日

2009年12月，東亞銀行與伸手助人協會合作，組織了一項關愛社區活動，並組成職員義工隊參與此項公益活動。義工隊在去年12月中旬探訪了「小西灣賽馬會老人之家」，為長者舉行聖誕聯歡會，並派發由東亞銀行員工送出的食物與日常用品作聖誕禮物。義工隊也探訪了同住該區之其他百多位獨居長者，同時送出禮物，與眾多長者共度有意義的一天。

The Bank's volunteer team hosted a Christmas party at Helping Hand's centre at Siu Sai Wan Jockey Club Housing for the Elderly.

本行的管理層人員與員工組成「愛心大使」，探訪伸手助人協會轄下的小西灣賽馬會老人之家，與一眾長者同賀聖誕佳節。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

Disaster Relief

The Bank also responds when sudden tragedy strikes. To assist those affected by Typhoon Morakot in Taiwan in August 2009, the Bank made a donation of NTD2,000,000 to the Ministry of the Interior of Taiwan.

Being a Caring Company

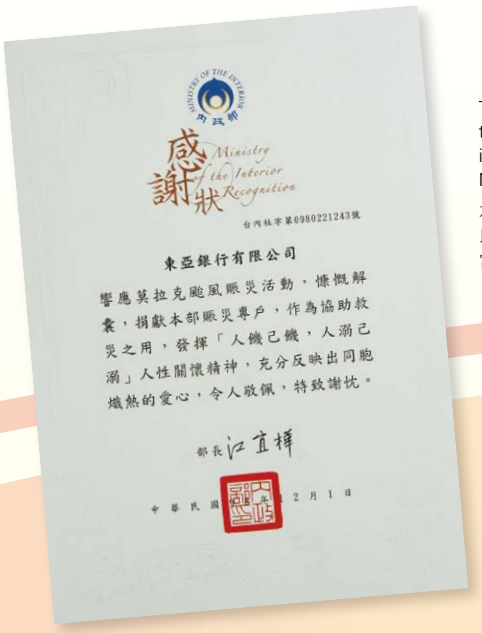
Bank staff were active in a range of other community programmes. These included "Bank Cup of the 16th Green Power Hike", organised by Green Power; "The 4th Hong Kong & Macau O! Day", organised by The Salvation Army; UNICEF Charity Run 2009, and many more. In recognition of our efforts, the Bank was named a "Caring Company" by The Hong Kong Council of Social Service in 2009 for the sixth consecutive year.

Environment

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

Participation in Environmental Protection Initiatives

The Bank actively co-operates with other organisations in order to promote green initiatives. For example, we have joined the Climate Change Business Forum ("CCBF") as a Gold Member. 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.



The Bank was recognised for its donation to the Ministry of the Interior of Taiwan in August 2009 in aid of Typhoon Morakot relief efforts.

本行於2009年8月捐款予台灣內政部，以協助颱風「莫拉克」的救援工作，並獲當局表揚。

賑災活動

本集團對賑災活動一向反應積極，如遇不幸災難事件發生，我們即毫不猶豫，迅速施予援手。2009年8月颱風「莫拉克」肆虐台灣，造成重大傷亡和破壞，本集團即捐出新台幣200萬元予台灣內政部，以協助救援工作。

關懷社會

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，不遺餘力。例如由綠色力量主辦的「第16屆綠色力量環島行慈善行山比賽（銀行盃）」、救世軍的「第4屆港澳定向追蹤日」，以及聯合國兒童基金會的「聯合國兒童基金會慈善跑2009」等。為表揚本行及員工所作的貢獻，本行在2009年已連續6年獲香港社會服務聯會嘉許為「商界展關懷」機構之一。

環境

本行關注保護環境，以負責任的態度營運日常業務。我們竭力尋找具潛在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。

環保措施

本行努力與各界合作推動環保，包括加入商界環保協會的「氣候變化商界論壇」成為金級成員，各商界領袖透過此特設的平台，就氣候變化的影響，以及為推動更負責任和持續發展而需要制訂的政策及規例等議題進行討論。

The Bank was named a "Caring Company" by the Hong Kong Council of Social Service in 2009 for the sixth consecutive year.

本行在2009年已連續6年獲香港社會服務聯會嘉許為「商界展關懷」機構之一。

The Bank supported "The 4th Hong Kong and Macau O! Day" fundraising event organised by The Salvation Army in aid of the development of the Army's social services projects in Hong Kong and Macau.

本行贊助救世軍的「第4屆港澳定向追蹤日」，支持該會於香港和澳門的社會服務計劃。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

The Bank participated in the 2009 Earth Hour in March 2009 – an annual global event organised by the World Wide Fund for Nature to turn off indoor and display lighting to raise awareness about climate change. In June 2009, we participated in the local "*Dim It 6.21*" campaign. This campaign, organised by Friends of the Earth (Hong Kong), adopted a similar strategy to highlight the impact of light pollution.

In December 2008, we enrolled our Head Office Building in the "Energywise Label Scheme" under the Hong Kong Awards for Environmental Excellence. Upon completion of on-site evaluation and in-depth assessment, the Bank received the "Class of Good" Energywise Label for its Head Office Building in May 2009.

Energy Conservation Initiatives

In order to identify additional energy-saving opportunities, we invited CLP Power Hong Kong Limited ("CLP Power") to conduct an energy audit of our office floors at BEA Tower in May 2009. After on-site walk-through and intensive evaluation, CLP Power submitted an audit report to the Bank in July 2009 that praised the Bank's energy saving initiatives.

Based on the finding of the audit and recent market trends, we plan to implement a number of new energy conservation initiatives at Head Office Building and BEA Tower during the coming year, including replacement of fluorescent tubes with high efficiency LED light tubes and use of energy-saving spot lights.

Waste Management

In order to step up our waste reduction efforts, we have joined the "Wastewise Scheme" under the Hong Kong Awards for Environmental Excellence. In line with this initiative, we have adopted new measures to recycle items such as fluorescent lamps, plastic bottles, aluminium cans, toner cartridges, etc. To reduce paper usage, we continue to encourage communication by electronic means.

Environmentally Responsible Initiatives

The Bank has taken steps to reduce use of paper in our customer communications and to encourage our customers and staff to do their part in protecting the environment. These initiatives include encouraging customers to reduce paper usage by adopting electronic channels for applications, transactions, etc., and to make use of our Interactive Voice Response System to communicate with the Bank. We have introduced an e-statement service for monthly statements, while our holiday e-greeting cards both protect the environment and help our customers and business partners to save printing and postage costs.

Further, our Shareholders have been offered the opportunity to receive corporate communications (including Interim Reports, Annual Reports and circulars) via electronic means. To date, approximately 11.6% of Shareholders have opted in favour.

The Bank participated in the "*Dim It 6.21*" campaign to raise society's awareness of light pollution in Hong Kong.

本行參與「*6.21 夠照・熄燈*」行動，加強公眾對光污染的關注。

本行於去年3月參加了由世界自然基金會每年舉行的「地球一小時2009」行動，該活動藉匯聚全球各大機構之力，關閉室內及陳列燈光，以提高人們應對氣候變化的意識。此外，2009年6月，我們參與了由香港地球之友主辦的「*6.21 夠照．熄燈*」行動，此活動也採用類似方法，鼓勵本地參與機構關燈，加強公眾對光污染的關注。

2008年12月，我們參加「香港環保卓越計劃」中的「節能標誌計劃」，提名中區總行大廈 — 東亞銀行大廈參選。經過評審員的實地考察及深入評估，本行總行大廈於2009年5月獲頒發「良好級別節能標誌」。

節能措施

我們持續尋求進一步節能的機會，於2009年5月邀請了中華電力有限公司（「中華電力」）為本行位於觀塘的東亞銀行中心各辦公室樓層進行能源審核。在進行了實地及深入的評估後，中華電力於7月向本行呈交了審核報告，並對本行的各項節能措施予以嘉許。

我們就報告結果及近期市場趨勢，計劃於2010年在總行大廈及東亞銀行中心推行一系列新的節能措施，包括以高效能的發光二極管取代舊有的光管，同時也會轉用環保節能的石英燈。

廢物處理

為了更積極減少製造廢物，本行參加了「香港環保卓越計劃」中的「明智減廢計劃」。我們採取新措施，將舊有物品循環再用，例如熒光燈、塑膠瓶、鋁罐，以及碳粉盒等。為了減少耗紙量，我們持續鼓勵以電子郵件方式與客戶及員工溝通。

負責任的環保措施

本行已採取多項措施減少由客戶通訊所引致的虛耗，並鼓勵客戶及僱員竭盡保護環境的本份，此等措施包括鼓勵客戶透過電子渠道遞交申請表格或進行交易等，以減少用紙；以及善用我們的「互動語音電話系統」與本行溝通。此外，本行推出電子月結單服務，同時亦提供電子賀卡，供客戶於節日使用，這些措施皆有助保護環境，以及協助客戶及業務夥伴節省有關印刷和郵寄的支出。

再者，本行鼓勵股東選擇透過本行網頁及電子郵件方式閱覽及收取企業通訊，包括中期報告、年報及股東通函等。目前已有11.6%的股東選擇此種方式閱覽本行企業通訊。

Membership No.
成員編號：EW-8314-0439

節能
Energywi$e
Hong Kong Awards for Environmental Excellence
香港環保卓越計劃
Good 良好

This is to certify that
茲證明

East Asia Facility Management Limitd
東亞設施管理有限公司

The Bank of East Asia Building, 10 Des Voeux Road Central, Hong Kong
香港德輔道中10號 東亞銀行大廈

has fulfilled the requirements for the "Class of Good" EnergywiSe Label and demonstrated a high commitment to environmental protection and energy conservation.

符合獲得「良好級別」節能標誌所需的要求，並承諾致力保護環境及節約能源。

Mr. Lee Chung-tak, Joseph, SBS, JP
Chairman, Environmental Campaign Committee
環境保護運動委員會主席
李宗德SBS太平紳士

Expiry: 31 March 2010
滿期日期：二〇一〇年三月三十一日

BEA joined the "Wastewise Scheme" under the Hong Kong Awards for Environmental Excellence.

本行參加「香港環保卓越計劃」中的「明智減廢計劃」。

THE BANK OF EAST ASIA (CHINA) LIMITED

Community

Shanghai Soong Ching Ling Foundation – BEA Charity Fund

The Bank of East Asia (China) Limited ("BEA China") co-founded the "Shanghai Soong Ching Ling Foundation – BEA Charity Fund" ("the Fund") with Shanghai Soong Ching Ling Foundation on 24th November, 2009. This is the first charity fund established by a foreign bank on the Mainland. It has received considerable support and donations from many corporations, entrepreneurs and individuals, raising over RMB9 million since its inception.

The Fund's first fund-raising activity is "The Firefly Project". This project aims to improve education opportunities for disadvantaged children in rural areas of China. The funds will support new libraries, purchase of computers and other learning-aid facilities, donations of "Firefly 60 Backpacks" containing stationery and books, recruitment of volunteer teachers from cities, and training for teachers in rural areas.

"BEA • Asian Youth Orchestra – 'Impressionist' Masters Ravel Session" Concert

BEA China sponsored the Asian Youth Orchestra's concert "BEA • Asian Youth Orchestra – 'Impressionist' Masters Ravel Session" in Shanghai on 8th August, 2009. The Asian Youth Orchestra is a non-profit organisation founded in 1987 in Hong Kong aiming at exposing Asia's brightest young musicians to rich and varied artistic experiences. Through sponsoring the concert, BEA China not only provided a rewarding musical event for the audience, but also helped enhance cultural exchanges among youth in Asia.

On-Campus Career Seminar

BEA China participated in various practical programmes in support of the career development of university students in China. In October 2009, BEA China and Shui On Land Limited came together to conduct a seminar for students of Fudan University in Shanghai. Speakers shared their experience and skills in career planning, job-hunting and interviewing.

BEA China co-founded the "Shanghai Soong Ching Ling Foundation – BEA Charity Fund" with the Shanghai Soong Ching Ling Foundation, the first charity fund established by a foreign bank in Mainland China.

東亞中國與上海宋慶齡基金會合作，成立「上海宋慶齡基金會 — 東亞銀行公益基金」，成為首個在內地由外資銀行成立的公益基金。

東亞銀行（中國）有限公司

社會

上海宋慶齡基金會 — 東亞銀行公益基金

2009年11月24日，東亞銀行（中國）有限公司（「東亞中國」）與上海宋慶齡基金會合作，成立「上海宋慶齡基金會 — 東亞銀行公益基金」。該基金為首個在內地由外資銀行成立的公益基金。自成立以來，一直獲得眾多公司、企業家和個人的熱心支持和捐助，現已籌得超過900萬元人民幣。

該基金的首個籌款項目名為「螢火蟲計劃」，旨在改善內地偏遠地區兒童的教育機會。籌募的善款將用於：興建圖書館、添置電腦和其他教學輔助設備、捐贈載有文具和書籍的「螢火蟲60包裹」，從城市招募義工教師，以及為偏遠地區的教師提供培訓。

「東亞銀行之約 • 亞洲青年管弦樂團 — "印象派" 大師拉威爾專場」音樂會

2009年8月8日，東亞中國贊助了亞洲青年管弦樂團在上海舉辦的「東亞銀行之約 • 亞洲青年管弦樂團 — "印象派" 大師拉威爾專場」音樂會。亞洲青年管弦樂團於1987年在香港成立，為一個非牟利組織，成立的主要目的是為一些出色的亞洲年青音樂家提供演出機會，讓他們汲取豐富及多元化的藝術經驗。透過贊助是次音樂會，東亞中國不但以一場音樂盛會回饋觀眾，並且協助推動亞洲青年的文化交流。

校園就業講座

東亞中國參與了各類不同的實踐計劃，以支持內地大學生的事業發展。2009年10月，東亞中國聯同瑞安房地產發展有限公司，於上海復旦大學舉辦講座。講者向參與的大學生分享了有關就業計劃、尋找工作和面試的經驗和技巧。

BEA China sponsored the "BEA • Asian Youth Orchestra – 'Impressionist' Masters Ravel Session" Concert.

東亞中國贊助「東亞銀行之約 • 亞洲青年管弦樂團 — "印象派" 大師拉威爾專場」音樂會。

BEA China conducted a seminar for students of Fudan University in Shanghai.

東亞中國於上海復旦大學舉辦校園就業講座。

BEA LIFE LIMITED & BLUE CROSS (ASIA-PACIFIC) INSURANCE LIMITED

Employees

Training

BEA Life and Blue Cross are committed to professional training and staff development. By sponsoring staff members to enrol in job-related courses at professional training institutions, we encourage our staff to acquire professional accreditations. In addition, tailor-made training programmes, including team-building workshops, are organised from time to time to enhance team spirit within and between both companies.

Community Service and Charity

As part of the celebrations for the 40th Anniversary of Blue Cross, we launched a three-month online competition to raise funds for the Children's Cancer Foundation. Participants were attracted by the opportunity to assist this important cause while also earning a chance to win valuable prizes. To make the game even more exciting, the higher the score achieved by online gamers, the more Blue Cross promised to donate to the Foundation. In the end, not only did we match the top score – we made an extra donation to bring the total to HK$100,000, and presented a cheque to the Children's Cancer Foundation at the end of 2009.

Blue Cross' support for Médecins Sans Frontières ("MSF") continued into a second year in 2009. In order to support MSF's medical and humanitarian projects around the world, we donated HK$50,000 as part of the MSF Day festivities, held on 7th July, 2009.

Blue Cross' partnership with the Hong Kong Physically Handicapped and Able-Bodied Association ("PHAB") achieved notable success in 2009. We sponsored the "Love Without Boundary" drawing competition in mid-January 2009. In September, we supported the "Barrier-free Visit to Historic Sites" programme, which helps volunteers to gain the skills and knowledge necessary to escort disabled groups on visits to historic sites. Both sponsorships aimed at promoting and encouraging people of varied abilities to come together on equal terms.

Blue Cross very much appreciates the work of PHAB in integrating people with disabilities into the community, and employs its members in a wide range of positions within the company.

In July 2009, Blue Cross sponsored the "Mid-Summer Charity Champion Cat Show" organised by United Feline Odyssey ("UFO") to help raise pet owners' awareness about the need for medical care for their pets, and reduce the problem of pet abandonment.

In recognition of our dedication to the community, Blue Cross received the "Caring Company 2008/09" accreditation from the Hong Kong Council of Social Service.

Blue Cross raised funds and presented a cheque to the Children's Cancer Foundation.
藍十字為兒童癌病基金籌募善款，並頒贈支票予該會。

東亞人壽保險有限公司及藍十字（亞太）保險有限公司

僱員

培訓

東亞人壽及藍十字提倡終生學習，致力為員工提供專業培訓及發展機會，並資助僱員參與由專業培訓機構所舉辦與工作相關的課程，以助他們取得專業資格。此外，兩家公司不時安排特別設計的培訓活動，包括團隊精神工作坊等，藉此提升同事間的團隊和合作精神。

社會慈善活動

藍十字慶祝成立40周年的其中一項活動，乃為期3個月的網上遊戲，特意為兒童癌病基金籌募善款。此別具意義的網上遊戲設有豐富獎品，贏得不少參加者支持。為加強遊戲的刺激性，參加者的網上遊戲分數越高，藍十字承諾捐出更多善款。最終藍十字不單按遊戲分數捐出相應善款，更作出額外捐助，合共捐出港幣100,000元，並於2009年年底把支票交予兒童癌病基金。

藍十字連續第二年贊助無國界醫生慈善活動，於2009年7月7日參加「無國界醫生日」，並捐出港幣50,000元的善款，以支持該組織在世界各地進行的醫療及人道救援工作。

2009年內，藍十字與香港傷健協會攜手合辦的慈善活動亦非常成功。繼在1月中旬贊助「愛• 無界限」繪畫比賽，藍十字於9月份再支持「古蹟無障礙旅遊」活動，讓義工們透過此活動獲得帶領傷殘人士參觀香港名勝古蹟的知識和技巧。這兩項慈善贊助活動旨在提倡具不同能力的人士發揮平等互助的精神。

藍十字非常認同香港傷健協會致力提倡「傷健共融」的工作，更僱用其協會會員在公司內擔當不同崗位。

2009年7月，藍十字贊助由貓同盟主辦的「2009貓同盟仲夏慈善冠軍貓展」，藉此活動加強寵物主人要為寵物提供醫療保障的意識，以減少寵物被遺棄的問題。

此外，藍十字獲香港社會服務聯會嘉許為2008/2009年度「商界展關懷」機構，以表揚其對社會的貢獻。

Blue Cross made a donation to Médecins Sans Frontières in support of the organisation's medical and humanitarian projects.

藍十字贊助無國界醫生慈善活動，以支持該組織的醫療及人道救援工作。

TRICOR GROUP

Employees

Staff Relations

Tricor Group ("the Group") is committed to effective communication with staff members. Information in respect of the Group is regularly disseminated via Intranet and various meetings. Tricor Group also publishes an in-house periodical, namely "Tricorian", which is distributed to Hong Kong and overseas staff members. In 2009, respective practice divisions in Hong Kong organised their own annual full-day event called "Staff Away Day" to enhance staff relations and promote communication between staff and management.

Tricor Sports and Recreation Committee

The Committee regularly organises sports and recreational activities such as badminton and bowling competitions, local tours, hiking, movie nights, karaoke contests and baking classes. Tricor staff members also participated in the Community Chest Green Day and the UNICEF Charity Run in Hong Kong in 2009.

Staff Training and Education

Tricor Group encourages its staff to continue their education and attain relevant professional qualifications. In addition to providing regular in-house training, the Group sponsors staff members to attend external job-related courses and seminars. It also grants staff members generous study leave to take relevant professional examinations.

Community

Internships and Scholarships for Students

Tricor Group provides summer and winter internships for college and university students, giving them a better understanding of corporate services practice and the business environment. Tricor Group also awards needs-based scholarships to university students.

Sponsorship of Professional Seminars

Being a market leader in integrated professional services, Tricor Group is keen to promote professionalism in related service industries. In 2009, Tricor Group sponsored professional seminars organised by professional institutes such as The Hong Kong Institute of Chartered Secretaries, Hong Kong Institute of Certified Public Accountants and CPA Australia.

Lectures, Seminars and Knowledge Sharing

To share their knowledge and experience in corporate compliance issues and corporate services with university students and the general public, senior executives of Tricor Group attend media interviews, and present lectures and talks. Furthermore, the Group periodically issues "Technews" to provide free updates for concerned parties on issues relating to corporate compliance and governance.

Charitable Sponsorship

In 2009, Tricor Group sponsored and participated in the UNICEF Charity Run and "The 4th Hong Kong & Macau O! Day" organised by The Salvation Army.

卓佳集團

僱員

員工關係

卓佳集團致力與員工保持良好的溝通，定期透過內聯網及會議向員工發佈集團的最新資訊。卓佳集團亦出版內部通訊刊物“Tricorian”，向本港及海外僱員派發。此外，在2009年，香港各業務部門均各自舉辦其每年一度的特別設計的全日活動，藉以促進員工關係和加強管理層與職員的溝通。

卓佳康樂體育事務委員會（「康體會」）

康體會定期為員工安排康體活動，如羽毛球及保齡球比賽、本地旅遊、遠足、電影觀賞、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「公益綠『識日』」及「聯合國兒童基金會慈善跑2009」。

員工培訓及教育

卓佳集團鼓勵員工持續進修，及考取相關的專業資格。集團除定期提供內部培訓外，亦贊助職員參加與工作相關的外間課程和研討會。卓佳也批出特別假期予員工，以方便他們準備及參加相關之專業考試。

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，讓他們進一步瞭解企業服務實務及營商環境。此外，集團亦會提供獎學金，支持財政上有需要的大學生。

贊助專業研討會

卓佳集團為綜合專業服務業的領導者，且致力在相關業界提升專業服務精神。年內，集團贊助了多個專業會議，包括香港特許秘書公會、香港會計師公會，以及澳洲會計師公會所舉辦的研討會。

參與授課、研討會以分享知識

為了與大學生及公眾人士分享關於企業合規及企業實務的專業知識和經驗，卓佳集團的高層人員不時接受媒體訪問，並會授課及演講。此外，集團也會不時刊發專業資訊刊物，為有關人士就企業合規和企業管治等議題免費提供最新的資訊。

慈善贊助

2009年，卓佳集團贊助並參加「聯合國兒童基金會慈善跑2009」及救世軍主辦的「第4屆港澳定向追蹤日」。

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their annual report together with the audited accounts for the year ended 31st December, 2009.

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, 2009 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 246.

TRANSFER TO RESERVES

Profit attributable to owners of the parent, before dividends, of HK$2,565 million (2008: HK$39 million) has been transferred to reserves. Other movements in reserves are set out in Note 38 on the accounts.

An interim dividend of HK$0.28 per share (2008: HK$0.21 per share, after adjusting for the bonus issue in 2009) was paid on 5th October, 2009. The Directors now recommend the payment of a final dividend of HK$0.48 per share (2008: HK$0.02 per share, after adjusting for the bonus issue in 2009) in respect of the financial year ended 31st December, 2009.

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$13 million (2008: HK$9 million).

FIXED ASSETS

Details of the movements in fixed assets are set out in Note 31 on the accounts.

SHARE CAPITAL

During the year, as approved by shareholders at the Annual General Meeting held on 16th April, 2009, a sum of HK$418,354,372.50 standing to the credit of the share premium account was capitalised and applied in paying up in full at par 167,341,749 shares of HK$2.50 each that were issued to shareholders as bonus shares on a one for ten basis.

In addition, a sum of HK$16,435,355.00 standing to the credit of the share premium account was capitalised and applied in paying up in full at par 6,574,142 shares of HK$2.50 each that were allotted and issued to shareholders who had elected to receive new shares in lieu of the 2008 final dividend and the 2009 interim dividend.

During the year, 1,978,500 shares of HK$2.50 each were issued for cash of HK$41,271,510.00 on the exercise of options granted under the approved Staff Share Option Schemes.

As approved by shareholders at the Extraordinary General Meeting held on 4th December, 2009, the authorised capital of the Bank was increased by US$500,000,000.00 by the creation of 500,000 Substitute Preference Shares of US$1,000.00 each.

On 30th December, 2009, the Bank entered into subscription agreements with Negocio de Finanzas e Inversiones I, S.L.U. ("NFI") and Sumitomo Mitsui Banking Corporation ("SMBC") in relation to the subscriptions as principal of 120,837,000 ordinary shares and 46,267,200 ordinary shares of the Bank by NFI and SMBC respectively at HK$30.60 per new share. The 120,837,000 and 46,267,200 ordinary shares represent approximately 6.53% and 2.50% respectively of the entire issued share capital of the Bank prior to the subscriptions and approximately 5.99% and 2.29% respectively of the entire issued share capital of the Bank as enlarged by the subscriptions subsequent to the allotment date of 14th January, 2010. The subscription price represents a discount of approximately 2.08% to the closing price of HK$31.25 per share quoted on the Stock Exchange on 30th December, 2009. The aggregate amount raised from the subscriptions is HK$5,113,388,520. The Bank intends to apply the net proceeds as general working capital and for the future expansion of the Group.

CAPITAL INSTRUMENTS AND OTHER DEBENTURES

In July 2009, The Bank of East Asia (China) Limited ("BEA China"), a wholly-owned subsidiary of the Bank, issued Renminbi bonds (the "Bonds") in an aggregate principal amount of RMB4 billion in Hong Kong. The Bonds bear an annual interest rate of 2.8% and have a tenor of two years. BEA China fully utilised the limit of RMB4 billion of the Bonds approved by the People's Bank of China and the National Development and Reform Commission of the People's Republic of China. Approximately RMB2.8 billion,

董事會報告書

董事會仝寅現謹向各股東發表年度報告書及截至2009年12月31日止年度的已審核賬項。

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2009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246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2,565,000,000元(2008年:港幣39,000,000元)已予撥入儲備。至於儲備的其他變動,則載於賬項附註38。

中期股息每股港幣0.28元(2008年:經調整2009年之紅股後為每股港幣0.21元)已於2009年10月5日派發。董事會現建議派發截至2009年12月31日止年度的末期股息每股港幣0.48元(2008年:經調整2009年之紅股後為每股港幣0.02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13,000,000元(2008年:港幣9,000,000元)。

固定資產

固定資產的變動詳情載於賬項附註31。

股本

年內,於2009年4月16日舉行的股東周年常會上,股東通過按每10股送1股紅股的比例派發紅股,並由股份溢價賬項中撥出港幣418,354,372.50元作為資本,以發行及繳足167,341,749股每股面值港幣2.50元的股份作為派發紅股予股東。

此外,本行亦由股份溢價賬項中撥出港幣16,435,355元作為資本,以發行及繳足6,574,142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2008年度末期股息及2009年度中期股息的股東。

年內,在認可僱員認股計劃認股權方面,以溢價發行1,978,500股每股面值港幣2.50元的股份,所得現金為港幣41,271,510元。

於2009年12月4日舉行之股東特別大會,本行獲股東通過增加500,000股每股面值1,000美元之替代優先股,法定股本因此已增加500,000,000美元。

於2009年12月30日,本行與Negocio de Finanzas e Inversiones I, S.L.U.及三井住友銀行簽訂認購協議,以主事人身份分別認購本行120,837,000股和46,267,200股普通股股份,每股新股份為港幣30.60元。該120,837,000股和46,267,200股相當於認購事項前本行全部已發行股本約6.53%和2.50%,以及於配發日期2009年1月14日經認購事項擴大後本行全部已發行股本約5.99%和2.29%。認購價較股份於2009年12月30日在聯交所所報每股股份港幣31.25元的收市價折讓約2.08%。認購事項所得款項總額為港幣5,113,388,520元。本行計劃把所得款項淨額用於擴充一般營運資金,以及供本集團未來擴充業務之用。

資本工具及其他債權證

本行全資附屬公司 — 東亞銀行(中國)有限公司(「東亞中國」)於2009年7月在香港發行本金總額為人民幣40億元的人民幣債券(「債券」)。債券息率為年利率2.8%,期限為兩年。東亞中國已將中國人民銀行及國家發展和改革委員會所批准的本金總額人民幣40億元的債券額度作全數發行。零售投資者獲分配的債券合共約人民幣28億元,約佔總發行量人民幣40億元的70%;餘下約人民幣12億元債券的發行量已分配予機構投資者。發行債券所得款項淨額約人民幣39.7億元供東亞中國用作人民幣貸款、營運資金和一般企業用途。

representing about 70% of the total issue size of RMB4 billion, was allocated to retail investors. The remaining issue size of approximately RMB1.2 billion was allotted to institutional investors. The net proceeds of approximately RMB3.97 billion obtained from the issue of the Bonds are used to fund the Renminbi loans and for working capital and general corporate purposes of BEA China.

In November 2009, the Bank issued capital instruments qualifying as hybrid tier 1 capital with face value of US$500 million. The capital instruments comprise 8.5% step-up subordinated notes due 2059 issued by the Bank (the "Notes") stapled with perpetual non-cumulative step-up preference shares issued by Innovate Holdings Limited, a wholly-owned subsidiary of the Bank (the "Innovate Preference Shares"). The Notes and the Innovate Preference Shares are listed as stapled units on Singapore Exchange Securities Trading Limited. The net proceeds of approximately US$494,300,000 obtained from the issue are intended to be used for general working capital purposes.

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, 2009.

DIRECTORS

The present Directors of the Bank are shown on page 52.

During the year, Joseph PANG Yuk-wing (former Executive Director & Deputy Chief Executive), resigned as a Director of the Bank upon conclusion of the 2009 Annual General Meeting on 16th April, 2009. Isidro FAINÉ CASAS was appointed as a Non-executive Director of the Bank with effect from 1st June, 2009 and was re-elected as a Director by shareholders at the Extraordinary General Meeting on 4th December, 2009.

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, David LI Kwok-po, Allan WONG Chi-yun, Aubrey LI Kwok-sing, Winston LO Yau-lai, KHOO Kay-peng and Stephen Charles LI Kwok-sze will retire, and, being eligible, offer themselves for re-election at the Annual General Meeting to be held on 22nd April, 2010 ("2010 AGM").

Details of the Directors to be re-elected at the 2010 AGM are set out in the circular to the shareholders sent together with this Annual Report.

No Director proposed for re-election at the 2010 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 three-year term service contract has commenced in April 2009 and will expire in 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 36 on the accounts.

The Bank has received independence confirmation from the Independent Non-executive Directors, namely: Allan WONG Chi-yun, WONG Chung-hin, LEE Shau-kee, 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, 2009.

The fees to the Director who resigned or was appointed during 2009 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.

本行於2009年11月發行面值為500,000,000美元的混合一級資本工具。該資本工具包括由本行發行並於2059年到期的步陞後償票據（票據初期息率為年利率8.5%）（「票據」），以及由本行全資附屬公司Innovate Holdings Limited發行之無面值永久非累積步陞優先股（「Innovate優先股」）。票據連同Innovate優先股以不可分拆單位形式於新加坡證券交易所上市。發行所得款項淨額約494,300,000美元擬作一般營運資金用途。

買賣本行上市證券

截至2009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53頁。

年內，彭玉榮（前任執行董事兼副行政總裁）於2009年4月16日2009股東周年常會結束後辭任本行董事。范禮賢於2009年6月1日起獲委任為本行非執行董事，並於2009年12月4日股東特別大會獲股東重選為董事。

根據章程細則規定，任何在普通決議案獲選的董事，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，李國寶、黃子欣、李國星、羅友禮、邱繼炳和李國仕將於2010年4月22日舉行的股東周年常會（「2010股東周年常會」）上卸任，並願膺選連任。

所有在2010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2010股東周年常會上膺選連任的董事，並沒有尚未屆滿且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）的情況下終止的服務合約。

李國寶受聘為本行的行政總裁。他現行為期3年的服務合約已於2009年4月起生效，並將於2012年3月屆滿。

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36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：黃子欣、黃頌顯、李兆基、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2009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。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31st December, 2009, 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	44,634,830		
	Interest of spouse	1,489,625	46,124,455 [1]	2.49
Arthur LI Kwok-cheung	Beneficial owner	9,538,052		
	Founder of discretionary trust	13,127,966	22,666,018 [2]	1.23
Allan WONG Chi-yun	Beneficial owner	333,687		
	Interest of spouse	136		
	Founder of discretionary trust	12,513,316	12,847,139 [3]	0.70
WONG Chung-hin	Beneficial owner	51,491		
	Interest of spouse	378,544	430,035 [4]	0.02
LEE Shau-kee	Beneficial owner	2,092,183		
	Interest of corporation	1,100,000	3,192,183 [5]	0.17
Aubrey LI Kwok-sing	Beneficial owner	25,730		
	Interest of spouse	18,490		
	Beneficiary of discretionary trust	33,738,005	33,782,225 [6]	1.83
William MONG Man-wai	Beneficial owner	2,042,950		
	Interest of spouse	33,000		
	Interest of corporation	6,041,926	8,117,876 [7]	0.44
Winston LO Yau-lai	–	–	Nil	Nil
KHOO Kay-peng	Interest of corporation	5,201,010	5,201,010 [8]	0.28
Thomas KWOK Ping-kwong	–	–	Nil	Nil
Richard LI Tzar-kai	–	–	Nil	Nil
Kenneth LO Chin-ming	–	–	Nil	Nil
Eric LI Fook-chuen	Beneficial owner	4,221,662		
	Founder and beneficiary of discretionary trust	21,101,802		
	Interest of corporation	8,675,999	33,999,463 [9]	1.84
Stephen Charles LI Kwok-sze	Beneficial owner	11,413,388		
	Interest of children	522,072		
	Beneficiary of discretionary trusts	2,182,372	14,117,832 [10]	0.76
William DOO Wai-hoi	–	–	Nil	Nil
KUOK Khoon-ean	–	–	Nil	Nil
Valiant CHEUNG Kin-piu	–	–	Nil	Nil
Isidro FAINÉ CASAS	–	–	Nil	Nil

董事及行政總裁權益

於2009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紀錄，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	身分及性質	股份數目	總數	佔已發行股本的百分率
李國寶	實益擁有人	44,634,830		
	配偶的權益	1,489,625	46,124,455[1]	2.49
李國章	實益擁有人	9,538,052		
	酌情信託的成立人	13,127,966	22,666,018[2]	1.23
黃子欣	實益擁有人	333,687		
	配偶的權益	136		
	酌情信託的成立人	12,513,316	12,847,139[3]	0.70
黃頌顯	實益擁有人	51,491		
	配偶的權益	378,544	430,035[4]	0.02
李兆基	實益擁有人	2,092,183		
	法團的權益	1,100,000	3,192,183[5]	0.17
李國星	實益擁有人	25,730		
	配偶的權益	18,490		
	酌情信託的受益人	33,738,005	33,782,225[6]	1.83
蒙民偉	實益擁有人	2,042,950		
	配偶的權益	33,000		
	法團的權益	6,041,926	8,117,876[7]	0.44
羅友禮	—	—	無	無
邱繼炳	法團的權益	5,201,010	5,201,010[8]	0.28
郭炳江	—	—	無	無
李澤楷	—	—	無	無
駱錦明	—	—	無	無
李福全	實益擁有人	4,221,662		
	酌情信託的成立人及受益人	21,101,802		
	法團的權益	8,675,999	33,999,463[9]	1.84
李國仕	實益擁有人	11,413,388		
	子女的權益	522,072		
	酌情信託的受益人	2,182,372	14,117,832[10]	0.76
杜惠愷	—	—	無	無
郭孔演	—	—	無	無
張建標	—	—	無	無
范禮賢	—	—	無	無

REPORT OF THE DIRECTORS (CONTINUED)

Notes:

1 *David LI Kwok-po was the beneficial owner of 44,634,830 shares and he was deemed to be interested in 1,489,625 shares through the interests of his spouse, Penny POON Kam-chui.*

2 *Arthur LI Kwok-cheung was the beneficial owner of 9,538,052 shares. Arthur LI Kwok-cheung made a voluntary disclosure of 13,127,966 shares held by a discretionary trust of which he is the founder but has no influence on how the trustee exercises his discretion.*

3 *Allan WONG Chi-yun was the beneficial owner of 333,687 shares and he was deemed to be interested in 136 shares through the interests of his spouse, Margaret KWOK Chi-wai. He was also deemed to be interested in 12,513,316 shares held by a discretionary trust, The Wong Chung Man 1984 Trust, of which Allan WONG Chi-yun was a founder.*

4 *WONG Chung-hin was the beneficial owner of 51,491 shares and he was deemed to be interested in 378,544 shares through the interests of his spouse, LAM Mei-lin.*

5 *LEE Shau-kee was the beneficial owner of 2,092,183 shares.*

LEE Shau-kee was deemed to be interested in 1,100,000 shares held through Superfun Enterprises Limited ("Superfun"). Superfun was wholly owned by The Hong Kong and China Gas Company Limited which was 39.88% held by Henderson Land Development Company Limited ("Henderson Land").

Henderson Land was 53.47% 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.

6 *Aubrey LI Kwok-sing was the beneficial owner of 25,730 shares and he was deemed to be interested in 18,490 shares through the interests of his spouse, Elizabeth WOO. The remaining 33,738,005 shares were held by The Fook Wo Trust, a discretionary trust in which Aubrey LI Kwok-sing was one of the discretionary beneficiaries.*

7 *William MONG Man-wai was the beneficial owner of 2,042,950 shares and he was deemed to be interested in 33,000 shares through the interests of his spouse, WONG Pui-fan. Of the remaining 6,041,926 shares, (i) 5,228,077 shares were held through Shun Hing Electronic Trading Co. Ltd., (ii) 735,155 shares were held through Shun Hing Technology Co. Ltd., and (iii) 78,694 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 5,201,010 shares out of which (i) 1,159,695 shares were held through Bonham Industries Limited, a company in which he held 99.9% of the issued capital; and (ii) 4,041,315 shares were held through the Malayan United Industries Berhad Group of which he is the Chairman and Chief Executive and a deemed substantial shareholder.*

9 *Eric LI Fook-chuen was the beneficial owner of 4,221,662 shares, and 21,101,802 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 8,675,999 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 11,413,388 shares, and he was deemed to be interested in 522,072 shares through the interests of his children under the age of 18. Of the remaining 2,182,372 shares, (i) 2,001,600 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) 180,772 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 pursuant to the approved Staff Share Option Schemes. Information in relation to these shares options during the year ended 31st December, 2009 was shown in the following section under the heading "Information on Share Options".

附註：

1 *李國寶為44,634,830股的實益擁有人。由於其配偶潘金翠擁有1,489,625股之權益，他亦被視為擁有該等股份。*

2 *李國章為9,538,052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13,127,966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。*

3 *黃子欣為333,687股的實益擁有人。由於其配偶郭志蕙擁有136股之權益，黃子欣被視為擁有該等股份。而由於黃子欣為一個酌情信託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12,513,316股。*

4 *黃頌顯為51,491股的實益擁有人。由於其配偶林美蓮擁有378,544股之權益，他亦被視為擁有該等股份。*

5 *李兆基為2,092,183股的實益擁有人。*

李兆基被視為擁有由Superfun Enterprises Limited（「Superfun」）持有之1,100,000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39.88%股權。

恒基兆業有限公司（「恒基兆業」）持有恒基地產53.47%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。

6 *李國星為25,730股的實益擁有人。由於其配偶吳伊莉擁有18,490股之權益，他亦被視為擁有該等股份。餘下之33,738,005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。*

7 *蒙民偉為2,042,950股的實益擁有人。由於其配偶王蓓芬擁有33,000股之權益，蒙民偉被視為擁有該等股份。餘下的6,041,926股當中：(i) 5,228,077股由信興電器貿易有限公司持有；(ii) 735,155股由信興科技有限公司持有；及(iii) 78,694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 *邱繼炳被視為擁有5,201,010股，其中(i) 1,159,695股由邱繼炳持有99.9%已發行股份的Bonham Industries Limited持有，(ii)而另外的4,041,315股則由Malayan United Industries Berhad Group持有，邱繼炳為該法團的主席兼行政總裁，並被視為該法團的主要股東。*

9 *李福全為4,221,662股的實益擁有人。而21,101,802股由New Jerico (PTC) Limited以The Jerico Unit Trust的受託人身分持有，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8,675,999股股份，李福全為該公司的主席兼行政總裁。*

10 *李國仕為11,413,388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522,072股。餘下的2,182,372股當中：(i) 2,001,600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) 180,772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2009年12月31日止年度內的資料，見於下列「認股權資料」項下。

III. Interests in debentures of the Bank:

Name	Capacity and nature	Amount of debentures
David LI Kwok-po	Beneficial owner[1]	GBP1,000,000
William MONG Man-wai	Interest of corporation[2]	US$2,000,000

Notes:

1 *David LI Kwok-po was the beneficial owner of the above interests in the 6.125% step-up perpetual subordinated notes issued by the Bank. The perpetual subordinated notes, with a face value of GBP300 million, were issued by the Bank in 2007 and are listed on Singapore Exchange Securities Trading Limited.*

2 *The above interests in the 5.625% subordinated notes of the Bank were held through Shun Hing Electronic Trading Company Limited of which William MONG Man-wai is the Chairman. Shun Hing Electronic Trading Company Limited is accustomed to act in accordance with the directions or instructions of William MONG Man-wai. The subordinated notes, with a principal amount of US$550,000,000, were issued by the Bank in 2005 and are listed on The Stock Exchange of Hong Kong Limited.*

IV. Interests in debentures of the Associated Corporation of the Bank:

Name	Capacity and nature	Amount of debentures
Allan WONG Chi-yun	Interest of spouse[1]	RMB20,000,000
Eric LI Fook-chuen	Beneficial owner[2]	RMB10,000,000

Notes:

1 *Allan WONG Chi-yun was deemed to be interested in the Renminbi bonds issued by The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank, through the interests of his spouse, Margaret Kwok Chi-wai. The bonds, with an aggregate principal amount of RMB4 billion, were issued in 2009 at an annual interest rate of 2.8%.*

2 *Eric LI Fook-chuen was the beneficial owner of the above interests in the Renminbi bonds issued by The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank. The bonds, with an aggregate principal amount of RMB4 billion, were issued in 2009 at an annual interest rate of 2.8%.*

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.

III. 本行債權證權益：

姓名	身分及性質	債權證數額
李國寶	實益擁有人[1]	1,000,000英磅
蒙民偉	法團的權益[2]	2,000,000美元

附註：

1 *李國寶為上述於本行發行無到期日6.125%步陞後償票據權益的實益擁有人。本行於2007發行該批面值300,000,000英磅的無到期日後償票據，並於新加坡證券交易所上市。*

2 *上述於本行發行5.625%後償票據的權益乃透過信興電器貿易有限公司持有。蒙民偉為信興電器貿易有限公司主席，該法團慣於按照蒙民偉的指令或指示行事。本行於2005年發行該批本金總額為550,000,000美元的後償票據，並於香港聯合交易所有限公司上市。*

IV. 本行相聯法團債權證權益：

姓名	身分及性質	債權證數額
黃子欣	配偶的權益[1]	人民幣20,000,000元
李福全	實益擁有人[2]	人民幣10,000,000元

附註：

1 *由於其配偶郭志蕙擁有上述權益，黃子欣被視為擁有上述人民幣債券的權益。本行全資附屬公司東亞銀行（中國）有限公司於2009年發行本金總額為人民幣40億元的人民幣債券，年息為2.8%。*

2 *李福全為上述人民幣債券權益的實益擁有人。本行全資附屬公司東亞銀行（中國）有限公司於2009年發行本金總額為人民幣40億元的人民幣債券，年息為2.8%。*

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。

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, 2009:

		Number of Share Options					
Name	Date of Grant[a]	Outstanding at 1/1/2009	Additional Share Options for Bonus Issue[b]	Granted	Exercised	Lapsed	Outstanding at 31/12/2009
David LI Kwok-po	22/4/2004	1,000,000	100,000	-	-	1,100,000	Nil
	03/5/2005	1,000,000	100,000	-	-	-	1,100,000
	03/5/2006	1,000,000	100,000	-	-	-	1,100,000
	10/5/2007	1,000,000	100,000	-	-	-	1,100,000
	05/5/2008	2,000,000	200,000	-	-	-	2,200,000
	05/5/2009	-	-	2,000,000[c]	-	-	2,000,000
Aggregate of other Employees*	22/4/2004	1,615,000	161,500	-	-	1,776,500	Nil
	03/5/2005	4,955,000	495,500	-	1,813,500[d]	-	3,637,000
	03/5/2006	1,550,000	155,000	-	-	275,000	1,430,000
	10/5/2007	1,600,000	160,000	-	-	275,000	1,485,000
	05/5/2008	3,200,000	320,000	-	-	550,000	2,970,000
	05/5/2009	-	-	4,600,000[c]	-	-	4,600,000
Other Participant**	22/4/2004	150,000	15,000	-	-	165,000	Nil
	03/5/2005	150,000	15,000	-	165,000[d]	-	Nil
	03/5/2006	150,000	15,000	-	-	-	165,000
	10/5/2007	150,000	15,000	-	-	-	165,000
	05/5/2008	300,000	30,000	-	-	-	330,000

* *Employees working under employment contracts that were regarded as "Continuous Contracts" for the purpose of the Hong Kong Employment Ordinance.*

** *Other Participant refers to a former employee who retired from the Bank in 2009. The outstanding options were granted to him prior to his retirement and remained exercisable as at 31st December, 2009.*

Notes:

a Particulars of share options:

Date of Grant	*Vesting Period*	*Exercise Period*	*Exercise Price Per Share HK$*
22/4/2004	*22/4/2004 – 21/4/2005*	*22/4/2005 – 22/4/2009*	*21.11[b]*
03/5/2005	*03/5/2005 – 02/5/2006*	*03/5/2006 – 03/5/2010*	*20.86[b]*
03/5/2006	*03/5/2006 – 02/5/2007*	*03/5/2007 – 03/5/2011*	*30.04[b]*
10/5/2007	*10/5/2007 – 09/5/2008*	*10/5/2008 – 10/5/2012*	*42.84[b]*
05/5/2008	*05/5/2008 – 04/5/2009*	*05/5/2009 – 05/5/2013*	*40.09[b]*
05/5/2009	*05/5/2009 – 04/5/2010*	*05/5/2010 – 05/5/2014*	*21.25*

b The Bank made a one for ten bonus issue of shares on 17th April, 2009 (the "Bonus Issue"). For share options remained exercisable on 17th April, 2009, adjustments for the Bonus Issue were made to the effect that the number of share options have been increased by 10% and the exercise prices have been decreased accordingly. These adjustments were made in accordance with the Rules of the relevant share option schemes.

c (i) The closing price of the shares of the Bank immediately before 5th May, 2009 on which the options were granted was HK$19.92.

(ii) Fair value of share options granted during the year ended 31st December, 2009 and the assumptions are set out in Note 36 on the accounts.

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2009年12月31日止年度內認股權的變動：

		認股權數目					
姓名	授予日期[a]	於1/1/2009尚未行使	因派發紅股而增加之認股權[b]	授出	行使	失效	於31/12/2009尚未行使
李國寶	22/4/2004	1,000,000	100,000	-	-	1,100,000	無
	03/5/2005	1,000,000	100,000	-	-	-	1,100,000
	03/5/2006	1,000,000	100,000	-	-	-	1,100,000
	10/5/2007	1,000,000	100,000	-	-	-	1,100,000
	05/5/2008	2,000,000	200,000	-	-	-	2,200,000
	05/5/2009	-	-	2,000,000[c]	-	-	2,000,000
其他僱員的總數*	22/4/2004	1,615,000	161,500	-	-	1,776,500	無
	03/5/2005	4,955,000	495,500	-	1,813,500[d]	-	3,637,000
	03/5/2006	1,550,000	155,000	-	-	275,000	1,430,000
	10/5/2007	1,600,000	160,000	-	-	275,000	1,485,000
	05/5/2008	3,200,000	320,000	-	-	550,000	2,970,000
	05/5/2009	-	-	4,600,000[c]	-	-	4,600,000
其他參與人**	22/4/2004	150,000	15,000	-	-	165,000	無
	03/5/2005	150,000	15,000	-	165,000[d]	-	無
	03/5/2006	150,000	15,000	-	-	-	165,000
	10/5/2007	150,000	15,000	-	-	-	165,000
	05/5/2008	300,000	30,000	-	-	-	330,000

* *按香港《僱傭條例》所指的「連續合約」工作的僱員。*

** *其他參與人指本行一位已經於2009年退休的前僱員。在其退休前已獲授予該等認股權，而該等認股權在2009年12月31日仍可行使。*

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）*
22/4/2004	*22/4/2004 – 21/4/2005*	*22/4/2005 – 22/4/2009*	*21.11[b]*
03/5/2005	*03/5/2005 – 02/5/2006*	*03/5/2006 – 03/5/2010*	*20.86[b]*
03/5/2006	*03/5/2006 – 02/5/2007*	*03/5/2007 – 03/5/2011*	*30.04[b]*
10/5/2007	*10/5/2007 – 09/5/2008*	*10/5/2008 – 10/5/2012*	*42.84[b]*
05/5/2008	*05/5/2008 – 04/5/2009*	*05/5/2009 – 05/5/2013*	*40.09[b]*
05/5/2009	*05/5/2009 – 04/5/2010*	*05/5/2010 – 05/5/2014*	*21.25*

b 本行於2009年4月17日按每10股送1股比率派發紅股（「派發紅股」）。所有在2009年4月17日仍可予行使的認股權，已根據派發紅股予以調整，即認股權數目增加10%，而行使價則相應被調低。該等調整乃根據有關認股權計劃的規則而作出。

c (i) 本行股份在緊接2009年5月5日授出認股權當日之前的收市價為港幣19.92元。

(ii) 在截至2009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36。

REPORT OF THE DIRECTORS (CONTINUED)

d 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, 2009:

Date of Grant	*No. of Options Exercised*	*Exercise Price Per Share HK$*	*AWA Closing Price HK$*
03/5/2005	*1,978,500*	*21.11*	*29.08*

(2) No share options were cancelled during the year ended 31st December, 2009.

(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, 2009, none of the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

INFORMATION ON SHARE OPTION SCHEME

The following is a summary of the Staff Share Option Scheme 2007 that was adopted on 12th April, 2007 (the "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, 2009:

The total number of shares available for issue under the Scheme is 85,418,687 shares (after adjusting for the Bonus Issue) representing 4.62% of the issued share capital at 31st December, 2009.

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

d 在截至2009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）*
03/5/2005	*1,978,500*	*21.11*	*29.08*

(2) 截至2009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2009年12月31日，本行的董事或行政總裁或他們的配偶或18歲以下子女概無獲授或行使任何權利以認購本行或其任何相聯法團的股本或債務證券。

認股權計劃資料

根據《上市規則》披露的有關於2007年4月12日採納的僱員認股計劃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2009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85,418,687股（派發紅股後已作出調整），佔本行於2009年12月31日已發行股本的4.62%。

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. 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 ordinary shares.

9. The remaining life of the Scheme:

The Scheme Period will end on 11th April, 2012.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31st December, 2009, 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 positions in shares of the Bank:

Name	Capacity and nature	No. of shares	% of issued share capital
Negocio de Finanzas e Inversiones I, S.L.U.	Beneficial owner	302,258,869[1]	16.34
Criteria CaixaCorp, S.A.	Interest of corporation	302,258,869[1]	16.34
Caja de Ahorros y Pensiones de Barcelona	Interest of corporation	302,258,869[1]	16.34
Guoco Management Company Limited	Beneficial owner	148,102,526[2,3]	8.01[4]
Guoco Group Limited	Interest of corporation	148,102,526[2]	8.01
GuoLine Overseas Limited	Interest of corporation	148,102,526[2,3]	8.01[4]
GuoLine Capital Assets Limited	Interest of corporation	148,102,526[2]	8.01[4]
Hong Leong Company (Malaysia) Berhad	Interest of corporation	148,102,526[2,3]	8.01
HL Holdings Sdn Bhd	Interest of corporation	148,102,526[2]	8.01
Quek Leng Chan	Interest of corporation	148,102,526[2]	8.01
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	148,102,526[3]	8.01
Davos Investment Holdings Private Limited	Interest of corporation	148,102,526[3]	8.01
Kwek Leng Kee	Interest of corporation	148,102,526[3]	8.01

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) 本行普通股股份的面值。

9. 計劃尚餘的有效期：

計劃期間於2012年4月11日終止。

大股東及其他人士的權益

於2009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紀錄，大股東及其他人士擁有本行的股份及相關股份的權益如下：

本行股份權益的好倉：

姓名	身分及性質	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	302,258,869[1]	16.34
Criteria CaixaCorp, S.A.	法團的權益	302,258,869[1]	16.34
Caja de Ahorros y Pensiones de Barcelona	法團的權益	302,258,869[1]	16.34
Guoco Management Company Limited	實益擁有人	148,102,526[2,3]	8.01[4]
Guoco Group Limited	法團的權益	148,102,526[2]	8.01
GuoLine Overseas Limited	法團的權益	148,102,526[2,3]	8.01[4]
GuoLine Capital Assets Limited	法團的權益	148,102,526[2]	8.01[4]
Hong Leong Company (Malaysia) Berhad	法團的權益	148,102,526[2,3]	8.01
HL Holdings Sdn Bhd	法團的權益	148,102,526[2]	8.01
郭令燦	法團的權益	148,102,526[2]	8.01
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	148,102,526[3]	8.01
Davos Investment Holdings Private Limited	法團的權益	148,102,526[3]	8.01
Kwek Leng Kee	法團的權益	148,102,526[3]	8.01

Notes:

1 *These include 120,837,000 shares which were subscribed by Negocio de Finanzas e Inversiones I, S.L.U. pursuant to a subscription agreement entered into between the Bank and Negocio de Finanzas e Inversiones I, S.L.U. dated 30th December, 2009. The 120,837,000 shares were issued and allotted to Negocio de Finanzas e Inversiones I, S.L.U. on 14th January, 2010. As at 31st December, 2009, 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 302,258,869 shares held by Negocio de Finanzas e Inversiones I, S.L.U. These 302,258,869 shares represented 14.99% of the enlarged issued share capital of the Bank (after allotment of 167,104,200 shares) on 14th January, 2010.*

2 *The references to 148,102,526 shares of the Bank in Notes 2 and 3 relate to the same block of shares. Guoco Management Company Limited was the beneficial owner of 148,102,526 shares which was equivalent to approximately 8.01% of the issued share capital of the Bank as at 31st December, 2009. Hong Leong Company (Malaysia) Berhad was deemed to be interested in the 148,102,526 shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Capital Assets Limited which owned a 100% interest in GuoLine Overseas Limited. GuoLine Overseas Limited held a 71.48% interest in Guoco Group Limited which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Capital Assets Limited, GuoLine Overseas Limited and Guoco Group Limited were all deemed to be interested in the 148,102,526 shares held by Guoco Management Company Limited.*

   Quek Leng Chan was deemed to be interested in the 148,102,526 shares held by Guoco Management Company Limited by virtue of his 100% interest in HL Holdings Sdn Bhd ("HLH"). Hong Leong Company (Malaysia) Berhad was held as to 46.68% and 2.43% by HLH and Quek Leng Chan respectively.

   Subsequent to 31st December, 2009, the Bank was notified that the shareholdings of the corporations hereinmentioned in Note 2 and Quek Leng Chan had been increased to 162,003,726 shares as of 5th February, 2010 (equivalent to approximately 8.03% of the issued share capital of the Bank on such date).

3 *The references to 148,102,526 shares of the Bank in Notes 2 and 3 relate to the same block of shares. Hong Leong Company (Malaysia) Berhad was 34.49% held by Hong Leong Investment Holdings Pte. Ltd. which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 148,102,526 shares (equivalent to approximately 8.01% of the issued share capital of the Bank as at 31st December, 2009) held by Guoco Management Company Limited by virtue of their interests in Hong Leong Company (Malaysia) Berhad.*

   Kwek Leng Kee was deemed to be interested in the 148,102,526 shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.

   Subsequent to 31st December, 2009, the Bank was notified that the shareholdings of the corporations hereinmentioned in Note 3 and Kwek Leng Kee had been increased to 162,003,726 shares as of 5th February, 2010 (equivalent to approximately 8.03% of the issued share capital of the Bank on such date).

4 *GuoLine Overseas Limited and GuoLine Capital Assets Limited are wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad and Guoco Management Company Limited is a wholly-owned subsidiary of Guoco Group Limited. With the filing of the substantial shareholder notices by Hong Leong Company (Malaysia) Berhad and Guoco Group Limited, GuoLine Overseas Limited, GuoLine Capital Assets Limited and Guoco Management Company Limited do not need to file their respective substantial shareholder notices under the "wholly-owned group exemption" as provided in the SFO.*

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 financial statements for the financial year ended 31st December, 2009 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, 11th February, 2010

附註：

1 *此等股份包括Negocio de Finanzas e Inversiones I, S.L.U.根據本行與Negocio de Finanzas e Inversiones I, S.L.U.於2009年12月30日訂立的認購協議所認購的120,837,000股。該120,837,000股於2010年1月14日配發予Negocio de Finanzas e Inversiones I, S.L.U.。於2009年12月31日，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302,258,869股。於2010年1月14日，該302,258,869股佔配發共167,104,200股後已擴大發行股本的14.99%。*

2 *附註2及3所指之148,102,526股本行股份為同一批股份。Guoco Management Company Limited為148,102,526股之實益擁有人（該等股份約佔本行於2009年12月31日已發行股本的8.01%）。由於Hong Leong Company (Malaysia) Berhad全資擁有GuoLine Capital Assets Limited、GuoLine Capital Assets Limited全資擁有GuoLine Overseas Limited、GuoLine Overseas Limited持有Guoco Group Limited的71.48%權益及Guoco Group Limited全資擁有Guoco Management Company Limited，Hong Leong Company (Malaysia) Berhad因此而被視為擁有Guoco Management Company Limited所持有的148,102,526股的權益。GuoLine Capital Assets Limited、GuoLine Overseas Limited和Guoco Group Limited均被視為擁有Guoco Management Company Limited所持有的148,102,526股的權益。*

郭令燦因全資擁有HL Holdings Sdn Bhd（"HLH"）及HLH和郭令燦分別持有Hong Leong Company (Malaysia) Berhad的46.68%及2.43%權益，郭令燦因此而被視為擁有Guoco Management Company Limited持有的148,102,526股的權益。

於2009年12月31日後，本行收到通知，於2010年2月5日，附註2中所述法團及郭令燦的持股量增加至162,003,726股（約佔本行當日已發行股本8.03%）。

3 *附註2及3所指之148,102,526股本行股份為同一批股份。Davos Investment Holdings Private Limited持有Hong Leong Investment Holdings Pte. Ltd.的33.59%權益，Hong Leong Investment Holdings Pte. Ltd.則持有Hong Leong Company (Malaysia) Berhad的34.49%權益。Davos Investment Holdings Private Limited和Hong Leong Investment Holdings Pte. Ltd.因持有Hong Leong Company (Malaysia) Berhad的權益而被視為擁有Guoco Management Company Limited所持有的148,102,526股的權益（約佔本行於2009年12月31日已發行股本之8.01%）。*

Kwek Leng Kee因持有Davos Investment Holdings Private Limited的41.92%權益而被視為擁有Guoco Management Company Limited所持有之148,102,526股的權益。

於2009年12月31日後，本行收到通知，於2010年2月5日，附註3中所述法團及Kwek Leng Kee的持股量增加至162,003,726股（約佔本行當日已發行股本8.03%）。

4 *GuoLine Overseas Limited及GuoLine Capital Assets Limited為Hong Leong Company (Malaysia) Berhad的全資附屬公司；而Guoco Management Company Limited則為Guoco Group Limited的全資附屬公司，由於Hong Leong Company (Malaysia) Berhad及Guoco Group Limited已將大股東權益的通知存檔，GuoLine Overseas Limited、GuoLine Capital Assets Limited及Guoco Management Company Limited根據《證券及期貨條例》中「全資集團豁免條文」毋須將其大股東權益通知存檔。*

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

截至2009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，2010年2月11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 246, which comprise the consolidated and the Bank statement of financial position as at 31st December, 2009, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE ACCOUNTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

OPINION

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

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

Hong Kong, 11th February, 2010

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246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2009年12月31日的綜合財務狀況表及　貴銀行的財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及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。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於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2009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，2010年2月11日

CONSOLIDATED INCOME STATEMENT
綜合收益表

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

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

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
綜合全面收益表

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

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

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

第122至246頁之附註屬本賬項之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31st December, 2009 2009年12月31日

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

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

董事會於2010年2月11日核准及授權發佈。

Chairman and Chief Executive Directors

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

主席兼行政總裁 董事

李國寶
黃頌顯
黃子欣
羅友禮

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

第122至246頁之附註屬本賬項之一部分。

STATEMENT OF FINANCIAL POSITION
財務狀況表

As at 31st December, 2009 *2009年12月31日*

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

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

董事會於2010年2月11日核准及授權發佈。

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

Directors **WONG Chung-hin**

Allan WONG Chi-yun

Winston LO Yau-lai

主席兼行政總裁 **李國寶**

董事 **黃頌顯**

黃子欣

羅友禮

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

第122至246頁之附註屬本賬項之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表

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

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

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

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

第122至246頁之附註屬本賬項之一部分。

CONSOLIDATED CASH FLOW STATEMENT
綜合現金流量表

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

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

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
綜合現金流量表(續)

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

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

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

第122至246頁之附註屬本賬項之一部分。

NOTES ON THE ACCOUNTS
賬項附註

1. PRINCIPAL ACTIVITIES 主要業務

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

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

2. SIGNIFICANT ACCOUNTING POLICIES 主要會計政策

(a) Statement of Compliance

These accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs"), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

(a) 符合指引聲明

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

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

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

(b) Basis of Preparation of the Accounts

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

(b) 賬項編製基準

截至2009年12月31日止年度的賬項包括本集團及其應佔聯營公司之權益。

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:

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：

– financial instruments classified as trading, designated at fair value through profit or loss and available-for-sale (Note 2(f)(ii)); and

– 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

– investment properties (Note 2(h)(ii)).

– 投資物業(附註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.

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。

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.

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。

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

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

(c) Basis of Consolidation

(i) Subsidiaries and minority interests

The consolidated accounts include the accounts of the Bank and all its subsidiaries made up to 31st December each year. Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated accounts from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated accounts. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

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

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

(ii) Associates

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

(c) 綜合基準

(i) 附屬公司及少數股東權益

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

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

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

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

(ii) 聯營公司

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

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

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

An investment in an associate is accounted for in the consolidated accounts under the equity method and is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the associate's net assets and any impairment loss relating to the investment (Note 2(j) and 2(k)). The Group's share of the post-acquisition, post-tax results of the associates and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the associate's other comprehensive income is recognised in the consolidated statement of comprehensive income.

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

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.

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。

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

本集團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。

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)).

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) Translation of Foreign Currencies

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

(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。匯兑差額則計入收益表內。

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.

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

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

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

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

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。產生的匯兑差額直接在其他全面收益內確認，並分別累計在股東權益之匯兑儲備內。因於2005年1月1日以前收購海外業務而在綜合時所產生的商譽按收購海外業務日的匯率折算。

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.

計算出售海外企業的損益包括截至出售日因該海外企業產生的累計匯兑差額。

(e) Revenue Recognition

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

(e) 收入確認

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

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

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

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.

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。

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.

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。

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.

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。

Fee and commission income is recognised in the income statement when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the costs or risk is incurred and is accounted for as interest income.

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

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

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

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

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

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.

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。

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

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

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.

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) 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.

(f) 金融工具

(i) 初始確認

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

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

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

(ii) Categorisation

Fair value through profit or loss

This category comprises financial assets and financial liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition, but excludes those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Trading financial instruments are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Non- hedging derivatives are accounted for as trading instruments.

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

– the assets or liabilities are managed, evaluated and reported internally on a fair value basis;

– the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;

– the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract; or

– the separation of the embedded derivatives from the financial instrument is not prohibited.

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

Loans and receivables

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

(ii) 分類

通過損益以反映公平價值

此類別包括持有作交易用途和初始被指定為通過損益以反映公平價值的金融資產及金融負債，但不包括沒有報價的股份證券投資，及其公平價值是不能夠可靠計量的。

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

在以下情況於初始確認為指定為通過損益以反映公平價值的金融工具：

– 該資產或負債是按內部公平價值管理、評估及呈報；

– 該指定可抵銷或重大地減低可能產生的會計錯配；

– 該資產或負債包含嵌入衍生工具，而該嵌入衍生工具可重大地改變按合約產生的現金流；或

– 將嵌入衍生工具從金融工具內分開是不被禁止的。

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

貸款和應收賬款

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

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

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

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

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。

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

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

Held-to-maturity investments

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

持至到期投資

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

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

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

Available-for-sale financial assets

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

可供出售金融資產

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

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

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

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

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

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

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

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.

其他金融負債

除作交易用途及通過損益以反映公平價值的金融負債外，金融負債按有效利率方法計算攤銷成本入賬。

(iii) 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.

(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。

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.

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

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.

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

(iv) 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.

(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。

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

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。

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

本集團採用加權平均法以釐定在終止確認時須在收益表確認的已實現盈利和虧損。

(v) Offsetting

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

(v) 抵銷

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

(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that includes both the derivative and a host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The embedded derivatives are separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; and (b) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in the income statement.

(vi) 嵌入衍生工具

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

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

當嵌入衍生工具被分開處理，主合約根據上述附註(ii)入賬。

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

(g) Hedging

(i) Cash flow hedges

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

(ii) Fair value hedge

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

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

The Group currently does not use hedge accounting.

(h) Properties

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

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

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

(g) 對沖

(i) 現金流量對沖

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

(ii) 公平價值對沖

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

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

本集團現行並未採用對沖會計法。

(h) 物業

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

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

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

(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.

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

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).

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

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).

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。

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.

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。

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).

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

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

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

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

(i) Amortisation and Depreciation

(i) Bank premises

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

Investment properties are not depreciated.

(ii) Other fixed assets

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

(j) Goodwill

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

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

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

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

(k) Impairment of Assets

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

(i) 攤銷及折舊

(i) 行址

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

投資物業是不予折舊。

(ii) 其他固定資產

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

(j) 商譽

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

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

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

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

(k) 資產減值損失

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

(i) Loans and receivables

The impairment losses of loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets.) Receivables with a short duration are not discounted if the effect of discounting is immaterial.

The total allowance for impairment losses consists of two components: individual impairment allowances, and collective impairment allowances.

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

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

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

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

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

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

(i) 貸款和應收賬款

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

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

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

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

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

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

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

倘再無實際機會收回時，則貸款及相關的應收利息會被撇銷。

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

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

(ii) Held-to-maturity investments

Impairment on held-to-maturity investments is considered at both an individual and collective level. The individual impairment allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at asset's original effective interest rate, where the effect of discounting is material.

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

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the income statement. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

(ii) 持至到期投資

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

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

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

(iii) Available-for-sale financial assets

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in the fair value reserve is reclassified to the income statement. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the equity securities and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, where the effect of discounting is material.

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

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the income statement.

(iii) 可供出售金融資產

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

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

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

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

(iv) Other assets

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

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

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

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(iv) 其他資產

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

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

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

可收回金額之計算

可收回金額是公平價值減出售成本及使用值二者中之較高者。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(即單一現金生產單位)。

減值損失之確認

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

減值損失之轉回

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

減值損失轉回只局限至該資產的賬面值，猶如該等減值損失從未在往年被確認。

減值損失轉回在該被確認的年度計入收益表內。

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

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

(v) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS34, Interim financial reporting, in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (Note 2(k)(i) to (iv)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not the income statement.

(v) 中期財務報告及減值

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

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

(l) Leased Assets

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

(i) Assets held under finance leases

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

(ii) Assets held for use in operating leases

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

(iii) Operating lease charges

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

(l) 租賃資產

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

(i) 以融資租賃購入的資產

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

(ii) 用作經營租賃的資產

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

(iii) 經營租賃費用

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

(m) Repossession of Assets

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

Repossessed assets are recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses on initial classification and on subsequent remeasurement are recognised in the income statement.

(n) Income Tax

(i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

(ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing deductible temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

(m) 收回資產

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

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

在初始期分類及後期再計量所引致的減值損失於收益表確認。

(n) 所得稅

(i) 本年度所得稅包括本期及遞延稅項資產和負債的變動。除該稅款與其他全面收益或股東權益有關而須在其他全面收益或股東權益確認的金額外，本期稅項及遞延稅項資產和負債的變動計入收益表內。

(ii) 本期稅項為年度應課稅收入按結算日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。

(iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅損及稅項抵免。

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

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.

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。

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.

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。

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.

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。

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

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) 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:

(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：

– 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

– 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

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

– 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：

  – the same taxable entity; or

  – 同一個應課稅實體；或

  – 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.

  – 不同的應課稅實體，並預計在未來期間會結算或收回重大遞延稅項負債或資產，該實體計劃以淨額形式變現本期稅項資產及償還本期稅項負債，或同時間變現及償還。

(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.

(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) 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.

(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) 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.

(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。

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

(iii) Retirement benefits

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

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

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

(iii) 退休福利

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

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

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

(iv) Share based payments

The option exercise price is equal to the higher of:

(a) the closing price of the Bank's shares in the Stock Exchange's daily 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.

When the options are exercised, equity is increased by the amount of the proceeds received. The fair value of share options granted to employees is recognised as an expense in the income statement with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the trinomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to those share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged or credited to the income statement for the year of the review unless the original expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Bank's shares.

(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：

(a) 於授出認股權當日本行股份在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五個營業日，本行股份在聯交所日報表的平均收市價；及

(c) 本行股份的面值。

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

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

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

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

(r) Related Parties

For the purposes of these accounts, a party is considered to be related to the Group if:

(i) The party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) The Group and the party are subject to common control;

(iii) The party is an associate of the Group;

(iv) The party is a member of key management personnel of the Group, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) The party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) The party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(r) 關聯人士

在編製本賬項時，與本集團關聯人士是指：

(i) 該人士有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響本集團的財務及經營決策，或共同控制本集團；

(ii) 本集團及該人士均受共同控制；

(iii) 該人士屬本集團的聯營公司；

(iv) 該人士屬本集團主要管理人員的成員、或屬個人的近親家庭成員、或受該等個人人士控制、或共同控制或重大影響的實體；

(v) 該人士如屬(i)所指的近親家庭成員或受該等個人人士控制、或共同控制或重大影響的實體；

(vi) 屬提供福利予本集團或與本集團關聯的實體的僱員離職後福利計劃。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

(s) Segment Reporting

Operating segments, and the amounts of each segment item reported in the accounts, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(s) 分部報告

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

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

(t) 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.

(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。

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

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

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

- HKFRS 8 Operating segments
- HKAS 1 (revised 2007) Presentation of financial statements
- Amendments to HKFRS 7 Financial instruments: Disclosures – improving disclosures about financial instruments
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27 Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate
- Amendments to HKFRS 2 Share-based payment – vesting conditions and cancellations
- HK(IFRIC) 13 Customer loyalty programmes

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

The amendments to HKFRS 2 has had no material impact on the Group's accounts as the amendments and interpretations were consistent with policies already adopted by the Group. The impact of the remainder of these developments is as follows:

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

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKRFS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management, and has resulted in additional reportable segments being identified and presented (see Note 19). Corresponding amounts have been provided on a basis consistent with the revised segment information.

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

– As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

– 由於採用《香港會計準則》第1號(2007年修訂),期內因與權益股東交易而產生的權益變動詳情,已經與所有其他收入及支出項目分開,並在經修訂的綜合權益變動報表中列示。而其他收入及支出項目,倘被確認為期內的損益項目,則在綜合收益表中載列,否則會於另設的主要報表－綜合全面收益表中列示。相應的有關金額已按照新的列示方式而重報。此一列示方式的變動,對任何過去報告期間之已報告損益、收入及支出總額或淨資產並無任何影響。

– As a result of the adoption of the amendments to HKFRS 7, the accounts include expanded disclosures in Note 41 about the fair value measurement of the Group's financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

– 由於採用修訂《香港財務報告準則》第7號,賬項必須包括更多披露,即在附註41中所載有關計算本集團金融工具的公平價值。這主要是根據須觀察市場資料的不同程度,用以計算公平價值而將之分為3個級別。本集團使用了修訂《香港財務報告準則》第7號所給予的過渡性規定,即毋須就新設的披露規定而提供金融工具公平價值計算的比較資料。

– The "Improvements to HKFRSs (2008)" comprise a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments. The impact of these amendments are not considered to be material to the Group, except for the following, which result in changes to the Group's accounting policies:

– 提升《香港財務報告準則》(2008)包含了香港會計師公會就多項《香港財務報告準則》頒佈之若干輕微而非緊急的總括性修訂。除下列者會對本集團的會計政策有所變動外,其餘修訂對本集團並無重大影響:

  – As a result of amendments to HKAS 28, Investments in associates, impairment losses recognised in respect of the associates carried under the equity method are no longer allocated to the goodwill inherent in that carrying value. As a result, when there has been a favourable change in the estimates used to determine the recoverable amount, the impairment loss will be reversed. Previously, the Group allocated impairment losses to goodwill and, in accordance with the accounting policy for goodwill, did not consider the loss to be reversible. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any impairment losses that arise in the current or future periods and previous periods have not been restated.

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

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

– The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1st January, 2009, all dividends receivable from subsidiaries and associates, whether out of pre- or post-acquisitions profits, will be recognised in the Bank's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the Bank would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

– 以往，就要求收購前利潤所得的股息，必須確認為從被投資對象的投資賬面值中減除、而非視作收入的有關規定，由於《香港會計準則》第27號的修訂，上述規定已被刪除。因此，自2009年1月1日起，所有從附屬公司及聯營公司的應收股息，不論是源自收購前利潤，或收購後利潤所得者，會直接確認為本行的損益，同時，被投資對象的投資賬面值也不會減少，除非該賬面值會因被投資對象宣佈派息的緣故而被評估為須予減值。倘發生此等情況，除了會確認有關股息為損益外，本行也會確認為減值損失。根據是次修定的過渡性規定，此一新政策將會可能被應用於目前或未來的會計期間的任何相關應收股息，惟以往的會計期之應收股息則未有被重報。

– HK(IFRIC) 13 addresses how reporting entities that grant their customers loyalty award credits when buying goods or services should account for their obligation to provide free or discounted goods and services, if and when the customers redeem these credits. HK(IFRIC) 13 requires reporting entities to allocate some of the proceeds of the initial sales to the award credits and recognise these proceeds as revenue when they have fulfilled their obligations to provide goods or services. The effect of the adoption of HK(IFRIC) 13 was not considered to be material for the Group and therefore, the prior year figures have not been restated.

– 香港(國際財務報告詮釋委員會)第13條詮釋，針對申報的實體為酬謝其客戶在購買該公司的產品或服務而給予忠誠獎賞後，當其客戶行使有關的獎賞時，公司為履行承諾而提供免費或折扣產品及服務時應如何入賬的問題。有關詮釋規定申報的實體在初始的銷售收益中，須撥出部分至獎賞計劃，並當其在完成履行提供產品及服務之承諾時，確認該等收益為收入。採納此香港(國際財務報告詮釋委員會)第13條詮釋，對本集團並不構成重大影響，因此，去年的數字並未予以重報。

4. INTEREST INCOME 利息收入

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

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

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

5. INTEREST EXPENSE 利息支出

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

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

6. FEE AND COMMISSION INCOME 服務費及佣金收入

Fee and commission income arises from the following services: 源自下列服務的服務費及佣金收入：

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

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

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

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

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

9. OTHER OPERATING INCOME 其他經營收入

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

10. OPERATING EXPENSES 經營支出

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

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

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

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

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

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

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

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

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

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

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

13. INCOME TAX 所得稅

(a) Taxation in the consolidated income statement represents:

(a) 綜合收益表內的稅項指：

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

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

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

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

海外分行及附屬公司的稅款亦按其經營所在國家現行稅率計算。

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

13. INCOME TAX (CONTINUED) 所得稅(續)

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

(b) 稅項支出/(抵免)與會計溢利按適用稅率計算稅項的對賬:

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

14. PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT 可歸屬於本集團股東溢利/(虧損)

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

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

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

本行年度內溢利/(虧損)與上述金額之對賬

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

15. DIVIDENDS 股息

(a) Dividends attributable to the year (a) 應屬本年度股息

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

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

在結算日，該於結算日期後擬派發之末期股息並未確認為負債。

(b) Dividends attributable to the previous financial year, approved and paid during the year (b) 於年度核准及支付屬上年度股息

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

(c) Distribution to holders of Hybrid Tier 1 capital instruments (c) 派發予混合一級資本工具持有人

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

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

16. EARNINGS PER SHARE 每股盈利

(a) Basic earnings per share

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

(a) 每股基本盈利

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

Weighted average number of ordinary shares

普通股份的加權平均數

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

(b) Diluted earnings per share

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

(b) 每股攤薄盈利

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

Weighted average number of ordinary shares (diluted)

普通股份的加權平均數(攤薄)

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

17. DIRECTORS' REMUNERATION 董事酬金

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

根據香港《公司條例》第161條規定公佈董事酬金如下：

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

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

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

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

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

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

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

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

18. FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

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

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

5名薪酬最高的僱員的金額範圍如下：

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

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

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

19. SEGMENT REPORTING 分部報告

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

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

(a) Business segments

The Group has identified the following seven reportable segments.

(a) 營業分部

本集團已辨識以下七個可匯報分部。

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

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

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

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款及證券業務貸款。

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

財資市場包括在香港之財資運作及證券買賣。

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

財富管理包括提供予在香港之私人銀行業務及相關資產。

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

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

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

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

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

企業服務包括公司秘書服務、股票登記及商業服務、及離岸企業及信託服務。

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

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

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

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

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

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

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

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

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter segment lending), interest expense, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

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

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

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

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

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

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

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

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

(b) Geographical segments

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

(b) 地區分部

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

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

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

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

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

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

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

22. TRADE BILLS 貿易票據

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

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

23. TRADING ASSETS 交易用途資產

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

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

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

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

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

(a) Advances to customers and other accounts (a) 客戶貸款及其他賬項

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

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

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

* *以上銀行及其他金融機構貸款包括：*

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

(b) Impairment allowances against advances and other accounts for 2009

(b) 2009年貸款及其他賬項之減值準備

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

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

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

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

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

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

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

(c) Advances to customers – by industry sectors

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

(c) 客戶貸款 — 按行業分類

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

		2009		2008	
		Gross advances 貸款總額 HK$ Mn 港幣百萬元	**% of secured advances 有抵押貸款的百分比 % 百分率**	Gross advances 貸款總額 HK$ Mn 港幣百萬元	% of secured advances 有抵押貸款的百分比 % 百分率
The Group	**集團**				
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	–物業發展	**9,411**	**73.43**	8,855	61.25
– Property investment	–物業投資	**29,766**	**91.11**	27,431	86.88
– Financial concerns	–金融企業	**2,699**	**75.10**	2,542	69.94
– Stockbrokers	–股票經紀	**1,190**	**50.35**	550	99.75
– Wholesale and retail trade	–批發與零售業	**3,265**	**68.46**	2,405	64.60
– Manufacturing	–製造業	**2,177**	**57.94**	2,055	52.54
– Transport and transport equipment	–運輸與運輸設備	**3,794**	**79.39**	3,642	74.80
– Recreational activities	–娛樂活動	**45**	**47.90**	285	91.11
– Information technology	–資訊科技	**8**	**38.02**	4	49.13
– Others	–其他	**13,006**	**77.87**	9,954	71.52
– Sub-total	–小計	**65,361**	**81.57**	57,723	76.78
Individuals	個人				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	–購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇的貸款	**1,529**	**100.00**	1,318	100.00
– Loans for the purchase of other residential properties	–購買其他住宅物業的貸款	**25,220**	**99.87**	24,297	99.74
– Credit card advances	–信用卡貸款	**2,675**	**0.00**	2,997	0.00
– Others	–其他	**8,839**	**68.17**	6,553	74.35
– Sub-total	–小計	**38,263**	**85.57**	35,165	86.52
Total loans for use in Hong Kong	在香港使用的貸款總額	**103,624**	**83.05**	92,888	80.47
Trade finance	貿易融資	**2,652**	**53.27**	2,905	59.03
Loans for use outside Hong Kong*	在香港以外使用的貸款*	**141,378**	**75.75**	134,546	76.56
Total advances to customers	客戶貸款總額	**247,654**	**78.56**	230,339	77.91

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

* *在香港以外使用的貸款包括以下在中華人民共和國使用的貸款。*

		2009		2008	
		Gross advances 貸款總額 HK$ Mn 港幣百萬元	**% of secured advances 有抵押貸款的百分比 % 百分率**	Gross advances 貸款總額 HK$ Mn 港幣百萬元	% of secured advances 有抵押貸款的百分比 % 百分率
Property development	物業發展	**14,156**	**72.70**	14,351	78.64
Property investment	物業投資	**22,441**	**88.36**	24,215	87.95
Wholesale and retail trade	批發與零售業	**18,574**	**95.28**	19,021	88.93
Manufacturing	製造業	**7,299**	**48.78**	9,547	63.58
Others	其他	**41,180**	**69.34**	31,906	69.99
		103,650	**77.12**	99,040	78.66

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

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

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

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

* *在香港以外使用的貸款包括以下在中華人民共和國使用的貸款。*

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

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

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

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

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

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

(d) Advances to customers – by geographical areas

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

(d) 客戶貸款－按區域分類

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

		The Group 集團 2009				
		Total advances to customers 客戶貸款總額 HK$ Mn 港幣百萬元	**Advances overdue for over three months 逾期3個月以上的客戶貸款 HK$ Mn 港幣百萬元**	**Impaired advances to customers 減值客戶貸款 HK$ Mn 港幣百萬元**	**Individual impairment allowance 個別減值準備 HK$ Mn 港幣百萬元**	**Collective impairment allowance 整體減值準備 HK$ Mn 港幣百萬元**
Hong Kong	香港	**121,538**	**217**	**407**	**103**	**299**
People's Republic of China	中華人民共和國	**93,084**	**177**	**373**	**34**	**86**
Other Asian Countries	其他亞洲國家	**10,103**	**213**	**382**	**247**	**178**
Others	其他	**22,929**	**284**	**1,286**	**150**	**248**
Total	總額	**247,654**	**891**	**2,448**	**534**	**811**
% of total advances to customers	佔客戶貸款總額的百分比			**0.99%**		
Market value of security held against impaired advances to customers	減值貸款抵押品市值			**4,839**		

		The Group 集團 2008				
		Total advances to customers 客戶貸款總額 HK$ Mn 港幣百萬元	Advances overdue for over three months 逾期3個月以上的客戶貸款 HK$ Mn 港幣百萬元	Impaired advances to customers 減值客戶貸款 HK$ Mn 港幣百萬元	Individual impairment allowance 個別減值準備 HK$ Mn 港幣百萬元	Collective impairment allowance 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	總額	230,339	633	1,586	523	521
% of total advances to customers	佔客戶貸款總額的百分比			0.69%		
Market value of security held against impaired advances to customers	減值貸款抵押品市值			3,769		

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

		The Bank 銀行 2008				
		Total advances to customers 客戶貸款總額 HK$ Mn 港幣百萬元	Advances overdue for over three months 逾期3個月以上的客戶貸款 HK$ Mn 港幣百萬元	Impaired advances to customers 減值客戶貸款 HK$ Mn 港幣百萬元	Individual impairment allowance 個別減值準備 HK$ Mn 港幣百萬元	Collective impairment allowance 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	總額	131,123	437	1,274	438	392
% of total advances to customers	佔客戶貸款總額的百分比			0.97%		
Market value of security held against impaired advances to customers	減值貸款抵押品市值			2,168		

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

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

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

於2009年12月31日及2008年12月31日，銀行及其他金融機構的貸款中並無減值貸款，亦無就該等貸款提撥個別減值準備。

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

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

(e) Advances to customers – net investment in finance leases

Advances to customers include net investment in equipment leased under finance leases. The total minimum lease payments receivable under finance leases and their present values at the year end are as follows:

(e) 客戶貸款 – 融資租賃的淨投資額

客戶貸款包括以融資租賃形式租出的設備。根據融資租賃應收的最低租賃付款總額，及其現值如下：

		The Group and The Bank 集團及銀行					
		2009			2008		
		Present value of the minimum lease payments 最低租賃付款現值 HK$ Mn 港幣百萬元	**Interest income relating to future periods 相關未來利息收入 HK$ Mn 港幣百萬元**	**Total minimum lease payments 最低租賃付款總額 HK$ Mn 港幣百萬元**	Present value of the minimum lease payments 最低租賃付款現值 HK$ Mn 港幣百萬元	Interest income relating to future periods 相關未來利息收入 HK$ Mn 港幣百萬元	Total minimum lease payments 最低租賃付款總額 HK$ Mn 港幣百萬元
Amounts receivable:	應收賬款：						
Within one year	1年以內	**1,004**	**116**	**1,120**	1,280	152	1,432
After one year but within five years	1年以後至5年內	**1,100**	**186**	**1,286**	1,512	206	1,718
After five years	5年以後	**1,729**	**265**	**1,994**	1,468	246	1,714
		3,833	**567**	**4,400**	4,260	604	4,864
Less: Individual impairment allowances	減：個別減值準備	**(10)**			(21)		
Net investment in finance leases	融資租賃的淨投資額	**3,823**			4,239		

The net investment in finance leases is carried on the statement of financial position as a receivable. No accrual is made for the interest income relating to future periods.

融資租賃的淨投資額被視作應收賬計入財務狀況表，但並無應計未來相關的利息收入。

26.AVAILABLE-FOR-SALE FINANCIAL ASSETS 可供出售金融資產

		The Group 集團		The Bank 銀行	
		2009	2008	**2009**	2008
		HK$ Mn	HK$ Mn	**HK$ Mn**	HK$ Mn
		港幣百萬元	港幣百萬元	**港幣百萬元**	港幣百萬元
Treasury bills (including Exchange Fund Bills)	國庫債券（包括外匯基金票據）	**5,425**	10,391	**5,364**	4,558
Certificates of deposit held	持有的存款證	**972**	762	**595**	508
Debt securities	債務證券	**22,599**	6,398	**11,990**	5,210
Equity securities	股份證券	**1,810**	899	**909**	611
Investment funds	投資基金	**77**	110	**77**	98
		30,883	18,560	**18,935**	10,985
Issued by:	發行機構：				
Central governments and central banks	中央政府和中央銀行	**12,787**	10,419	**6,416**	4,558
Public sector entities	公營機構	**236**	231	**–**	126
Banks and other financial institutions	銀行及其他金融機構	**14,199**	5,773	**10,649**	4,759
Corporate entities	企業實體	**3,584**	2,027	**1,793**	1,444
Other entities	其他實體	**77**	110	**77**	98
		30,883	18,560	**18,935**	10,985
Analysed by place of listing:	按上市地區分析：				
Listed in Hong Kong	在香港上市	**1,957**	397	**1,495**	197
Listed outside Hong Kong	在香港以外地區上市	**5,512**	9,329	**3,986**	2,619
		7,469	9,726	**5,481**	2,816
Unlisted	非上市	**23,414**	8,834	**13,454**	8,169
		30,883	18,560	**18,935**	10,985

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

27. HELD-TO-MATURITY INVESTMENTS 持至到期投資

		The Group 集團		The Bank 銀行	
		2009	2008	**2009**	2008
		HK$ Mn	HK$ Mn	**HK$ Mn**	HK$ Mn
		港幣百萬元	港幣百萬元	**港幣百萬元**	港幣百萬元
Treasury bills (including Exchange Fund Bills)	國庫債券(包括外匯基金票據)	**189**	180	**112**	180
Certificates of deposit held	持有的存款證	**2,245**	1,717	**1,584**	1,056
Debt securities	債務證券	**4,843**	3,216	**3,144**	2,189
		7,277	5,113	**4,840**	3,425
Less: Impairment allowances	減：減值準備	**(38)**	(107)	**(38)**	(107)
		7,239	5,006	**4,802**	3,318
Issued by:	發行機構：				
Central governments and central banks	中央政府和中央銀行	**1,510**	243	**1,506**	239
Public sector entities	公營機構	**621**	318	**276**	231
Banks and other financial institutions	銀行及其他金融機構	**4,328**	3,344	**2,629**	2,117
Corporate entities	企業實體	**780**	1,101	**391**	731
		7,239	5,006	**4,802**	3,318
Analysed by place of listing:	按上市地區分析：				
Listed in Hong Kong	在香港上市	**952**	287	**848**	268
Listed outside Hong Kong	在香港以外地區上市	**2,984**	1,863	**2,263**	1,477
		3,936	2,150	**3,111**	1,745
Unlisted	非上市	**3,303**	2,856	**1,691**	1,573
		7,239	5,006	**4,802**	3,318
Fair value:	公平價值:				
Listed securities	上市證券	**3,998**	2,028	**3,150**	1,640
Unlisted securities	非上市證券	**3,320**	2,870	**1,696**	1,569
		7,318	4,898	**4,846**	3,209

Movement of impairment allowances 減值準備的變動

		The Group 集團		The Bank 銀行	
		2009	2008	**2009**	2008
		HK$ Mn	HK$ Mn	**HK$ Mn**	HK$ Mn
		港幣百萬元	港幣百萬元	**港幣百萬元**	港幣百萬元
At 1st January	於1月1日	**107**	42	**107**	42
Charge for the year	年度內支銷	**9**	44	**9**	44
Write-off	撇銷	**(78)**	–	**(78)**	–
Exchange and other adjustments	匯兑及其他調整	**–**	21	**–**	21
At 31st December	於12月31日	**38**	107	**38**	107

Reclassification of Available-for-sale Financial Assets

On 1st January, 2009, the management have assessed the intention and ability to hold to maturity the Group's available-for-sale financial assets. Based on this assessment, the management concluded that they have the positive intention ability hold them to maturity and therefore have reclassified the portfolio from the available-for-sale category to held-to-maturity. The amount reclassified on the date of reclassification is as follows:

重新分類可供出售金融資產

於2009年1月1日，管理層已評估對本集團之可供出售金融資產持有至到期日的意向和能力。根據此評估，管理層決定他們有正面的意向和能力持有至到期日，因此，已將組合由可供出售類別重新分類為持至到期。於重新分類日所重新分類的金額如下：

		Carrying amount on 1st January, 2009 於2009年1月1日的賬面值 HK$ Mn 港幣百萬元
Reclassified from available-for-sale debt securities	重新分類自可供出售債務證券	
Listed in Hong Kong	在香港上市	(83)
Listed outside Hong Kong	在香港以外地區上市	(229)
Unlisted	非上市	(364)
		(676)
Reclassified to held-to-maturity securities	重新分類為持至到期證券	
Listed in Hong Kong	在香港上市	83
Listed outside Hong Kong	在香港以外地區上市	229
Unlisted	非上市	364
		676

There are no unrealised gains and losses arising from changes in fair value recognised in the investment revaluation reserve during the year.

年度內並無源自公平價值變動而產生的未實現盈虧在投資重估儲備內確認。

The net unamortised revaluation deficit was HK$19 million as at 31st December, 2009.

於2009年12月31日之未攤銷重估虧損淨額為港幣19,000,000元。

		HK$ Mn 港幣百萬元
Reclassification	重新分類	16
Amortisation during the year	年度內攤銷	3
Balance as at 31st December, 2009	於2009年12月31日結餘	19

The unamortised revaluation surplus or deficit of individual investments reclassified shall be amortised to the income statement over the respective remaining life of investment using the effective interest method.

個別已重新分類投資的未攤銷重估盈餘或虧損將採用有效利率方法按有關投資的尚餘年期在收益表內分攤。

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

28. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

		The Bank 銀行	
		2009	2008
		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)	**13,690**	11,906
Less: Impairment allowances	減：減值準備	**(233)**	(233)
		13,457	11,673

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary.

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。此等股份屬普通股份。

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 The Bank 本銀行所佔權益**	**% Held by The Group 本集團所佔權益**	**Nature of business 業務性質**
Ample Delight Limited 承悅有限公司	Hong Kong 香港	HK$港幣450,000,000元		100%	Investment holding 投資控股
Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司	Hong Kong 香港	HK$港幣150,000,000元	100%		Trustee 信託服務
BEA Life Limited 東亞人壽保險有限公司	Hong Kong 香港	HK$港幣500,000,000元	100%		Life insurance 人壽
BEA Pacific Asia Limited	Hong Kong 香港	US$13,000,000美元		100%	Investment holding 投資控股
BEA Pacific Holding Company Limited	Bermuda 百慕達	HK$港幣10,000元	100%		Investment holding 投資控股
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Hong Kong 香港	HK$港幣750,000,000元	100%		Insurance 保險
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Hong Kong 香港	HK$港幣374,580,000元	51%		Asset management 資產管理
BEA Wealth Management Services (Taiwan) Limited 東亞證券股份有限公司	Taiwan, Republic of China 台灣，中華民國	NTD新台幣218,000,000元		100%	Wealth management services 財富管理服務
CCSL St. Lucia Limited	St. Lucia 聖盧西亞	US$1,200美元		60.49%	Holding company 控股公司
Central Town Limited 滙中興業有限公司	Hong Kong 香港	HK$港幣2元	100%		Property investment 物業投資
Century Able Limited 階潤有限公司	Hong Kong 香港	HK$港幣866,951,045元		100%	Investment holding 投資控股

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 The Bank 本銀行所佔權益	% Held by The Group 本集團所佔權益	Nature of business 業務性質
Corona Light Limited	BVI 英屬處女群島	HK$港幣866,951,045元		100%	Investment holding 投資控股
Credit Gain Finance Company Limited 領達財務有限公司	Hong Kong 香港	HK$港幣1元	100%		Money lenders 放債人
Crystal Gleaming Limited	BVI 英屬處女群島	HK$港幣866,951,045元	100%		Investment holding 投資控股
East Asia Corporate Services (BVI) Limited	BVI 英屬處女群島	US$250,000美元		75.61%	Registered agent and trustee services 註冊代理及信託服務
East Asia Facility Management Limited 東亞設施管理有限公司	Hong Kong 香港	HK$港幣10,000元		100%	Facility management 設施管理
East Asia Financial Services (BVI) Ltd.	BVI 英屬處女群島	US$24,096,000美元	100%		Investment holding 投資控股
East Asia Futures Limited 東亞期貨有限公司	Hong Kong 香港	HK$港幣7,000,000元	100%		Futures and options trading 期貨及期權買賣
*East Asia Holding Company, Inc.	U.S.A. 美國	US$5美元	100%		Bank holding company 銀行控股公司
East Asia Indonesian Holdings Limited	Seychelles 塞舌爾	US$100,000美元		100%	Investment holding 投資控股
East Asia Investment Holdings Limited 東亞投資控股有限公司	Hong Kong 香港	HK$港幣100,000,000元	100%		Investment holding 投資控股
East Asia Investments Holdings (BVI) Ltd.	BVI 英屬處女群島	HK$港幣186,038,725元	100%		Investment holding 投資控股
East Asia Marketing Limited	BVI 英屬處女群島	US$1美元		75.61%	Marketing services to related companies 向相關公司提供支援服務
East Asia Property Agency Company Limited 東亞物業代理有限公司	Hong Kong 香港	HK$港幣1,000,000元	100%		Property agency 物業代理
East Asia Properties Holding Company Limited 東亞物業控股有限公司	Hong Kong 香港	HK$港幣10,000元	100%		Investment holding 投資控股
*East Asia Properties (US), Inc.	U.S.A. 美國	US$5美元		100%	Property holding 物業持有

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

28. INVESTMENTS IN SUBSIDIARIES (CONTINUED) 附屬公司投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by The Bank 本銀行所佔權益	% Held by The Group 本集團所佔權益	Nature of business 業務性質
East Asia Secretaries (BVI) Limited	BVI 英屬處女群島	HK$港幣300,000,000元		75.61%	Investment holding 投資控股
East Asia Securities Company Limited 東亞證券有限公司	Hong Kong 香港	HK$港幣25,000,000元	100%		Securities broking 證券買賣
East Asia Strategic Holdings Limited	BVI 英屬處女群島	US$50,000,000美元	100%		Investment holding 投資控股
Flowery World Corporation	BVI 英屬處女群島	US$1美元		75.61%	Holding company 控股公司
Innovate Holdings Limited	BVI 英屬處女群島	US$1美元	100%		Special purpose vehicle company 特定目的投資工具
Skyray Holdings Limited	BVI 英屬處女群島	HK$港幣450,000,000元	100%		Investment holding 投資控股
Speedfull Limited	BVI 英屬處女群島	HK$港幣450,000,000元		100%	Investment holding 投資控股
The Bank of East Asia (Canada) 加拿大東亞銀行	Canada 加拿大	C$加幣58,000,000元	100%		Banking services 銀行服務
The Bank of East Asia (China) Limited *(Note 1)* 東亞銀行(中國)有限公司*(附註1)*	PRC 中華人民共和國	CNY人民幣8,000,000,000元	100%		Banking and related financial services 銀行及有關的金融服務
*The Bank of East Asia (U.S.A.) N.A. *美國東亞銀行	U.S.A. 美國	US$4,500美元		100%	Banking 銀行
Tricor Consultancy (Beijing) Limited *(Note 1)* 東亞卓佳諮詢(北京)有限公司*(附註1)*	PRC 中華人民共和國	US$1,850,000美元		75.61%	Business consultancy in China 國內商業諮詢
Tricor Holdings Limited	BVI 英屬處女群島	US$7,001美元		75.61%	Investment holding 投資控股
Tricor Holdings Pte. Ltd.	Singapore 新加坡	S$新加坡幣2元		75.61%	Investment holding 投資控股
Tricor Investor Services Limited 卓佳證券登記有限公司	Hong Kong 香港	HK$港幣2元		75.61%	Investor services 投資者服務

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 The Bank 本銀行所佔權益	% Held by The Group 本集團所佔權益	Nature of business 業務性質
Tricor Services Limited 卓佳專業商務有限公司	Hong Kong 香港	HK$港幣2元		75.61%	Business, corporate and investor services 商務、企業及投資者服務
Tricor Services (BVI) Limited	BVI 英屬處女群島	US$250,000美元		75.61%	Registered agent and trustee services 註冊代理及信託服務
Tricor Services (Malaysia) Sdn. Bhd.	Malaysia 馬來西亞	RM馬幣5,672,484元		60.49%	Investment holding 投資控股
Vitaway (Mauritius) Limited	Mauritius 毛里裘斯	US$1美元		75.61%	Regional treasurer 地區司庫

Notes:

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 6.3% and 2.1% 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6.3%及2.1%。*

29. INVESTMENTS IN ASSOCIATES 聯營公司投資

		The Group 集團		The Bank 銀行	
		2009	2008	**2009**	2008
		HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn 港幣百萬元
Listed shares, at cost	上市股份(原值)	**–**	–	**1,781**	1,743
Unlisted shares, at cost	非上市股份(原值)	**–**	–	**196**	271
Share of net assets	應佔淨資產	**2,389**	2,260	**–**	–
Goodwill	商譽	**226**	226	**–**	–
		2,615	2,486	**1,977**	2,014
Less: Impairment allowances	減:減值準備	**–**	–	**(31)**	(30)
		2,615	2,486	**1,946**	1,984

Loans to associates amounting to HK$497 million (2008: HK$76 million) are included under advances to customers.

聯營公司貸款共港幣497,000,000元(2008年:港幣76,000,000元)已包括在客戶貸款。

Share of associates' taxation for the year amounted to HK$81 million (2008: HK$59 million).

年度內應佔聯營公司稅項為港幣81,000,000元(2008年:港幣59,000,000元)。

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

29. INVESTMENTS IN ASSOCIATES (CONTINUED) 聯營公司投資(續)

The following list contains only the particulars of associates which principally affected the results or assets of the Group:

以下摘要只包括對本集團的業績或資產有重大影響的聯營公司：

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary shares held by 普通股 The Bank 銀行所佔權益	The Group 集團所佔權益	Nature of business 業務性質
Listed 上市				
Affin Holdings Berhad	Malaysia 馬來西亞	21.095%		Investment holding 投資控股
Unlisted 非上市				
ICEA Finance Holdings Limited 工商東亞金融控股有限公司	BVI 英屬處女群島	25%		Investment holding 投資控股
Mercedes-Benz Financial Services Hong Kong Limited 梅賽德斯－奔馳財務服務香港有限公司	Hong Kong 香港		20%	Financing, leasing and insurance services 財務、租賃及保險服務
Mercedes-Benz Financial Services Korea Limited	Republic of Korea 韓國		20%	Financial services 金融服務
Platinum Holdings Company Limited	Cayman Islands 開曼群島	29.99%		Investment holding 投資控股
PT. Bank Resona Perdania	Indonesia 印尼		30%	Banking and related financial services 銀行及有關金融服務
Sunfire Enterprises Limited 申發企業有限公司	BVI 英屬處女群島		20%	Property development 物業發展
TCL Finance Co., Ltd. TCL集團財務有限公司	PRC 中華人民共和國	20%		Financial services and cash management 金融服務及現金管理
Trans-Ocean Insurance Company, Limited 遠洋保險有限公司	Hong Kong 香港	48.7%		Inactive 非活躍

Note: BVI denotes the British Virgin Islands and PRC denotes the People's Republic of China

Summary financial information on associates　　聯營公司財務資料摘要

		Assets 資產 HK$ Mn 港幣百萬元	Liabilities 負債 HK$ Mn 港幣百萬元	Equity 股東權益 HK$ Mn 港幣百萬元	Revenue 收入 HK$ Mn 港幣百萬元	Profit 溢利 HK$ Mn 港幣百萬元
2009						
100 per cent	百分之一百	**102,075**	**89,071**	**13,004**	**3,506**	**1,052**
Group's effective interest	本集團的有效權益	**21,425**	**19,036**	**2,389**	**762**	**264**
2008						
100 per cent	百分之一百	95,485	83,118	12,367	3,584	516
Group's effective interest	本集團的有效權益	19,756	17,496	2,260	767	53

30. GOODWILL AND INTANGIBLE ASSETS 商譽及無形資產

Goodwill and intangible assets include goodwill arising on business combinations and acquired intangible assets. Acquired intangible assets comprise core deposits which are amortised over their estimated economic useful life of ten years.

商譽及無形資產包括因業務合併產生的商譽及購入無形資產。購入無形資產包括核心存款，並按其估計經濟使用期10年攤銷。

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Goodwill	商譽	**2,738**	2,705	**1,460**	1,460
Acquired intangible assets	購入無形資產	**1,397**	29	**–**	–
		4,135	2,734	**1,460**	1,460

(a) Goodwill　　(a) 商譽

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
At 1st January	於1月1日	**2,705**	2,656	**1,460**	1,460
Additions through acquisition of subsidiaries	經收購附屬公司的增置	**22**	52	**–**	–
Exchange adjustments	匯兑調整	**11**	(3)	**–**	–
At 31st December	於12月31日	**2,738**	2,705	**1,460**	1,460

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

30. GOODWILL AND INTANGIBLE ASSETS (CONTINUED) 商譽及無形資產(續)

(a) Goodwill (continued)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segments as follows:

(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：

		2009 HK$ Mn港幣百萬元	2008 HK$ Mn港幣百萬元
Personal banking	個人銀行	**849**	849
Corporate banking	企業銀行	**453**	453
Treasury markets	財資市場	**158**	158
Corporate services	企業服務	**1,100**	1,067
Others	其他	**178**	178
		2,738	2,705

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.

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流作估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

The pre-tax discount rate used for value-in-use calculations is 14.37% (2008: 8.28%) and the long-term growth rate is 3% (2008: 4%).

用於計算使用價值的除稅前折扣率為14.37%(2008：8.28%)及長期增長率為3%(2008：4%)。

Management determined the budgeted net profit based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the internal forecasts.

管理層根據過往表現及預計市場發展以釐定預算淨溢利。所採用的加權平均增長率與內部預測是一致的。

(b) Intangible assets (other than goodwill)

Intangible assets include acquired core deposits. Intangible assets are stated at cost less accumulated amortisation and impairment loss (Note2(k)(iv)).

Amortisation of intangible assets with finite useful lives is charged to the income statement over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available to use and their estimated useful lives are as follows:

Acquired core deposits 10 years

Naming rights over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

(b) 無形資產 (商譽除外)

無形資產包括購入核心存款。無形資產按成本減除累計攤銷及減值損失列賬(附註2(k)(iv))。

有限定可用期的無形資產按其估計可用期於收益表內攤銷。以下有限定可用期的無形資產由可供使用日起按以下的估計可用期攤銷:

購入核心存款為10年

冠名權按建築物或土地兩者較短的租賃期

每年須檢討其期限及攤銷方法。

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Cost	成本				
At 1st January	於1月1日	**38**	16	**–**	–
Additions	增置	**1,380**	6	**–**	–
Exchange and other adjustments	匯兑及其他調整	**–**	16	**–**	–
At 31st December	於12月31日	**1,418**	38	**–**	–
Accumulated amortisation	累計攤銷				
At 1st January	於1月1日	**(9)**	(4)	**–**	–
Amortisation charge for the year *(Note 10)*	年度內攤銷*(附註10)*	**(13)**	(3)	**–**	–
Exchange adjustments	匯兑調整	**1**	(2)	**–**	–
At 31st December	於12月31日	**(21)**	(9)	**–**	–
Carrying amount at 31st December	於12月31日賬面值	**1,397**	29	**–**	–

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

31. FIXED ASSETS 固定資產

		2009 The Group 集團				
		Investment properties 投資物業 HK$ Mn 港幣百萬元	Bank premises 行址 HK$ Mn 港幣百萬元	Furniture, fixtures and equipment 傢俬、裝修及設備 HK$ Mn 港幣百萬元	Sub-total 小計 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2009	於2009年1月1日	1,839	6,293	3,507	9,800	11,639
Additions	增置	–	2,264	297	2,561	2,561
Additions through acquisition	經收購的增置	–	–	16	16	16
Revaluation surplus	重估盈餘	206	–	–	–	206
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	–	97	–	97	97
Transfer from bank premises to investment properties	由行址轉入投資物業	61	(61)	–	(61)	–
Disposals	出售	(14)	(24)	(162)	(186)	(200)
Exchange adjustments	匯兑調整	3	3	15	18	21
At 31st December, 2009	於2009年12月31日	2,095	8,572	3,673	12,245	14,340
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2009	於2009年1月1日	–	675	1,818	2,493	2,493
Additions through acquisition	經收購的增置	–	–	7	7	7
Charge for the year *(Note 10)*	年度內支銷 *(附註10)*	–	99	413	512	512
Impairment loss	減值損失	–	13	–	13	13
Written back on disposals	出售時回撥	–	(12)	(154)	(166)	(166)
Exchange adjustments	匯兑調整	–	–	14	14	14
At 31st December, 2009	於2009年12月31日	–	775	2,098	2,873	2,873
Net book value at 31st December, 2009	賬面淨值 於2009年12月31日	2,095	7,797	1,575	9,372	11,467
The gross amounts of the above assets are stated:	上述資產的總額列示如下：					
At cost	按成本	–	7,745	3,673	11,418	11,418
At Directors' valuation – 1989	按董事估值 －1989年	–	827	–	827	827
At professional valuation – 2009	按專業估值 －2009年	2,095	–	–	–	2,095
		2,095	8,572	3,673	12,245	14,340

		2009 The Bank 銀行				
		Investment properties 投資物業 HK$ Mn 港幣百萬元	Bank premises 行址 HK$ Mn 港幣百萬元	Furniture, fixtures and equipment 傢俬、裝修及設備 HK$ Mn 港幣百萬元	Sub-total 小計 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2009	於2009年1月1日	1,819	3,135	2,246	5,381	7,200
Additions	增置	–	602	135	737	737
Revaluation surplus	重估盈餘	205	–	–	–	205
Transfer from investment properties to bank premises	由投資物業轉入行址	(212)	212	–	212	–
Disposals	出售	(14)	–	(133)	(133)	(147)
Exchange adjustments	匯兌調整	–	–	7	7	7
At 31st December, 2009	於2009年12月31日	1,798	3,949	2,255	6,204	8,002
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2009	於2009年1月1日	–	323	1,290	1,613	1,613
Charge for the year	年度內支銷	–	46	232	278	278
Impairment loss	減值損失	–	13	–	13	13
Written back on disposals	出售時回撥	–	–	(128)	(128)	(128)
Exchange adjustments	匯兌調整	–	–	6	6	6
At 31st December, 2009	於2009年12月31日	–	382	1,400	1,782	1,782
Net book value at 31st December, 2009	賬面淨值 於2009年12月31日	1,798	3,567	855	4,422	6,220
The gross amounts of the above assets are stated:	上述資產的總額列示如下：					
At cost	按成本	–	3,122	2,255	5,377	5,377
At Directors' valuation – 1989	按董事估值 －1989年	–	827	–	827	827
At professional valuation – 2009	按專業估值 －2009年	1,798	–	–	–	1,798
		1,798	3,949	2,255	6,204	8,002

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

31. FIXED ASSETS (CONTINUED) 固定資產(續)

		2008 The Group 集團				
		Investment properties 投資物業 HK$ Mn 港幣百萬元	Bank premises 行址 HK$ Mn 港幣百萬元	Furniture, fixtures and equipment 傢俬、裝修及設備 HK$ Mn 港幣百萬元	Sub-total 小計 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2008	於2008年1月1日	1,726	4,609	2,711	7,320	9,046
Additions	增置	–	1,659	898	2,557	2,557
Additions through acquisition	經收購的增置	303	–	15	15	318
Revaluation losses	重估虧損	(168)	–	–	–	(168)
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	–	9	–	9	9
Transfer from bank premises to investment properties	由行址轉入投資物業	9	(9)	–	(9)	–
Disposals	出售	(13)	(34)	(126)	(160)	(173)
Exchange adjustments	匯兌調整	(18)	59	9	68	50
At 31st December, 2008	於2008年12月31日	1,839	6,293	3,507	9,800	11,639
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2008	於2008年1月1日	–	617	1,573	2,190	2,190
Additions through acquisition	經收購的增置	–	–	11	11	11
Charge for the year *(Note 10)*	年度內支銷 *(附註10)*	–	81	356	437	437
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	–	(1)	–	(1)	(1)
Write back of impairment loss	減值損失回撥	–	(6)	–	(6)	(6)
Written back on disposals	出售時回撥	–	(25)	(113)	(138)	(138)
Exchange adjustments	匯兌調整	–	9	(9)	–	–
At 31st December, 2008	於2008年12月31日	–	675	1,818	2,493	2,493
Net book value at 31st December, 2008	賬面淨值 於2008年12月31日	1,839	5,618	1,689	7,307	9,146
The gross amounts of the above assets are stated:	上述資產的總額列示如下：					
At cost	按成本	–	5,466	3,507	8,973	8,973
At Directors' valuation – 1989	按董事估值 －1989年	–	827	–	827	827
At professional valuation – 2008	按專業估值 －2008年	1,839	–	–	–	1,839
		1,839	6,293	3,507	9,800	11,639

		2008 The Bank 銀行				
		Investment properties 投資物業 HK$ Mn 港幣百萬元	Bank premises 行址 HK$ Mn 港幣百萬元	Furniture, fixtures and equipment 傢俬、裝修及設備 HK$ Mn 港幣百萬元	Sub-total 小計 HK$ Mn 港幣百萬元	Total 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	1,829	3,192	1,858	5,050	6,879
Additions	增置	–	2	487	489	489
Revaluation losses	重估虧損	(87)	–	–	–	(87)
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	–	52	–	52	52
Transfer from bank premises to investment properties	由行址轉入投資物業	89	(89)	–	(89)	–
Disposals	出售	(12)	(20)	(79)	(99)	(111)
Exchange adjustments	匯兌調整	–	(2)	(20)	(22)	(22)
At 31st December, 2008	於2008年12月31日	1,819	3,135	2,246	5,381	7,200
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2008	於2008年1月1日	–	304	1,168	1,472	1,472
Charge for the year	年度內支銷	–	43	218	261	261
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	–	(5)	–	(5)	(5)
Write back of impairment loss	減值損失回撥	–	(6)	–	(6)	(6)
Written back on disposals	出售時回撥	–	(12)	(77)	(89)	(89)
Exchange adjustments	匯兌調整	–	(1)	(19)	(20)	(20)
At 31st December, 2008	於2008年12月31日	–	323	1,290	1,613	1,613
Net book value at 31st December, 2008	賬面淨值 於2008年12月31日	1,819	2,812	956	3,768	5,587
The gross amounts of the above assets are stated:	上述資產的總額列示如下：					
At cost	按成本	–	2,308	2,246	4,554	4,554
At Directors' valuation – 1989	按董事估值 －1989年	–	827	–	827	827
At professional valuation – 2008	按專業估值 －2008年	1,819	–	–	–	1,819
		1,819	3,135	2,246	5,381	7,200

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

31. FIXED ASSETS (CONTINUED) 固定資產(續)

The net book value of bank premises and investment properties comprises:

行址及投資物業的賬面淨值包括：

		The Group 集團			
		2009		2008	
		Investment properties 投資物業	**Bank premises 行址**	Investment properties 投資物業	Bank premises 行址
		HK$ Mn 港幣百萬元	**HK$ Mn 港幣百萬元**	HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	**79**	**3,841**	78	1,748
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease (over 50 years)	長期租約(50年以上)	**1,489**	**1,586**	1,449	1,477
On medium-term lease (10 – 50 years)	中期租約(10至50年)	**209**	**1,428**	303	1,354
Held outside Hong Kong	在香港以外地區				
On long lease (over 50 years)	長期租約(50年以上)	**–**	**161**	–	193
On medium-term lease (10 – 50 years)	中期租約(10至50年)	**318**	**781**	9	846
		2,095	**7,797**	1,839	5,618

		The Bank 銀行			
		2009		2008	
		Investment properties 投資物業	**Bank premises 行址**	Investment properties 投資物業	Bank premises 行址
		HK$ Mn 港幣百萬元	**HK$ Mn 港幣百萬元**	HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	–	748	–	150
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease (over 50 years)	長期租約(50年以上)	1,391	1,503	1,365	1,391
On medium-term lease (10 – 50 years)	中期租約(10至50年)	407	1,313	454	1,267
Held outside Hong Kong	在香港以外地區				
On long lease (over 50 years)	長期租約(50年以上)	–	3	–	3
On medium-term lease (10 – 50 years)	中期租約(10至50年)	–	–	–	1
		1,798	3,567	1,819	2,812

The carrying amount of the bank premises of the Group and the Bank would have been HK$6,933 million (2008: HK$4,624 million) and HK$2,498 million (2008: HK$1,929 million) respectively had they been stated at cost less accumulated depreciation.

假設本集團及本行以成本減累計折舊入賬，行址的賬面值將分別為港幣6,933,000,000元(2008年：港幣4,624,000,000元)及港幣2,498,000,000元(2008年：港幣1,929,000,000元)。

Investment properties were valued by independent valuers. Investment properties in Hong Kong were valued at HK$1,698 million as at 31st December, 2009 by an independent valuer, Savills Valuation and Professional Services Limited, Chartered Surveyors, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuation has been incorporated in the accounts as at 31st December, 2009 and it was performed on an open market value basis.

投資物業是按獨立估值師估值。於2009年12月31日，香港投資物業的估值為港幣1,698,000,000元。該等物業由獨立估值師－特許測量師第一太平戴維斯，其僱員具香港測量師學會會士資歷並對須估值物業的所在及類別有近期經驗。估值是以公開市場價值為基礎，並已計入2009年12月31日之賬項內。

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 10 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

集團以經營租賃形式租出投資物業。租賃年期通常由1年至10年，到期日後可再續約但其他條款須另議。所有租約並不包括或有租金。

Rental income receivable from investment properties held for use under operating leases amounted to HK$92 million in 2009 (2008: HK$90 million). There was no contingent rental recognised during the year 2009 (2008: Nil).

於年內，以經營租賃形式租出的投資物業之應收租金為港幣92,000,000元(2008年：港幣90,000,000元)。2009年年度內未有確認或有租金(2008年：無)。

The total future minimum lease payments of bank premises and investment properties held for use under non-cancellable operating leases are receivable as follows:

以不可撤銷經營租賃作出租的行址及投資物業的未來最低應收租賃付款總額如下：

		The Group 集團		The Bank 銀行	
		2009	2008	**2009**	2008
		HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元	**HK$ Mn 港幣百萬元**	HK$ Mn 港幣百萬元
Within one year	1年以內	**78**	74	**67**	69
After one year but within five years	1年以後至5年內	**81**	62	**62**	47
		159	136	**129**	116

32. AMOUNTS DUE FROM AND DUE TO SUBSIDIARIES 附屬公司欠款及欠附屬公司款項

During the year, the Bank entered into transactions with certain subsidiaries in the ordinary course of its banking business. Details of the amounts due from and due to subsidiaries are as follows:

於年度內，本行與若干附屬公司有正常的業務交易。附屬公司欠款及欠附屬公司款項詳列如下：

(a) Amounts due from subsidiaries

(a) 附屬公司欠款

		The Bank 銀行	
		2009	2008
		HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元
Financial institutions	金融機構	**11,781**	15,454
Others	其他	**938**	944
		12,719	16,398

(b) Amounts due to subsidiaries

(b) 欠附屬公司款項

		The Bank 銀行	
		2009	2008
		HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元
Financial institutions	金融機構	**17**	47
Others	其他	**1,625**	1,947
		1,642	1,994

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

33. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION 財務狀況表內的所得稅

(a) Current taxation in the statement of financial position represents: (a) 財務狀況表內的本期稅項為：

		The Group 集團		The Bank 銀行	
		2009	2008	**2009**	2008
		HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元	**HK$ Mn 港幣百萬元**	HK$ Mn 港幣百萬元
Provision for Hong Kong profits tax for the year *(Note 13(a))*	本年度香港利得稅準備 *(附註13(a))*	**73**	64	**–**	–
Provisional profits tax paid	已付暫繳利得稅	**(49)**	(51)	**–**	–
		24	13	**–**	–
Balance of profits tax provision relating to prior years	以往年度利得稅準備結餘	**9**	(1)	**(14)**	(14)
Overseas taxation	海外稅項	**114**	321	**32**	74
		147	333	**18**	60

(b) Deferred tax assets and liabilities recognised (b) 遞延稅項資產及負債確認

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

確認於綜合財務狀況表中遞延稅項(資產)／負債的組成部分及年內之變動如下：

		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 港幣百萬元	**HK$ Mn 港幣百萬元**	**HK$ Mn 港幣百萬元**	**HK$ Mn 港幣百萬元**	**HK$ Mn 港幣百萬元**	**HK$ Mn 港幣百萬元**	**HK$ Mn 港幣百萬元**
At 1st January, 2009	於2009年1月1日	**361**	**257**	**(49)**	**(4)**	**(661)**	**(14)**	**(110)**
Charged/(credited) to income statement *(Note 13(a))*	收益表內支銷／(存入) *(附註13(a))*	**(56)**	**34**	**(33)**	**–**	**447**	**(61)**	**331**
Credited to reserves *(Notes 38(c) and (h))*	存入儲備內 *(附註38(c)及(h))*	**–**	**26**	**–**	**43**	**–**	**–**	**69**
Exchange and other adjustments	匯兌及其他調整	**–**	**32**	**105**	**–**	**(2)**	**(227)**	**(92)**
At 31st December, 2009	於2009年12月31日	**305**	**349**	**23**	**39**	**(216)**	**(302)**	**198**

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

		The Group 集團						
Deferred tax arising from: 遞延稅項源自：		Depreciation allowances in excess of related depreciation 超過有關折舊的折舊免稅額 HK$ Mn 港幣百萬元	Revaluation of properties 物業重估 HK$ Mn 港幣百萬元	Impairment losses on financial assets 金融資產的減值損失 HK$ Mn 港幣百萬元	Revaluation of available-for-sale securities 可供出售證券重估 HK$ Mn 港幣百萬元	Tax losses 稅損 HK$ Mn 港幣百萬元	Others 其他 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
At 1st January, 2008	於2008年1月1日	321	274	58	94	(59)	114	802
Charged/(credited) to income statement *(Note 13(a))*	收益表內支銷／(存入) *(附註 13(a))*	26	(14)	(114)	–	(601)	(23)	(726)
Credited to reserves *(Notes 38(c) and (h))*	存入儲備內 *(附註38(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)

		The Bank 銀行						
Deferred tax arising from: **遞延稅項源自：**		**Depreciation allowances in excess of related depreciation** **超過有關折舊的折舊免稅額** **HK$ Mn** **港幣百萬元**	**Revaluation of properties** **物業重估** **HK$ Mn** **港幣百萬元**	**Impairment losses on financial assets** **金融資產的減值損失** **HK$ Mn** **港幣百萬元**	**Revaluation of available-for-sale securities** **可供出售證券重估** **HK$ Mn** **港幣百萬元**	**Tax losses** **稅損** **HK$ Mn** **港幣百萬元**	**Others** **其他** **HK$ Mn** **港幣百萬元**	**Total** **總額** **HK$ Mn** **港幣百萬元**
At 1st January, 2009	於2009年1月1日	**347**	**257**	**(44)**	**(5)**	**(528)**	**(2)**	**25**
Charged/(credited) to income statement	收益表內支銷／(存入)	**(58)**	**34**	**(83)**	**–**	**421**	**7**	**321**
Credited to reserves *(Notes 38 (c) and (h))*	存入儲備內 *(附註38(c)及(h))*	**–**	**(2)**	**–**	**49**	**–**	**–**	**47**
Exchange and other adjustments	匯兌及其他調整	**–**	**–**	**1**	**–**	**(3)**	**(226)**	**(228)**
At 31st December, 2009	於2009年12月31日	**289**	**289**	**(126)**	**44**	**(110)**	**(221)**	**165**

		The Bank 銀行						
Deferred tax arising from: 遞延稅項源自:		Depreciation allowances in excess of related depreciation 超過有關折舊的折舊免稅額 HK$ Mn 港幣百萬元	Revaluation of properties 物業重估 HK$ Mn 港幣百萬元	Impairment losses on financial assets 金融資產的減值損失 HK$ Mn 港幣百萬元	Revaluation of available-for-sale securities 可供出售證券重估 HK$ Mn 港幣百萬元	Tax losses 稅損 HK$ Mn 港幣百萬元	Others 其他 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
At 1st January, 2008	於2008年1月1日	313	274	(43)	94	(9)	113	742
Charged/(credit) to income statement	收益表內支銷／(存入)	34	(14)	(1)	–	(519)	(11)	(511)
Credited to reserves *(Notes 38 (c) and (h))*	存入儲備內 *(附註38(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

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

33. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED) 財務狀況表內的所得稅 (續)

		The Group 集團		The Bank 銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Net deferred tax assets recognised on the statement of financial position	確認於財務狀況表的遞延稅項資產淨額	**(322)**	(187)	**(168)**	(38)
Net deferred tax liabilities recognised on the statement of financial position	確認於財務狀況表的遞延稅項負債淨額	**520**	77	**333**	63
		198	(110)	**165**	25

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK$744 million (2008: HK$737 million) as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses were as follows:

(c) 未確認遞延稅項資產

由於可能未來沒有適用於有關稅務機關及實體的應課稅溢利以彌補有關虧損，本集團並未確認累計稅損港幣744,000,000元(2008年：港幣737,000,000元)為遞延稅項資產。根據現時稅務條例，該等稅損的到期日如下：

		2009	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元
Expiring within 5 years	於五年內到期	**34**	57
Expiring more than 5 years	五年後到期	**52**	7
No expiry date	無到期日	**658**	673
		744	737

34. OTHER LIABILITIES 其他負債

		The Group 集團		The Bank 銀行	
		2009	2008	**2009**	2008
		HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元	**HK$ Mn 港幣百萬元**	HK$ Mn 港幣百萬元
(a) Trading liabilities	(a) 交易用途負債				
Exchange fund bills sold	外匯基金票據空倉	**–**	330	**–**	330
Shares sold	賣出股份	**6**	–	**6**	–
		6	330	**6**	330
Negative fair value of derivatives *(Note 42(b))*	衍生工具的負公平價值*(附註42(b))*	**1,449**	2,516	**1,229**	2,219
		1,455	2,846	**1,235**	2,549
(b) Other accounts and provisions	(b) 其他賬項及準備				
Accrued interest payable	應計應付利息	**1,089**	1,953	**595**	1,035
Acceptance draft payable	應付承兌票據	**7,976**	2,989	**203**	272
Other accounts	其他賬項	**9,441**	7,197	**2,750**	2,172
		18,506	12,139	**3,548**	3,479

35. LOAN CAPITAL 借貸資本

		The Group 集團		The Bank 銀行	
		2009	2008	**2009**	2008
		HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元	**HK$ Mn 港幣百萬元**	HK$ Mn 港幣百萬元
USD550 million 5.625% subordinated notes, measured at fair value through profit or loss	按通過損益以反映公平價值列賬的550,000,000美元年息5.625%的後償票據	**4,281**	3,644	**4,281**	3,644
GBP300 million 6.125% step-up perpetual subordinated notes, measured at fair value through profit or loss	按通過損益以反映公平價值列賬的300,000,000英鎊6.125%無到期日步陞後償票據	**3,431**	2,751	**3,431**	2,751
USD600 million floating rate step-up subordinated notes, measured at amortised cost	按攤銷成本列賬的600,000,000美元浮息步陞後償票據	**4,647**	4,641	**4,647**	4,641
USD500 million Hybrid Tier 1	500,000,000美元混合一級資本工具	**–**	–	**3,916**	–
		12,359	11,036	**16,275**	11,036

Loan capital of face value of HK$4,265 million (USD550 million) and carrying amount of HK$4,281 million represents 5.625% subordinated notes qualifying as tier 2 capital which were issued on 13th December, 2005 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 13th December, 2015.

票面值港幣4,265,000,000元(550,000,000美元)及賬面值港幣4,281,000,000元的借貸資本,是指由本行於2005年12月13日發行年息5.625%,並評定為二級資本的後償票據。該票據於香港交易所上市,並將於2015年12月13日到期。

Loan capital of face value of HK$3,749 million (GBP300 million) and carrying amount of HK$3,431 million represents 6.125% step-up perpetual subordinated notes qualifying as tier 2 capital which were issued on 20th March, 2007 by the Bank. The notes are listed on the Singapore Stock Exchange.

票面值港幣3,749,000,000元(300,000,000英鎊)及賬面值港幣3,431,000,000元的借貸資本,是指由本行於2007年3月20日發行年息6.125%,並評定為二級資本的無到期日步陞後償票據。該後償票據於新加坡交易所上市。

The carrying amount of financial liabilities designated at fair value through profit or loss for the Group as at 31st December, 2009 was HK$303 million (2008: HK$1,232 million) and for the Bank was HK$264 million (2008: HK$1,232 million) lower than the contractual amount at maturity. The difference in the accumulated amount of the changes in fair value attributable to changes in credit risk for the Group were HK$618 million (2008: HK$1,858 million) and for the Bank were HK$689 million (2008: HK$1,858 million). The change for the year ended 31st December, 2009 for the Group was HK$1,240 million (2008: HK$2,183 million) and for the Bank was HK$1,169 million (2008: HK$2,183 million).

於2009年12月31日,本集團及本行按通過損益以反映公平價值列賬的金融負債在合約到期日的金額比賬面值分別下跌港幣303,000,000元(2008年:港幣1,232,000,000元)及下跌港幣264,000,000元(2008年:港幣1,232,000,000元)。在累計公平價值變動的金額中,可歸屬於本集團及本行之信貸風險變動的差額分別為港幣618,000,000元(2008年:港幣1,858,000,000元)及港幣689,000,000元(2008年:港幣1,858,000,000元)。在截至2009年12月31日止年度本集團及本行賬項內分別支銷的金額為港幣1,240,000,000元(2008年:港幣2,183,000,000元)及港幣1,169,000,000元(2008年:港幣2,183,000,000元)。

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

35. LOAN CAPITAL (CONTINUED) 借貸資本(續)

Loan capital of face value of HK$4,653 million (USD600 million) and carrying amount of HK$4,647 million represents floating rate step-up subordinated notes qualifying as tier 2 capital which were issued on 21st June, 2007 by the Bank. The notes are listed on the Singapore Stock Exchange and will mature on 22nd June, 2017. The fair value as of 31st December, 2009 was HK$4,211 million (USD543 million) (2008: HK$3,953 million) (USD510 million).

票面值港幣4,653,000,000元(600,000,000美元)及賬面值港幣4,647,000,000元的借貸資本,是指由本行於2007年6月21日發行,並評定為二級資本的浮息步陞後償票據。該票據於新加坡交易所上市,並將於2017年6月22日到期。於2009年12月31日的公平價值為港幣4,211,000,000元(543,000,000美元)(2008年:港幣3,953,000,000元)(510,000,000美元)。

Hybrid Tier 1 capital instruments comprising step-up subordinated notes ("Notes") of face value HK$3,878 million (USD500 million) and carrying amount of HK$3,916 million and HK$3,878 million (USD500 million) non-cumulative preference shares ("Innovate Preference Shares") were issued respectively by the Bank and by Innovate Holdings Limited, a wholly owned subsidiary of the Bank, on 5th November, 2009. The Notes bear a fixed interest rate of 8.5% per annum and will mature on 5th November, 2059. The Innovate Preference Shares are perpetual securities on which no dividend is payable. The Notes and the Innovate Preference Shares are listed, and traded together as units, on the Singapore Stock Exchange. The Hybrid Tier 1 capital instruments are qualified as tier 1 capital of the Bank and the Group. In the consolidated accounts, the Notes are eliminated and the Innovate Preference Shares are classified as minority interest.

混合一級資本工具包括分別由本行發行面值港幣3,878,000,000元(500,000,000美元)及賬面值港幣3,916,000,000元之步陞後償票據(「票據」)及由本行一全資附屬公司Innovate Holdings Limited所發行賬面值港幣3,878,000,000元(500,000,000美元)非累積優先股份(「Innovate優先股份」),發行日期為2009年11月5日。該票據之固定利率為年息8.5%,並將於2059年11月5日到期。Innovate優先股份是毋須支付股息的無到期日證券。該票據及Innovate優先股份是於新加坡交易所上市及以單位組合形式交易。混合一級資本工具已被評定為本行及本集團的一級資本。在綜合賬項中,票據已被抵銷及Innovate優先股份則被分類為少數股東權益。

36. EQUITY SETTLED SHARE-BASED TRANSACTIONS 以股份為基礎作支付的交易

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Directors and Chief Executive, of the Group options to subscribe for shares of the Bank. The options may be exercised during the period beginning on the first anniversary of the Date of Grant and ending on the fifth anniversary of the Date of Grant. All options were granted for nil consideration.

本行所採納的僱員認股計劃是本行董事會可酌情發出認股權予本集團之任何僱員,包括執行董事及行政總裁,以認購本行股份。認股權的行使期限為授予日的第1周年開始至授予日的第5周年止。所有認股權均以不計價款形式發出。

(a) Particulars of share options

(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
22/4/2004	22/4/2004 – 21/4/2005	22/4/2005 – 22/4/2009	21.11*
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	20.86*
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	30.04*
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	42.84*
05/5/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	40.09*
05/5/2009	05/5/2009 – 04/5/2010	05/5/2010 – 05/5/2014	21.25

(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：

		2009 Weighted average exercise price 加權平均行使價 HK$ 港幣元	2009 Number of options 認股權數目 Mn 百萬	2008 Weighted average exercise Price* 加權平均行使價* HK$ 港幣元	2008 Number of options* 認股權數目* Mn 百萬
Outstanding at the beginning of the year	年初結餘	**30.53**	**22**	24.73	21
Exercised during the year	年度內行使	**20.86**	**(2)**	18.56	(5)
Granted during the year	年度內授予	**21.25**	**6**	40.09	6
Lapsed during the year	年度內失效	**25.67**	**(4)**	21.11	–
Outstanding at the end of the year	年末結餘	**29.55**	**22**	30.53	22
Exercisable at the end of the year	年末可供行使	**33.04**	**16**	26.86	16

The weighted average share price at the date of exercise for shares options exercised during the year was HK$23.60 (2008: HK$33.72 or HK$30.65 after adjusting for the bonus issue in 2009).

年度內於行使認股權當日的加權平均股價為港幣23.60元(2008年：港幣33.72元或經調整2009年發行的紅股後為港幣30.65元)。

The options outstanding at 31st December, 2009 had an exercise price from HK$20.86 to HK$42.84 (2008: from HK$22.95 to HK$47.13 or from HK$20.86 to HK$42.84 after adjusting for the bonus issue in 2009) and a weighted average remaining contractual life of 2.63 years (2008: 2.44 years).

於2009年12月31日，尚未行使認股權的行使價由港幣20.86元至港幣42.84元(2008年：由港幣22.95元至港幣47.13元或經調整2009年發行的紅股後為港幣20.86元至港幣42.84元)，及剩餘合約年期之加權平均數為2.63年(2008年：2.44年)。

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share option granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

(c) 認股權的公平價值及假設

獲得服務以換取認股權的公平價值按授予認股權的公平價值計量。授予認股權之估計公平價值按三項式期權定價模式。認股權的合約年期為該定價模式的輸入參數。

		2009	2008
Fair value at measurement date	於計量日的公平價值	**HK$港幣9.66元**	HK$港幣13.88元*
Share price	股價	**HK$港幣21.25元**	HK$港幣40.09元*
Exercise price	行使價	**HK$港幣21.25元**	HK$港幣40.09元*
Expected volatility (expressed as weighted average volatility used in the modelling under trinomial lattice model)	預計波幅(以三項式期權定價模式內採用的加權平均波幅)	**59.96%**	48.88%
Option life	認股權年期	**5 years年**	5 years年
Expected dividends	預計股息	**2.35%**	4.64%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(根據外匯基金票據)	**1.64%**	2.48%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

預計波幅是根據過往之波幅(以認股權的加權剩餘年期計算)，再調整因公眾知悉的資訊影響未來波幅的預計變動。預計股息按過往的股息。主觀輸入假設的變動可能重大影響公平價值的估計。

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。

* *The Bank made a one for 10 bonus issue of shares on 17th April, 2009 (the "Bonus Issue"). For share options remained exercisable on 17th April, 2009, adjustments for the Bonus Issue were made to the effect that the number of share options have been increased by 10% and the exercise prices have been decreased accordingly. These adjustments were made in accordance with the Rules of the relevant share option schemes*

* *於 2009 年 4 月 17 日本行按每十股發送一股股份(「紅股」)。於 2009 年 4 月 17 日的餘下可行使之認股權，紅股之影響已作調整，即認股權的數目已增加百分之十及行使價則相應下調百分之十。該調整是根據有關認股權計劃的規則而作出。*

NOTES ON THE ACCOUNTS (CONTINUED)
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37. SHARE CAPITAL 股本

		2009		2008	
		No. of shares 股份數目 million 百萬	**Nominal value 面值**	No. of shares 股份數目 million 百萬	Nominal value 面值
Authorised:	法定股本：				
Ordinary shares of HK$2.50 each	普通股每股港幣2.50元	**2,600**	**HK$ 港幣6,500,000,000元**	2,600	HK$ 港幣6,500,000,000元
Substitute preference shares of US$1,000 each	替代優先股每股1,000美元	**0.5**	**US$500,000,000美元**	–	–
			HK$ Mn 港幣百萬元		HK$ Mn 港幣百萬元
Issued and fully paid:	已發行及繳足股本：				
At 1st January	於1月1日	**1,673**	**4,183**	1,574	3,936
Shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份	**2**	**5**	5	12
Subscription for new shares	發行新股	**–**	**–**	79	197
Capitalisation issue	資本化發行	**167**	**418**	–	–
Shares issued in lieu of dividends	以股代息發行的股份	**7**	**17**	15	38
At 31st December	於12月31日	**1,849**	**4,623**	1,673	4,183

Pursuant to the approved Staff Share Option Schemes (the "Schemes"), options to purchase ordinary shares in the Bank were granted to eligible employees. The option price of the Schemes equals the fair value of the underlying shares at the date of grant. The options granted under the Schemes will be exercisable between the first and the fifth anniversaries of the date of grant.

根據已核准的僱員認股權計劃(「計劃」)，認股權授予合格僱員以認購本行的普通股股份。認股權行使價與相關股份於授予日的公平價值相同。根據計劃所授予的認股權可於授予日的第1周年至授予日的第5周年期間內行使。

(a) Shares issued under Staff Share Option Scheme

During the year, options were exercised to subscribe for 2,000,000 ordinary shares in the Bank at a consideration of HK$41 million of which HK$5 million was credited to share capital and the balance of HK$36 million was credited to the share premium account (Note 38). HK$3 million has been transferred from the capital reserve to the share premium account in accordance with policy set out in Note 2(q)(iv).

(a) 根據僱員認股權計劃發行的股份

年度內，已行使認股權以認購本行普通股2,000,000股之代價為港幣41,000,000元，其中港幣5,000,000元存入股本，餘數港幣36,000,000元存入股份溢價(附註38)。根據附註2(q)(iv)所載，已由資本儲備轉撥港幣3,000,000元往股份溢價內。

(b) Terms of unexpired and unexercised share options at balance sheet date

(b) 於結算日尚未期滿及行使的認股權之條款

Date of options granted 認股權授予日期	**Option price 認購價**	**2009 No. of shares 股份數目**	2008 No. of shares 股份數目
22/4/2004	HK$港幣21.11元*	**–**	3,041,500*
03/5/2005	HK$港幣20.86元*	**4,737,000**	6,715,500*
03/5/2006	HK$港幣30.04元*	**2,695,000**	2,970,000*
10/5/2007	HK$港幣42.84元*	**2,750,000**	3,025,000*
05/5/2008	HK$港幣40.09元*	**5,500,000**	6,050,000*
05/5/2009	HK$港幣21.25元	**6,600,000**	–
		22,282,000	21,802,000*

* *After adjusting for the bonus issue in 2009.*

* *經調整2009年所發行的紅股。*

38. RESERVES 儲備

	2009	
	The Group 集團	The Bank 銀行
	HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元
(a) Share premium (undistributable) (a) 股份溢價(不可派發)		
At 1st January 於1月1日	4,922	4,922
Net premium on shares issued under Staff Share Option Schemes 根據僱員認股計劃發行的股份溢價淨額	36	36
Transfer of the fair value of options from capital reserve – share options issued 撥自資本儲備(已發行認股權)的認股權之公平價值	3	3
Shares issued in lieu of dividends 以股代息發行的股份	(17)	(17)
Capitalisation issue 資本化發行	(418)	(418)
As 31st December 於12月31日	4,526	4,526
(b) General reserve (b) 一般儲備		
At 1st January 於1月1日	14,634	14,369
Transfer from retained profits 撥自留存溢利	49	–
Shares issued in lieu of dividends 以股代息發行的股份	177	177
Realised surplus on disposals transferred from property revaluation reserve 撥自物業重估儲備的已實現出售物業盈餘	6	6
At 31st December 於12月31日	14,866	14,552
(c) Revaluation reserve on bank premises (undistributable) (c) 行址重估儲備(不可派發)		
At 1st January 於1月1日	863	899
Recognition of net deferred tax liabilities *(Note 33(b))* 確認遞延稅項負債淨額 *(附註33(b))*	(26)	2
Revaluation surplus on bank premises transferred to investment properties 行址轉作投資物業所產生的重估盈餘	97	–
Realised surplus on disposals transferred to general reserve 已實現出售物業盈餘撥入一般儲備	(6)	(6)
At 31st December 於12月31日	928	895
(d) Statutory reserves (undistributable) (d) 法定儲備(不可派發)		
At 1st January 於1月1日	1,216	–
Transfer from retained profits 撥自留存溢利	285	7
At 31st December 於12月31日	1,501	7
(e) Capital reserve (undistributable) (e) 資本儲備(不可派發)		
At 1st January and 31st December 於1月1日及12月31日	86	–
(f) Exchange revaluation reserve (undistributable) (f) 匯兌重估儲備(不可派發)		
At 1st January 於1月1日	1,006	48
Exchange adjustments 匯兌調整	163	7
At 31st December 於12月31日	1,169	55

NOTES ON THE ACCOUNTS (CONTINUED)
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38. RESERVES (CONTINUED) 儲備(續)

		2009	
		The Group 集團	The Bank 銀行
		HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元
(g) Capital reserve – staff share options issued (undistributable)	(g) 資本儲備 — 已發行僱員認股權(不可派發)		
At 1st January	於1月1日	**125**	**125**
Transfer of the fair value of options to share premium	認股權公平價值撥入股份溢價	**(3)**	**(3)**
Forfeited options transfer to retained profits	已失效的認股權轉入留存溢利	**(23)**	**(23)**
Additions	增加	**71**	**71**
At 31st December	於12月31日	**170**	**170**
(h) Investment revaluation reserve (undistributable)	(h) 投資重估儲備(不可派發)		
At 1st January	於1月1日	**(228)**	**(45)**
Changes in fair value of securities	證券的公平價值變動	**575**	**267**
Reversal upon disposal *(Note 12)*	於出售時轉回*(附註12)*	**(29)**	**5**
Recognition of deferred tax liabilities *(Note 33(b))*	確認遞延稅項負債*(附註33(b))*	**(43)**	**(49)**
Impairment loss and amortisation	減值損失及攤銷	**11**	**–**
At 31st December	於12月31日	**286**	**178**
(i) Other reserves	(i) 其他儲備		
At 1st January	於1月1日	**–**	**–**
Share of change in equity of associates	應佔聯營公司權益的變動	**17**	**–**
At 31st December	於12月31日	**17**	**–**
(j) Retained profits	(j) 留存溢利		
At 1st January	於1月1日	**5,339**	**2,724**
Net profit for the year	年度內溢利	**2,565**	**995**
Transfer to general reserve	撥入一般儲備	**(49)**	**–**
Transfer to statutory reserve	撥入法定儲備	**(285)**	**(7)**
Forfeited options transfer to retained profits	已失效的認股權轉入留存溢利	**23**	**23**
Dividends *(Note 15)*	股息*(附註15)*		
– Interim dividend	– 中期股息	**(516)**	**(516)**
– Final dividend in respect of previous year	– 上年度末期股息	**(33)**	**(33)**
– Hybrid Tier 1 USD 500M	– 混合一級資本 500,000,000美元	**(51)**	**–**
At 31st December	於12月31日	**6,993**	**3,186**
(k) Total reserves	(k) 儲備總額	**30,542**	**23,569**

		2008	
		The Group 集團	The Bank 銀行
		HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元
(a) Share premium (undistributable)	(a) 股份溢價(不可派發)		
At 1st January	於1月1日	1,118	1,118
Net premium on shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份溢價淨額	88	88
Transfer of the fair value of options from capital reserve – share options issued	撥自資本儲備(已發行認股權)的認股權之公平價值	9	9
Shares issued in lieu of dividends	以股代息發行的股份	(38)	(38)
Subscription for new shares	發行新股	3,745	3,745
As 31st December	於12月31日	4,922	4,922
(b) General reserve	(b) 一般儲備		
At 1st January	於1月1日	14,004	13,757
Transfer from retained profits	撥自留存溢利	18	–
Shares issued in lieu of dividends	以股代息發行的股份	597	597
Realised surplus on disposals transferred from property revaluation reserve	撥自物業重估儲備的已實現出售物業盈餘	15	15
At 31st December	於12月31日	14,634	14,369
(c) Revaluation reserve on bank premises (undistributable)	(c) 行址重估儲備(不可派發)		
At 1st January	於1月1日	866	854
Recognition of net deferred tax liabilities *(Note 33(b))*	確認遞延稅項負債淨額*(附註 33(b))*	3	3
Revaluation surplus on bank premises transferred to investment properties	行址轉作投資物業所產生的重估盈餘	10	57
Realised surplus on disposals transferred to general reserve	已實現出售物業盈餘撥入一般儲備	(15)	(15)
Exchange adjustments	匯兌調整	(1)	–
At 31st December	於12月31日	863	899
(d) Statutory reserves (undistributable)	(d) 法定儲備(不可派發)		
At 1st January	於1月1日	–	–
Transfer from retained profits	撥自留存溢利	1,216	–
At 31st December	於12月31日	1,216	–
(e) Capital reserve (undistributable)	(e) 資本儲備(不可派發)		
At 1st January and 31st December	於1月1日及12月31日	86	–
(f) Exchange revaluation reserve (undistributable)	(f) 匯兌重估儲備(不可派發)		
At 1st January	於1月1日	650	80
Exchange adjustments	匯兌調整	356	(32)
At 31st December	於12月31日	1,006	48

NOTES ON THE ACCOUNTS (CONTINUED)
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38. 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 12)*	於出售時轉回*(附註12)*	(115)	(114)
Recognition of deferred tax liabilities *(Note 33(b))*	確認遞延稅項負債*(附註33(b))*	98	99
Impairment loss	減值損失	153	20
Exchange adjustments	匯兌調整	(9)	–
At 31st December	於12月31日	(228)	(45)
(i) Other reserves	(i) 其他儲備		
At 1st January	於1月1日	22	–
Share of change in equity of associates	應佔聯營公司權益的變動	(22)	–
At 31st December	於12月31日	–	–
(j) Retained profits	(j) 留存溢利		
At 1st January	於1月1日	8,874	5,946
Net profit/(loss) for the year	年度內溢利/(虧損)	39	(882)
Transfer to general reserve	撥入一般儲備	(18)	–
Transfer to statutory reserve	撥入法定儲備	(1,216)	–
Dividends *(Note 15)*	股息*(附註15)*		
– Interim dividend	— 中期股息	(384)	(384)
– Final dividend in respect of previous year	— 上年度末期股息	(1,956)	(1,956)
At 31st December	於12月31日	5,339	2,724
(k) Total reserves	(k) 儲備總額	27,963	23,042

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

股份溢價賬目的運用是受香港《公司條例》第48B條所規管。

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.

一般儲備的建立,包括來自留存溢利、出售物業時的已實現重估盈餘及以股代息發行的股份價值的轉賬。

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.

行址及匯兑重估儲備的建立及處理是根據重估行址和外幣折算所採用的會計政策。

Statutory reserves are set up to 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.

法定儲備是用作支持實收股本直至實收股本及法定儲備的總額與一家附屬公司及若干聯營公司的註冊股本相同。

Capital reserve represents the capitalization of subsidiaries' reserves.

資本儲備指附屬公司儲備的資本化發行。

Capital reserve – staff share options issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recoginsed in accordance with the accounting policy adopted for share based payment in Note 2(q)(iv).

資本儲備(已發行僱員認股權)包括根據已採納有關附註2(q)(iv)所載以股份為基礎作支付的會計政策確認授予本行僱員之實際或估計未行使認股權數目的公平價值。

Investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities held until the securities are derecognised and is dealt with in accordance with the accounting policies in Notes 2(f) and (k).

投資重估儲備包括持有可供出售證券直至證券被終止確認的累計公平價值變動淨額，有關處理的會計政策已詳載於附註2(f)和(k)。

Other reserve represents share of changes in equity of associates of investment revaluation reserve and revaluation reserve of bank premises.

其他儲備包括應佔聯營公司權益之投資重估儲備及重估行址儲備的變動。

A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the Hong Kong Monetary Authority. As at 31st December, 2009, HK$1,857 million (2008: HK$1,996 million) was included in the retained profits in this respect which was distributable to equity holders of the Group subject to consultation with the Hong Kong Monetary Authority.

為符合香港《銀行條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款減值損失金額。經諮詢香港金融管理局後，儲備的變動已直接在留存溢利內劃定。於2009年12月31日，留存溢利中包括與此有關屬可派發予本集團股東港幣1,857,000,000元(2008年：港幣1,996,000,000元)，但派發前須諮詢香港金融管理局。

At 31st December, 2009, the aggregate amount of reserves available for distribution to equity holders of the Bank was HK$17,738 million (2008: HK$17,093 million). After the balance sheet date the directors proposed a final dividend of HK$0.48 per ordinary share (2008: HK$0.02 per share), amounting to HK$968 million (2008: HK$33 million). The dividend has not been recognised as a liability at the balance sheet date.

於2009年12月31日，可派發予本行股東的儲備總額為港幣17,738,000,000元(2008年：港幣17,093,000,000元)。在結算日後董事擬派末期息每股普通股港幣0.48元(2008年：港幣0.02元)，總額達港幣968,000,000元(2008年：港幣33,000,000元)。於結算日並未確認該股息為負債。

39. MINORITY INTERESTS 少數股東權益

		2009 **HK$ Mn 港幣百萬元**	2008 HK$ Mn 港幣百萬元
At 1st January	於1月1日	**339**	347
– sale of interests in businesses to minority interests investors	– 出售商業權益予少數股東投資者	**132**	–
– purchase of interests in businesses from minority interests investors	– 向少數股東投資者購入商業權益	**(10)**	(64)
– Hybrid Tier 1 note issue	– 發行混合一級資本工具	**3,877**	–
– final dividend in respect of previous year	– 屬上年度末期股息	**(55)**	(7)
– exchange adjustments	– 匯兑調整	**2**	(2)
Profit for the year	年度內溢利	**73**	65
At 31st December	於12月31日	**4,358**	339

40. FINANCIAL RISK MANAGEMENT 財務風險管理

This section presents information on the Group's management of principal risks.

本部分載述有關本集團財務風險管理的資料。

The Group has in place a risk management system to identify, measure, monitor and control the various types of risk that the Group faces and, where appropriate, to set strategy and allocate capital against those risks. The risk management policies covering credit risk, market risk, operational risk, liquidity risk, interest rate risk, strategic risk, legal risk and reputation risk of the Group are reviewed regularly by the Management and specialised risk management committees, and recommendations are made by the Risk Management Committee, which comprises the Group's Chairman and Chief Executive, Senior Advisors, Deputy Chief Executives and the Group Chief Risk Officer, for the approval of the Board of Directors. There is an independent centralised risk management unit, Risk Management Division, responsible for monitoring the activities relating to these principal risks. The internal auditors also perform regular audits on business units to check compliance with policies and procedures.

本集團已建立一套完善的風險管理制度，以識別、衡量、監察及控制本集團所承受的各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團就信貸風險、市場風險、營運風險、流動資金風險、利率風險、策略風險、法律風險和信譽風險制定的管理政策，均由管理層和有關專責委員會定期檢討，並由風險管理委員會提出建議，最後經董事會批核。該委員會由本集團主席兼行政總裁、高級顧問、副行政總裁和集團風險總監組成。本集團設有一個獨立的中央風險管理單位(風險管理處)，專責處理與主要風險有關的活動。內部稽核員亦會對業務部門定期進行稽核，以確保該等政策及程序得以遵從。

(a) 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.

(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。

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.

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。

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.

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。

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。

The Group has established policies, procedures and rating systems to identify, measure, monitor and control credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Manual. These guidelines stipulate delegated lending authorities, credit extension criteria, credit monitoring process, internal rating structure, credit recovery and provisioning policy. They are reviewed and enhanced on an on-going basis to cater for the market change, statutory requirement and best practice risk management processes. Credit Risk Management Department under Risk Management Division of the Group is responsible for monitoring activities relating to credit risk.

本集團已制訂多項政策及程序，以辨別、衡量、監察及控制本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變、有關法定要求及最佳作業風險管理程序。本集團之風險管理處轄下的信貸風險管理部，負責監察與信貸風險有關的活動。

The Group's credit risk management for the major types of credit risk is depicted as follows:

本集團就下列各類主要信貸風險實行信貸風險管理：

(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.

(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。

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.

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) 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.

(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) 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.

(iii) 財資交易的信貸風險

本集團採用企業信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

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

40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(a) Credit risk management (continued)

(iv) Credit-related commitment

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

(v) Concentrations of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's portfolio of financial instruments is diversified along geographic, industry and product sectors.

The Group monitors its concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

(vi) Maximum exposure

The maximum exposure to credit risk at the balance sheet date without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial assets in the statement of financial position after deducting any impairment allowance. A summary of the maximum exposure is as follows:

(a) 信貸風險管理(續)

(iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請，組合保存和抵押要求。

(v) 信貸集中的風險

信貸集中的風險源於交易對手團體受到地緣、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的財務工具分散覆蓋不同地區、行業和產品。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

(vi) 最高風險

於結算日並未計算任何抵押品或其他信貸提升的最高信貸風險，即指每一項已減除任何減值準備的金融資產在財務狀況表的賬面值。最高風險摘要如下：

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Cash and balances with banks, central banks and other financial institutions	現金及在銀行、中央銀行和其他金融機構的結存	**28,611**	27,022	**11,821**	4,154
Placements with banks, central banks and other financial institutions	在銀行、中央銀行和其他金融機構的存款	**67,945**	96,574	**61,894**	92,735
Trade bills	貿易票據	**1,847**	1,164	**861**	521
Trading assets	交易用途資產	**4,092**	2,260	**1,749**	1,777
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	**10,043**	4,130	**10,035**	4,114
Loans and advances to customers	客戶貸款	**246,309**	229,295	**142,197**	130,293
Available-for-sale financial assets	可供出售金融資產	**28,996**	17,551	**17,949**	10,276
Held-to-maturity investments	持至到期投資	**7,239**	5,006	**4,802**	3,318
Other assets	其他資產	**14,369**	11,478	**5,491**	7,376
Financial guarantees and other credit related contingent liabilities	財務擔保及其他與信貸有關的或然負債	**9,965**	10,088	**7,616**	9,138
Loan commitments and other credit related commitments	貸款承擔及其他與信貸有關的承擔	**77,273**	66,080	**59,169**	53,283
		496,689	470,648	**323,584**	316,985

(vii) Credit quality of loans and advances

Loans and advances to banks are only made to banks with good credit standing. At 31st December, 2009 and 2008, no loans and advances to bank are impaired. The credit quality of loans and advances to customers can be analysed as follows:

(vii) 貸款及墊款的信貸質素

銀行貸款及墊款只提供予信貸信譽優良之銀行。於2009年及2008年12月31日，均沒有減值銀行貸款及墊款。客戶貸款及墊款的信貸質素分析如下：

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Gross loans and advances to customers	客戶貸款及墊款總額				
– neither past due nor impaired	－無逾期及減值	**245,149**	228,479	**141,219**	129,683
– past due but not impaired	－有逾期但未有減值	**57**	274	**44**	166
– impaired	－已減值	**2,448**	1,586	**2,111**	1,274
		247,654	230,339	**143,374**	131,123

Of which: 其中：

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Gross loans and advances to customers that are neither past due nor impaired	無逾期及減值的客戶貸款及墊款總額				
– Pass	－合格	**242,617**	226,550	**139,187**	128,219
– Special mention	－需要關注	**2,532**	1,929	**2,032**	1,464
		245,149	228,479	**141,219**	129,683

The Group classifies the loans and advances in accordance with the loan classification system required to be adopted for reporting to the HKMA.

本集團根據用作匯報予香港金融管理局的貸款分類系統以分類貸款。

The ageing analysis of loans and advances to customers that are past due but not impaired is as follows:

已逾期但未有減值之客戶貸款及墊款的年期分析如下：

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Gross loans and advances to customers that are past due but not impaired	有逾期但未有減值的客戶貸款及墊款總額				
– Overdue 3 months or less	－逾期3個月以下	**57**	274	**44**	166

Loans and advances that would be past due or impaired had the terms not been renegotiated amounted to HK$234 million as at 31st December, 2009 (2008: HK$239 million).

於2009年12月31日，假如並未重訂條款而可能變作逾期或減值貸款及墊款的金額為港幣234,000,000元(2008年：港幣239,000,000元)。

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

40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(a) Credit risk management (continued)

(viii) Credit quality of financial assets other than loans and advances

Credit risk of treasury transactions is managed in the same way as the Group manages its corporate lending risk and risk gradings are applied to the counterparties with individual counterparty limits set.

At the balance sheet date, the credit quality of investment in debt securities analysed by designation of external credit assessment institution, Moody's Investor Services, or equivalent, is as follow:

(a) 信貸風險管理(續)

(viii) 非貸款及墊款金融資產的信貸質素

資金交易的信貸風險管理方法,與本集團管理其企業借貸的方法一致及風險級別是適用於設有個別對手限額的對手。

於結算日,按照外部信貸評級機構,穆迪投資服務,或相同等級的評級機構,所指定之債務證券投資的信貸質素分析如下:

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Aaa	Aaa	**4,783**	1,790	**4,571**	1,608
Aa1 to Aa3	Aa1至Aa3	**11,672**	5,706	**10,395**	4,604
A1 to A3	A1至A3	**7,616**	2,706	**6,384**	2,029
Lower than A3	A3以下	**1,967**	1,121	**1,462**	851
		26,038	11,323	**22,812**	9,092
P-1	P-1	**10,176**	–	**–**	–
Unrated	無評級	**4,323**	2,440	**3,223**	2,440
Total	總額	**40,537**	13,763	**26,035**	11,532

(ix) Collateral and other credit enhancements

The Group holds collateral against loans and advances to customers in the forms of mortgages over property, other registered securities over assets, cash deposits and guarantees. Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collaterals held as security for financial assets other than loans and advances is determined by the nature of the instrument.

Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-based securities and similar instruments, which are secured by pools of financial assets. The Group entered into the ISDA Master Agreement which contractually binds both parties to apply close-out netting arrangement across outstanding derivatives.

(ix) 抵押品及其他信用提升

本集團持有以物業按揭形式、其他登記抵押資產、現金存款及擔保,以用作貸款及墊款的抵押品。除持有用作反向回購及證券借貸活動的抵押品外,銀行貸款一般不需要抵押品。持有用作非貸款金融資產的抵押品,是按照工具之性質決定。

除以一籃子金融資產作抵押的資產融資證券及相同工具外,債務證券、庫券及其他認可票據一般俱屬無抵押的。本集團簽訂ISDA的主合約,可合法地約束雙方以淨額結算安排一律應用於未履行之衍生交易。

The lower of gross loan amount and the estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

貸款總額及持有作抵押金融資產之抵押品及其他信用提升的估計公平價值兩者之較低者如下：

	The Group集團		The Bank銀行	
	2009	2008	**2009**	2008
	HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Fair value of collateral and other credit enhancements held against financial assets that are: 持有作抵押金融資產之抵押品及其他信用提升的公平價值如下：				
– neither past due nor impaired －無逾期及減值	**192,357**	178,200	**106,004**	95,567
– past due but not impaired －有逾期但未有減值	**57**	210	**42**	147
	192,414	178,410	**106,046**	95,714

(b) Market risk management

Market risk arises from all market risk sensitive financial instruments, including debt securities, foreign exchange contracts, equity and derivative instruments, as well as from statement of financial position or structural positions. The objective of market risk management is to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board of Directors reviews and approves policies for the management of market risks. The Board has delegated the responsibility for ongoing market risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

The Asset and Liability Management Committee deals with all market risk and liquidity risk related issues of the Group. It is also responsible for deciding the future business strategy with respect to interest rates trend review.

The use of derivatives for proprietary trading and their sale to customers as risk management products is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk, as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest rate, foreign exchange and equity related contracts, in the form of both over-the-counter derivatives and exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

In this connection, the key types of risk to manage are:

(i) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed within limits approved by the Board.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries and associated companies, are excluded from VaR measurements, as related gains or losses are taken to reserves. Such foreign currency positions are managed with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

(b) 市場風險管理

市場風險源自所有對市場風險敏感的財務工具，包括債務證券、外匯合約、股份和衍生工具，以及財務狀況表或結構性持倉。市場風險管理旨在減少本集團因財務工具內在的波動性而承受的風險。

董事會檢討和審批市場風險的管理政策，並已授權資產負債管理委員會負責持續進行一般的市場風險管理。資產負債管理委員會經風險管理委員會向董事會匯報。

資產負債管理委員會負責處理本集團一切與市場風險和流動資金風險相關的事項，亦負責根據利率走勢而釐定未來業務策略。

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的部分程序。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場外交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，需要管理的主要風險類別如下：

(i) 貨幣風險

本集團的外匯風險源自外匯買賣、商業銀行業務和結構性外匯風險。所有外幣持倉均維持在董事會所訂定的限額內。

本集團於分行、附屬公司和聯營公司的外匯投資，其有關的溢利及虧損因為已撥入儲備，所以未計算在風險數額內。管理此等外幣投資的主要目的，是保障本集團的儲備免受匯率波動的影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

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

40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(b) Market risk management (continued)

(i) Currency risk (continued)

The following table indicates the concentration of currency risk at the balance sheet date:

(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:

The Group **集團**

		2009				2008			
		USD 美元 HK$ Mn 港幣百萬元	CNY 人民幣 HK$ Mn 港幣百萬元	Other foreign currencies 其他外幣 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元	USD 美元 HK$ Mn 港幣百萬元	CNY 人民幣 HK$ Mn 港幣百萬元	Other foreign currencies 其他外幣 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
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	**2,241**	**17,427**	**1,453**	**21,121**	2,425	23,215	1,263	26,903
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	**14,832**	**4,169**	**24,609**	**43,610**	28,670	1,252	18,795	48,717
Trade bills	貿易票據	**1,782**	**8**	**44**	**1,834**	1,078	–	72	1,150
Trading assets	交易用途資產	**836**	**2,327**	**312**	**3,475**	652	438	160	1,250
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	**6,709**	**–**	**908**	**7,617**	2,158	–	631	2,789
Advances to customers and other accounts	客戶貸款及其他賬項	**44,193**	**83,346**	**19,252**	**146,791**	42,442	75,119	17,419	134,980
Available-for-sale financial assets	可供出售金融資產	**7,324**	**9,650**	**5,233**	**22,207**	3,261	6,184	3,594	13,039
Held-to-maturity investments	持至到期投資	**3,088**	**–**	**2,106**	**5,194**	1,941	–	1,864	3,805
Investment in associates	聯營公司投資	**360**	**–**	**–**	**360**	292	–	–	292
Fixed assets	固定資產	**190**	**4,805**	**879**	**5,874**	211	3,083	267	3,561
Goodwill and intangible assets	商譽及無形資產	**239**	**20**	**404**	**663**	241	20	386	647
Deferred tax assets	遞延稅項資產	**230**	**–**	**80**	**310**	161	–	8	169
Spot assets	現貨資產	**82,024**	**121,752**	**55,280**	**259,056**	83,532	109,311	44,459	237,302
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	**(4,715)**	**(4,582)**	**(1,949)**	**(11,246)**	(1,456)	(25,020)	(297)	(26,773)
Deposits from customers	客戶存款	**(60,630)**	**(97,918)**	**(48,141)**	**(206,689)**	(59,678)	(73,464)	(41,000)	(174,142)
Trading liabilities	交易用途負債	**(1,042)**	**(26)**	**(59)**	**(1,127)**	(1,595)	(148)	(199)	(1,942)
Certificates of deposit issued	已發行存款證	**(1,639)**	**–**	**–**	**(1,639)**	(2,452)	–	(426)	(2,878)
Current taxation	本期稅項	**13**	**(58)**	**(70)**	**(115)**	(27)	(192)	(31)	(250)
Debt securities issued	已發行債務證券	**–**	**(4,346)**	**–**	**(4,346)**	–	–	–	–
Deferred tax liabilities	遞延稅項負債	**(4)**	**(82)**	**(42)**	**(128)**	(4)	–	–	(4)
Other accounts and provisions	其他賬項及準備	**(2,716)**	**(9,333)**	**(1,394)**	**(13,443)**	(2,176)	(4,524)	(966)	(7,666)
Loan capital	借貸資本	**(8,928)**	**–**	**(3,431)**	**(12,359)**	(8,285)	–	(2,751)	(11,036)
Spot liabilities	現貨負債	**(79,661)**	**(116,345)**	**(55,086)**	**(251,092)**	(75,673)	(103,348)	(45,670)	(224,691)
Forward purchases	遠期買入	**59,917**	**27,419**	**11,016**	**98,352**	51,244	18,872	11,843	81,959
Forward sales	遠期賣出	**(57,946)**	**(27,850)**	**(8,726)**	**(94,522)**	(55,976)	(18,781)	(8,713)	(83,470)
Net option position	期權倉淨額	**(45)**	**–**	**34**	**(11)**	3	–	(4)	(1)
Net long non-structural position	非結構性長盤淨額	**4,289**	**4,976**	**2,518**	**11,783**	3,130	6,054	1,915	11,099
Net structural position	結構性持倉淨額	**2,432**	**6,605**	**1,012**	**10,049**	2,179	6,602	940	9,721

The Bank **銀行**

		2009				2008			
		USD 美元 HK$ Mn 港幣百萬元	CNY 人民幣 HK$ Mn 港幣百萬元	Other foreign currencies 其他外幣 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元	USD 美元 HK$ Mn 港幣百萬元	CNY 人民幣 HK$ Mn 港幣百萬元	Other foreign currencies 其他外幣 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
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	**1,220**	**1,946**	**1,055**	**4,221**	1,107	1,373	962	3,442
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	**13,504**	**–**	**24,506**	**38,010**	26,730	–	18,795	45,525
Trade bills	貿易票據	**838**	**–**	**10**	**848**	454	–	55	509
Trading assets	交易用途資產	**819**	**1**	**311**	**1,131**	611	1	159	771
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	**6,701**	**–**	**908**	**7,609**	2,141	–	631	2,772
Advances to customers and other accounts	客戶貸款及其他賬項	**19,052**	**21**	**15,385**	**34,458**	20,184	18	14,602	34,804
Available-for-sale financial assets	可供出售金融資產	**5,638**	**135**	**4,991**	**10,764**	2,178	428	3,511	6,117
Amounts due from subsidiaries	附屬公司欠款	**7,525**	**730**	**695**	**8,950**	12,663	549	–	13,212
Held-to-maturity investments	持至到期投資	**1,788**	**–**	**1,985**	**3,773**	1,098	–	1,738	2,836
Investment in subsidiaries and associates	附屬公司和聯營公司的投資	**2,075**	**–**	**361**	**2,436**	1,786	–	361	2,147
Fixed assets	固定資產	**7**	**–**	**807**	**814**	9	–	203	212
Deferred tax assets	遞延稅項資產	**91**	**–**	**77**	**168**	33	–	5	38
Spot assets	現貨資產	**59,258**	**2,833**	**51,091**	**113,182**	68,994	2,369	41,022	112,385
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	**(1,227)**	**–**	**(1,654)**	**(2,881)**	(620)	–	(202)	(822)
Deposits from customers	客戶存款	**(42,215)**	**(2,614)**	**(45,959)**	**(90,788)**	(48,260)	(2,488)	(39,107)	(89,855)
Trading liabilities	交易用途負債	**(861)**	**–**	**(46)**	**(907)**	(1,464)	–	(181)	(1,645)
Certificates of deposit issued	已發行存款證	**(1,639)**	**–**	**–**	**(1,639)**	(2,452)	–	(426)	(2,878)
Amounts due to subsidiaries	欠附屬公司款項	**(543)**	**–**	**(26)**	**(569)**	(552)	–	(198)	(750)
Current taxation	本期稅項	**2**	**–**	**(35)**	**(33)**	(29)	–	(45)	(74)
Other accounts and provisions	其他賬項及準備	**(455)**	**(6)**	**(1,248)**	**(1,709)**	(821)	(6)	(829)	(1,656)
Loan capital	借貸資本	**(12,844)**	**–**	**(3,431)**	**(16,275)**	(8,285)	–	(2,751)	(11,036)
Spot liabilities	現貨負債	**(59,782)**	**(2,620)**	**(52,399)**	**(114,801)**	(62,483)	(2,494)	(43,739)	(108,716)
Forward purchases	遠期買入	**72,537**	**161**	**10,725**	**83,423**	44,169	15	11,820	56,004
Forward sales	遠期賣出	**(71,256)**	**(153)**	**(8,429)**	**(79,838)**	(49,326)	(19)	(8,184)	(57,529)
Net option position	期權倉淨額	**(45)**	**–**	**34**	**(11)**	3	–	(4)	(1)
Net long/(short) non-structural position	非結構性長/(短)盤淨額	**712**	**221**	**1,022**	**1,955**	1,357	(129)	915	2,143
Net structural position	結構性持倉淨額	**2,432**	**6,605**	**1,012**	**10,049**	2,179	6,602	940	9,721

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

40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(b) Market risk management (continued)

(ii) Interest rate risk

The Group's interest rate positions arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and non-trading portfolios. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also relates to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is managed daily by the Treasury Markets Division within the limits approved by the Board of Directors. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

(iii) Equity risk

The Group's equity positions arise from equity investment and dynamic hedging of equity options in connection with the Bank's linked deposit business. Equity risk is managed daily by the Investment Department within the limits approved by the Board of Directors.

Market risk control limits have been set at varying levels according to the practical requirements of different units. The Board of Directors approves the core control limits and has delegated the power to set detailed control limits to the Asset and Liability Management Committee. Risk, return and market conditions are considered when setting limits. Active limit monitoring is carried out.

In this connection, the Asset and Liability Management Committee monitors the related market risk arising from risk-taking activities of the Group, to ensure that overall and individual market risks are within the Group's risk tolerance level. Risk exposures are monitored on a frequent basis to ensure that they are within established control limits.

The Group quantifies the market risk of the underlying trading portfolio by means of value-at-risk ("VaR"). VaR is a statistical estimate that measures the potential losses in market value of a portfolio as a result of unfavourable movements in market rates and prices, if positions are held unchanged over a certain horizon time period.

The Group estimates VaR for the Group's trading portfolio by the Parametric Approach, where the VaR is derived from the underlying variances and covariances of the constituents of a portfolio. This methodology uses historical movements in market rates and prices, a 99% confidence level, a one-day holding period, a one-year historical observation period with higher weights being assigned to more recent observations, and takes into account correlations between different markets and rates.

Structural foreign exchange positions arising from net investments in branches and subsidiaries are not included in the VaR for the foreign exchange trading position.

(b) 市場風險管理(續)

(ii) 利率風險

本集團的利率持倉來自財資及商業銀行業務。交易組合和非交易組合均會產生利率風險。利率風險主要是由帶息資產、負債及承擔在再定息時的時差所致，亦與無息負債持倉有關，其中包括股東資金和往來賬戶及若干定息貸款和負債。利率風險由資金市場處按董事會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

(iii) 股份風險

本集團的股份持倉來自股份投資及銀行掛鈎存款業務相關的動態對沖股份期權。股份風險由投資部按董事會批准的限額範圍進行日常管理。

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審批核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團承擔市場風險的活動，確保整體及個別市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

本集團通過參數法評估本集團交易組合的風險值，其中，風險值乃透過組合成份的有關方差及協方差計算得出。該方法是依據過往市場息率與價格的波動、99%置信水平、1日持倉期以及對較近期觀察給予較高權重的1年過往觀察期，並計入不同市場及息率的相關程度來推算。

由分行及附屬公司的淨投資產生的結構性外匯持倉不會包括在計算外匯交易持倉的風險值。

The book value of listed shares, as well as the book value of private equity funds and unlisted equities (excluding credit-related unlisted securities) (collectively the "Unlisted Securities"), are subject to limits and these are monitored by the management of the Group. The Unlisted Securities and listed non-trading equities are not included in the VaR for the equity trading position, and are managed through delegated limits. The limits are subject to regular review by the Board.

除上市股份外，私人股份基金及非上市股份(不包括與信貸有關之非上市證券)(統稱「非上市證券」)均由集團管理層按限額控制。非上市證券及非交易上市股份是根據特定限額管理及並不包括在交易股份持倉的風險數額內。董事會須定期檢討該限額。

Value-at-risk statistics

風險數額統計

		2009			
		At 31st December 於12月31日 HK$ Mn 港幣百萬元	**Maximum 最高 HK$ Mn 港幣百萬元**	**Minimum 最低 HK$ Mn 港幣百萬元**	**Mean 平均 HK$ Mn 港幣百萬元**
VaR for total trading activities	交易活動的風險數額總額	**45**	**76**	**43**	**59**
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	**7**	**21**	**5**	**11**
VaR for interest rate trading positions	利率交易持倉的風險數額	**3**	**4**	**1**	**3**
VaR for equity trading positions	股份交易持倉的風險數額	**37**	**61**	**35**	**46**

		2008			
		At 31st December 於12月31日 HK$ Mn 港幣百萬元	Maximum 最高 HK$ Mn 港幣百萬元	Minimum 最低 HK$ Mn 港幣百萬元	Mean 平均 HK$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	70	139	39	73
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	12	21	1	5
VaR for interest rate trading positions	利率交易持倉的風險數額	1	2	–	1
VaR for equity trading positions	股份交易持倉的風險數額	57	123	38	69

* *Included all foreign exchange positions but excluded structured foreign exchange positions.*

* *包括所有外匯持倉但不包括結構性外匯持倉。*

(c) Operational risk management

Operational risk is the risk arising from the potential loss due to inadequate or failed internal processes, people and systems or from external events.

The objective of operational risk management is to identify, assess and monitor operational risk and, in particular, to comply with the relevant regulatory requirements.

The Group has implemented a centralized risk management framework since January 2006. The Board of Directors reviews and approves the policies for operational risk management, and it has delegated the responsibility for ongoing operational risk management to the Operational Risk Management Committee. The Operational Risk Management Committee regularly reports status of operational risk management to the Board of Directors via the Risk Management Committee. Operational Risk Management Department under Risk Management Division of the Group is responsible for monitoring activities relating to operational risk.

(c) 營運風險管理

營運風險指由於內部流程、人手及系統不足或不成熟或因外部事件而導致的潛在損失所引致的風險。

營運風險管理的目標在於辨別、評估及監控營運風險，尤其是要遵守相關監管規定。

本集團自2006年1月起實施統一的風險管理制度。董事會審閱並批准營運風險管理政策，並已授權營運風險管理委員會，負責持續管理營運風險。營運風險管理委員會透過風險管理委員會定期向董事會匯報營運風險管理的情況。本集團之風險管理處轄下的營運風險管理部，負責監控與營運風險有關的活動。

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

40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(c) Operational risk management (continued)

Operational risk management tools adopted include operational risk incidents reporting, control self-assessment, key risk indicators, operation manuals, insurance policies, business continuity planning, etc.

Furthermore, Operational Risk Management Department under Risk Management Division of the Group has also performed self-assessment on the Group's compliance with the requirements of HKMA Supervisory Policy Manual on Operational Risk Management, with satisfactory result which has been reviewed independently by the Internal Audit Department.

(c) 營運風險管理(續)

本集團所採用的營運風險管理工具包括營運風險事件報告、自我評估監控、主要風險指標、營運手冊、保險政策及業務持續規劃等等。

此外,本集團之風險管理處轄下的營運風險管理部亦就本集團是否符合香港金管局監管政策手冊關於業務操作風險管理的規定進行自我評估,並經內部稽核部獨立審閱後得出滿意的結果。

(d) Liquidity risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitment and to capitalise on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity ratio, and to make new loans and investments as opportunities arise.

The management of the Bank's liquidity risk is governed by the Liquidity Risk Management Policy, endorsed by the Risk Management Committee and approved by the Board of Directors. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Bank's liquidity risk management, set the strategy and policy for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Liquidity risk is daily managed by the Treasury Markets Division within the limits approved by the Board of Directors. Asset and Liability Management Department under Risk Management Division of the Group is responsible for monitoring the activities of the Treasury Markets Division in compliance with the Liquidity Risk Management Manual and Policy. The Internal Audit Department performs periodic reviews to make sure the liquidity risk management functions are effectively carried out.

The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudent limits. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business.

The Group conducts stress testing regularly to analyse liquidity risk and has formulated a contingency plan that sets out a strategy for dealing with a liquidity problem and the procedures for making up cash flow deficits in emergency situations.

In addition to observing the statutory liquidity ratio, the Bank also monitors the loan to deposit ratio and maturity mismatch between assets and liabilities to control the Bank's liquidity risk.

(d) 流動資金風險管理

流動資金風險管理是為了確保本集團維持充足的現金以配合所有財務承擔,並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足客戶的提款要求;本集團在借款期滿時能夠還款;本集團符合法定的流動資金比率,以及掌握貸款和投資的機會。

本行的流動資金風險管理受風險管理委員會認可並經董事會核准的流動資金風險管理政策監管。資產負債管理委員會獲董事會授權,負責監察本行的流動資金風險管理,並制訂管理流動資金風險的策略與政策以及確保執行有關策略與政策的措施。流動資金風險由資金市場處每日按董事會批核的限額範圍進行管理。本集團之風險管理處轄下的資產負債管理部,負責監控資金市場處的活動是否遵從流動資金風險管理手冊及政策。內部稽核部會定期作出檢討,確保流動資金風險管理功能得以有效執行。

本集團透過維持充足的流動資產,例如適當的現金和短期資金和證券數量,管理流動資金風險,以確保能在經審慎釐定的限額內符合短期融資要求。本集團維持充足的備用信貸,能提供策略性的流動資金,以應付日常業務過程中未能預計的大量資金需求。

本集團會定期進行壓力測試,以分析流動資金風險,並已制訂應急計劃,當中訂明了處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

除緊守法定的流動資金比率外,本行亦會監控貸存比率及資產與負債的期限錯配,以控制本行的流動資金風險。

Analysis of assets and liabilities by remaining maturity:

資產及負債的剩餘期限分析：

The Group

集團

		2009							
		Repayable on demand 即時還款 HK$ Mn 港幣百萬元	Within 1 month 1個月內 HK$ Mn 港幣百萬元	3 months or less but over 1 month 1個月以上至3個月 HK$ Mn 港幣百萬元	1 year or less but over 3 months 3個月以上至1年 HK$ Mn 港幣百萬元	5 years or less but over 1 year 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	Undated or overdue 無註明日期或逾期 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	18,156	26	48	–	–	–	11,482	29,712
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	–	35,006	15,471	17,468	–	–	–	67,945
Trade bills	貿易票據	38	332	1,028	443	–	–	6	1,847
Trading assets	交易用途資產	–	–	126	949	1,949	100	2,598	5,722
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	–	–	15	108	7,835	2,085	349	10,392
Advances to customers and other accounts	客戶貸款及其他賬項	4,410	26,242	14,803	50,376	100,562	61,317	4,093	261,803
Available-for-sale financial assets	可供出售金融資產	–	1,438	3,639	9,241	13,012	1,666	1,887	30,883
Held-to-maturity investments	持至到期投資	–	729	602	1,306	4,011	591	–	7,239
Undated assets	無註明日期資產	–	–	–	–	–	–	18,539	18,539
Total assets	資產總額	22,604	63,773	35,732	79,891	127,369	65,759	38,954	434,082
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	291	5,774	4,155	1,613	20	–	33	11,886
Deposits from customers	客戶存款	129,231	104,732	53,276	44,222	11,067	–	–	342,528
– Demand deposits and current accounts	–活期存款及往來賬戶	46,380	–	–	–	–	–	–	46,380
– Savings deposit	–儲蓄存款	81,711	–	–	–	–	–	–	81,711
– Time, call and notice deposits	–定期及通知存款	1,140	104,732	53,276	44,222	11,067	–	–	214,437
Trading liabilities	交易用途負債	–	–	–	–	–	–	1,455	1,455
Certificates of deposit issued	已發行存款證	–	–	295	1,119	1,094	304	–	2,812
Current taxation	本期稅項	–	–	–	147	–	–	–	147
Debt securities issued	已發行債務證券	–	–	–	–	4,346	–	–	4,346
Loan capital	借貸資本	–	–	–	4,281	8,078	–	–	12,359
Other liabilities	其他負債	590	2,391	2,522	4,940	873	–	7,710	19,026
Total liabilities	負債總額	130,112	112,897	60,248	56,322	25,478	304	9,198	394,559
Net gap	淨差距	(107,508)	(49,124)	(24,516)	23,569	101,891	65,455		

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

40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(d) Liquidity risk management (continued) (d) 流動資金風險管理(續)

The Group **集團**

		2008							
		Repayable on demand 即時還款 HK$ Mn 港幣百萬元	Within 1 month 1個月內 HK$ Mn 港幣百萬元	3 months or less but over 1 month 1個月以上至3個月 HK$ Mn 港幣百萬元	1 year or less but over 3 months 3個月以上至1年 HK$ Mn 港幣百萬元	5 years or less but over 1 year 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	Undated or overdue 無註明日期或逾期 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	19,099	42	25	–	–	–	8,939	28,105
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	–	46,714	35,910	13,950	–	–	–	96,574
Trade bills	貿易票據	18	371	620	139	–	–	16	1,164
Trading assets	交易用途資產	–	400	–	2	81	43	2,911	3,437
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	–	23	117	448	3,104	438	–	4,130
Advances to customers and other accounts	客戶貸款及其他賬項	4,431	25,229	18,521	42,249	86,169	55,285	11,841	243,725
Available-for-sale financial assets	可供出售金融資產	–	2,523	2,918	5,651	5,510	949	1,009	18,560
Held-to-maturity investments	持至到期投資	–	483	497	1,546	2,160	320	–	5,006
Undated assets	無註明日期資產	–	–	–	–	–	–	14,553	14,553
Total assets	資產總額	23,548	75,785	58,608	63,985	97,024	57,035	39,269	415,254
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	871	7,105	11,045	7,644	362	10	8	27,045
Deposits from customers	客戶存款	86,109	121,332	70,761	35,341	9,237	1,022	–	323,802
– Demand deposits and current accounts	–活期存款及往來賬戶	36,332	–	–	–	–	–	–	36,332
– Savings deposit	–儲蓄存款	45,781	–	–	–	–	–	–	45,781
– Time, call and notice deposits	–定期及通知存款	3,996	121,332	70,761	35,341	9,237	1,022	–	241,689
Trading liabilities	交易用途負債	–	100	30	200	–	–	2,516	2,846
Certificates of deposit issued	已發行存款證	–	–	1,941	881	2,028	641	–	5,491
Current taxation	本期稅項	–	–	–	333	–	–	–	333
Loan capital	借貸資本	–	–	–	–	11,036	–	–	11,036
Other liabilities	其他負債	714	539	1,645	2,237	–	–	7,081	12,216
Total liabilities	負債總額	87,694	129,076	85,422	46,636	22,663	1,673	9,605	382,769
Net gap	淨差距	(64,146)	(53,291)	(26,814)	17,349	74,361	55,362		

The Bank 銀行

		2009							
		Repayable on demand 即時還款 HK$ Mn 港幣百萬元	Within 1 month 1個月內 HK$ Mn 港幣百萬元	3 months or less but over 1 month 1個月以上至3個月 HK$ Mn 港幣百萬元	1 year or less but over 3 months 3個月以上至1年 HK$ Mn 港幣百萬元	5 years or less but over 1 year 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	Undated or overdue 無註明日期或逾期 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	11,767	–	–	–	–	–	760	12,527
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	–	31,895	13,313	16,686	–	–	–	61,894
Trade bills	貿易票據	36	132	528	159	–	–	6	861
Trading assets	交易用途資產	–	–	1	1	802	100	2,420	3,324
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	–	–	15	108	7,827	2,085	349	10,384
Advances to customers and other accounts	客戶貸款及其他賬項	4,078	19,841	7,398	17,595	59,910	35,731	4,043	148,596
Available-for-sale financial assets	可供出售金融資產	–	1,421	3,061	3,692	8,979	796	986	18,935
Held-to-maturity investments	持至到期投資	–	613	563	820	2,805	1	–	4,802
Undated assets	無註明日期資產	–	–	–	–	–	–	35,970	35,970
Total assets	資產總額	15,881	53,902	24,879	39,061	80,323	38,713	44,534	297,293
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	277	1,300	1,557	354	–	–	33	3,521
Deposits from customers	客戶存款	93,026	87,296	37,746	18,685	764	–	–	237,517
– Demand deposits and current accounts	–活期存款及往來賬戶	14,860	–	–	–	–	–	–	14,860
– Savings deposit	–儲蓄存款	78,024	–	–	–	–	–	–	78,024
– Time, call and notice deposits	–定期及通知存款	142	87,296	37,746	18,685	764	–	–	144,633
Trading liabilities	交易用途負債	–	–	–	–	–	–	1,235	1,235
Certificates of deposit issued	已發行存款證	–	–	295	1,119	1,094	2,504	–	5,012
Current taxation	本期稅項	–	–	–	18	–	–	–	18
Loan capital	借貸資本	–	–	–	4,281	8,078	3,916	–	16,275
Other liabilities	其他負債	–	686	115	39	18	–	4,665	5,523
Total liabilities	負債總額	93,303	89,282	39,713	24,496	9,954	6,420	5,933	269,101
Net gap	淨差距	(77,422)	(35,380)	(14,834)	14,565	70,369	32,293		

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

40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(d) Liquidity risk management (continued) (d) 流動資金風險管理(續)

The Bank 銀行

		2008							
		Repayable on demand 即時還款 HK$ Mn 港幣百萬元	Within 1 month 1個月內 HK$ Mn 港幣百萬元	3 months or less but over 1 month 1個月以上至3個月 HK$ Mn 港幣百萬元	1 year or less but over 3 months 3個月以上至1年 HK$ Mn 港幣百萬元	5 years or less but over 1 year 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	Undated or overdue 無註明日期或逾期 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	4,189	–	–	–	–	–	663	4,852
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	–	43,010	35,777	13,948	–	–	–	92,735
Trade bills	貿易票據	14	182	174	135	–	–	16	521
Trading assets	交易用途資產	–	400	–	2	81	43	2,388	2,914
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	–	23	117	448	3,088	438	–	4,114
Advances to customers and other accounts	客戶貸款及其他賬項	4,319	19,054	8,034	16,085	51,694	31,570	7,884	138,640
Available-for-sale financial assets	可供出售金融資產	–	574	562	3,947	5,067	126	709	10,985
Held-to-maturity investments	持至到期投資	–	315	147	1,092	1,653	111	–	3,318
Undated assets	無註明日期資產	–	–	–	–	–	–	37,140	37,140
Total assets	資產總額	8,522	63,558	44,811	35,657	61,583	32,288	48,800	295,219
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	329	327	422	7	–	–	8	1,093
Deposits from customers	客戶存款	54,219	110,232	56,082	18,439	1,057	–	–	240,029
– Demand deposits and current accounts	–活期存款及往來賬戶	10,272	–	–	–	–	–	–	10,272
– Savings deposit	–儲蓄存款	43,262	–	–	–	–	–	–	43,262
– Time, call and notice deposits	–定期及通知存款	685	110,232	56,082	18,439	1,057	–	–	186,495
Trading liabilities	交易用途負債	–	100	30	200	–	–	2,219	2,549
Certificates of deposit issued	已發行存款證	–	–	1,941	881	2,028	2,841	–	7,691
Current taxation	本期稅項	–	–	–	60	–	–	–	60
Loan capital	借貸資本	–	–	–	–	11,036	–	–	11,036
Other liabilities	其他負債	–	153	142	28	–	–	5,213	5,536
Total liabilities	負債總額	54,548	110,812	58,617	19,615	14,121	2,841	7,440	267,994
Net gap	淨差距	(46,026)	(47,254)	(13,806)	16,042	47,462	29,447		

As the trading and available-for-sale portfolios may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於作交易及可供出售用途的組合可能於到期前出售或客戶存款可能在到期前被提取，合約到期日並非代表未來現金流的預計日期。

The following tables provide an analysis of the residual contractual maturities of non-derivatives financial liabilities of the Group at the balance sheet date:

下表提供於結算日集團的非衍生金融負債之剩餘合約期限分析：

The Group

集團

		2009							
		Carrying Amount 賬面值 HK$ Mn 港幣百萬元	Gross cash outflow 現金流出總額 HK$ Mn 港幣百萬元	Repayable on demand 即時還款 HK$ Mn 港幣百萬元	Less than three months 3個月或以下 HK$ Mn 港幣百萬元	Between three months and one year 3個月以上至1年 HK$ Mn 港幣百萬元	Between one and five years 1年以上至5年 HK$ Mn 港幣百萬元	More than five years 5年以上 HK$ Mn 港幣百萬元	Undated 無註明日期 HK$ Mn 港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	11,886	12,213	291	9,966	1,869	54	–	33
Deposits from customers	客戶存款	342,528	343,883	129,350	158,358	44,627	11,548	–	–
– Demand deposits and current accounts	–活期存款及往來賬戶	46,380	46,380	46,380	–	–	–	–	–
– Savings deposit	–儲蓄存款	81,711	81,730	81,730	–	–	–	–	–
– Time, call and notice deposits	–定期及通知存款	214,437	215,773	1,240	158,358	44,627	11,548	–	–
Trading liabilities	交易用途負債	1,455	1,455	–	–	–	–	–	1,455
Certificates of deposit issued	已發行存款證	2,812	2,854	–	314	1,136	1,100	304	–
Current taxation	本期稅項	147	147	–	–	147	–	–	–
Debt securities issued	已發行債務證券	4,346	4,600	–	65	62	4,473	–	–
Loan capital	借貸資本	12,359	13,266	–	124	4,664	8,478	–	–
Interest rate swaps	利率掉期合約	4,364	4,364	–	266	863	2,206	1,029	–
Other liabilities	其他負債	19,026	19,026	590	4,913	4,940	873	–	7,710
Total	總額	398,923	401,808	130,231	174,006	58,308	28,732	1,333	9,198

		2008							
		Carrying Amount 賬面值 HK$ Mn 港幣百萬元	Gross cash outflow 現金流出總額 HK$ Mn 港幣百萬元	Repayable on demand 即時還款 HK$ Mn 港幣百萬元	Less than three months 3個月或以下 HK$ Mn 港幣百萬元	Between three months and one year 3個月以上至1年 HK$ Mn 港幣百萬元	Between one and five years 1年以上至5年 HK$ Mn 港幣百萬元	More than five years 5年以上 HK$ Mn 港幣百萬元	Undated 無註明日期 HK$ Mn 港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	27,045	27,374	871	18,293	7,803	389	10	8
Deposits from customers	客戶存款	323,802	326,711	86,289	193,188	36,028	9,964	1,242	–
– Demand deposits and current accounts	–活期存款及往來賬戶	36,332	36,332	36,332	–	–	–	–	–
– Savings deposit	–儲蓄存款	45,781	45,781	45,781	–	–	–	–	–
– Time, call and notice deposits	–定期及通知存款	241,689	244,598	4,176	193,188	36,028	9,964	1,242	–
Trading liabilities	交易用途負債	2,846	2,846	–	130	200	–	–	2,516
Certificates of deposit issued	已發行存款證	5,491	5,625	–	1,996	911	2,077	641	–
Current taxation	本期稅項	333	333	–	–	333	–	–	–
Loan capital	借貸資本	11,036	12,621	–	130	422	12,069	–	–
Interest rate swaps	利率掉期合約	1,792	1,792	–	297	522	835	138	–
Other liabilities	其他負債	12,216	12,216	714	2,184	2,237	–	–	7,081
Total	總額	384,561	389,518	87,874	216,218	48,456	25,334	2,031	9,605

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

40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(d) Liquidity risk management (continued) (d) 流動資金風險管理(續)

The Bank 銀行

		2009							
		Carrying Amount 賬面值 HK$ Mn 港幣百萬元	Gross cash outflow 現金流出總額 HK$ Mn 港幣百萬元	Repayable on demand 即時還款 HK$ Mn 港幣百萬元	Less than three months 3個月或以下 HK$ Mn 港幣百萬元	Between three months and one year 3個月以上至1年 HK$ Mn 港幣百萬元	Between one and five years 1年以上至5年 HK$ Mn 港幣百萬元	More than five years 5年以上 HK$ Mn 港幣百萬元	Undated 無註明日期 HK$ Mn 港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	3,521	3,523	277	2,859	354	–	–	33
Deposits from customers	客戶存款	237,517	237,777	93,026	125,202	18,782	767	–	–
– Demand deposits and current accounts	–活期存款及往來賬戶	14,860	14,860	14,860	–	–	–	–	–
– Savings deposit	–儲蓄存款	78,024	78,024	78,024	–	–	–	–	–
– Time, call and notice deposits	–定期及通知存款	144,633	144,893	142	125,202	18,782	767	–	–
Trading liabilities	交易用途負債	1,235	1,235	–	–	–	–	–	1,235
Certificates of deposit issued	已發行存款證	5,012	5,054	–	314	1,136	1,100	2,504	–
Current taxation	本期稅項	18	18	–	–	18	–	–	–
Loan capital	借貸資本	16,275	20,478	–	124	4,993	9,797	5,564	–
Interest rate swaps	利率掉期合約	3,639	3,639	–	166	540	1,959	974	–
Other liabilities	其他負債	5,523	5,762	–	801	39	18	–	4,904
Total	總額	272,740	277,486	93,303	129,466	25,862	13,641	9,042	6,172

		2008							
		Carrying Amount 賬面值 HK$ Mn 港幣百萬元	Gross cash outflow 現金流出總額 HK$ Mn 港幣百萬元	Repayable on demand 即時還款 HK$ Mn 港幣百萬元	Less than three months 3個月或以下 HK$ Mn 港幣百萬元	Between three months and one year 3個月以上至1年 HK$ Mn 港幣百萬元	Between one and five years 1年以上至5年 HK$ Mn 港幣百萬元	More than five years 5年以上 HK$ Mn 港幣百萬元	Undated 無註明日期 HK$ Mn 港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	1,093	1,094	329	750	7	–	–	8
Deposits from customers	客戶存款	240,029	241,201	54,219	167,044	18,744	1,194	–	–
– Demand deposits and current accounts	–活期存款及往來賬戶	10,272	10,272	10,272	–	–	–	–	–
– Savings deposit	–儲蓄存款	43,262	43,262	43,262	–	–	–	–	–
– Time, call and notice deposits	–定期及通知存款	186,495	187,667	685	167,044	18,744	1,194	–	–
Trading liabilities	交易用途負債	2,549	2,549	–	130	200	–	–	2,219
Certificates of deposit issued	已發行存款證	7,691	7,825	–	1,996	911	2,077	2,841	–
Current taxation	本期稅項	60	60	–	–	60	–	–	–
Loan capital	借貸資本	11,036	12,621	–	130	422	12,069	–	–
Interest rate swaps	利率掉期合約	1,285	1,285	–	226	373	616	70	–
Other liabilities	其他負債	5,536	5,695	–	305	51	68	58	5,213
Total	總額	269,279	272,330	54,548	170,581	20,768	16,024	2,969	7,440

(e) Interest rate risk management

The management of the Bank's interest rate risk is governed by the Interest Rate Risk Management Policy endorsed by Risk Management Committee and approved by the Board of Directors. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Bank's interest rate risk management, set the strategy and policy for managing interest rate risk and the means for ensuring that such strategy and policy are implemented. Interest rate risk is daily managed by the Treasury Markets Division within the limit approved by the Board of Directors. Asset and Liability Management Department under Risk Management Division of the Group is responsible for monitoring the activities of the Treasury Markets Division in compliance with the Interest Rate Risk Management Manual and Policy. The Internal Audit Department performs periodic review to make sure the interest rate risk management functions are effectively carried out.

The Bank manages the interest rate risk on the banking book primarily by focusing on the repricing mismatches. Gap analysis provides a static view of the maturity and repricing characteristics of the Bank's balance sheet positions. Repricing gap limits are set to control the Bank's interest rate risk.

Stress tests on the Bank's various types of interest rate risk are conducted regularly. The Asset and Liability Management Committee monitors the results of stress tests and decides remedial action if required.

Sensitivity analysis on earnings and economic value to interest rate changes is assessed through a hypothetical interest rate shock of 200 basis points across the yield curve on both sides of the balance sheet and performed on monthly basis. Sensitivity limits are set to control the Bank's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee and the Board of Directors on a regular basis.

Sensitivity analysis on interest rate risk

The Bank uses sensitivity analysis to measure the potential effect of changes in interest rates on our net interest income and economic value change:

		2009			2008		
		HKD港元 HK$ Mn 港幣百萬元	**USD美元 HK$ Mn 港幣百萬元**	**CNY人民幣 HK$ Mn 港幣百萬元**	HKD港元 HK$ Mn 港幣百萬元	USD美元 HK$ Mn 港幣百萬元	CNY人民幣 HK$ Mn 港幣百萬元
Impact on earnings over the next 12 months if interest rates rise by 200 basis points	倘利率上調200個基點對未來12個月的盈利影響	**(112)**	**(72)**	**(25)**	64	(26)	185
Impact on economic value if interest rates rise by 200 basis points	倘利率上調200個基點對經濟價值的影響	**(231)**	**(312)**	**(152)**	(98)	(203)	113

This sensitivity analysis, which is based on a static interest rate risk profile of assets and liabilities, is used for risk management purposes only. The analysis is based on the following assumptions:

(i) there is a parallel shift in the yield curve and in interest rates;

(ii) there are no other changes to the portfolio;

(iii) no loan prepayment is assumed as the majority of loans are on a floating rate basis; and

(iv) deposits without fixed maturity dates are assumed to be repriced on the next day.

(e) 利率風險管理

本行的利率風險管理受風險管理委員會認可並經董事會核准的利率風險管理政策監管。資產負債管理委員會獲董事會授權，負責監察本行的利率風險管理，並制訂管理利率風險的策略與政策以及確保執行有關策略與政策的措施。利率風險由資金市場處每日按董事會批核的限額範圍進行管理。本集團之風險管理處轄下的資產負債管理部，負責監控資金市場處的活動是否遵從利率風險管理手冊及政策。內部稽核部會定期作出檢討，確保利率風險管理功能得以有效執行。

本行管理銀行賬冊利率風險的主要方法是集中於重訂息率的錯配。差距分析可讓本行從靜態角度瞭解資產負債的到期情況及再定息特點。本行設有重訂息率差距限額以控制本行的利率風險。

本行會對各種利率風險定期進行壓力測試。資產負債管理委員會監控壓力測試的結果，並在需要時釐定補救措施。

盈利和經濟價值對利率變動的敏感度分析乃透過每月假設資產負債的收益率曲線出現200個基點的利率衝擊來估算。本行設有敏感度限額，以控制本行的盈利及經濟價值兩方面的利率風險承擔。有關結果定期向資產負債管理委員會及董事會匯報。

利率風險敏感度分析

本行採用敏感度分析來量度利率變動對淨利息收入及經濟價值變動可能產生的影響：

該敏感度分析僅用於風險管理目的，乃依據資產及負債的靜態利率風險資料作出。有關分析乃根據以下假設進行：

(i) 收益率曲線及利率出現平行移動；

(ii) 組合並無其他變動；

(iii) 假設沒有提早償還貸款，因大部份貸款屬於浮息貸款；及

(iv) 假設沒有固定到期日的存款於翌日再定息。

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

40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(e) Interest rate risk management (continued)

Actual changes in the Bank's net interest income and the economic value resulting from the increases in interest rates may differ from the results of this sensitivity analysis.

The following table indicates the expected next repricing dates (or maturity dates whichever are earlier) for the interest bearing assets and liabilities at the balance sheet date:

(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):

The Group **集團**

		2009					
		3 months or less 3個月或以下 HK$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上至1年 HK$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上至5年 HK$ Mn 港幣百萬元	Over 5 years 5年以上 HK$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	27,130	22	–	–	2,560	29,712
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	50,477	17,468	–	–	–	67,945
Trade bills	貿易票據	1,359	443	–	–	45	1,847
Trading assets	交易用途資產	126	949	1,949	100	2,598	5,722
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	653	192	7,113	2,085	349	10,392
Advances to customers	客戶貸款	191,994	39,853	8,875	3,033	2,554	246,309
Other accounts	其他賬項	786	146	–	–	14,562	15,494
Available-for-sale financial assets	可供出售金融資產	11,350	8,257	8,156	1,233	1,887	30,883
Held-to-maturity investments	持至到期投資	2,383	1,050	3,215	591	–	7,239
Non-interest bearing assets	非帶息資產	–	–	–	–	18,539	18,539
Total assets	資產總額	286,258	68,380	29,308	7,042	43,094	434,082
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	11,217	589	33	10	37	11,886
Deposits from customers	客戶存款	277,844	47,220	4,227	–	13,237	342,528
Trading liabilities	交易用途負債	6	–	–	–	1,449	1,455
Certificates of deposit issued	已發行存款證	798	999	711	304	–	2,812
Debt securities issued	已發行債務證券	–	–	4,346	–	–	4,346
Loan capital	借貸資本	4,647	4,281	3,431	–	–	12,359
Non-interest bearing liabilities	非帶息負債	–	–	–	–	19,173	19,173
Total liabilities	負債總額	294,512	53,089	12,748	314	33,896	394,559
Interest rate sensitivity gap	利率敏感度差距	(8,254)	15,291	16,560	6,728		

The Group **集團**

		2008					
		3 months or less 3個月或以下 HK$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上至1年 HK$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上至5年 HK$ Mn 港幣百萬元	Over 5 years 5年以上 HK$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	25,610	–	–	–	2,495	28,105
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	82,624	13,950	–	–	–	96,574
Trade bills	貿易票據	977	137	–	–	50	1,164
Trading assets	交易用途資產	406	2	81	37	2,911	3,437
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	1,110	595	1,987	438	–	4,130
Advances to customers	客戶貸款	181,640	36,159	6,237	2,680	2,579	229,295
Other accounts	其他賬項	551	661	–	–	13,218	14,430
Available-for-sale financial assets	可供出售金融資產	8,125	5,508	2,965	953	1,009	18,560
Held-to-maturity investments	持至到期投資	2,029	1,513	1,197	267	–	5,006
Non-interest bearing assets	非帶息資產	–	–	–	–	14,553	14,553
Total assets	資產總額	303,072	58,525	12,467	4,375	36,815	415,254
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	18,091	8,671	260	10	13	27,045
Deposits from customers	客戶存款	270,892	38,309	4,354	33	10,214	323,802
Trading liabilities	交易用途負債	130	200	–	–	2,516	2,846
Certificates of deposit issued	已發行存款證	2,503	654	1,014	1,320	–	5,491
Loan capital	借貸資本	4,641	–	6,395	–	–	11,036
Non-interest bearing liabilities	非帶息負債	–	–	–	–	12,549	12,549
Total liabilities	負債總額	296,257	47,834	12,023	1,363	25,292	382,769
Interest rate sensitivity gap	利率敏感度差距	6,815	10,691	444	3,012		

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

40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(e) Interest rate risk management (continued) (e) 利率風險管理(續)

The Bank 銀行

		2009					
		3 months or less 3個月或以下 HK$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上至1年 HK$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上至5年 HK$ Mn 港幣百萬元	Over 5 years 5年以上 HK$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	11,233	–	–	–	1,294	12,527
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	45,208	16,686	–	–	–	61,894
Trade bills	貿易票據	657	159	–	–	45	861
Trading assets	交易用途資產	1	1	802	100	2,420	3,324
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	653	192	7,105	2,085	349	10,384
Advances to customers	客戶貸款	133,403	4,198	1,689	521	2,386	142,197
Other accounts	其他賬項	655	126	–	–	5,618	6,399
Available-for-sale financial assets	可供出售金融資產	10,816	2,647	4,122	364	986	18,935
Held-to-maturity investments	持至到期投資	2,228	563	2,010	1	–	4,802
Non-interest bearing assets	非帶息資產	–	–	–	–	35,970	35,970
Total assets	資產總額	204,854	24,572	15,728	3,071	49,068	297,293
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	3,130	354	–	–	37	3,521
Deposits from customers	客戶存款	205,842	18,685	764	–	12,226	237,517
Trading liabilities	交易用途負債	6	–	–	–	1,229	1,235
Certificates of deposit issued	已發行存款證	798	999	711	2,504	–	5,012
Loan capital	借貸資本	4,647	4,281	3,431	3,916	–	16,275
Non-interest bearing liabilities	非帶息負債	–	–	–	–	5,541	5,541
Total liabilities	負債總額	214,423	24,319	4,906	6,420	19,033	269,101
Interest rate sensitivity gap	利率敏感度差距	(9,569)	253	10,822	(3,349)		

The Bank **銀行**

		2008					
		3 months or less 3個月或以下 HK$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上至1年 HK$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上至5年 HK$ Mn 港幣百萬元	Over 5 years 5年以上 HK$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	3,619	–	–	–	1,233	4,852
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	78,787	13,948	–	–	–	92,735
Trade bills	貿易票據	342	129	–	–	50	521
Trading assets	交易用途資產	406	2	81	37	2,388	2,914
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	1,110	595	1,971	438	–	4,114
Advances to customers	客戶貸款	118,503	5,034	3,106	1,120	2,530	130,293
Other accounts	其他賬項	340	188	–	–	7,819	8,347
Available-for-sale financial assets	可供出售金融資產	3,821	3,803	2,522	126	713	10,985
Held-to-maturity investments	持至到期投資	1,512	1,058	690	58	–	3,318
Non-interest bearing assets	非帶息資產	–	–	–	–	37,140	37,140
Total assets	資產總額	208,440	24,757	8,370	1,779	51,873	295,219
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	1,072	8	–	–	13	1,093
Deposits from customers	客戶存款	211,740	18,398	1,057	–	8,834	240,029
Trading liabilities	交易用途負債	130	200	–	–	2,219	2,549
Certificates of deposit issued	已發行存款證	2,503	654	1,014	3,520	–	7,691
Loan capital	借貸資本	4,641	–	6,395	–	–	11,036
Non-interest bearing liabilities	非帶息負債	–	–	–	–	5,596	5,596
Total liabilities	負債總額	220,086	19,260	8,466	3,520	16,662	267,994
Interest rate sensitivity gap	利率敏感度差距	(11,646)	5,497	(96)	(1,741)		

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

40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(e) Interest rate risk management (continued)

The following table summarises the range of effective average interest rates for the year ended 31st December for monetary financial instruments:

(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：

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		%	%	**%**	%
Assets	**資產**				
Cash and short-term funds and placements with banks and other financial institutions	現金及在銀行和其他金融機構的結存，及在銀行及其他金融機構的存款	**0 – 6.46**	0 – 10.28	**0 – 6.46**	0 – 10.28
Trade bills, advances to customers and advances to banks and other financial institutions	貿易票據，客戶貸款及銀行及其他金融機構的貸款	**0 – 45.70**	0.50 – 36.10	**0 – 18.52**	0.60 – 18.33
Securities *(Note)*	證券*(附註)*	**0.01 – 7.75**	0.04 – 8.23	**0.01 – 7.75**	0.04 – 8.23
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	**0 – 9.17**	0.02 – 13.21	**0 – 9.17**	0.02 – 13.21
Deposits from customers	客戶存款	**0 – 10.50**	0 – 9.00	**0 – 8.90**	0 – 9.00
Certificates of deposit issued and loan capital	已發行存款證及借貸資本	**0.01 – 10.01**	0.92 – 10.14	**0.01 – 10.01**	0.92 – 10.14

Note: Securities include certificates of deposit held, trading assets, financial assets designated at fair value through profit or loss, securities measured as loans and receivables, available-for-sale financial assets and held-to-maturity investments.

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 that the Group's reputation is damaged by one or more than one reputation event, as reflected from negative publicity about the Group's business practices, conduct or financial condition. Such negative publicity, whether true or not, may impair public confidence in the Group, result in costly litigation, or lead to a decline in the customer base, business or revenue.

The objective of managing the aforesaid risks is to identify, assess and monitor these risks and, in particular, to comply with the relevant regulatory requirements.

The Board of Directors reviews and approves policies for these risks, and it has delegated the responsibility for ongoing risk management to the Operational and Other Risks Management Committee. The Operational and Other Risks Management Committee reports to the Board of Directors via the Risk Management Committee.

(g) 法律風險和信譽風險管理

法律風險，是指於合約未能如期執行、一般訴訟、或不利審判的情形下，可能影響本集團的日常運作或財務狀況。

聲譽風險源自公眾對本集團一宗或多宗營商規則、行為或財務情況的報導，此等報導，不管真實與否，有可能影響公眾對本集團的信心，因而導致高昂之訴訟費用，令本集團之客戶基礎下跌、或業務或收入減少。

有關風險管理之目的，在於識別、評估和監控各項風險，及確實執行有關監管條例之要求。

董事會為此等風險檢討和審批有關政策，已授權營運及其他風險管理委員會負責持續管理此等風險。營運及其他風險管理委員會經風險管理委員會向董事會匯報。

(h) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In implementing current capital requirements the HKMA requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets. The Group calculates requirements for market risk in its trading portfolios based upon the Group's VaR models and uses its internal gradings as the basis for risk weightings for credit risk. Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The process of allocating capital to specific operations and activities is undertaken by Asset and Liability Management Committee and is reviewed regularly by the Board of Directors.

Consistent with industry practice, the Group monitors its capital structure on the basis of the capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the year.

The capital adequacy ratios as at 31st December, 2009 and 31st December, 2008 are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance which became effective on 1st January, 2007.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2009 and 31st December, 2008 and the Group is well above the minimum required ratio set by the HKMA.

(h) 資本管理

金管局制定及監察本集團整體的資本規定。在實施現行的資本規定時，金管局規定本集團維持既定的總資本對總風險加權資產比率。本集團根據風險值模式計算交易組合的市場風險，及根據內部評級作為信貸風險之風險比重的基準。銀行業務分為交易賬冊或銀行賬冊。風險加權資產依照特別規定而定，特別規定旨在反映與資產的不同風險水平及資產負債表外的風險。

除符合監管規定外，本集團管理資本的主要目的是保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

調配資本至特定業務及活動的程序由資產及負債管理委員會進行，並由董事會定期檢討。

本集團依據行業慣例，以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變。

2009年12月31日及2008年12月31日的資本充足比率是依據金管局為監管目的而制定的，本行及若干附屬公司已按綜合基準計算，並符合2007年1月1日生效的香港《銀行條例》的《銀行業(資本)規則》。

截至2009年12月31日及2008年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

41. FAIR VALUES OF FINANCIAL INSTRUMENTS 金融工具的公平價值

(a) Financial instruments carried at fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following hierarchy of methods:

Level 1 – Quoted market price in an active market for an identical instrument.

Level 2 – Valuation techniques based on observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or counterparty quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market widely recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, historical or implied volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length.

The Group uses widely recognised valuation models for determining the fair value of common and simpler financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter (OTC) derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

(a) 以公平價值列賬的金融工具

公平價值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。本集團以下列的分級方法計算公平價值：

第1級－參考同一工具在活躍市場取得的市場報價。

第2級－根據可觀察的輸入參數之估值模式。為此級別估值的工具，包括以下方式：就相若工具在活躍市場取得的市場報價；就相若工具在非活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的輸入參數，是直接或間接可從市場觀察所得的數據。

第3級－根據重要但非可觀察得到的輸入參數之估值模式。為此級別估值的工具，其估值模式所輸入之參數為非可觀察的數據，惟該等非可觀察的數據可以對估值產生重大影響。為此級別估值的工具，也包括在活躍市場取得相若金融工具的市場報價，惟當中需要作出非可觀察之調整或假設，以反映不同金融工具之間的差別。

於活躍市場買賣的金融資產及金融負債，是根據市場報價或交易對手報價以釐定其公平價值。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式、以及其他市場廣泛應用的期權估值模式。用於估值模式之假設及輸入參數包括無風險利率、基準利率、股票價格、外幣兑換率、指數價格、過往或預期波幅及相聯關係。採用估值模式的目的是釐定出公平價值，藉以在申報日能反映金融工具的價格，而該價格可被視為等同在公平交易下由市場人士決定的價格。

本集團會使用廣泛應用的估值模式，以釐定一般性及較簡單金融工具的公平價值，例如僅使用可觀察市場價格、及毋須管理層耗時判斷及估計之利率及貨幣掉期。可觀察價格及模式的輸入參數，通常可從市場上的上市債務及股份證券、在交易所買賣的衍生工具和簡單的場外交易衍生工具如利率掉期獲取。獲取可觀察市場價格及模式的輸入參數，可以減省管理層需時判斷及估計，也可減少有關釐定公平價值的不穩定因素。是否取得可觀察市場價格及輸入參數，視乎產品及市場性質，並會因金融市場的個別事件和一般情況而有不同變化。

For more complex instruments, the Group uses valuation models, which usually are developed from recognised valuation methodologies. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

至於較複雜的金融工具，本集團會使用通常由已有認受性的估值模式改動而來。部分甚或所有須予輸入模式的重要參數或未能從市場中觀察得出，而必須從市場價格或利率計算、或基於假設而估計而得出。該等須利用重要而非可觀察之輸入參數的估值模式，需要管理層投入較多時間於判斷及估計，始能釐定金融工具的公平價值；而揀選適當的估值模式、為估值之金融工具決定其預期的未來現金流、決定交易對手方違約和提早還款的或然率，以及挑選適用的貼現率等，一般皆需要管理層的判斷和估計。

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation control function, namely Financial Instruments Valuation Group ("FIVG") which comprises control units independent of front office management. Procedures for price verification have been established. Any pricing models to be used would be subject to a rigorous validation and approval process.

本集團已就計算公平價值設立了監控機制。此機制包括擁有產品監控功能並獨立於前線管理人員，稱為金融工具估值群組(「群組」)。價格核實的程序已經確立。任何將披採用的價格模式必須經過嚴格的檢測及審批程序。

The table below analyses financial instruments carried at fair value, by valuation method:

下表是根據估值方法，分析金融工具之公平價值：

		2009							
		The Group集團				The Bank銀行			
		Level One 第1級 HK$ Mn 港幣百萬元	Level Two 第2級 HK$ Mn 港幣百萬元	Level Three 第3級 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元	Level One 第1級 HK$ Mn 港幣百萬元	Level Two 第2級 HK$ Mn 港幣百萬元	Level Three 第3級 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Assets	**資產**								
Trading assets	交易用途資產	4,467	1,154	101	5,722	2,193	1,110	21	3,324
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	5,290	5,102	–	10,392	5,281	5,103	–	10,384
Available-for-sale financial assets	可供出售金融資產	21,922	8,568	393	30,883	10,845	7,749	341	18,935
		31,679	14,824	494	46,997	18,319	13,962	362	32,643
Liabilities	**負債**								
Trading liabilities	交易用途負債	6	1,357	92	1,455	6	1,139	90	1,235
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融負債	7,712	2,442	–	10,154	11,628	2,442	–	14,070
		7,718	3,799	92	11,609	11,634	3,581	90	15,305

41. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(a) Financial instruments carried at fair value (continued)

During the year there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy.

(1) Valuation of financial instruments with significant unobservable inputs

Movements in the recognised fair values of instruments with significant unobservable inputs were as follows:

(a) 以公平價值列賬的金融工具(續)

年內，根據第1級及第2級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移。

(1) 使用重要而非可觀察之輸入參數的金融工具估值

已列賬並含有重要而非可觀察輸入參數的工具，其公平價值之變動如下：

		The Group集團		
		Trading assets – Positive fair value of derivatives 交易用途資產 – 衍生工具之正公平價值 HK$ Mn 港幣百萬元	Available-for-sale financial assets 可供出售金融資產 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Assets	**資產**			
At 1st January, 2009	於2009年1月1日	**169**	**471**	**640**
Purchases	購入	**–**	**44**	**44**
Sales	出售	**–**	**(31)**	**(31)**
Settlements	結算	**(154)**	**–**	**(154)**
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	**86**	**–**	**86**
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於其他全面收益表	**–**	**(91)**	**(91)**
At 31st December, 2009	於2009年12月31日	**101**	**393**	**494**
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the balance sheet date	於結算日持有之資產而已計入年度內其他全面收益之可供出售公平價值儲備之收益或虧損總額	**–**	**(91)**	**(91)**
Total gains or losses for the year included in the income statement for assets held at the balance sheet date recorded in net trading income	於結算日持有之資產而已計入年度內收益表之交易收入淨額	**86**	**–**	**86**

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

		The Bank銀行		
		Trading assets – Positive fair value of derivatives 交易用途資產– 衍生工具之正公平價值 HK$ Mn 港幣百萬元	Available-for-sale financial assets 可供出售金融資產 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Assets	**資產**			
At 1st January, 2009	於2009年1月1日	**7**	**420**	**427**
Purchases	購入	**–**	**43**	**43**
Sales	出售	**–**	**(31)**	**(31)**
Settlements	結算	**(1)**	**–**	**(1)**
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	**15**	**–**	**15**
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於其他全面收益表	**–**	**(91)**	**(91)**
At 31st December, 2009	於2009年12月31日	**21**	**341**	**362**
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the balance sheet date	於結算日持有之資產而已計入年度內其他全面收益之可供出售公平價值儲備之收益或虧損總額	**–**	**(91)**	**(91)**
Total gains or losses for the year included in the income statement for assets held at the balance sheet date recorded in net trading income	於結算日持有之資產而已計入年度內收益表之交易收入淨額	**15**	**–**	**15**

		The Group集團 Trading liabilities – Negative fair value of derivatives 交易用途負債– 衍生工具之負公平價值 HK$ Mn港幣百萬元	The Bank銀行 Trading liabilities – Negative fair value of derivatives 交易用途負債– 衍生工具之負公平價值 HK$ Mn港幣百萬元
Liabilities	**負債**		
At 1st January, 2009	於2009年1月1日	**169**	**168**
Settlements	結算	**(155)**	**(154)**
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	**78**	**76**
At 31st December, 2009	於2009年12月31日	**92**	**90**
Total gains or losses for the year included in the income statement for liabilities held at the balance sheet date recorded in net trading income	於結算日持有之負債而已計入年度內收益表之交易收入淨額	**78**	**76**

41. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(a) Financial instruments carried at fair value (continued)

(2) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

(a) 以公平價值列賬的金融工具(續)

(2) 因重要而非可觀察之假設變動至合理可行之另類假設所產生的影響

		2009			
		Effect recorded in profit or loss 直接記錄於損益上之影響		Effect recorded directly in equity 直接記錄於股東權益上之影響	
		Favourable 有利	(Unfavourable) (不利)	Favourable 有利	(Unfavourable) (不利)
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	HK$ Mn港幣百萬元
Trading assets	交易用途資產	8	(8)	–	–
Available-for-sale financial assets	可供出售金融資產	–	–	33	(33)
		8	(8)	33	(33)
Trading liabilities	交易用途負債	8	(8)	–	–

The fair value of financial instruments are in certain circumstances, measured using valuation models that incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The table above shows the sensitivity of fair values due to parallel movement of plus or minus 10 per cent of change in fair value to reasonably possible alternative assumptions.

在若干情況下，計算金融工具的公平價值所使用的估值模式，其含有的假設並非依據在相同工具的當前可觀察市場交易價格，亦非依賴其他可觀察的市場數據。上表顯示出公平價值之敏感度，即因轉用至合理可行之另類假定所產生的正、負10%的價值的並行變動。

(b) Fair values of financial instruments carried at other than fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented below:

(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 be approximated by their carrying amounts and, in the case of loans and unquoted debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the impairment allowances from both the carrying amount and fair value.

(iii) The fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value.

(b) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假定，以釐定如下的金融工具的公平價值：

(i) 不設指定期限的活期存款和儲蓄賬戶的公平價值，乃假定為於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。

(iv) The fair value of unquoted equity investments is estimated, if possible, using the applicable dividend discount model, or share of net asset value in the investment, or applying a discount to the market value of investment with lock-up period.

(iv) 非上市股票投資的公平價值是在可能情況下採用適用的股息折扣模式，或應佔投資的淨資產,或為設有禁售期之投資按其市值以折扣計算。

(v) The fair value of unlisted open-ended investment funds is estimated using the net asset value per share as reported by the managers of such funds.

(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) The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

(vi) 已發出的融資擔保之公平價值，是以參考在相若服務的公平交易中所徵收費用之可取得相關資料而釐定；有關的資料也可參考利率差價而估計，亦可以就貸款機構對發出擔保所實際徵收的息率，與在沒有取得擔保之情況下而貸款機構將可能徵收的估計息率作出比較，並在當中取用較可靠的相關資料以釐定公平價值。

The carrying amount of the Group's and the Bank's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31st December, 2009 and 2008 except as follows:

除下列者外，本集團及銀行以成本或攤銷成本入賬的之金融工具賬面值，與其於2009年12月31日及2008年同日之公平價值相若。

The Group **集團**

		2009		2008	
		Carrying amount 賬面值	**Fair value 公平價值**	Carrying amount 賬面值	Fair value 公平價值
		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
Financial assets	金融資產				
Held-to-maturity investments	持至到期投資	**7,239**	**7,318**	5,006	4,898
Financial liabilities	金融負債				
Debt securities issued	已發行債務證券	**4,346**	**4,601**	–	–
Subordinated liabilities	後償負債	**4,647**	**4,211**	4,641	3,953

The Bank **銀行**

		2009		2008	
		Carrying amount 賬面值	**Fair value 公平價值**	Carrying amount 賬面值	Fair value 公平價值
		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
Financial assets	金融資產				
Held-to-maturity investments	持至到期投資	**4,802**	**4,846**	3,318	3,209
Financial liabilities	金融負債				
Subordinated liabilities	後償負債	**4,647**	**4,211**	4,641	3,953

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

42. OFF-BALANCE SHEET EXPOSURES 資產負債表以外的風險

(a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

(a) 或然負債及承擔

每項或然負債及承擔主要類別的合約金額摘要如下：

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Direct credit substitutes	直接信貸代替品	**7,341**	7,272	**5,792**	6,888
Transaction-related contingencies	與交易有關的或然項目	**1,293**	1,771	**1,024**	1,529
Trade-related contingencies	與貿易有關的或然項目	**1,331**	1,045	**800**	721
Commitments that are unconditionally cancellable without prior notice	可無條件取消而毋須事先通知的承擔	**41,555**	41,692	**40,386**	38,683
Other commitments	其他承擔：				
– up to 1 year	－1年或以下	**21,606**	5,651	**6,097**	3,049
– over 1 year	－1年以上	**14,112**	18,737	**12,686**	11,551
		87,238	76,168	**66,785**	62,421
Credit risk weighted amounts	信貸風險加權金額	**27,305**	20,642	**16,441**	14,002

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts does not represent expected future cash flows.

或然負債及承擔是與信貸有關的工具，包括用以提供信貸的承兑票據、信用證、擔保書和承付款項。合約金額是指當合約被完全提取及客戶違約時所承擔風險的金額。由於預期擔保書及承付款項的大部分金額會在未經提取前逾期，合約金額並不代表預計未來現金流量。

(b) Derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivative for the Group and the Bank:

(b) 衍生工具

衍生工具是指由一項或多項潛在資產或指數價值釐定價值的財務合約。

集團及銀行的每項衍生工具主要類別的名義金額摘要如下：

		The Group 集團					
		2009			2008		
		Trading 交易 HK$ Mn 港幣百萬元	**Non-trading 非交易 HK$ Mn 港幣百萬元**	**Total 總額 HK$ Mn 港幣百萬元**	Trading 交易 HK$ Mn 港幣百萬元	Non-trading 非交易 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	**19,590**	**–**	**19,590**	23,860	–	23,860
Swaps	掉期交易	**12,140**	**4,664**	**16,804**	1,633	12,863	14,496
Options purchased	購入期權	**1,885**	**1,209**	**3,094**	919	151	1,070
Options written	沽出期權	**3,085**	**1,236**	**4,321**	1,075	151	1,226
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	**–**	**88**	**88**	25	–	25
Swaps	掉期交易	**–**	**70,669**	**70,669**	–	44,699	44,699
Equity contracts	股份合約						
Options purchased	購入期權	**261**	**1,638**	**1,899**	82	1,638	1,720
Options written	沽出期權	**177**	**975**	**1,152**	427	1,039	1,466
		37,138	**80,479**	**117,617**	28,021	60,541	88,562

		The Bank 銀行					
		2009			2008		
		Trading 交易 HK$ Mn 港幣百萬元	**Non-trading 非交易 HK$ Mn 港幣百萬元**	**Total 總額 HK$ Mn 港幣百萬元**	Trading 交易 HK$ Mn 港幣百萬元	Non-trading 非交易 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	**8,390**	**–**	**8,390**	10,842	–	10,842
Swaps	掉期交易	**11,137**	**4,664**	**15,801**	1,311	12,253	13,564
Options purchased	購入期權	**1,885**	**1,209**	**3,094**	971	151	1,122
Options written	沽出期權	**3,085**	**1,236**	**4,321**	1,075	151	1,226
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	**–**	**88**	**88**	25	–	25
Swaps	掉期交易	**–**	**67,505**	**67,505**	–	42,684	42,684
Equity contracts	股份合約						
Options purchased	購入期權	**261**	**1,638**	**1,899**	82	2,307	2,389
Options written	沽出期權	**177**	**1,638**	**1,815**	427	1,039	1,466
		24,935	**77,978**	**102,913**	14,733	58,585	73,318

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

42. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(b) Derivatives (continued)

Derivatives arise from futures, forward, swap and option transactions undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

The fair value and credit risk weighted amounts of the aforesaid off-balance sheet exposures are as follows. These amounts do not take into account the effects of bilateral netting arrangements.

(b) 衍生工具(續)

衍生工具是由本集團及本行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在結算日仍未完成的交易量，但並不代表所承受風險的金額。

前述資產負債表以外風險的公平價值及信貸風險加權金額如下。這些金額並未計入雙邊淨額安排的影響。

		The Group 集團			
		2009		2008	
		Assets 資產	**Liabilities 負債**	Assets 資產	Liabilities 負債
		HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元	HK$ Mn港幣百萬元
Fair value *(Notes 23 and 34)*	公平價值*(附註23及34)*				
Exchange rate contracts	匯率合約	**317**	**139**	488	505
Interest rate contracts	利率合約	**587**	**1,279**	1,012	1,928
Options purchased/written	購入／沽出期權				
– exchange rate contracts	－匯率合約	**9**	**9**	3	5
– equity contracts	－股份合約	**55**	**22**	231	78
		968	**1,449**	1,734	2,516

		The Bank 銀行			
		2009		2008	
		Assets 資產	**Liabilities 負債**	Assets 資產	Liabilities 負債
		HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元	HK$ Mn港幣百萬元
Fair value *(Notes 23 and 34)*	公平價值*(附註23及34)*				
Exchange rate contracts	匯率合約	**275**	**114**	262	365
Interest rate contracts	利率合約	**506**	**1,084**	755	1,771
Options purchased/written	購入／沽出期權				
– exchange rate contracts	－匯率合約	**9**	**9**	3	5
– equity contracts	－股份合約	**55**	**22**	231	78
		845	**1,229**	1,251	2,219

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Credit risk weighted amounts *	信貸風險加權金額*				
Exchange rate contracts	匯率合約	**567**	391	**549**	340
Interest rate contracts	利率合約	**350**	225	**408**	321
Equity contracts	股份合約	**90**	181	**184**	248
Debt security & other commodity	債務證券及商品	**6**	22	**11**	38
		1,013	819	**1,152**	947

* *The Bank adopted the Foundation Internal Ratings Based ("IRB") approach according to Banking (Capital) Rules for calculating the credit risk weighted amount as at 31st December, 2009.*

* *根據《銀行業(資本)規則》，本行採納「基礎內部評級基準計算法」計算於2009年12月31日之信貸風險之風險加權金額。*

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.

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。

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.

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。

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.

下表分析在結算日本集團根據到期期限歸類之剩餘結算期限有關衍生工具的名義金額。

		The Group集團 Notional amounts with remaining life of 剩餘期限的名義金額							
		2009				2008			
		1 year or less 1年或以下 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	Total 總額 HK$ Mn 港幣百萬元	1 year or less 1年或以下 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	Total 總額 HK$ Mn 港幣百萬元
Interest rate derivatives	利率衍生工具	**46,714**	**15,727**	**8,316**	**70,757**	26,641	14,193	3,890	44,724
Currency derivatives	貨幣衍生工具	**37,856**	**5,953**	**–**	**43,809**	35,145	5,507	–	40,652
Other derivatives	其他衍生工具	**2,387**	**268**	**396**	**3,051**	2,514	8	664	3,186
		86,957	**21,948**	**8,712**	**117,617**	64,300	19,708	4,554	88,562

		The Bank銀行 Notional amounts with remaining life of 剩餘期限的名義金額							
		2009				2008			
		1 year or less 1年或以下 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	Total 總額 HK$ Mn 港幣百萬元	1 year or less 1年或以下 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	Total 總額 HK$ Mn 港幣百萬元
Interest rate derivatives	利率衍生工具	**46,123**	**13,162**	**8,308**	**67,593**	26,341	12,384	3,984	42,709
Currency derivatives	貨幣衍生工具	**25,811**	**5,795**	**–**	**31,606**	21,247	5,507	–	26,754
Other derivatives	其他衍生工具	**2,387**	**535**	**792**	**3,714**	3,183	8	664	3,855
		74,321	**19,492**	**9,100**	**102,913**	50,771	17,899	4,648	73,318

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

42. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(c) Capital commitments

Capital commitments outstanding at 31st December and not provided for in the accounts were as follows:

(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：

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Expenditure authorised and contracted for	已核准支出並已簽約	**338**	1,611	**100**	608
Expenditure authorised but not contracted for	已核准支出但未簽約	**65**	107	**48**	98
		403	1,718	**148**	706

(d) Operating lease commitments

At 31st December, 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

(d) 經營租賃承擔

於2009年12月31日，在不可撤銷的經營租賃內，未來最低應付租賃款項總額如下：

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Properties	物業				
Within one year	1年以內	**365**	338	**127**	135
After one year but within five years	1年至5年內	**736**	684	**117**	117
After five years	5年以後	**249**	358	**–**	–
		1,350	1,380	**244**	252

		The Group集團		The Bank銀行	
		2009	2008	**2009**	2008
		HK$ Mn港幣百萬元	HK$ Mn港幣百萬元	**HK$ Mn港幣百萬元**	HK$ Mn港幣百萬元
Equipment	設備				
Within one year	1年以內	**6**	7	**2**	2
After one year but within five years	1年至5年內	**11**	10	**4**	2
After five years	5年以後	**–**	–	**–**	–
		17	17	**6**	4

The Group and the Bank lease certain properties and equipment under operating leases. The leases run for an initial period of one to twenty five years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually adjusted annually to reflect market rentals. None of the leases includes contingent rentals.

本集團及本行以經營租賃形式租入若干物業和設備。租賃年期由1年至25年，到期日後可再續約但其他條款須另議。租賃付款金額通常每年調整以反映市值租金。所有租約並不包括或有租金。

(e) Litigation

Claim by a private banking client

In two connected court proceedings initiated in September 2009 in the High Court of Hong Kong, a private banking client made a claim against the Bank and another bank in Hong Kong for, among other things, damages in respect of investment losses allegedly resulting from certain misconduct of a former employee of the Bank acting as the client relationship manager.

The Bank intends to defend these proceedings rigorously and is in the course of preparing the relevant court documents. If the Bank is unsuccessful in defending the claim, the Bank estimates the maximum amount of exposure is approximately HK$150 million. As these proceedings are in the preliminary stage and based on the evidence available, the Bank's external lawyers are optimistic on mounting a successful defence to both proceedings, no provisions have been made by the Bank as at 31st December, 2009.

(e) 法律訴訟

私人銀行客戶之追討

在香港高等法院於2009年9月展開兩宗有關連的法庭訴訟中，一名私人銀行客戶指稱本行一名前僱員在作為其客戶經理時，涉及若干不當行為而引致其投資損失，並就此(及其他相關事宜)向本行及另一家香港銀行追討賠償。

本行擬積極進行法律抗辯，並正在準備有關之法庭文件。若本行的抗辯敗訴，本行估計需承擔的最高金額約為港幣150,000,000元。由於該法庭訴訟尚在初始階段，且根據現有證據，本行之外聘律師對該兩宗訴訟能抗辯成功持樂觀態度，因此，於2009年12月31日，本行並無為此作出撥備。

43. NOTES ON CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表附註

(a) Purchase of subsidiaries

(a) 收購附屬公司

		2009 **HK$ Mn 港幣百萬元**	2008 HK$ Mn 港幣百萬元
Net assets acquired	已購入淨資產		
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	**23**	12
Advances and other accounts less provisions	已扣除準備之貸款及其他賬項	**24**	10
Fixed assets	固定資產	**9**	4
Goodwill	商譽	**–**	25
Other accounts and provisions	其他賬項及準備	**(12)**	(45)
		44	6
Goodwill arising on consolidation	賬項綜合時產生的商譽	**22**	27
Total purchase price	以現金支付的購入價	**66**	33
Less: Cash and cash equivalents acquired	減：購入的現金及等同現金項目	**(23)**	(12)
Cash flow on acquisition net of cash acquired	已抵銷因收購所購入的現金流	**43**	21

(b) Disposal of subsidiary

(b) 出售附屬公司

		2009 HK$ Mn **港幣百萬元**	2008 HK$ Mn 港幣百萬元
Advances and other accounts less provisions	已扣除準備之貸款及其他賬項	**1**	–
Taxation	稅項	**–**	–
Other accounts and provisions	其他賬項及準備	**–**	–
		1	–
Add: Gain on disposal	加：出售盈利	**–**	–
Cash flow on disposal of subsidiary	出售附屬公司的現金流	**1**	–

43. NOTES ON CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) 綜合現金流量表附註 (續)

(c) Cash and cash equivalents

(i) Components of cash and cash equivalents in the consolidated cash flow statement

(c) 現金及等同現金項目

(i) 在綜合現金流量表內現金及等同現金項目的組成部分

		2009 HK$ Mn 港幣百萬元	2008 HK$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	**19,244**	20,042
Placements with banks and other financial institutions with original maturity within three months	原本期限為3個月以內在銀行及其他金融機構的存款	**37,938**	70,442
Treasury bills with original maturity within three months	原本期限為3個月以內的國庫債券	**2,814**	3,251
Certificates of deposit held with original maturity within three months	原本期限為3個月以內之持有的存款證	**534**	371
		60,530	94,106

(ii) Reconciliation with the consolidated statement of financial position

(ii) 與綜合財務狀況表的對賬

		2009 HK$ Mn 港幣百萬元	2008 HK$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions *(Note 20)*	現金及在銀行及其他金融機構的結存*(附註20)*	**29,712**	28,105
Placements with banks and other financial institutions *(Note 21)*	在銀行及其他金融機構的存款*(附註21)*	**67,945**	96,574
Treasury bills and certificates of deposit held	國庫債券及持有存款證		
– trading assets *(Note 23)*	–交易用途資產*(附註23)*	**34**	400
– advances and other accounts *(Note 25)*	–貸款及其他賬項*(附註25)*	**39**	39
– available-for-sale *(Note 26)*	–可供出售*(附註26)*	**6,397**	11,153
– held-to-maturity *(Note 27)*	–持至到期*(附註27)*	**2,434**	1,897
		8,904	13,489
Amounts shown in the consolidated statement of financial position	在綜合財務狀況表出現的金額	**106,561**	138,168
Less: Amounts with an original maturity of beyond three months	減：原本期限為3個月以上的金額	**(35,563)**	(35,999)
Cash balance with central bank subject to regulatory restriction	受規管限制的在中央銀行的現金結存	**(10,468)**	(8,063)
Cash and cash equivalents in the consolidated cash flow statement	在綜合現金流量表內的現金及等同現金項目	**60,530**	94,106

44. ASSETS PLEDGED AS SECURITY 用作抵押品的資產

The following assets have been pledged as collateral for own liabilities at the balance sheet date:

於結算日，以下資產經已用作本身負債之抵押品：

		The Group 集團		The Bank 銀行	
		2009	2008	**2009**	2008
		HK$ Mn	HK$ Mn	**HK$ Mn**	HK$ Mn
		港幣百萬元	港幣百萬元	**港幣百萬元**	港幣百萬元
Secured liabilities	有抵押負債	**1,514**	1,161	**810**	1,102
Assets pledged:	抵押資產				
Available-for-sale financial assets	可供出售金融資產	**736**	76	**–**	–
Held-to-maturity investments	持至到期投資	**96**	96	**96**	96
		832	172	**96**	96
The following balances with banks have been pledged as collateral for securities borrowings and margin deposits of derivatives.	以下的銀行結餘已用作證券借貸及衍生工具孖展按金之抵押品				
Cash collateral for borrowed securities	用作證券借貸的現金抵押品	**18**	7	**18**	7
Margin accounts for open futures and forward contracts	用作開立期貨及遠期合約的孖展賬戶	**921**	912	**876**	912
		939	919	**894**	919
Capital equivalency deposit	等同資本的存款	**39**	39	**39**	39

These transactions are conducted under terms that are usual and customary to standard lending and securities borrowing and lending activities.

此等交易之條款是按一般及慣常標準借款及證券借貸交易進行。

45. LOANS TO OFFICERS 行政人員貸款

The aggregate of loans to officers of the Bank disclosed pursuant to Section 161B(4B) and (4C) of the Hong Kong Companies Ordinance is as follows:

按照香港《公司條例》第161B條(4B)及(4C)款規定，本行行政人員之貸款總額公佈如下：

		2009	2008
		HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元
Aggregate amount of relevant loans outstanding at 31st December	相關貸款於12月31日的結欠總額		
By the Bank	由銀行借出	**3,711**	4,169
By subsidiaries	由附屬公司借出	**1,261**	1,073
		4,972	5,242
The maximum aggregate amount of relevant loans outstanding during the year	年度內相關貸款之最高結欠總額		
By the Bank	由銀行借出	**5,543**	4,573
By subsidiaries	由附屬公司借出	**1,656**	1,492
		7,199	6,065

There was no interest due but unpaid nor any impairment allowance made against these loans at 31st December, 2009 and 31st December, 2008.

於2009年12月31日及2008年12月31日，沒有逾期未償付利息，亦未有對該等貸款作減值準備。

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

46. MATERIAL RELATED PARTY TRANSACTIONS 關聯人士的重大交易

The Group maintains certain retirement benefit schemes for its staff as per Note 2(q)(iii). In 2009, the total amount of contributions the Group made to the schemes was HK$65 million (2008: HK$107 million).

本集團為其職員提供若干退休保障計劃，並已於附註2(q)(iii)披露。於2009年內，本集團對這些計劃的供款總數為港幣65,000,000元(2008年：港幣107,000,000元)。

The Group enters into a number of transactions with the Group's related parties, including its associates, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. All interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

本集團與其關聯人士進行多項交易，該等人士包括聯營公司、及主要行政人員與其近親家庭成員、及受該等人士所控制或具有重大影響力的公司。該等交易包括接受該等人士存款及為他們提供信貸。所有存款及信貸的利率，均按照與一般同等信用水平之客戶相若的條款及規定。

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2009年，本集團從關聯人士所收取與支付予他們的利息，及在2009年12月31日，關聯人士的欠款及欠關聯人士的款項，及在年度內關聯人士最高欠款及欠關聯人士的最高款項現總結如下：

		Key management personnel 主要管理人員		Subsidiaries 附屬公司		Associates 聯營公司	
		2009	2008	**2009**	2008	**2009**	2008
		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
Interest income	利息收入	**125**	264	**588**	1,079	**3**	8
Interest expense	利息支出	**25**	88	**560**	148	**–**	–
Amounts due from	關聯人士的欠款	**6,971**	8,209	**12,719**	16,398	**626**	124
Amounts due to	欠關聯人士的款項	**5,147**	3,696	**1,642**	1,994	**4**	7
Maximum amounts due from	關聯人士的最高欠款	**10,443**	12,429	**15,953**	22,072	**924**	446
Maximum amounts due to	欠關聯人士的最高款項	**9,826**	8,527	**2,295**	2,850	**14**	34

47. EQUITY COMPENSATION PLANS 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Directors and Chief Executive, of the Group options to subscribe for shares of the Bank. The options may be exercised during the period beginning on the first anniversary of the Date of Grant and ending on the fifth anniversary of the Date of Grant. All options were granted for nil consideration.

本行所採納的僱員認股計劃是本行董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及行政總裁，以認購本行股份。認股權的行使期限為授予日的第1周年開始至授予日的第5周年止。所有認股權均以無計價款形式發出。

(a) Particulars of share options

(a) 認股權詳情

Date of grant 授予日期	**Vesting period** 有效期	**Exercise period** 行使期	**Exercise price per share** 每股行使價 HK$港幣
22/4/2004	22/4/2004 – 21/4/2005	22/4/2005 – 22/4/2009	21.11*
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	20.86*
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	30.04*
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	42.84*
05/5/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	40.09*
05/5/2009	05/5/2009 – 04/5/2010	05/5/2010 – 05/5/2014	21.25

(b) Movement of share options

(b) 認股權之變動

2009	Number of share options 認股權數目					
Date of grant 授予日期	**Outstanding at 1/1/2009 於2009年1月1日尚未行使**	**Additional share options for bonus issue* 因派發紅股而增加之認股權***	**Granted 已授予**	**Exercised 已行使**	**Lapsed 已失效**	**Outstanding at 31/12/2009 於2009年12月31日尚未行使**
22/4/2004	**2,765,000**	**276,500**	**–**	**–**	**3,041,500**	**–**
03/5/2005	**6,105,000**	**610,500**	**–**	**1,978,500**	**–**	**4,737,000**
03/5/2006	**2,700,000**	**270,000**	**–**	**–**	**275,000**	**2,695,000**
10/5/2007	**2,750,000**	**275,000**	**–**	**–**	**275,000**	**2,750,000**
05/5/2008	**5,500,000**	**550,000**	**–**	**–**	**550,000**	**5,500,000**
05/5/2009	**–**	**–**	**6,600,000**	**–**	**–**	**6,600,000**
Total 總額	**19,820,000**	**1,982,000**	**6,600,000**	**1,978,500**	**4,141,500**	**22,282,000**

2008	Number of share options 認股權數目				
Date of grant 授予日期	Outstanding at 1/1/2008 於2008年1月1日尚未行使	Granted 已授予	Exercised 已行使	Lapsed 已失效	Outstanding at 31/12/2008 於2008年12月31日尚未行使
02/5/2003	2,205,000	–	2,205,000	–	–
22/4/2004	3,915,000	–	1,080,000	70,000	2,765,000
03/5/2005	7,230,000	–	1,125,000	–	6,105,000
03/5/2006	3,200,000	–	500,000	–	2,700,000
10/5/2007	2,750,000	–	–	–	2,750,000
05/5/2008	–	5,500,000	–	–	5,500,000
Total 總額	19,300,000	5,500,000	4,910,000	70,000	19,820,000

* *After adjusting for the bonus issue in 2009.*

* *經調整 2009 年所發行的紅股。*

47. EQUITY COMPENSATION PLANS (CONTINUED) 股份補償計劃(續)

(c) No share options were cancelled during the years ended 31st December, 2009 and 2008.

(c) 截至2009年12月31日及2008年12月31日年度內並未有認股權被註銷。

(d) Details of share options exercised

(d) 已行使認股權詳情

Exercise period 行使期間	Date of grant 授予日期	Number of share options 認股權數目 2009	2008
January 1月	02/5/2003	–	1,005,000
	22/4/2004	–	130,000
	03/5/2005	–	75,000
February 2月	02/5/2003	–	20,000
	22/4/2004	–	20,000
	03/5/2005	–	25,000
March 3月	02/5/2003	–	1,060,000
	22/4/2004	–	665,000
	03/5/2005	–	715,000
	03/5/2006	–	500,000
April 4月	02/5/2003	–	30,000
	22/4/2004	–	165,000
	03/5/2005	–	110,000
May 5月	02/5/2003	–	90,000
	22/4/2004	–	20,000
	03/5/2005	**190,500**	75,000
June 6月	22/4/2004	–	25,000
	03/5/2005	**208,500**	25,000
July 7月	22/4/2004	–	5,000
	03/5/2005	**14,000**	55,000
August 8月	22/4/2004	–	30,000
	03/5/2005	**79,000**	45,000
September 9月	22/4/2004	–	20,000
	03/5/2005	**243,500**	–
October 10月	03/5/2005	**292,500**	–
November 11月	03/5/2005	**755,500**	–
December 12月	03/5/2005	**195,000**	–
		1,978,500	4,910,000

48. NON-ADJUSTING POST BALANCE SHEET EVENTS 毋須調整的資產負債表日後事件

After the balance sheet date the directors proposed a final dividend. Further details are disclosed in Note 15(a).

董事於結算日後擬派發一末期股息。詳情已在附註15(a)作披露。

On 30th December, 2009, the Bank entered into a subscription agreement with Negocio de Finanzas e Inversiones I, SLU, a subsidiary of Criteria Caixa Corp., SA and Sumitomo Mitsui Banking Corporation respectively in relation to the subscription as principal of an aggregate of 167,104,200 shares in the share capital of the Bank at HK$30.60 per new share subject to regulatory approval. These 167,104,200 shares represent approximately 8.29% of the entire issued share capital of the Bank as enlarged by the subscriptions. The subscription price represents a discount of approximately 2.08% to the closing price of HK$31.25 per share quoted on the Stock Exchange on 30th December, 2009. Following with a regulatory approval, shares issued and proceeds are received on 14th January, 2010.

於2009年12月30日，本行與Criteria Caixa Corp., SA之附屬公司，Negocio de Finanzas e Inversiones I, SLU 以及三井住友銀行各自以主事人身份按每股新股份港幣30.60元認購本行股本中的共計167,104,200股股份分別訂立了認購協議(尚未獲監管當局的批准)。該等167,104,200股股份約佔本行認購後已擴大全部已發行股本的8.29%。認購價於2009年12月30日在聯交所所報每股股份港幣31.25元的收市價折讓約2.08%。隨後獲得監管當局的批准，股份於2010年1月14日發行及所得款項亦於同日收訖。

In June 2009, BEA signed a Sale and Purchase Agreement with the Industrial and Commercial Bank of China ("ICBC") to sell a 70% interest in its banking subsidiary in Canada, The Bank of East Asia (Canada), to ICBC. The transaction closed on 28th January, 2010.

在2009年6月，本行與中國工商銀行股份有限公司(「工商銀行」)簽訂一項買賣協議出售其於加拿大之銀行附屬公司，加拿大東亞銀行之70%權益予工商銀行。該交易於2010年1月28日已經完成。

49. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

The preparation of accounts requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these accounts and the reported amounts of revenues and expenses for the years presented. Changes in assumptions may have a significant impact on the accounts in the periods where the assumptions are changed. The application of assumptions and estimates means that any selection of different assumptions would cause the Group's reporting to differ. The Group believes that the assumptions that have been made are appropriate and that the accounts therefore present the financial position and results fairly, in all material respects.

在編製本集團的賬項時，管理層必須作出若干於該等賬項的日期，對所匯報資產及負債之金額和或然資產及負債披露有影響的估計和假定，同時亦須作出若干對報告年度內收入及支出之金額有影響的估計和假定。如本集團更改該等假設，便可能對作出有關改變期間的賬項產生重大影響。採用此等不同的假設和估計意味本集團之報告會有所不同。在各個重要環節方面，本集團認為已作出適當之假設，而本集團的財務報表均能公平地反映其財政狀況和業績。

Management discussed with the Audit Committee the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

管理層已與審核委員會商討關於本集團重要會計政策及估計的制定、選擇和披露，以及該等政策和估計的應用。

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

49. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED) 會計估計及判斷(續)

(a) Key sources of estimation uncertainty

Notes 30, 36 and 41 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and fair values of financial instruments. Other key sources of estimation uncertainty are as follows:

(i) Impairment losses

Loans and advances

Loan portfolios are reviewed periodically to assess whether impairment losses exist. The Group makes judgement as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence for impairment includes observable data that the payment status of borrowers in a group has adversely changed. It may also include observable data that correlate with defaults on the assets in the Group. If management has determined, based on their judgement, that objective evidence for impairment exists, expected future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted on the basis of the current observable data. Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

Available-for-sale financial assets and held-to-maturity investments

The Group determines that available-for-sale financial assets and held-to-maturity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of when a decline in fair value below its cost is not recoverable within a reasonable time period is judgmental by nature, so profit and loss could be affected by differences in this judgement.

(ii) Valuation of financial instruments

The Group's accounting policy for valuation of financial instruments is included in Note 2. The fair value of the financial instruments is mainly based on the quoted market price on a recognised stock exchange or a price quoted from a broker/dealer for non-exchanged traded financial instruments. The fair value of collateralised debt obligations is based on bid prices quoted by reputable brokers and has been carefully assessed for reasonableness by management. The fair value of SIV is based on their net asset values as provided by the SIV's managers.

(a) 估計不穩定因素的主要來源

附註30、36和41載述有關商譽減值、已授予股權的公平價值和金融工具的公平價值的假設及其風險因素。估計不穩定因素的其他主要來源如下：

(i) 減值損失

貸款

本集團會定期檢討貸款組合，以評估減值損失是否存在。本集團需要判斷是否有任何客觀證據可以證明貸款組合已經減值，即估計將來現金流有所減少。減值客觀證據包括與借款人有關的可觀察資料整體上的付款狀況已出現逆轉，而該等資料與本集團的不履行資產是互相關連的。當管理層根據其判斷決定減值的客觀證據存在，便會依據若干與該等資產的信貸風險特性相若之資產的以往損失經驗，以估計預期將來現金流。以往損失經驗是以目前的可觀察資料為基礎作出調整。管理層亦會定期檢討用以估計將來現金流的方法和假設，從而減少估計損失與實際損失的差異。

可供出售金融資產及持至到期投資

若可供出售金融資產及持至到期投資的公平價值明顯或持續地低於其成本，本集團即判斷該等資產及投資已減值。本集團判斷公平價值低於成本的金額會在一段合理時間內不可收回純屬假設性質，因此判斷之差異會對損益有所影響。

(ii) 金融工具的估值

本集團對金融工具估值的會計政策列載於附註2。金融工具的公平價值主要根據認可之交易所的市場報價，或就非在交易所作交易的金融工具而言，則根據經紀／交易員的報價。債務抵押債券的公平價值由聲譽良好的經紀按買入價提供報價，及經已被管理層小心評估其適當性。特別投資工具的公平價值是根據特別投資工具之管理人所提供該工具的資產淨值。

(b) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

(i) Held-to-maturity investments

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Group evaluates its intention and ability to hold such investments till maturity.

If the Group fails to hold these investments to maturity other than for certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale, as such class is deemed to have been tainted.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

(ii) Recognition of deferred tax assets

The group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

(b) 本集團應用會計政策的重要會計判斷

本集團應用會計政策的若干重要會計判斷如下：

(i) 持至到期投資

本集團將設有固定或可確定付款金額和固定到期日，以及本集團有正面計劃及能力持有至到期日的非衍生金融資產，分類為持至到期投資。在作出有關判斷時，本集團會評估本身是否有意向及能力持有該等投資至到期日。

在若干特殊情況下除外，若本集團未能持有該等投資至到期日，本集團會將整個可持至到期日的投資組合，重新分類為可供出售。這是由於此類投資已被蒙污。

因此，原以攤銷成本計量的可持至到期投資會改以公平價值計量。

(ii) 遞延稅項資產之確認

須在未來可能有應課稅溢利予以抵銷遞延稅項資產的情況下，本集團才確認遞延稅項資產。在釐定未來應課稅溢利的金額及其可能性時，須估計及判斷在可見之將來該未來應課稅溢利可否支持確認該遞延稅項資產。本集團使用所有已有的資料，包括根據合理及可支持之假設和對收入及支出成本的估計，以釐定未來應課稅溢利。此等估計的變動可能對遞延稅項資產確認的時間及資產確認的金額有重大影響。

50. COMPARATIVE FIGURES 比較數字

As a result of the application of HKAS 1 (revised 2007), Presentation of financial statement, and HKFRS8, Operating segments, certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in Note 3.

由於實施《香港會計準則》第1條(2007年修訂)「財務報表披露」，及《香港財務報告準則》第8號「經營業務分部」，若干比較數字已作調整以符合本年度的呈報方式以及提供有關第一次於2009年披露項目之比較數字。該等項目之詳情已於附註3披露。

The Group has reviewed the disclosures in the financial statements and has made a number of presentation changes in Note 40. In such case, comparative figures in the notes have been amended to ensure consistency with the current year.

本集團已檢視在財務報表的披露及已於附註40內作出若干呈報變動。在此情況下，在附註的比較數字已作修訂致令與本年度相符合。

51. PROPOSED IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2009
在截至2009年12月31日止年度前已公佈但尚未生效的修訂、新標準和詮釋所產生的可能影響

Up to the date of issue of these accounts, the HKICPA has issued a number of amendments, new standard and interpretations which are not yet effective for the accounting year ended 31st December, 2009 and which have not been adopted in these accounts.

直至此等賬項發佈日期，香港會計師公會已頒佈了多項經修訂、新標準和詮釋；但該等經修訂、新標準和詮釋及額外的披露於截至2009年12月31日止年度尚未生效，因此尚未應用於此等賬項。

	Effective for accounting periods beginning on or after 由會計期開始或以後起生效
HKFRS 3 (Revised), Business combinations	1st July, 2009
《香港財務報告準則》第3號(經修訂)「業務合併」	2009年7月1日
Amendment to HKAS 27, Consolidated and separate financial statements	1st July, 2009
修訂《香港會計準則》第27號「綜合及獨立之財務報表」	2009年7月1日
Amendment to HKAS 39, Financial instruments: Recognition and measurement – Eligible hedged items	1st July, 2009
修訂《香港會計準則》第39號「金融工具：確認和計量－合適被對沖之項目」	2009年7月1日
HK(IFRIC) 17, Distributions of non-cash assets to owners	1st July, 2009
香港(國際財務報告詮釋委員會)第17條詮釋「派發非現金資產予擁有人」	2009年7月1日
Improvements to HKFRSs 2009	1st July, 2009 or 1st January, 2010
提升《香港財務報告準則》(2009)	2009年7月1日或2010年1月1日
HKFRS 9, Financial instruments	1st January, 2013
《香港財務報告準則》第9號「金融工具」	2013年1月1日

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position except for HKFRS 9, Financial instruments, which may have an impact on the Group's results and financial position arising from changes in the Group's classification and measurement of financial instruments.

本集團正在評估該等修訂對首個應用期可能產生的影響。除因《香港財務報告準則》第9號「金融工具」致令本集團在分類及計量金融工具時可能對本集團的業績及財務狀況有影響外，至今所得結論是若採納該等修訂對本集團的業績及財務狀況不可能構成重大影響。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION
未經審核補充財務資料

(1) CAPITAL ADEQUACY RATIO AND CAPITAL BASE 資本充足比率及資本基礎

(a) Capital adequacy ratio

(a) 資本充足比率

		2009 %百分率	2008 %百分率
Capital adequacy ratio as at 31st December	於12月31日的資本充足比率	**13.3**	13.8
Core capital adequacy ratio as at 31st December	於12月31日的核心資本充足比率	**9.4**	9.1

Capital ratios at 31st December, 2009 and 31st December, 2008 were compiled in accordance with the Banking (Capital) Rules ("the Capital Rules") issued by the Hong Kong Monetary Authority under Section 98A of the Hong Kong Banking Ordinance for the implementation of the "Basel II" capital accord, which became effective on 1st January, 2007. In accordance with the Capital Rules, the Bank has adopted the foundation internal ratings-based approach for the calculation of the risk-weighted assets for credit risk and the internal models approach for the calculation of market risk and standardised approach for operational risk.

於2009年12月31日及2008年12月31日之資本比率，乃根據香港金融管理局所頒佈的《銀行業(資本)規則》(「資本規則」)計算。此「資本規則」乃根據香港《銀行條例》第98A條因應實施新巴塞爾資本協定而制定，並於2007年1月1日生效。根據「資本規則」，本行選擇採納「基礎內部評級基準計算法」計算信貸風險之風險加權資產、「內部模式計算法」計算市場風險及「標準計算法」計算營運風險。

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「資本規則」下計算綜合資本比率之基礎乃跟隨財務報告之綜合基礎，但撇除「資本規則」界定為受規管金融實體(如保險及證券公司)之附屬公司。因此，該等未綜合之附屬公司之投資成本會從資本基礎中扣除。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(1) CAPITAL ADEQUACY RATIO AND CAPITAL BASE (CONTINUED) 資本充足比率及資本基礎 (續)

(b) Group capital base after deductions (b) 集團扣減後的資本基礎

		2009 HK$ Mn 港幣百萬元	2008 HK$ Mn 港幣百萬元
Core capital	核心資本		
Paid up ordinary share capital	繳足股款的普通股股本	**4,623**	4,183
Share premium	股份溢價	**4,526**	4,922
Reserves	儲備	**17,647**	18,308
Profit or loss account	損益賬	**1,553**	(71)
Minority interests	少數股東權益	**3,826**	–
Deduct: Goodwill	減：商譽	**(1,624)**	(1,624)
Net deferred tax assets	淨遞延稅項資產	**(317)**	(119)
Other intangible assets	其他無形資產	**(27)**	(29)
		30,207	25,570
Less: Core capital items deductions	減：核心資本的扣減項目	**(3,672)**	(2,749)
Total core capital	核心資本總額	**26,535**	22,821
Eligible supplementary capital	可計算的附加資本		
Reserves attributable to fair value gains on revaluation of holdings of land and building	因按公平價值重估持有土地及建築物而產生盈利的儲備	**916**	801
Revaluation reserves for fair value gains on revaluation of holdings of available-for-sale equities and debt securities	因按公平價值重估持有可供出售股份及債務證券而產生盈利的重估儲備	**63**	–
Unrealised fair value gains arising from holdings of equities and debt securities designated at fair value through profit or loss	因按公平價值重估持有被指定為通過損益以反映公平價值之股份及債務證券而產生的未實現盈利	**424**	–
Regulatory reserve for general banking risks	一般銀行業風險的法定儲備	**134**	156
Collectively assessed impairment allowances	整體評估減值準備	**153**	42
Surplus provisions	過剩準備	**435**	1,024
Perpetual subordinated debt	無到期日的後償債項	**3,743**	3,356
Term subordinated debt	有期後償債項	**8,910**	8,899
		14,778	14,278
Less: Supplementary capital items deductions	減：附加資本的扣減項目	**(3,672)**	(2,749)
Total supplementary capital	附加資本總額	**11,106**	11,529
Total capital base	資本基礎總額	**37,641**	34,350

Deductions from total capital base include investments in subsidiaries of which their risk weighted assets have not been consolidated into the total risk weighted assets of the Group, which mainly conduct non-banking related businesses.

資本基礎總額扣減項目，包括主要從事與非銀行業有關業務的附屬公司投資，而其風險加權資產並未在本集團的風險加權資產總額內綜合計算。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(2) LIQUIDITY RATIO 流動資金比率

		2009 %百分率	2008 %百分率
Average liquidity ratio for the year	年度內平均流動資金比率	**43.3**	38.4

The average liquidity ratio for the year is the simple average of each calendar month's average liquidity ratio, which is computed on the consolidated basis as required by the Hong Kong Monetary Authority for its regulatory purposes, and is in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

年度內平均流動資金比率是每月平均比率的簡單平均數，其計算是根據香港金融管理局訂定用作規管用途的綜合基準及香港《銀行條例》(附表4)。

(3) CROSS-BORDER CLAIMS 跨國債權

The information on cross-border claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any transfer of risk. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only regions constituting 10% or more of the aggregate cross-border claims are disclosed.

跨國債權資料披露對海外交易對手風險額最終風險的所在地，並已顧及轉移風險因素。一般而言，有關貸款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。當某一地區的風險額佔風險總額的百分之十或以上，該地區的風險額便須予以披露。

		2009			
		Banks and other financial institutions 銀行及其他金融機構 HK$ Mn 港幣百萬元	**Public sector entities 公營機構 HK$ Mn 港幣百萬元**	**Others 其他 HK$ Mn 港幣百萬元**	**Total 總額 HK$ Mn 港幣百萬元**
The Group	**集團**				
People's Republic of China	中華人民共和國	**9,717**	**1,683**	**37,795**	**49,195**
Asian countries, excluding People's Republic of China	其他亞洲國家（不包括中華人民共和國）	**17,241**	**2,464**	**12,917**	**32,622**
North America	北美洲	**9,147**	**382**	**12,927**	**22,456**
Western Europe	西歐	**50,624**	**–**	**1,490**	**52,114**

		2008			
		Banks and other financial institutions 銀行及其他金融機構 HK$ Mn 港幣百萬元	Public sector entities 公營機構 HK$ Mn 港幣百萬元	Others 其他 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元
The Group	集團				
People's Republic of China	中華人民共和國	6,385	1,120	31,888	39,393
Asian countries, excluding People's Republic of China	其他亞洲國家（不包括中華人民共和國）	17,388	1,703	11,797	30,888
North America	北美洲	11,688	10	10,028	21,726
Western Europe	西歐	70,048	–	2,383	72,431

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(4) NON-BANK MAINLAND EXPOSURES 內地非銀行類客戶風險

The total direct non-bank Mainland exposures and the individual impairment allowances are as follows:

內地非銀行類客戶直接風險總額及其個別減值準備如下：

		2009			
Type of counterparties	**交易對手的類別**	**On-balance sheet exposure 資產負債表以內的風險 HK$ Mn 港幣百萬元**	**Off-balance sheet exposure 資產負債表以外的風險 HK$ Mn 港幣百萬元**	**Total 總額 HK$ Mn 港幣百萬元**	**Individual impairment allowance 個別減值準備 HK$ Mn 港幣百萬元**
Mainland entities	內地實體	**97,002**	**22,570**	**119,572**	**36**
Companies and individuals outside the Mainland where the credit is granted for use in the Mainland	信貸是用於內地而借款的公司及個人是在國外	**15,085**	**2,302**	**17,387**	**10**
Other counterparties the exposures to whom are considered to be non-bank Mainland exposures	其他交易對手而其風險被認定為內地非銀行類客戶風險	**7,540**	**12**	**7,552**	**–**
Total	總額	**119,627**	**24,884**	**144,511**	**46**

		2008			
Type of counterparties	交易對手的類別	On-balance sheet exposure 資產負債表以內的風險 HK$ Mn 港幣百萬元	Off-balance sheet exposure 資產負債表以外的風險 HK$ Mn 港幣百萬元	Total 總額 HK$ Mn 港幣百萬元	Individual impairment allowance 個別減值準備 HK$ Mn 港幣百萬元
Mainland entities	內地實體	92,563	14,764	107,327	60
Companies and individuals outside the Mainland where the credit is granted for use in the Mainland	信貸是用於內地而借款的公司及個人是在國外	13,804	2,192	15,996	37
Other counterparties the exposures to whom are considered to be non-bank Mainland exposures	其他交易對手而其風險被認定為內地非銀行類客戶風險	4,266	43	4,309	–
Total	總額	110,633	16,999	127,632	97

(5) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS 逾期、經重組及收回資產

(a) Overdue and rescheduled advances (a) 逾期及經重組貸款

		2009		2008	
		HK$ Mn 港幣百萬元	% of total advances to customers 佔客戶貸款總額的百分比	HK$ Mn 港幣百萬元	% of total advances to customers 佔客戶貸款總額的百分比
The Group	**集團**				
Advances to customers overdue for	逾期客戶貸款				
– 6 months or less but over 3 months	– 3個月以上至6個月	**96**	**0.1**	233	0.1
– 1 year or less but over 6 months	– 6個月以上至1年	**515**	**0.2**	229	0.1
– Over 1 year	– 1年以上	**280**	**0.1**	171	0.1
		891	**0.4**	633	0.3
Rescheduled advances to customers	經重組客戶貸款	**234**	**0.1**	239	0.1
Total overdue and rescheduled advances	逾期及經重組客戶貸款總額	**1,125**	**0.5**	872	0.4
Secured overdue advances	有抵押逾期貸款	**561**	**0.2**	261	0.1
Unsecured overdue advances	無抵押逾期貸款	**330**	**0.2**	372	0.2
Market value of security held against secured overdue advances	有抵押逾期貸款抵押品市值	**2,168**		1,542	
Individual impairment allowance made on loans overdue for more than 3 months	逾期3個月以上貸款的個別減值準備	**309**		231	

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at year-end. Loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

當本金或利息已逾期及在年底仍未清還，有特定還款日期的貸款及墊款將分類為逾期貸款。當分期逾期及在年底仍未清還時，以固定分期償還的貸款亦視作逾期貸款。若即時還款通知書已給予借款人但卻未能即時償還，即時償還的貸款當作逾期，及／或該貸款已持續超出已知會借款人所核准的限額，而超出已知會借款人所核准限額的時間比貸款逾期的時間更長。

(5) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS (CONTINUED) 逾期、經重組及收回資產(續)

(a) Overdue and rescheduled advances (continued)

An asset considered as an eligible collateral should generally satisfy the following:

(a) The market value of the asset is readily determinable or can be reasonably established and verified;

(b) The asset is marketable and there exists a readily available secondary market for disposing of the asset;

(c) The Bank's right to repossess the asset is legally enforceable and without impediment; and

(d) The Bank is able to secure control over the asset if necessary.

The two main types of "Eligible Collateral" are as follows:

(i) "Eligible Financial Collateral" mainly comprises cash deposits and shares.

(ii) "Eligible Physical Collateral" mainly comprises land and buildings, vehicles and equipment.

When the Bank's clients face financial difficulties and fail to settle their loans, depending on different situations, the Bank usually takes the following actions to recover the debt:

(a) Debt rescheduling/restructuring

(b) Enforcement of security

(c) Legal action

(d) Recovery via debt collector

There were no advances to banks and other financial institutions which were overdue for over 3 months as at 31st December, 2009 and 31st December, 2008, nor were there any rescheduled advances to banks and other financial institutions on these two dates.

(a) 逾期及經重組貸款(續)

可視作合格抵押品的資產須符合下列條件：

(a) 該資產的市值是可即時決定的或是可合理地確定及證實的；

(b) 該資產是有市價的及有二手市場可即時將該資產出售；

(c) 本行收回資產的權利是有法律依據及沒有障礙的；及

(d) 本行在有需要時可對該資產行使控制權。

合格抵押品主要分為下列兩種：

(i) 合格金融抵押品主要包括現金存款及股票。

(ii) 合格實物抵押品主要包括土地及建築物、汽車及設備。

按不同情況下，當本行客戶面對財政困難而無力償還貸款，本行一般採用以下方式以追收欠款：

(a) 重新編排債務還款期時間表／債務重組

(b) 沒收抵押品

(c) 採取法律行動

(d) 通過收數公司追收

於2009年12月31日及2008年12月31日，銀行及其他金融機構的貸款中，並無逾期3個月以上或經重組的貸款。

(b) Other overdue and rescheduled assets

(b) 其他逾期及經重組資產

		2009		2008	
		Accrued interest 應計利息	**Other assets* 其他資產***	Accrued interest 應計利息	Other assets* 其他資產*
		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
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	–
– Over 1 year	– 1年以上	–	**1**	–	–
		–	**1**	1	3
Rescheduled assets	經重組資產	–	–	–	–
Total other overdue and rescheduled assets	其他逾期及經重組資產總額	–	**1**	1	3

* *Other assets refer to trade bills and receivables.*

* *其他資產是指貿易票據及應收款項。*

(c) Repossessed assets

(c) 收回資產

		2009	2008
		HK$ Mn 港幣百萬元	HK$ Mn 港幣百萬元
The Group	**集團**		
Repossessed land and buildings*	收回土地及建築物*	**48**	57
Repossessed vehicles and equipment	收回汽車及設備	**–**	1
Total repossessed assets	收回資產總額	**48**	58

The amount represents the estimated market value of the repossessed assets as at 31st December.

此等金額指於12月31日收回資產的估計市值。

* *The balance included HK$5 million (2008: HK$37 million) relating to properties that were contracted for sale but not yet completed.*

* *結餘包括總值港幣 5,000,000 元（2008 年：港幣 37,000,000 元）已簽約出售但仍未成交的物業。*

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY 主要風險及資本充足度

(a) Summary of approach to assess capital adequacy

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 風險範圍	**Approach for assessing capital adequacy 評估資本充足率的方法**
Credit Risk 信貸風險	Foundation Internal Ratings-Based ("IRB") Approach 基礎內部評級基準計算法
Market Risk 市場風險	Internal Models Approach 內部模式計算法
Operational Risk 營運風險	Standardised Approach 標準計算法

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(b) Principal risks

This section presents information on the Group's management of principal risks.

The Group has in place a risk management system to identify, measure, monitor and control the various types of risk that the Group faces and, where appropriate, to set strategy and allocate capital against those risks. The risk management policies covering credit risk, market risk, operational risk, liquidity risk, interest rate risk, strategic risk, legal risk and reputation risk of the Group are reviewed regularly by the Management and specialised risk management committees, and recommendations are made by the Risk Management Committee, which comprises the Group's Chairman and Chief Executive, Senior Advisors, Deputy Chief Executives and the Group Chief Risk Officer, for the approval of the Board of Directors. There is an independent centralised risk management unit, Risk Management Division, responsible for monitoring the activities relating to these principal risks. The internal auditors also perform regular audits on business units to check compliance with policies and procedures.

Credit Risk Management

Credit risk arises from the possibility that a customer or counterparty in a transaction may default. Such risk may arise from counterparty risks from loan and advances, issuer risks from the securities business and counterparty risks from trading activities.

The Board of Directors has delegated authority to the Credit Committee to oversee management of the Group's credit risk, independent of the business units. The Credit Committee reports to the Board of Directors via the Risk Management Committee, which deals with all risk management related issues of the Group. Credit risk control limits are set at different levels and dimensions. The Board of Directors approves the core control limits and delegates the Credit Committee to approve the detailed control limits. Risk, return and market situations are considered in the limits setting. Active limit monitoring process is undertaken.

The Credit Committee is responsible for all credit risk related issues of the Group. The Group identifies and manages credit risk through defining target market segment, formulation of credit policies, credit approval process and monitoring of asset quality.

In evaluating the credit risk associated with an individual customer or counterparty, financial strength and repayment ability are always the primary considerations. Credit risk may be mitigated by obtaining collateral from the customer or counterparty.

(b) 主要風險

本部分載述有關本集團主要風險管理的資料。

本集團已建立一套完善的風險管理制度，以識別、衡量、監察及控制本集團所承受的各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團就信貸風險、市場風險、營運風險、流動資金風險、利率風險、策略風險、法律風險和信譽風險制定的管理政策，均由管理層和有關專責委員會定期檢討，並由風險管理委員會提出建議，最後經董事會批核。該委員會由本集團主席兼行政總裁、高級顧問、副行政總裁和集團風險總監組成。本集團設有一個獨立的中央風險管理單位(風險管理處)，專責處理與主要風險有關的活動。內部稽核員亦會對業務部門定期進行稽核，以確保該等政策及程序得以遵從。

信貸風險管理

信貸風險源於客戶或交易對手未能履行其承擔，可來自本集團貸款中的交易對手風險、證券業務的發行商風險和交易活動的交易對手風險。

為監察本集團的信貸風險管理，董事會已授權信貸委員會執行此職能；而信貸風險管理乃獨立於所有業務部門。信貸委員會經風險管理委員會向董事會匯報。風險管理委員會負責處理本集團所有與風險管理相關的事項。信貸風險控制限額設有不同層次和範疇。董事會審批核心控制限額，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)

The Group has established policies, procedures and rating systems to identify, measure, monitor and control credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Manual. These guidelines stipulate delegated lending authorities, credit extension criteria, credit monitoring process, internal rating structure, credit recovery and provisioning policy. They are reviewed and enhanced on an on-going basis to cater for the market change, statutory requirement and best practice risk management processes. Credit Risk Management Department under Risk Management Division of the Group is responsible for monitoring activities relating to credit risk.

本集團已制訂多項政策、程序及評級系統，以辨別、衡量、監察及控制本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變、有關法定要求及最佳作業風險管理程序。本集團之風險管理處轄下的信貸風險管理部，負責監察與信貸風險有關的活動。

The Group's credit risk management for the major types of credit risk is depicted as follows:

本集團就下列各類主要信貸風險實行信貸風險管理：

(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.

(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。

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.

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) 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.

(ii) 零售信貸風險

本集團的零售信貸政策和審批程序是因應各類零售貸款中均有大量類似的小額交易而制定的。在設計內部評級系統和制訂信貸政策時，本集團的主要考慮因素包括人口結構因素和有關貸款組合過往的損失。本集團監控本身和行業狀況以釐定和定期修訂產品條款和目標客戶組合。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(b) Principal risks (continued)

Credit Risk Management (continued)

(iii) Credit for treasury transactions

The credit risk of the Group's treasury transactions is managed in the same way as the Group manages its corporate lending risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

(iv) Credit-related commitment

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

(v) Concentration of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's portfolio of financial instruments is diversified along geographic, industry and product sectors.

The Group monitors its concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

(vi) Capital requirement for credit risk by exposure class

The following table indicates the capital requirement for credit risk on each class of exposure at 31st December, 2009 and 31st December, 2008 respectively:

(b) 主要風險(續)

信貸風險管理(續)

(iii) 財資交易的信貸風險

本集團採用企業信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

(iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請，組合保存和抵押要求。

(v) 信貸集中的風險

信貸集中的風險源於交易對手團體受到地緣、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的財務工具分散覆蓋不同地區、行業和產品。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

(vi) 各風險承擔類別的信貸風險資本要求

下表分別顯示於2009年12月31日及2008年12月31日每種風險承擔類別的信貸風險資本要求情況：

Exposure class	**風險承擔類別**	**Capital requirement 資本要求 2009 HK$ Mn 港幣百萬元**	Capital requirement 資本要求 2008 HK$ Mn 港幣百萬元
Bank	銀行	**2,508**	2,313
Corporate	企業	**12,354**	10,559
Residential mortgage	住宅按揭	**704**	661
Qualifying revolving retail	合資格循環零售	**497**	428
Other retail	其他零售	**423**	416
Equity booked on banking book under Simple Risk-weight Method	銀行賬下的股權 – 以簡單風險加權法計算	**184**	155
Equity booked on banking book under Internal Models Method	銀行賬下的股權 – 以內部模型計算法計算	**175**	103
Securitisation	證券化	**–**	–
Others*	其他*	**3,998**	3,474

* *Including cash items, other IRB exposures and insignificant credit portfolios in which the Bank adopted Standardised Approach for assessing capital adequacy.*

* *包括現金項目，其他使用基礎內部評級基準法的風險承擔，及本行採用標準計算法評估資本充足率的非主要信貸組合。*

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

Market risk management

Market risk arises from all market risk sensitive financial instruments, including debt securities, foreign exchange contracts, equity and derivative instruments, as well as from balance sheet or structural positions. The objective of market risk management is to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board of Directors reviews and approves policies for the management of market risks. The Board has delegated the responsibility for ongoing market risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

The Asset and Liability Management Committee deals with all market risk and liquidity risk related issues of the Group. It is also responsible for deciding the future business strategy with respect to interest rates trend review.

The use of derivatives for proprietary trading and their sale to customers as risk management products is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk, as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest rate, foreign exchange and equity related contracts, in the form of both over-the-counter derivatives and exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

In this connection, the key types of risk to manage are:

(i) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed within limits approved by the Board.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries and associated companies, are excluded from VaR measurements, as related gains or losses are taken to reserves. Such foreign currency positions are managed with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

(ii) Interest rate risk

The Group's interest rate positions arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and non-trading portfolios. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also relates to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is managed daily by the Treasury Markets Division within the limits approved by the Board of Directors. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

市場風險管理

市場風險源自所有對市場風險敏感的財務工具，包括債務證券、外匯合約、股份和衍生工具，以及資產負債表或結構性持倉。市場風險管理旨在減少本集團因財務工具內在的波動性而承受的風險。

董事會檢討和審批市場風險的管理政策，並已授權資產負債管理委員會負責持續進行一般的市場風險管理。資產負債管理委員會經風險管理委員會向董事會匯報。

資產負債管理委員會負責處理本集團一切與市場風險和流動資金風險相關的事項，亦負責根據利率走勢而釐定未來業務策略。

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的部分程序。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。

(ii) 利率風險

本集團的利率持倉來自財資及商業銀行業務。交易組合和非交易組合均會產生利率風險。利率風險主要是由帶息資產、負債及承擔在再定息時的時差所致，亦與無息負債持倉有關，其中包括股東資金和往來賬戶及若干定息貸款和負債。利率風險由資金市場處按董事會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(b) Principal risks (continued)

Market risk management (continued)

(iii) Equity risk

The Group's equity positions arise from equity investment and dynamic hedging of equity options in connection with the Bank's linked deposit business. Equity risk is managed daily by the Investment Department within the limits approved by the Board of Directors.

Market risk control limits have been set at varying levels according to the practical requirements of different units. The Board of Directors approves the core control limits and has delegated the power to set detailed control limits to the Asset and Liability Management Committee. Risk, return and market conditions are considered when setting limits. Active limit monitoring is carried out.

In this connection, the Asset and Liability Management Committee monitors the related market risk arising from risk-taking activities of the Group, to ensure that overall and individual market risks are within the Group's risk tolerance level. Risk exposures are monitored on a frequent basis to ensure that they are within established control limits.

The Group quantifies the market risk of the underlying trading portfolio by means of value-at-risk ("VaR"). VaR is a statistical estimate that measures the potential losses in market value of a portfolio as a result of unfavourable movements in market rates and prices, if positions are held unchanged over a certain horizon time period.

The Group estimates VaR for the Group's trading portfolio by the Parametric Approach, where the VaR is derived from the underlying variances and covariances of the constituents of a portfolio. This methodology uses historical movements in market rates and prices, a 99% confidence level, a one-day holding period, a one-year historical observation period with higher weights being assigned to more recent observations, and takes into account correlations between different markets and rates.

Structural foreign exchange positions arising from net investments in branches and subsidiaries are not included in the VaR for the foreign exchange trading position.

(b) 主要風險 (續)

市場風險管理(續)

(iii) 股份風險

本集團的股份持倉來自股份投資及本行掛鈎存款業務相關的動態對沖股份期權。股份風險由投資部按董事會批准的限額範圍進行日常管理。

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審批核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團承擔市場風險的活動，確保整體及個別市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

本集團通過參數法評估本集團交易組合的風險值，其中，風險值乃透過組合成份的有關方差及協方差計算得出。該方法是依據過往市場息率與價格的波動、99%置信水平、1日持倉期以及對較近期觀察給予較高權重的1年過往觀察期，並計入不同市場及息率的相關程度來推算。

由分行及附屬公司的淨投資產生的結構性外匯持倉不會包括在計算外匯交易持倉的風險值。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

The book value of listed shares, as well as the book value of private equity funds and unlisted equities (excluding credit-related unlisted securities) (collectively the "Unlisted Securities"), are subject to limits and these are monitored by the management of the Group. The Unlisted Securities and listed non-trading equities are not included in the VaR for the equity trading position, and are managed through delegated limits. The limits are subject to regular review by the Board.

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。

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.

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。

The following table indicates the capital charge for market risk:

下表顯示市場風險的資本要求：

		Market risk capital charge 市場風險資本要求 As at 31st December, 2009 HK$ Mn 港幣百萬元	Market risk capital charge 市場風險資本要求 As at 31st December, 2008 HK$ Mn 港幣百萬元
Internal Models Approach	內部模式計算法		
– General Market Risk	– 一般市場風險	**381**	648
Standardised Approach	標準計算法		
– Specific Market Risk Debt Charge	– 特定市場風險債務要求	**14**	2
– Specific Market Risk Equity Charge	– 特定市場風險股份要求	**110**	92
– Vega Risk	– 維加風險	**1**	2
Total	總額	**506**	744

According to the Banking (Capital) Rules, the Group adopts back testing to assess the predictive power of the VaR estimation. Back testing consists of a periodic comparison of the daily VaR measures with the subsequent daily actual and hypothetical trading outcomes. Back testing is a statistical technique developed to gauge the quality and accuracy of risk measurement model. 1 exceptions is found during 2009 (4 exceptions during 2008), 99% confidence level and 250-day observation period.

根據《銀行(資本)規則》，本集團採用回溯測試評估風險值估計數字的預測準確度。回溯測試包括定期將每日風險值與其後的每日實際及模擬交易結果進行對比。回溯測試是一種用以衡量風險管理模式的質素與準確度的統計技術。2009年發現了1次例外情況(2008年4次例外情況)，99%的置信水平及250日觀察期。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(b) Principal risks (continued)

Market risk management (continued)

Back testing exceptions

(b) 主要風險(續)

市場風險管理(續)

回溯測試的例外情況

Year 2009 年		27th November, 2009 2009年11月27日 HK$ Mn 港幣百萬元
Loss of total trading activities	交易活動的虧損	**56**
VaR for total trading activities at corresponding date	相對當日的風險值	**49**

Year 2008 年		22nd January, 2008 2008年1月22日 HK$ Mn 港幣百萬元	5th September, 2008 2008年9月5日 HK$ Mn 港幣百萬元	16th September, 2008 2008年9月16日 HK$ Mn 港幣百萬元	8th October, 2008 2008年10月8日 HK$ Mn 港幣百萬元
Loss of total trading activities	交易活動的虧損	86	104*	47	85
VaR for total trading activities at corresponding date	相對當日的風險值	78	42	45	68

* *The large exception on 5th September, 2008 was due to an employee in manipulating the valuation of certain equity derivatives held by the Bank which was uncovered in September, 2008. An announcement was made by the Bank to the Stock Exchange on 18th September, 2008.*

* *2008年9月5日之例外乃由於2008年9月本行揭發一名僱員操控本行所持若干股本衍生工具的價值。本行已依據香港上市條例將此事件公佈。*

In addition, stress testing on market risk is performed for the Group as a supplement to the daily VaR assessment. The Group applies sensitivity analysis and scenario analysis, on individual portfolios and/or on the Group's consolidated positions, to assess the potential impact of extreme movements in market prices on the Group's earnings.

此外，本集團利用市場風險壓力測試以補足每日風險數額的評估。本集團對個別組合及／或本集團綜合持倉進行敏感度分析及情景分析，以評估市場價格的大幅波動對本集團盈利可能產生的影響。

Value-at-risk statistics

風險數額統計

Year 2009 年		At 31st December 於12月31日 HK$ Mn 港幣百萬元	Maximum 最高 HK$ Mn 港幣百萬元	Minimum 最低 HK$ Mn 港幣百萬元	Mean 平均 HK$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	**45**	**76**	**43**	**59**
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	**7**	**21**	**5**	**11**
VaR for interest rate trading positions	利率交易持倉的風險數額	**3**	**4**	**1**	**3**
VaR for equity trading positions	股份交易持倉的風險數額	**37**	**61**	**35**	**46**

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

Year 2008 年		At 31st December 於12月31日 HK$ Mn 港幣百萬元	Maximum 最高 HK$ Mn 港幣百萬元	Minimum 最低 HK$ Mn 港幣百萬元	Mean 平均 HK$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	70	139	39	73
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	12	21	1	5
VaR for interest rate trading positions	利率交易持倉的風險數額	1	2	–	1
VaR for equity trading positions	股份交易持倉的風險數額	57	123	38	69

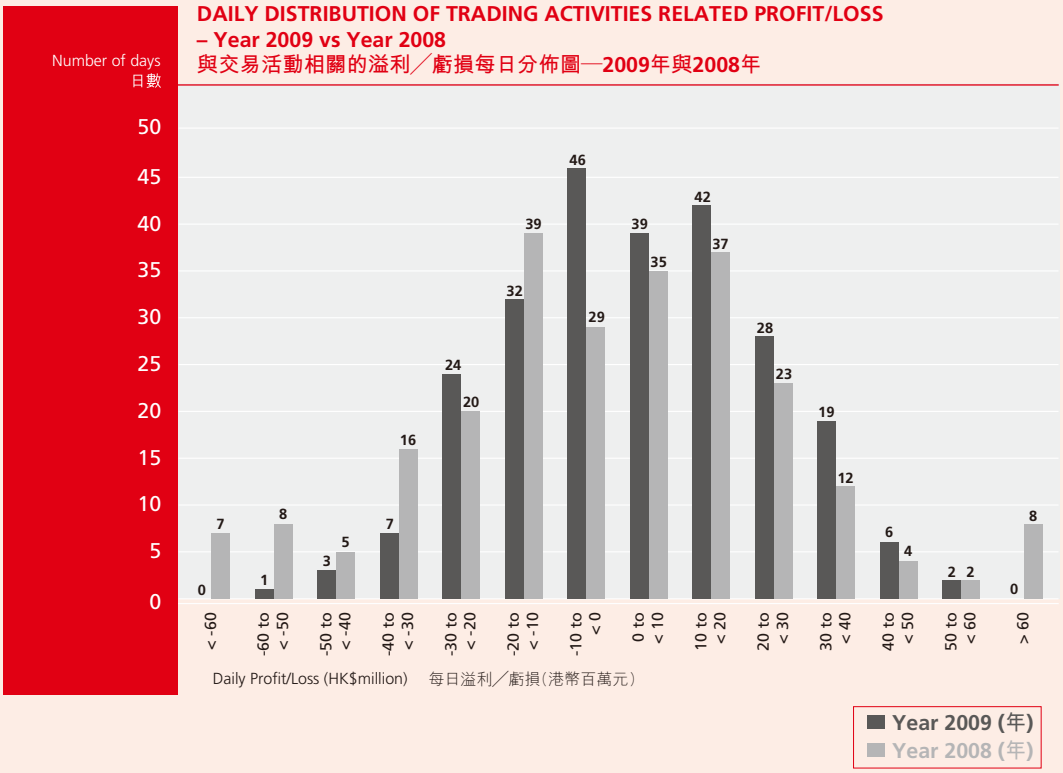
* *Included all foreign exchange positions but excluded structured foreign exchange positions.*

* *包括所有外匯持倉但不包括結構性外匯持倉。*

The average daily profit for all trading activities (including foreign exchange, interest rate and equity trading activities) in 2009 was HK$3.08 million (average daily loss of HK$1.64 million in 2008). The standard deviation of the daily profit/loss was HK$20.75 million (standard deviation of HK$29.96 million for 2008). The frequency distribution of daily profit/loss is shown below:

於2009年，所有交易活動(包括貨幣、利率、股份交易活動)所得的每日平均收入為港幣3,080,000元(2008年的每日平均損失為港幣1,640,000元)。每日溢利／虧損的標準差為港幣20,750,000元(2008年為港幣29,960,000元)。以下為每日溢利／虧損的頻率分佈情況：

DAILY DISTRIBUTION OF TRADING ACTIVITIES RELATED PROFIT/LOSS – Year 2009 vs Year 2008
與交易活動相關的溢利／虧損每日分佈圖—2009年與2008年



UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(b) Principal risks (continued)

Operational risk management

Operational risk is the risk arising from the potential loss due to inadequate or failed internal processes, people and systems or from external events.

The objective of operational risk management is to identify, assess and monitor operational risk and, in particular, to comply with the relevant regulatory requirements.

The Group has implemented a centralised risk management framework since January 2006. The Board of Directors reviews and approves the policies for operational risk management, and it has delegated the responsibility for ongoing operational risk management to the Operational Risk Management Committee. The Operational Risk Management Committee regularly reports status of operational risk management to the Board of Directors via the Risk Management Committee. Operational Risk Management Department under Risk Management Division of the Group is responsible for monitoring activities relating to operational risk.

Operational risk management tools adopted include operational risk incidents reporting, control self-assessment, key risk indicators, operation manuals, insurance policies, business continuity planning, etc.

Furthermore, Operational Risk Management Department under Risk Management Division of the Group has also performed self-assessment on the Group's compliance with the requirements of HKMA Supervisory Policy Manual on Operational Risk Management, with satisfactory result which had been reviewed independently by the Internal Audit Department.

Capital Charge for Operational Risk

As at 31st December 2009, capital charge for operational risk amounted to HK$1,252 million (2008: HK$1,134 million).

Liquidity risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitment and to capitalize on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity ratio, and to make new loans and investments as opportunities arise.

(b) 主要風險(續)

營運風險管理

營運風險指由於內部流程、人手及系統不足或不成熟或因外部事件而導致的潛在損失所引致的風險。

營運風險管理的目標在於辨別、評估及監控營運風險，尤其是要遵守相關監管規定。

本集團自2006年1月起實施統一的風險管理制度。董事會審閱並批准營運風險管理政策，並已授權營運風險管理委員會，負責持續管理營運風險。營運風險管理委員會透過風險管理委員會定期向董事會匯報營運風險管理的情況。本集團之風險管理處轄下的營運風險管理部，負責監控與營運風險有關的活動。

本集團所採用的營運風險管理工具包括營運風險事件報告、自我評估監控、主要風險指標、營運手冊、保險政策及業務持續規劃等等。

此外，本集團之風險管理處轄下的營運風險管理部亦就本集團是否符合香港金管局監管政策手冊關於業務操作風險管理的規定進行自我評估，並經內部稽核部獨立審閱後得出滿意的結果。

營運風險的資本要求

於2009年12月31日，營運風險的資本要求為港幣1,252,000,000元(2008年：港幣1,134,000,000元)。

流動資金風險管理

流動資金風險管理是為了確保本集團維持充足的現金以配合所有財務承擔，並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足客戶的提款要求；本集團在借款期滿時能夠還款；本集團符合法定的流動資金比率，以及掌握貸款和投資的機會。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

The management of the Bank's liquidity risk is governed by the Liquidity Risk Management Policy, endorsed by the Risk Management Committee and approved by the Board of Directors. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Bank's liquidity risk management, set the strategy and policy for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Liquidity risk is daily managed by the Treasury Markets Division within the limits approved by the Board of Directors. Asset and Liability Management Department under Risk Management Division of the Group is responsible for monitoring the activities of the Treasury Markets Division in compliance with the Liquidity Risk Management Manual and Policy. The Internal Audit Department performs periodic review to make sure the liquidity risk management functions are effectively carried out.

本行的流動資金風險管理受風險管理委員會認可並經董事會核准的流動資金風險管理政策監管。資產負債管理委員會獲董事會授權，負責監察本行的流動資金風險管理，並制訂管理流動資金風險的策略與政策以及確保執行有關策略與政策的措施。流動資金風險由資金市場處每日按董事會批核的限額範圍進行管理。本集團之風險管理處轄下的資產負債管理部，負責監控資金市場處的活動是否遵從流動資金風險管理手冊及政策。內部稽核部會定期作出檢討，確保流動資金風險管理功能得以有效執行。

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.

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。

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.

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。

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.

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。

Interest rate risk management

The management of the Bank's interest rate risk is governed by the Interest Rate Risk Management Policy endorsed by Risk Management Committee and approved by the Board of Directors. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Bank's interest rate risk management, set the strategy and policy for managing interest rate risk and the means for ensuring that such strategy and policy are implemented. Interest rate risk is daily managed by the Treasury Markets Division within the limits approved by the Board of Directors. Asset and Liability Management Department under Risk Management Division of the Group is responsible for monitoring the activities of the Treasury Markets Division in compliance with the Interest Rate Risk Management Manual and Policy. The Internal Audit Department performs periodic review to make sure the interest rate risk management functions are effectively carried out.

利率風險管理

本行的利率風險管理受風險管理委員會認可並經董事會核准的利率風險管理政策監管。資產負債管理委員會獲董事會授權，負責監察本行的利率風險管理，並制訂管理利率風險的策略與政策以及確保執行有關策略與政策的措施。利率風險由資金市場處每日按董事會批核的限額範圍進行管理。本集團之風險管理處轄下的資產負債管理部，負責監控資金市場處的活動是否遵從利率風險管理手冊及政策。內部稽核部會定期作出檢討，確保利率風險管理功能得以有效執行。

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.

本行管理銀行賬冊利率風險的主要方法是集中於重訂息率的錯配。差距分析可讓本行從靜態角度瞭解資產負債的到期情況及再定息特點。本行設有重訂息率差距限額以控制本行的利率風險。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(b) Principal risks (continued)

Interest rate risk management (continued)

Stress tests on the Bank's various types of interest rate risk are conducted regularly. The Asset and Liability Management Committee monitors the results of stress tests and decides remedial action if required.

Sensitivity analysis on earnings and economic value to interest rate changes is assessed through a hypothetical interest rate shock of 200 basis points across the yield curve on both sides of the balance sheet and performed on monthly basis. Sensitivity limits are set to control the Bank's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee and the Board of Directors on a regular basis.

Sensitivity analysis on interest rate risk

The Bank uses sensitivity analysis to measure the potential effect of changes in interest rates on our net interest income and economic value change:

(b) 主要風險(續)

利率風險管理(續)

本行會對各種利率風險定期進行壓力測試。資產負債管理委員會監控壓力測試的結果，並在需要時釐定補救措施。

盈利和經濟價值對利率變動的敏感度分析乃透過每月假設資產負債的收益率曲線出現200個基點的利率衝擊來估算。本行設有敏感度限額，以控制本行的盈利及經濟價值兩方面的利率風險承擔。有關結果定期向資產負債管理委員會及董事會匯報。

利率風險敏感度分析

本行採用敏感度分析來量度利率變動對淨利息收入及經濟價值變動可能產生的影響：

		2009			2008		
		HKD 港元 HK$ Mn 港幣百萬元	**USD 美元 HK$ Mn 港幣百萬元**	**CNY 人民幣 HK$ Mn 港幣百萬元**	HKD 港元 HK$ Mn 港幣百萬元	USD 美元 HK$ Mn 港幣百萬元	CNY 人民幣 HK$ Mn 港幣百萬元
Impact on earnings over the next 12 months if interest rates rise by 200 basis points	倘利率上調200個基點對未來12個月的盈利影響	**(112)**	**(72)**	**(25)**	64	(26)	185
Impact on economic value if interest rates rise by 200 basis points	倘利率上調200個基點對經濟價值的影響	**(231)**	**(312)**	**(152)**	(98)	(203)	113

This sensitivity analysis, which is based on a static interest rate risk profile of assets and liabilities, is used for risk management purposes only. The analysis is based on the following assumptions:

(i) there is a parallel shift in the yield curve and in interest rates;

(ii) there are no other changes to the portfolio;

(iii) no loan prepayment is assumed as the majority of loans is on a floating rate basis; and

(iv) deposits without fixed maturity dates are assumed to be repriced on the next day.

Actual changes in the Bank's net interest income and the economic value resulting from the increases in interest rates may differ from the results of this sensitivity analysis.

該敏感度分析僅用於風險管理目的，乃依據資產及負債的靜態利率風險資料作出。有關分析乃根據以下假設進行：

(i) 收益率曲線及利率出現平行移動；

(ii) 組合並無其他變動；

(iii) 假設沒有提早償還貸款，因大部份貸款屬於浮息貸款；及

(iv) 假設沒有固定到期日的存款於翌日再定息。

利率上調而導致本行淨利息收入及經濟價值的實際變動與該敏感度分析的結果可能有所不同。

(c) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In implementing current capital requirements the HKMA requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets. The Group calculates requirements for market risk in its trading portfolios based upon the Group's VaR models and uses its internal gradings as the basis for risk weightings for credit risk. Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The process of allocating capital to specific operations and activities is undertaken by the Asset and Liability Management Committee and is reviewed regularly by the Board of Directors.

Consistent with industry practice, the Group monitors its capital structure on the basis of the capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the year.

The capital adequacy ratios as at 31st December, 2009 and 31st December, 2008 are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance which became effective on 1st January, 2007.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2009 and 31st December, 2008 and the Group is well above the minimum required ratio set by the HKMA.

(c) 資本管理

金管局制定及監察本集團整體的資本規定。在實施現行的資本規定時，金管局規定本集團維持既定的總資本對總風險加權資產比率。本集團根據風險值模式計算交易組合的市場風險，及根據內部評級作為信貸風險之風險比重的基準，計算交易組合的市場風險要求。銀行業務分為交易賬冊或銀行賬冊。風險加權資產依照特別規定而定，特別規定旨在反映與資產的不同風險水平及資產負債表外的風險。

除符合監管規定外，本集團管理資本的主要目的是保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

調配資本至特定業務及活動的程序由資產及負債管理委員會進行，並由董事會定期檢討。

本集團依據行業慣例，以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變。

2009年12月31日及2008年12月31日的資本充足比率是依據金管局為監管目的而制定的，本行及若干附屬公司已按綜合基準計算，並符合2007年1月1日生效的香港《銀行條例》的《銀行業(資本)規則》。

截至2009年12月31日及2008年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

(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.

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。

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.

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形的交易對手。

(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.

(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。

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.

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。

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.

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等級的架構掛鈎，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等級的架構掛鈎。

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.

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。

For Corporate and Bank exposures, borrower grades generated from the internal rating systems are benchmarked to external credit ratings.

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) Use of internal ratings

The Bank has used information generated from internal rating systems in various areas including but not limited to credit approval, credit monitoring, loan classification, pricing, formulating business strategies and capital adequacy assessment.

(c) Control mechanisms for rating systems

In order to ensure that the rating systems are robust, the Bank has a control mechanism and relevant policies in place to validate the accuracy and consistency of the systems, which are used for the estimation of all relevant risk components for risk management and capital adequacy calculation.

The validation process covers 2 major aspects: review of internal rating models (i.e. quantitative assessment) and review of internal control and compliance (i.e. qualitative assessment). For the purpose of independency and accountability, staff members who are responsible for carrying out the validation process should be independent of those staff members who are responsible for designing and developing the rating systems. The Credit Committee oversees the whole validation process and reviews/approves the validation results and deliverables of the validating team on an annual basis.

(d) Internal rating process

The Bank's internal rating process begins with the business units. These units apply different models for rating different types of credit exposures. During the process of rating assignment, overriding of the rating generated by the models is possible if it is considered that material information has not been taken into account by the models. The justification for overrides should be properly documented.

The rated credits, whether or not overrides are necessary, are then reviewed and approved by an individual party other than the one responsible for the assignment of the rating. This ensures accuracy and precision of the ratings, and that ratings are prudent and comply with the credit policies of the Bank. Based on the policies of the Bank, ratings of credit exposures will be reviewed at least annually.

(e) Types of exposures

- Corporate exposure includes exposures to corporate small-and-medium enterprises, other corporate, specialised lending.
- Bank exposure includes exposures to banks, regulated security firms and public sector entities.
- Retail exposure includes residential mortgages, qualifying revolving retail exposures and other retail exposures.

(b) 內部評級的應用

本行在多方面均使用自內部評級系統取得的資料，包括但不限於信貸審批、信貸監控、貸款分類、定價、業務策略制訂及資本充足評估方面。

(c) 評級系統的監控機制

為確保評級系統的穩健性，本行設有監控機制及有關政策，以核實系統是否準確及一致，而系統乃用於估計一切相關風險成份以用作風險管理及資本充足計算。

核實程序涵蓋兩個主要方面：審查內部評級模型(即數量評估)及審查內部監控及遵規(即質量評估)。就獨立性及問責性而言，負責進行核實程序的員工應獨立於負責設計及制定評級系統的員工。信貸委員會監察整個核實程序，並每年審查／批准核實結果及核實小組所呈交的報告。

(d) 內部評級程序

本行的內部評級程序由業務單位開始。該等部門對不同類別的信貸風險承擔評級時，均會採用不同的模型。在評級程序中，倘認為模型並無考慮重要資料，模型得出的評級可能會遭調整，但調整評級的理據應妥為存檔。

然後，不論是否需要調整評級，獲評級的信貸繼而由負責評級者以外的獨立方審查及批准。此舉可確保評級準確精密，且以審慎方式作出，並合符本行的信貸政策。根據本行的政策，信貸風險承擔的評級最少每年審查一次。

(e) 風險承擔類別

- 企業風險承擔包括對中小型企業、其他企業、專門性借貸的風險承擔。
- 銀行風險承擔包括對銀行、受監管的證券商號及公營單位的風險承擔。
- 零售風險承擔包括住宅按揭、合資格循環零售風險承擔及其他零售風險承擔。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED ("IRB") APPROACH (CONTINUED)
根據內部評級基準計算法計算的信貸風險(續)

(f) Variables, methods and data for estimation and validation of internal ratings

Probability of Default (PD)

For corporate exposures, PD is estimated based on both financial and business variables. Financial variables are financial ratios which link up to the profitability, liquidity and capital structure of the borrower, whereas for business variables, risk factors are assessed through management quality, industry risk and company standing. The two assessments are combined based on a scorecard methodology to produce the PD which is estimated through the Bank's default data.

For Retail exposures, borrowers with homogenous nature and transaction characteristics are segmented into pools in each of which an estimated PD is assigned.

For Bank exposures, the estimation of PD takes into account the market value of asset of the borrower, asset volatility and the borrowers' liabilities. The model measures and compares values of the borrower's assets and liabilities and converts the measurement to PD.

Loss-Given-Default (LGD)

For corporate and bank exposures, the Bank applies the supervisory LGD estimate provided by the Hong Kong Monetary Authority ("HKMA").

For retail exposures, the LGD estimate is based on historical realised loss and total historical default amount within a defined period.

Exposure-at-Default (EAD)

EAD is calculated as sum of on-balance sheet amount and credit equivalent amount of off-balance sheet items. Credit equivalent amount is the exposure amount of off-balance sheet items multiplied by the respective credit conversion factors according to the Capital Rules. For certain revolving retail exposures, the credit conversion factor is estimated with reference to the historical realised further drawdown rate prior to defaults.

The exposure amount disclosed in the following of this report relating to IRB exposure refers to EAD.

(f) 估計及核實內部評級的可變因素、方法及數據

違責或然率

就企業風險承擔而言，違責或然率乃以財務及業務的可變因素估計。財務可變因素為與借款人的盈利能力、資金流動性及資本架構有關的財務比率。而就業務可變因素而言，風險因素按管理質素、行業風險及公司於行內地位作評估。兩項評估乃根據評分卡法結合，從而得出利用本行的違責數據所估計的違責或然率。

就零售風險承擔而言，性質及交易特性相近的借款人會被分成多個組別，而該等組別會被賦予一估計違責或然率。

就銀行風險承擔而言，估計違責或然率時會計及借款人資產的市值、資產波動幅度及借款人的負債。模型會計算及比較借款人資產及負債的價值，並把計算所得轉化為違責或然率。

違責損失率

就企業及銀行風險承擔而言，本行採用香港金融管理局(金管局)提供的監管性估計的違責損失率。

就零售風險承擔而言，違責損失率估計乃基於已界定期間內的過往變現損失及過往違責總額計出。

違責風險承擔

違責風險承擔計算為資產負債表內項目的數額及資產負債表外項目的信貸等值數額的總和。根據資本規則，信貸等值數額為資產負債表外項目的風險承擔數額乘以相應的信貸換算因數。就若干循環零售風險承擔而言，信貸換算因數乃參考在過往信貸違責前實際之進一步提取貸款比率而作出估計。

本報告下文所披露有關內部評級基準風險承擔的風險承擔數額所指的是違責風險承擔。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

Assumptions Employed in Derivation of Variables
The assumptions behind the estimation of PD are: (1) Risk factors selected for estimation are valid and significant. (2) The weight assigned to each risk factor is reasonable and appropriate for the estimation in the context of the Bank's credit portfolio. (3) The estimation model/methodology is valid and appropriate for the Bank's credit portfolio and risk environment. (4) For retail exposures, default rate from year to year does not exhibit significant fluctuations so that historical data (default rate) could be applied as PD estimate.

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。

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.

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。

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。

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.

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。

The validation of the rating models is divided into (1) review of rating systems (quantitative assessment); (2) review of use of ratings (qualitative assessment).

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)。

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.

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。

The review of use of ratings focuses on the process of rating assignment, review and approval.

就評級應用的審查，乃以評級及審批程序為重點。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED ("IRB") APPROACH (CONTINUED)
根據內部評級基準計算法計算的信貸風險(續)

(g) Policies for establishing provisions

The impairment losses of loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Receivables with a short duration are not discounted if the effect of discounting is immaterial.

The total allowance for impairment losses consists of two components: individual impairment allowances, and collective impairment allowances.

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

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

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

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

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

(g) 設立準備金的政策

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

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

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

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

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

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

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

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.

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) Exposure subject to supervisory estimates

The following table indicates the exposure classes and the respective exposure amounts that are subject to supervisory estimates as at 31st December, 2009 and 31st December 2008 respectively:

(h) 受限於監管性估計的風險承擔

下表分別顯示於2009年12月31日及2008年12月31日受限於監管性估計的風險承擔類別及相應的風險承擔數額：

Exposure class	**風險承擔類別**	**Exposure amount 風險承擔數額 2009 HK$ Mn 港幣百萬元**	Exposure amount 風險承擔數額 2008 HK$ Mn 港幣百萬元
Bank	銀行	**80,059**	97,062
Corporate	企業	**205,615**	186,711
Equity booked on banking book under Simple Risk-weight Method	在銀行賬下以簡單風險權重方法計算之股權	**542**	458

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED ("IRB") APPROACH (CONTINUED)
根據內部評級基準計算法計算的信貸風險 (續)

(i) Risk assessment for IRB exposure classes

The following tables indicate the exposure amount, exposure weighted average risk weight and exposure weighted average PD under bank exposure and corporate exposure across borrower grade and the exposure amount under retail exposures across facility grade as at 31st December, 2009 and 31st December, 2008 respectively:

(i) 內部評級基準風險承擔類別的風險評估

下表分別顯示於2009年12月31日及2008年12月31日各級借款人在銀行風險承擔及企業風險承擔下的風險承擔數額、平均風險承擔加權風險權重及風險承擔加權平均違責或然率，以及各級融通在零售風險承擔下的風險承擔數額：

For bank exposure

就銀行風險承擔而言

2009

Borrower grade **借款人等級**	**Exposure amount** **風險承擔數額** **HK$ Mn** **港幣百萬元**	**Exposure weighted average risk weight** **平均風險承擔加權風險權重**	**Exposure weighted average PD** **風險承擔加權平均違責或然率**
1	**3,832**	**14.89%**	**0.03%**
2	**12,079**	**17.34%**	**0.04%**
3	**10,238**	**23.09%**	**0.06%**
4	**22,177**	**31.62%**	**0.11%**
5	**6,466**	**39.29%**	**0.16%**
6	**7,223**	**45.16%**	**0.21%**
7	**4,927**	**49.55%**	**0.26%**
8	**7,316**	**58.26%**	**0.34%**
9	**2,235**	**69.04%**	**0.50%**
10	**1,501**	**87.85%**	**0.87%**
11	**1,838**	**103.33%**	**1.39%**
12	**229**	**116.32%**	**2.12%**
13	**1**	**129.66%**	**3.10%**

For bank exposure

就銀行風險承擔而言

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
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%

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

For corporate exposure

就企業風險承擔而言

2009

Borrower grade **借款人等級**	**Exposure amount** **風險承擔數額** **HK$ Mn 港幣百萬元**	**Exposure weighted average risk weight** **平均風險承擔加權風險權重**	**Exposure weighted average PD** **風險承擔加權平均違責或然率**
4	**4,303**	**32.02%**	**0.13%**
5	**2,689**	**36.11%**	**0.16%**
6	**8,206**	**35.69%**	**0.20%**
7	**6,473**	**36.61%**	**0.25%**
8	**11,985**	**51.06%**	**0.34%**
9	**27,169**	**60.32%**	**0.58%**
10	**40,770**	**69.51%**	**0.83%**
11	**6,949**	**63.89%**	**1.47%**
12	**2,322**	**81.12%**	**2.02%**
13	**5,211**	**108.92%**	**2.94%**
14	**2,241**	**81.06%**	**4.49%**
15	**3,503**	**120.23%**	**6.45%**
16	**2,151**	**158.03%**	**9.09%**
17	**2,747**	**111.23%**	**23.45%**
18	**651**	**440.95%**	**100.00%**
19	**397**	**277.96%**	**100.00%**
20	**10**	**542.50%**	**100.00%**

For corporate exposure

就企業風險承擔而言

2008

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK$ Mn 港幣百萬元	Exposure weighted average risk weight 平均風險承擔加權風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
4	4,067	27.79%	0.11%
5	2,778	32.33%	0.15%
6	8,817	40.43%	0.20%
7	8,220	34.57%	0.25%
8	10,342	43.82%	0.34%
9	26,617	58.05%	0.56%
10	32,985	66.16%	0.81%
11	4,656	64.76%	1.49%
12	603	80.52%	2.08%
13	2,011	85.96%	2.88%
14	4,766	27.72%	4.42%
15	747	122.85%	6.84%
16	1,036	140.64%	10.05%
17	904	138.79%	17.98%
18	334	497.57%	100.00%
19	376	335.69%	100.00%
20	2	484.23%	100.00%

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED ("IRB") APPROACH (CONTINUED)
根據內部評級基準計算法計算的信貸風險(續)

(i) Risk assessment for IRB exposure classes (continued)

(i) 內部評級基準風險承擔類別的風險評估(續)

For residential mortgages

就住宅按揭而言

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2009 HK$ Mn 港幣百萬元	2008 HK$ Mn 港幣百萬元
3	**3,318**	2,622
4	**19,253**	18,247
5	**17,170**	13,246
6	**1,726**	2,025
7	**3,519**	3,273
8	**32**	77
11	**1,823**	2,141
12	**20**	24
17	**144**	157

For qualifying revolving retail exposures

就合資格循環零售風險承擔而言

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2009 HK$ Mn 港幣百萬元	2008 HK$ Mn 港幣百萬元
5	**5,400**	7,587
6	**4,125**	2,724
7	**4,537**	5,434
8	**2,279**	1,420
9	**326**	572
10	**3,597**	3,534
11	**96**	171
12	**63**	51
13	**55**	62
14	**130**	165
15	**45**	49
16	**84**	121
17	**180**	101
19	**–**	51
20	**44**	2

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

For other retail exposures

就其他零售風險承擔而言

Facility grade **融通等級**	**Exposure amount** **風險承擔數額**	
	2009 HK$ Mn **港幣百萬元**	2008 HK$ Mn 港幣百萬元
3	**69**	74
4	**750**	2
5	**4,124**	3,364
6	**4**	1
7	**1,244**	1,217
8	**13**	23
9	**1,318**	2,193
10	**218**	340
11	**1,304**	1,347
12	**512**	203
13	**61**	77
14	**–**	2
17	**92**	109
19	**59**	42
20	**33**	28

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED ("IRB") APPROACH (CONTINUED)
根據內部評級基準計算法計算的信貸風險(續)

(j) Comparison of rating estimates against actual outcome

Comparison is made on the 1-year rating estimates for the Group's performing credit portfolios at 31st December, 2008 against the actual outcome for the same portfolios during the financial period ended 31st December, 2009.

Comparison of actual loss and estimated loss

The following tables indicate the actual loss during the financial year ended 31st December, 2009 and 31st December, 2008 which are compared against the estimated loss at 31st December, 2008 and 31st December 2007 of the respective portfolio. Actual loss refers to impairment loss allowance and charge-off charged to the Group's income statement during the financial year ended 31st December, 2009 and 31st December, 2008. The difference between the actual loss for the financial year ended 31st December, 2008 and 31st December, 2009 is immaterial when compared with the Group's loan portfolio in the respective period.

(j) 比較評級估計與實際數字

以於2008年12月31日本集團履行中信貸組合的一年評級估計與截至2009年12月31日止財政期間內相同組合的實際數字作比較。

比較實際損失與估計損失

下表顯示截至2009年12月31日及2008年12月31日止財政年度的實際損失，並與相應的組合在截至2008年12月31日及2007年12月31日的估計損失比較。實際損失指截至2009年12月31日及2008年12月31日止財政年度的減值損失準備及計入本集團損益表的撇賬。截至2008年12月31日及截至2009年12月31日的實際損失，相對於本集團的貸款組合在相關期間的總額，並沒有重大的分別。

2009

Exposure class	**風險承擔類別**	**Actual loss for the year ended 31st December, 2009 截至2009年12月31日止之財政年度的實際損失 HK$ Mn 港幣百萬元**	Estimated 1-year loss at 31st December, 2008 於2008年12月31日內估計的一年損失 HK$ Mn 港幣百萬元
Bank	銀行	**–**	48
Corporate	企業	**313**	361
Residential mortgage	住宅按揭	**–**	83
Qualifying revolving retail	合資格循環零售	**80**	146
Other retail	其他零售	**17**	73
Total	總額	**410**	711

2008

Exposure class	風險承擔類別	Actual loss for the year ended 31st December, 2008 截至2008年12月31日止之財政年度的實際損失 HK$ Mn 港幣百萬元	Estimated 1-year loss at 31st December, 2007 於2007年12月31日內估計的一年損失 HK$ Mn 港幣百萬元
Bank	銀行	**–**	50
Corporate	企業	**328**	499
Residential mortgage	住宅按揭	**1**	95
Qualifying revolving retail	合資格循環零售	**57**	165
Other retail	其他零售	**24**	75
Total	總額	**410**	884

Comparison of actual default against estimated probability of default
The following tables indicate the actual percentage of default during the financial year ended 31st December, 2009 and 31st December, 2008, which is compared against the estimated 1-year probability of default (PD) at 31st December, 2008 and 31st December, 2007 of the respective portfolio.

比較實際違責與估計違責或然率
下表顯示截至2009年12月31日及2008年12月31日止財政年度的實際違責百分比，並與相應的組合分別於2008年12月31日及2007年12月31日的 估計一年違責或然率比較。

2009

Exposure class	**風險承擔類別**	**Actual percentage of default for the year ended 31st December, 2009 截至2009年12月31日止之財政年度的實際違責百分比**	Estimated 1-year probability of default at 31st December, 2008 於2008年12月31日內估計的一年違責或然率
Bank	銀行	**0.00%**	0.18%
Corporate	企業	**1.70%**	2.59%
Residential mortgage	住宅按揭	**0.24%**	0.93%
Qualifying revolving retail	合資格循環零售	**0.43%**	0.68%
Other retail	其他零售	**2.03%**	2.77%

2008

Exposure class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2008 截至2008年12月31日止之財政年度的實際違責百分比	Estimated 1-year probability of default at 31st December, 2007 於2007年12月31日內估計的一年違責或然率
Bank	銀行	0.19%	0.15%
Corporate	企業	1.66%	3.27%
Residential mortgage	住宅按揭	0.19%	1.07%
Qualifying revolving retail	合資格循環零售	0.47%	0.69%
Other Retail	其他零售	1.19%	2.68%

(8) CREDIT RISK UNDER STANDARDISED APPROACH 標準計算法下的信貸風險

This section presents information on the Group's risk management for credit exposure in which the Bank adopted Standardised Approach for capital adequacy assessment.

本節呈列本集團有關使用標準計算法計算資本充足度的信貸風險承擔的風險管理資料。

(a) Ratings from external credit assessment institutions (ECAI)

Credit ratings from Moody's Investors Service and Standard & Poor's are used for all classes of credit exposures under Standardised Approach. The Bank follows the process prescribed in Part 4 of the Capital Rules to map the ratings to the exposures booked in the Bank's banking book.

(a) 外部信貸評估機構的評級

穆迪投資服務及標準普爾的信貸評級用於標準計算法下的各類信貸風險承擔。本行根據資本規則第4部規定的程序，把評級對應本行銀行賬載列的風險承擔。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(8) CREDIT RISK UNDER STANDARDISED APPROACH 標準計算法下的信貸風險

(b) Risk assessment for exposure classes under Standardised Approach

The following tables indicate the exposure amount and risk weighted amount for each class of exposure with and without ECAI ratings as at 31st December, 2009 and 31st December, 2008 respectively:

(b) 標準計算法下風險承擔類別的風險評估

下表顯示分別於2009年12月31日及2008年12月31日經由及沒有經由外部信貸評估機構評級的每種風險承擔類別下的風險承擔數額及風險加權數額：

2009

Exposure type	風險承擔類別	Total exposure 風險承擔總額 HK$ Mn 港幣百萬元	Total exposure after credit risk mitigation 使用減低信貸風險措施後的風險承擔總額 Rated 獲評級 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 Unrated 無評級 HK$ Mn 港幣百萬元	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	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 Unrated 無評級 HK$ Mn 港幣百萬元
Sovereign	主權	**38,610**	**38,606**	**4**	**4,302**	**–**
Public sector entities	公營機構	**1,804**	**1,804**	**–**	**353**	**–**
Bank	銀行	**17,645**	**15**	**17,630**	**7**	**6,496**
Corporate	企業	**14,788**	**–**	**12,036**	**–**	**12,036**
Regulatory retail	監管零售	**165**	**–**	**164**	**–**	**123**
Residential mortgage	住宅按揭	**5,390**	**–**	**5,047**	**–**	**5,037**
Other exposures that are not past due	未逾期的其他風險承擔	**4,988**	**–**	**2,603**	**–**	**2,603**
Past due	逾期	**100**	**–**	**70**	**–**	**132**
Off balance sheet exposure	資產負債表外的風險承擔	**4,023**	**–**	**2,380**	**–**	**2,305**
Counterparty exposure	交易對手風險承擔	**426**	**–**	**182**	**–**	**145**
Total	總額	**87,939**	**40,425**	**40,116**	**4,662**	**28,877**

2008

Exposure type	風險承擔類別	Total exposure 風險承擔總額 HK$ Mn 港幣百萬元	Total exposure after credit risk mitigation 使用減低信貸風險措施後的風險承擔總額 Rated 獲評級 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 Unrated 無評級 HK$ Mn 港幣百萬元	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	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 Unrated 無評級 HK$ Mn 港幣百萬元
Sovereign	主權	33,169	33,165	4	4,730	–
Public sector entities	公營機構	420	420	–	84	–
Bank	銀行	19,169	29	19,138	15	6,534
Corporate	企業	10,621	–	7,396	–	7,396
Regulatory retail	監管零售	157	–	154	–	116
Residential mortgage	住宅按揭	2,824	–	2,663	–	2,567
Other exposures that are not past due	未逾期的其他風險承擔	5,423	–	4,169	–	4,169
Past due	逾期	287	–	287	–	324
Off balance sheet exposure	資產負債表外的風險承擔	4,314	–	2,894	–	2,835
Counterparty exposure	交易對手風險承擔	775	–	239	–	208
Total	總額	77,159	33,614	36,944	4,829	24,149

(9) CREDIT RISK MITIGATION 減低信貸風險措施

(a) Process of managing and recognising credit risk mitigation

The Bank has established policies on managing and recognising credit risk mitigation, which is approved by Credit Committee, for all types of credit exposure under both IRB approach and standardised approach including counterparty credit risk-related exposure which arises from OTC derivative transactions. The Bank applies prudent assessments of eligibility and quality of collaterals. A list of credit risk mitigations which is deemed appropriate by the Bank is in place. The Bank also applies safe custodian of collaterals, regular re-valuation and close monitoring. Marketable securities are marked-to-market on a daily basis whilst valuations on properties are reviewed periodically.

For regulatory capital calculation, only recognised collaterals and guarantee as laid down under the Capital Rules are considered as recognised credit risk mitigations and the Bank adheres to the criteria as stipulated in the Capital Rule when assessing the eligibility.

Recognised collaterals include both financial and physical collaterals. Financial collaterals include cash deposit, gold, shares and debt securities and mutual fund/undertakings for collective investments in transferable securities, whilst physical collaterals include commercial real estate, residential real estate, vehicles and equipments. The exposure amount after mitigation is determined by applying the standard supervisory haircut laid down in the Capital Rules as an adjustment discount to the current collateral value.

Recognised guarantors are any sovereign entities, public sector entities, banks and regulated securities firms with a lower risk weight than the borrower, or companies that are internally rated with a rating equivalent to external rating of A- or better.

On-balance and off-balance sheet recognised netting is not adopted by the Bank. No recognised guarantees and credit derivative contracts are applied as credit risk mitigation for capital adequacy calculation at balance sheet date.

(a) 管理及認定減低信貸風險措施的程序

本行已制定管理及認定減低信貸風險措施的政策，而政策亦經信貸委員會批准，適用於內部評級基準計算法及標準計算法下各類信貸風險承擔，包括與由場外衍生工具交易引致的交易對手信用風險相關的風險承擔。本行審慎評估抵押品是否合資格及其質素的高低。本行已備有一系列本行視為合適的減低信貸風險措施。本行亦妥善保管抵押品、定期作重新估值及作出緊密的監察。有價證券每日均按市值計算，物業的估值則定期審查。

就計算監管資本而言，只有資本規則訂下的認可抵押品及擔保方可視為認可的減低信貸風險措施，本行在評估減低信貸風險措施是否合資格時，會遵守資本規則規定的準則。

認可抵押品包括金融及實物抵押品。金融抵押品包括現金存款、黃金、股份及債務證券及互惠基金／集體投資於可轉換證券的業務，而實物抵押品包括商業地產、住宅地產、車輛及設備。減低風險後的風險承擔數額乃以資本規則訂下的標準監管扣減作為對現行抵押品價值的調整扣減而釐定。

認可擔保人乃任何主權實體、公營單位、銀行及受監管證券商號，其風險權重較借款人為低，或任何於內部評級取得相等於外部評級A-或以上等級的公司。

本行並無採納資產負債表內及資產負債表外認可淨額結算方法。於計算日，本行並無採用認可擔保及信貸衍生工具合同作為減低信貸風險措施，以計算資本充足度。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(9) CREDIT RISK MITIGATION (CONTINUED) 減低信貸風險措施 (續)

(b) Total exposures covered by recognised collateral under IRB Approach

(b) 內部評級基準計算法下以認可抵押品涵蓋的風險承擔總額

Exposure class	風險承擔類別	Exposure amount covered 已涵蓋的風險承擔金額 2009 HK$ Mn 港幣百萬元	2008 HK$ Mn 港幣百萬元
Bank	銀行	**413**	147
Corporate	企業	**43,370**	40,028
Retail	零售	**53,460**	48,676
Total	總額	**97,243**	88,851

The total exposures indicated above represent 25.47% of the total exposure amount under IRB Approach as at 31st December, 2009 and 23.83% as at 31st December, 2008.

於2009年12月31日及2008年12月31日，上述所示的風險承擔總額分別佔內部評級基準計算法下風險承擔總額的25.47%及23.83%。

(c) Total exposures covered by recognised collateral under Standardised Approach

(c) 標準計算法下以認可抵押品涵蓋的風險承擔總額

Exposure class	風險承擔類別	Exposure amount covered 已涵蓋的風險承擔金額 2009 HK$ Mn 港幣百萬元	2008 HK$ Mn 港幣百萬元
Bank	銀行	**1**	2
Corporate	企業	**2,753**	3,225
Regulatory retail	監管零售	**1**	3
Residential mortgage	住宅按揭	**343**	161
Other exposures which are not past due	未逾期的其他風險承擔	**2,384**	1,254
Past due	逾期	**30**	–
Counterparty	交易對手	**245**	537
Off balance sheet	資產負債表外項目	**1,643**	1,420
Total	總額	**7,400**	6,602

The total exposures indicated above represent 8.41% of the total exposure amount under Standardised Approach as at 31st December, 2009 and 8.56% as at 31st December, 2008.

於2009年12月31日及2008年12月31日，上述所示的風險承擔總額分別佔標準計算法下風險承擔總額的8.41%及8.56%。

(10) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE 與交易對手信貸風險相關的風險承擔

The Bank has in place a set of internal policies and a comprehensive framework to effectively manage the counterparty credit risk which arises from OTC derivative transactions in banking book and trading book. Under this management framework, distinct credit limits for counterparty credit exposure for individual counterparties are determined based on the credit standing of the counterparties while the exposure amount are measured and monitored by the credit equivalent amount which comprises replacement cost and potential exposure.

本行已制訂一系列內部政策及完善的管理架構，以有效地管理本行的銀行賬及交易賬中由場外衍生工具交易引致的交易對手信貸風險。在這管理架構下，不同交易對手的交易對手風險信貸限額會根據個別交易對手的信用狀況釐定，而相關的風險承擔金額則會以由取代成本及潛在風險組成的信貸等值金額計算及監控。

At 31st December, 2009, there are no repo-style transactions nor credit derivative contracts in the Bank. No recognised credit derivative contracts is held as credit protection for counterparty credit risk-related exposures while credit protection adopted by the Bank for counterparty credit risk-related exposures at 31st December, 2009 includes commercial real estates, financial cash and financial non-cash. Credit equivalent amount after credit protection under IRB approach amounts to HK$1,448 million (2008: HK$1,690 million) while the credit equivalent amount after credit protection under Standardised approach amounts to HK$182 million (2008: HK$238 million).

於2009年12月31日，本行並無回購形式交易或信貸衍生工具合同。於2009年12月31日，本行持有認可抵押品作為與交易對手信貸風險相關的風險承擔的信貸保障，當中的認可抵押品包括商業地產，金融現金抵押品和金融非現金抵押品，但並不包括認可信貸衍生工具合同。內部評級基準計算法下不受信貸保障涵蓋的信貸等值金額為港幣1,448,000,000元(2008年：港幣1,690,000,000元)，而在標準計算法下不受信貸保障涵蓋的信貸等值數額則為港幣182,000,000元(2008年：港幣238,000,000元)。

(a) Counterparty credit risk-related exposures under IRB Approach

The following tables indicate the information of counterparty credit risk-related exposures under IRB approach by exposure class as at 31st December, 2009 and 31st December, 2008 respectively:

(a) 內部評級基準計算法下與交易對手信貸風險相關的風險承擔

於2009年12月31日及2008年12月31日，下表分別顯示按不同風險承擔類別劃分的內部評級基準計算法下與交易對手信貸風險相關的風險承擔的資料：

2009

Exposure class	**風險承擔類別**	**Current exposure 現行風險承擔 HK$ Mn 港幣百萬元**	**Credit equivalent amount 信貸等值金額 HK$ Mn 港幣百萬元**	**Risk weighted amount 風險加權金額 HK$ Mn 港幣百萬元**
Corporate	企業	**51**	**161**	**36**
Bank	銀行	**496**	**1,394**	**533**
Total	總額	**547**	**1,555**	**569**

2008

Exposure class	風險承擔類別	Current exposure 現行風險承擔 HK$ Mn 港幣百萬元	Credit equivalent amount 信貸等值金額 HK$ Mn 港幣百萬元	Risk weighted amount 風險加權金額 HK$ Mn 港幣百萬元
Corporate	企業	106	212	79
Bank	銀行	687	1,559	451
Total	總額	793	1,771	530

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(10)COUNTERPARTY CREDIT RISK-RELATED EXPOSURE (CONTINUED)
與交易對手信貸風險相關的風險承擔(續)

(b) Counterparty credit risk-related exposures under Standardised Approach

The following tables indicate the information of counterparty credit risk-related exposures under Standardised Approach as at 31st December, 2009 and 31st December, 2008 respectively:

(b) 標準計算法下與交易對手信貸風險相關的風險承擔

於2009年12月31日及2008年12月31日，下表分別顯示標準計算法下與交易對手信貸風險相關的風險承擔的資料：

2009

Current exposure **現行風險承擔** **HK$ Mn** **港幣百萬元**	**Credit equivalent amount** **信貸等值金額** **HK$ Mn** **港幣百萬元**	**Risk weighted amount** **風險加權金額** **HK$ Mn** **港幣百萬元**
248	**426**	**145**

2008

Current exposure 現行風險承擔 HK$ Mn 港幣百萬元	Credit equivalent amount 信貸等值金額 HK$ Mn 港幣百萬元	Risk weighted amount 風險加權金額 HK$ Mn 港幣百萬元
598	775	208

(11)ASSET SECURITISATION 資產證券化

During the year, the Bank only acts as an investor in all securitisation exposures. Ratings from Moody's Investors Service and Standard & Poor's are adopted in assessing securitisation exposures. Since the securitisation exposures held by the Bank are all rated by recognised ECAI designated by the Capital Rules, Ratings-based Approach is used to calculate the risk-weighted amount for the exposures. The Bank closely monitors the risk arising from these exposures.

年內，本行在所有證券化類別風險承擔僅作為投資者。評估證券化類別風險承擔時採納穆迪投資服務及標準普爾的評級。由於本行持有的證券化類別風險承擔均經資本規則指定的認可外部信貸評估機構評級，故使用評級基準計算法以計算風險承擔的風險加權金額。本行緊密監察有關風險承擔所產生的風險。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

All securitisation exposures are rated and those with investment grades are under senior positions backed by granular pools. The following table indicates the total principal amount and the respective risk weighted amount of all securitisation exposure as at 31st December, 2009 and 31st December 2008:

證券化類別風險承擔均獲評級，有投資評級的證券化類別風險承擔會被歸類為以多元化組合支持的高級持倉。下表顯示於2009年12月31日及2008年12月31日所有證券化類別風險承擔的本金總額及相應的風險加權金額：

Risk weight 風險權重	Principal amount 本金額		Risk weighted amount 風險加權金額	
	2009 HK$ Mn 港幣百萬元	2008 HK$ Mn 港幣百萬元	**2009 HK$ Mn 港幣百萬元**	2008 HK$ Mn 港幣百萬元
20%	–	–	–	–
50%	–	–	–	–
60%	–	10	–	6
75%	–	–	–	–
100%	–	–	–	–
250%	–	–	–	–
425%	–	–	–	–
Total 總額	–	10	–	6

Capital requirement of securitisation exposure under IRB approach at 31st December, 2009 was HK$0.02 million and HK$0.5 million at 31st December, 2008. The deductible items from core and supplementary capital under asset securitisation at 31st December, 2009 amounted to HK$Nil and HK$0.05 million at 31st December, 2008.

於2009年12月31日及2008年12月31日，內部評級基準計算法下證券化類別風險承擔的資本要求為港幣20,000元及港幣500,000元。於2009年12月31日及2008年12月31日，資產證券化下自核心及附加資本可扣除的項目為港幣零元及港幣50,000元。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(12)EQUITY EXPOSURES BOOKED IN BANKING BOOK 銀行賬下的股權風險承擔

The Bank deducts those equity holdings taken for relationship and strategic reasons from the core & supplementary capital and includes those equity holdings taken for other reasons in the risk-weighted assets for capital adequacy ratio purpose.

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。

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.

我行處理所有可供出售金融資產，包括銀行賬下的股權風險承擔時，均採用已詳列於本行之賬項附註中相同之會計技巧及評估方式。有關處理方法在周年報告期內並無重大改變。

		For the year ended 31st December, 2009 截至2009年12月31日止之財政年度	
		The Group 集團	**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	來自出售和兑現持有股權的累積實現收益或（虧損）	**76**	**–**
Total unrealised gains or (losses) recognised in the Bank's reserves but not through the income statement	在儲備內確認，但沒有經收益表入賬的未實現收益或（虧損）的總計	**514**	**223**
Unrealised gains included in or (losses deducted from) the Bank's supplementary capital for capital adequacy ratio purpose	為計算資本充足比率而包括在附加資本內的任何未實現收益的金額或（從該附加資本中扣減的未實現虧損的金額）	**424**	**424**

		For the year ended 31st December, 2008 截至2008年12月31日止之財政年度	
		The Group 集團	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	來自出售和兑現持有股權的累積實現收益或（虧損）	185	186
Total unrealised gains or (losses) recognised in the Bank's reserves but not through the income statement	在儲備內確認，但沒有經收益表入賬的未實現收益或（虧損）的總計	(703)	(467)
Unrealised gains included in or (losses deducted from) the Bank's supplementary capital for capital adequacy ratio purpose	為計算資本充足比率而包括在附加資本內的任何未實現收益的金額或（從該附加資本中扣減的未實現虧損的金額）	159	159

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

Full year results announced	11th February, 2010
Ex-all date for final dividend	26th March, 2010
Closure of register of members - final dividend	30th March, 2010 and 31st March, 2010
Record date for final dividend	31st March, 2010
Despatch of Scrip Dividend Scheme Listing Document and Form of Election	(on or about) 31st March, 2010
Closure of register of members - Annual General Meeting	21st April, 2010 and 22nd April, 2010
Annual General Meeting	22nd April, 2010
Despatch of final dividend warrants and share certificates	(on or about) 23rd April, 2010
2010 interim results to be announced	August, 2010*
** Subject to change*	

DIVIDEND

The Board recommends the payment of a final dividend of HK$0.48 per share for 2009. Subject to shareholders' approval, the final dividend will be payable in cash with a scrip dividend option under the Scrip Dividend Scheme to shareholders on the register of members as at Wednesday, 31st March, 2010. The Scrip Dividend Scheme is 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.

The Listing Document containing details of the Scrip Dividend Scheme and the Form of Election will be sent to shareholders on or about Wednesday, 31st March, 2010. 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 by 4:00 p.m. Friday, 16th April, 2010.

The dividend warrants and the share certificates for the scrip dividend will be dispatched to shareholders on or about Friday, 23rd April, 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Bank will be closed on Tuesday, 30th March, 2010 and Wednesday, 31st March, 2010 for the purpose of determining shareholders who qualify for the final dividend. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Bank's Registrars by 4:00p.m. Monday, 29th March, 2010. In addition, the Register of Members of the Bank will also be closed on Wednesday, 21st April, 2010 and Thursday, 22nd April, 2010 for the purpose of determining shareholders who are entitled to attend and vote at the 2010 AGM. In order to qualify for attending and voting at the 2010 AGM, all transfer documents should be lodged with the Bank's Registrars by 4:00 p.m. Tuesday, 20th April, 2010.

SHARE LISTING

The Stock Exchange of Hong Kong Limited

SHARE REGISTRARS

Tricor Standard Limited
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Facsimile: (852) 2861 1465

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The Bank of New York Mellon
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股東資料

財務日誌

公佈全年業績	2010年2月11日
末期股息除淨日期	2010年3月26日
暫停辦理過戶登記手續 - 末期股息	2010年3月30日 及2010年3月31日
末期股息記錄日期	2010年3月31日
寄發以股代息計劃上市文件及選擇表格	(約於)2010年3月31日
暫停辦理過戶登記手續 - 股東周年常會	2010年4月21日 及2010年4月22日
股東周年常會	2010年4月22日
寄發末期股息單及股票	(約於)2010年4月23日
公佈2010年度中期業績	2010年8月*
** 可予更改*	

股息

董事會建議派發2009年度末期股息每股港幣0.48元。待股東批准後，末期股息將以現金派發予於2010年3月31日星期三於股東名冊之股東，並按以股代息計劃隨附以股代息選擇。惟以股代息計劃須待香港聯合交易所有限公司上市委員會批准新股上市買賣方可作實。

載有以股代息計劃詳情的上市文件及選擇表格將約於2010年3月31日星期三寄予股東。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2010年4月16日星期五 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將約於2010年4月23日星期五寄予股東。

過戶日期

本行將於2010年3月30日星期二及2010年3月31日星期三暫停辦理股票過戶登記，以決定合資格享有末期股息股東之身分。如欲享有上述末期股息，請於2010年3月29日星期一下午4時前將過戶文件送達本行股份登記處。此外，本行亦將於2010年4月21日星期三及2010年4月22日星期四暫停辦理股票過戶登記，以決定合資格出席2010股東周年常會並於會上投票股東之身分。如欲出席及在2010股東周年常會上投票，請於2010年4月20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

香港聯合交易所有限公司

股份登記處

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This Document in both English and Chinese is now available in printed form and on the website of the Bank at http://www.hkbea.com.
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.

此文件備有中文及英文印刷本，以及載於本行網站（網址為http://www.hkbea.com）的網上電子版本。
為減少企業通訊印刷本的數量及減低對環境的影響，本行鼓勵各股東閱覽網上電子版本。若股東作出此選擇，請以書面通知本行股份登記處卓佳標準有限公司，地址為香港皇后大道東28號金鐘匯中心26樓，傳真號碼為(852) 2861 1465。

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