



(Stock Code 股份代號：23)

# Interim Report 2016 中期報告

## Contents 目錄

<b>Financial Highlights</b>	<b>1</b>	財務摘要	<b>109</b>
<b>Corporate Information</b>	<b>2</b>	公司資料	<b>110</b>
<b>Interim Results</b>	<b>3</b>	中期業績	<b>111</b>
Consolidated Income Statement	3	綜合收益表	111
Consolidated Statement of Comprehensive Income	5	綜合全面收益表	113
Consolidated Statement of Financial Position	6	綜合財務狀況表	114
Consolidated Statement of Changes in Equity	7	綜合權益變動表	115
Condensed Consolidated Cash Flow Statement	8	簡略綜合現金流量表	116
Notes to the Interim Financial Statements	9	中期財務報表附註	117
Supplementary Financial Information	62	補充財務資料	170
<b>Independent Review Report</b>	<b>73</b>	獨立審閱報告	<b>181</b>
<b>Interim Dividend</b>	<b>74</b>	中期股息	<b>182</b>
<b>Closure of Register of Members</b>	<b>74</b>	過戶日期	<b>182</b>
<b>Financial Review</b>	<b>74</b>	財務回顧	<b>182</b>
<b>Economic Overview</b>	<b>76</b>	經濟概覽	<b>184</b>
<b>Operations Review</b>	<b>76</b>	業務回顧	<b>184</b>
<b>Risk Management</b>	<b>82</b>	風險管理	<b>190</b>
<b>Corporate Social Responsibility</b>	<b>92</b>	企業社會責任	<b>200</b>
<b>Recognition</b>	<b>94</b>	獎項	<b>202</b>
<b>Changes to Information in respect of Directors</b>	<b>96</b>	董事資料的變動	<b>204</b>
<b>Interests of Directors and Chief Executive</b>	<b>98</b>	董事及行政總裁權益	<b>206</b>
<b>Information on Share Options</b>	<b>101</b>	認股權資料	<b>209</b>
<b>Interests of Substantial Shareholders and Other Persons</b>	<b>105</b>	主要股東及其他人士的權益	<b>213</b>
<b>Purchase, Sale or Redemption of the Bank's Listed Securities</b>	<b>107</b>	購入、出售或贖回本行的上市證券	<b>215</b>
<b>Compliance with Corporate Governance Code</b>	<b>107</b>	遵守企業管治守則	<b>215</b>
<b>Compliance with Model Code</b>	<b>108</b>	遵守標準守則	<b>216</b>
<b>Publication of Interim Report</b>	<b>108</b>	刊發中期報告	<b>216</b>
<b>Glossary</b>	<b>217</b>	詞彙	<b>217</b>

## FINANCIAL HIGHLIGHTS

	30 June 2016	30 June 2015	31 December 2015
<b>For the half year ended</b>			
<b>Profitability</b>	HK\$ Mn	HK\$ Mn	HK\$ Mn
Total operating income from continuing operations	7,130	8,101 <sup>1</sup>	7,766 <sup>1</sup>
Profit attributable to owners of the parent from continuing operations	1,981	3,242 <sup>1</sup>	2,063 <sup>1</sup>
Profit attributable to owners of the parent	2,095	3,354	2,168
<b>Earnings Per Share and Dividends Per Share</b>	HK\$	HK\$	HK\$
Basic earnings from continuing operations	0.65	1.24 <sup>1</sup>	0.62 <sup>1</sup>
Basic earnings	0.69	1.28	0.67
Dividends	0.28	0.38	0.50
<b>Key Ratios</b>	%	%	%
Return on average assets (annualised)	0.5	0.8	0.5
Return on average equity (annualised)	4.8	8.7 <sup>1</sup>	4.6
Cost-to-income ratio from continuing operations	59.4	52.0 <sup>1</sup>	60.4 <sup>1</sup>
Average liquidity coverage ratio – first quarter	151.3	127.2	N.A.
– second quarter	141.2	137.5	N.A.
– third quarter	N.A.	N.A.	132.1
– fourth quarter	N.A.	N.A.	151.2

### At period/year end

<b>Balance Sheet Strength</b>	HK\$ Mn	HK\$ Mn	HK\$ Mn
Total advances to customers and trade bills	463,432	498,868	461,039
Total assets	756,571	815,986	781,364
Total deposits	559,899	597,889	578,020
Total equity	87,035	82,869	85,641
<b>Key Ratios</b>	%	%	%
Loan to deposit ratio	80.2	75.7	76.4
Impaired loan ratio	1.2	1.0	1.1
Common Equity Tier 1 capital ratio	12.6	13.2	12.2
Tier 1 capital ratio	14.0	13.8	13.7
Total capital ratio	17.4	17.6	17.2

<sup>1</sup> Restated

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

#### ***Executive Directors***

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

Mr. Adrian David LI Man-kiu  
*(Deputy Chief Executive)*

Mr. Brian David LI Man-bun  
*(Deputy Chief Executive)*

#### ***Non-executive Directors***

Professor Arthur LI Kwok-cheung  
*(Deputy Chairman)*

Mr. Aubrey LI Kwok-sing

Mr. Stephen Charles LI Kwok-sze

Dr. Isidro FAINÉ CASAS

Dr. Peter LEE Ka-kit

Mr. Masayuki OKU

#### ***Independent Non-executive Directors***

Dr. Allan WONG Chi-yun  
*(Deputy Chairman)*

Mr. Winston LO Yau-lai

Mr. Richard LI Tzar-kai

Mr. Kenneth LO Chin-ming

Mr. William DOO Wai-hoi

Mr. KUOK Khoon-ean

Mr. Valiant CHEUNG Kin-piu

Dr. Daryl NG Win-kong

Dr. the Hon. Rita FAN HSU Lai-tai

### **SENIOR ADVISORS**

Mr. Joseph PANG Yuk-wing

Mr. CHAN Kay-cheung

Mr. CHAN Tze-ching

### **SENIOR MANAGEMENT**

Mr. Adrian David LI Man-kiu  
*Executive Director & Deputy Chief Executive*

Mr. Brian David LI Man-bun  
*Executive Director & Deputy Chief Executive*

Mr. Samson LI Kai-cheong  
*Deputy Chief Executive & Chief Investment Officer*

Mr. TONG Hon-shing  
*Deputy Chief Executive & Chief Operating Officer*

### **COMPANY SECRETARY**

Mr. Alson LAW Chun-tak

### **AUDITORS**

KPMG

*Certified Public Accountants*

### **SHARE LISTING**

The Stock Exchange of Hong Kong Limited

### **SHARE REGISTRARS**

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## INTERIM RESULTS

The Board of Directors of the Bank is pleased to announce the unaudited results (Note 1(a)) of the Group for the six months ended 30th June, 2016. The interim financial report is prepared on a basis consistent with the accounting policies and methods adopted in the 2015 audited financial statements, except for the accounting policy changes that are expected to be reflected in the 2016 audited financial statements. Details of these changes in accounting policies are set out in Note 2. The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the HKICPA. KPMG's independent review report to the Board is included on page 73.

### Consolidated Income Statement

		6 months ended 30/6/2016	6 months ended 30/6/2015 Restated
	Notes	HK\$ Mn	HK\$ Mn
<b>CONTINUING OPERATIONS</b>			
Interest income	3	10,361	12,328
Interest expense	4	(4,878)	(6,145)
Net interest income		5,483	6,183
Fee and commission income	5	1,678	2,056
Fee and commission expense		(425)	(467)
Net fee and commission income		1,253	1,589
Net trading losses	6	(32)	(34)
Net result from financial instruments designated at fair value through profit or loss	7	(2)	(24)
Net hedging loss	8	(4)	(23)
Net insurance revenue	9	228	203
Other operating income	10	204	207
Non-interest income		1,647	1,918
Operating income		7,130	8,101
Operating expenses	11	(4,239)	(4,216)
Operating profit before impairment losses		2,891	3,885
Impairment losses on loans and advances		(1,241)	(776)
Impairment losses on available-for-sale financial assets		–	(1)
Impairment losses		(1,241)	(777)
Operating profit after impairment losses		1,650	3,108
Net profit on sale of held-to-maturity investments		6	3
Net profit on sale of available-for-sale financial assets	12	40	54
Net loss on sale of loans and receivables		–	(2)
Net profit on disposal of assets held for sale		13	–
Net gain on disposal of fixed assets	13	770	112
Valuation gains on investment properties	22	45	340
Share of profits less losses of associates		192	253
Profit for the period before taxation		2,716	3,868
Income tax	14		
Current tax			
– Hong Kong		(281)	(407)
– Outside Hong Kong		(674)	(363)
Deferred tax		228	162
Profit for the period from continuing operations		1,989	3,260
<b>DISCONTINUED OPERATIONS</b>			
Profit from discontinued operations	38	159	155
Profit for the period		2,148	3,415

## Consolidated Income Statement (Continued)

		6 months ended 30/6/2016	6 months ended 30/6/2015 Restated
	Notes	HK\$ Mn	HK\$ Mn
Attributable to:			
Owners of the parent			
– from continuing operations		1,981	3,242
– from discontinued operations		114	112
		<u>2,095</u>	<u>3,354</u>
Non-controlling interests		53	61
		<u>2,148</u>	<u>3,415</u>
Profit for the period		<u>2,148</u>	<u>3,415</u>
Profit for the Bank		<u>1,682</u>	<u>2,193</u>
Per share			
Basic earnings	1(b)		
– profit for the period		HK\$0.69	HK\$1.28
– profit from continuing operations		HK\$0.65	HK\$1.24
Diluted earnings	1(b)		
– profit for the period		HK\$0.69	HK\$1.28
– profit from continuing operations		HK\$0.65	HK\$1.24

## Consolidated Statement of Comprehensive Income

		6 months ended 30/6/2016	6 months ended 30/6/2015
	Notes	HK\$ Mn	HK\$ Mn
Net profit		2,148	3,415
Other comprehensive income for the period:			
Items that will not be reclassified to income statement:			
Premises:			
– unrealised surplus on revaluation of premises		24	–
Items that may be reclassified subsequently to income statement:			
Premises:			
– deferred taxes		–	(14)
Available-for-sale investment revaluation reserve:			
– fair value changes recognised to equity		47	338
– fair value changes reclassified from/(to) income statement:			
– on impairment and amortisation		18	10
– on disposal	12	(25)	(102)
– deferred taxes	28	33	(23)
Share of changes in equity of associates		113	24
Exchange differences on translation of:			
– accounts of overseas branches, subsidiaries and associates		(375)	(349)
Other comprehensive income		(165)	(116)
Total comprehensive income		1,983	3,299
Total comprehensive income attributable to:			
Owners of the parent		1,921	3,246
Non-controlling interests		62	53
		1,983	3,299

## Consolidated Statement of Financial Position

		30/6/2016	31/12/2015
	Notes	HK\$ Mn	HK\$ Mn
<b>ASSETS</b>			
Cash and balances with banks and other financial institutions		48,830	69,122
Placements with banks and other financial institutions	15	58,500	80,828
Trade bills	16	14,615	19,532
Trading assets	17	6,560	5,335
Financial assets designated at fair value through profit or loss	18	3,163	4,336
Positive fair value of derivatives	33(a)	5,775	6,205
Advances to customers and other accounts	19	481,445	473,088
Available-for-sale financial assets	20	110,947	93,595
Held-to-maturity investments	21	5,323	6,199
Investments in associates		6,193	5,763
Fixed assets	22	12,157	13,297
– Investment properties		4,350	4,891
– Other property and equipment		7,807	8,406
Goodwill and intangible assets		2,658	3,883
Deferred tax assets	28	405	181
<b>Total Assets</b>		<b>756,571</b>	<b>781,364</b>
<b>EQUITY AND LIABILITIES</b>			
Deposits and balances of banks and other financial institutions		29,979	32,126
Deposits from customers		528,149	540,743
– Demand deposits and current accounts		67,840	73,471
– Savings deposits		117,904	113,332
– Time, call and notice deposits		342,405	353,940
Trading liabilities	23	55	889
Negative fair value of derivatives	33(a)	6,113	6,909
Certificates of deposit issued		31,750	37,277
– Designated at fair value through profit or loss		19,206	16,457
– At amortised cost		12,544	20,820
Current taxation		1,816	1,325
Debt securities issued		7,993	13,597
– Designated at fair value through profit or loss		425	2,539
– At amortised cost		7,568	11,058
Deferred tax liabilities	28	506	534
Other accounts and provisions	24	45,699	45,327
Loan capital – at amortised cost	25	17,476	16,996
<b>Total Liabilities</b>		<b>669,536</b>	<b>695,723</b>
Share capital	1(d)	34,875	33,815
Reserves	29	43,965	43,598
<b>Total equity attributable to owners of the parent</b>		<b>78,840</b>	<b>77,413</b>
Additional equity instruments		5,016	5,016
Non-controlling interests		3,179	3,212
<b>Total Equity</b>		<b>87,035</b>	<b>85,641</b>
<b>Total Equity and Liabilities</b>		<b>756,571</b>	<b>781,364</b>



## Consolidated Statement of Changes in Equity

	Share capital	Capital reserve – staff share options issued	Exchange revaluation reserve	Investment revaluation reserve	Revaluation reserve of bank premises	Capital reserve	General reserve	Other reserves <sup>2</sup>	Retained profits	Total	Additional equity instruments	Non-controlling interests	Total equity
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
At 1st January, 2016	33,815	90	(162)	1,383	1,639	230	13,953	4,666	21,799	77,413	5,016	3,212	85,641
Changes in equity													
Profit for the period	-	-	-	-	-	-	-	-	2,095	2,095	-	53	2,148
Other comprehensive income	-	-	(384)	73	24	-	-	113	-	(174)	-	9	(165)
Total comprehensive income	-	-	(384)	73	24	-	-	113	2,095	1,921	-	62	1,983
Shares issued in lieu of dividend (Note 1(d))	1,060	-	-	-	-	-	-	-	-	1,060	-	-	1,060
Equity settled share-based transaction	-	16	-	-	-	-	-	-	-	16	-	-	16
Transfer	-	-	-	-	(62)	-	62	127	(127)	-	-	-	-
Dividends declared or approved during the period (Note 1(c))	-	-	-	-	-	-	-	-	(1,564)	(1,564)	-	(48)	(1,612)
Buy back of Hybrid Tier 1 capital instruments <sup>1</sup>	-	-	-	-	-	-	-	-	(6)	(6)	-	(47)	(53)
At 30th June, 2016	<u>34,875</u>	<u>106</u>	<u>(546)</u>	<u>1,456</u>	<u>1,601</u>	<u>230</u>	<u>14,015</u>	<u>4,906</u>	<u>22,197</u>	<u>78,840</u>	<u>5,016</u>	<u>3,179</u>	<u>87,035</u>
At 1st January, 2015	25,217	84	1,970	1,660	1,642	228	13,930	4,300	19,849	68,880	-	4,564	73,444
Changes in equity													
Profit for the period	-	-	-	-	-	-	-	-	3,354	3,354	-	61	3,415
Other comprehensive income	-	-	(341)	223	(14)	-	-	24	-	(108)	-	(8)	(116)
Total comprehensive income	-	-	(341)	223	(14)	-	-	24	3,354	3,246	-	53	3,299
Shares issued in lieu of dividend	1,216	-	-	-	-	-	-	-	-	1,216	-	-	1,216
Subscription of new shares	6,576	-	-	-	-	-	-	-	-	6,576	-	-	6,576
Shares issued under Staff Share Option Schemes	131	-	-	-	-	-	-	-	-	131	-	-	131
Equity settled share-based transaction	-	12	-	-	-	-	-	-	-	12	-	-	12
Transfer	13	(13)	-	-	-	2	-	114	(116)	-	-	-	-
Dividends declared or approved during the period (Note 1(c))	-	-	-	-	-	-	-	-	(1,762)	(1,762)	-	(47)	(1,809)
At 30th June, 2015	<u>33,153</u>	<u>83</u>	<u>1,629</u>	<u>1,883</u>	<u>1,628</u>	<u>230</u>	<u>13,930</u>	<u>4,438</u>	<u>21,325</u>	<u>78,299</u>	<u>-</u>	<u>4,570</u>	<u>82,869</u>

1. During the period, the Bank bought back HK\$47 million Hybrid Tier 1 capital instruments which are classified as non-controlling interests in the consolidated financial statements. The purchase premium of HK\$6 million paid in excess of the carrying amount of the non-controlling interests acquired was charged to retained profits.
2. Other reserves include statutory reserve and other reserves.

## Condensed Consolidated Cash Flow Statement

		6 months ended 30/6/2016	6 months ended 30/6/2015 Restated
	Notes	HK\$ Mn	HK\$ Mn
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS		(10,130)	16,956
Income tax paid			
Hong Kong profits tax paid		(6)	(3)
Outside Hong Kong profits tax paid		(436)	(283)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		(10,572)	16,670
INVESTING ACTIVITIES			
Dividends received from associates		51	9
Dividends received from available-for-sale equity securities		15	13
Purchase of equity securities		(1,396)	(1,523)
Proceeds from sale of equity securities		1,097	1,123
Purchase of fixed assets		(188)	(143)
Proceeds from disposal of other property and equipment		958	156
Proceeds from disposal of investment properties		651	–
Proceeds from disposal of assets held for sale		646	–
Disposal/(Purchase) of shareholding in associates		2	(61)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		1,836	(426)
FINANCING ACTIVITIES			
Ordinary dividends paid		(308)	(428)
Distribution to Hybrid/Additional Tier 1 issue holders	1(c)	(244)	(165)
Issue of ordinary share capital		–	131
Subscription of new shares	1(d)	–	6,576
Issue of certificates of deposit		22,921	43,695
Issue of debt securities		687	9,167
Buy back of Hybrid Tier 1 issued		(53)	–
Redemption of certificates of deposit issued		(27,753)	(41,837)
Redemption of debt securities issued		(6,542)	(14,814)
Interest paid on loan capital		(452)	(451)
Interest paid on certificates of deposit issued		(303)	(466)
Interest paid on debt securities issued		(127)	(288)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		(12,174)	1,120
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(20,910)	17,364
CASH AND CASH EQUIVALENTS AT 1ST JANUARY		110,966	71,986
Effect of foreign exchange rate changes		(1,494)	(62)
CASH AND CASH EQUIVALENTS AT 30TH JUNE	30	88,562	89,288
Cash flows from operating activities included:			
Interest received		10,875	12,379
Interest paid		5,693	6,442
Dividend received		38	38

## Notes to the Interim Financial Statements

1. (a) This interim report has been prepared in accordance with the same accounting policies adopted in the 2015 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2016 annual financial statements. Details of these changes in accounting policies are set out in Note 2 below.

The financial information relating to the financial year ended 31st December, 2015 that is included in the interim financial report as comparative information does not constitute the Bank's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Bank has delivered the financial statements for the year ended 31st December 2015 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Bank's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

- (b) (i) The calculation of basic earnings per share is based on the consolidated profit for the period and profit from continuing operations attributable to owners of the parent of HK\$1,845 million and HK\$1,731 million (six months ended 30th June, 2015: HK\$3,189 million and HK\$3,077 million) respectively after the distribution of HK\$244 million (six months ended 30th June, 2015: HK\$165 million) to Hybrid/Additional Tier 1 issue holders and deduction of HK\$6 million (30th June, 2015: Nil) premium paid to partial bought back of Hybrid Tier 1 capital instruments, and on the weighted average of 2,662 million (six months ended 30th June, 2015: 2,489 million) ordinary shares outstanding during the six months ended 30th June, 2016.
- (ii) The calculation of diluted earnings per share is based on the consolidated profit for the period and profit from continuing operations attributable to owners of the parent of HK\$1,845 million and HK\$1,731 million (six months ended 30th June, 2015: HK\$3,189 million and HK\$3,077 million) respectively after the distribution of HK\$244 million (six months ended 30th June, 2015: HK\$165 million) to Hybrid/Additional Tier 1 issue holders and deduction of HK\$6 million (30th June, 2015: Nil) premium paid to partial bought back of Hybrid Tier 1 capital instruments, and on 2,662 million (six months ended 30th June, 2015: 2,490 million) ordinary shares, being the weighted average number of ordinary shares outstanding during the six months ended 30th June, 2016, adjusted for the effects of all dilutive potential shares.
- (c) Dividends
- (i) Dividends payable to equity owners of the parent attributable to the interim period

	6 months ended 30/6/2016	6 months ended 30/6/2015
	HK\$ Mn	HK\$ Mn
Interim dividend declared after the interim period of HK\$0.28 per share on 2,683 million shares (six months ended 30th June, 2015: HK\$0.38 per share on 2,617 million shares)	751	994

The interim dividend has not been recognised as a liability at the end of the reporting period.

## Notes to the Interim Financial Statements (Continued)

### 1. (c) Dividends (Continued)

- (ii) Dividends payable to equity owners of the parent attributable to the previous financial year, approved and paid during the interim period

	6 months ended 30/6/2016	6 months ended 30/6/2015
	HK\$ Mn	HK\$ Mn
Second interim dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the end of the reporting period and before the close of the Register of Members of the Bank, of HK\$0.50 per share (2015: HK\$0.68 per share)	–	1
Second interim dividend of HK\$0.50 per share on 2,641 million shares (2015: HK\$0.68 per share on 2,347 million shares)	1,320	1,596
	<u>1,320</u>	<u>1,597</u>

- (iii) Distribution to holders of Hybrid/Additional Tier 1 capital instruments

	6 months ended 30/6/2016	6 months ended 30/6/2015
	HK\$ Mn	HK\$ Mn
Interest paid/payable on the Hybrid Tier 1 capital instruments	105	165
Amount paid on the Additional Tier 1 capital instruments	139	–
	<u>244</u>	<u>165</u>

### (d) Share Capital

Movement of the Bank's ordinary shares is set out below:

	At 30th June, 2016		At 31st December, 2015	
	No. of shares		No. of shares	
	Mn	HK\$ Mn	Mn	HK\$ Mn
Ordinary shares, issued and fully paid:				
At 1st January	2,641	33,815	2,347	25,217
Subscription of new shares	–	–	223	6,576
Shares issued under Staff Share Option Schemes	–	–	5	150
Transfer of the fair value of options from capital reserve – share options issued	–	–	–	16
Share issued in lieu of dividend	42	1,060	66	1,856
	<u>2,683</u>	<u>34,875</u>	<u>2,641</u>	<u>33,815</u>
At 30th June/31st December	<u>2,683</u>	<u>34,875</u>	<u>2,641</u>	<u>33,815</u>

## Notes to the Interim Financial Statements (Continued)

### 2. Changes in Accounting Policies

The HKICPA has issued a numbers of amendments to HKFRSs that are first effective for the current accounting period of the Group.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. Interest Income

	6 months ended 30/6/2016	6 months ended 30/6/2015 Restated
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
Securities classified as held-to-maturity or available-for-sale	1,269	1,249
Trading assets	73	88
Financial assets designated at fair value through profit or loss	68	74
Loans, deposits with banks and financial institutions, and trade bills	8,951	10,917
	<u>10,361</u>	<u>12,328</u>

Included above is interest income accrued on impaired financial assets of HK\$190 million (six months ended 30th June, 2015: HK\$87 million).

Included within interest income is HK\$10,373 million (six months ended 30th June, 2015: HK\$12,249 million), before hedging effect, for financial assets that are not recognised at fair value through profit or loss.

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for or individually managed in conjunction with interest bearing financial assets are first netted together and then combined with the interest income from the corresponding financial assets.

### 4. Interest Expense

	6 months ended 30/6/2016	6 months ended 30/6/2015
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
Customer deposits, deposits of banks and other financial institutions and certificates of deposit issued which are stated at amortised cost	4,313	5,525
Debt securities issued		
– at amortised cost	86	146
– designated at fair value through profit or loss	114	147
Subordinated notes carried at amortised cost	364	317
Other borrowings	1	10
	<u>4,878</u>	<u>6,145</u>

## Notes to the Interim Financial Statements (Continued)

### 4. Interest Expense (Continued)

Included within interest expense is HK\$4,664 million (six months ended 30th June, 2015: HK\$6,131 million), before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for or individually managed in conjunction with interest bearing financial liabilities are first netted together and then combined with the interest expense from the corresponding financial liabilities.

### 5. Fee and Commission Income

Fee and commission income arises from the following services:

	6 months ended 30/6/2016	6 months ended 30/6/2015 Restated
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
Credit cards	484	460
Loans, overdrafts and guarantees	370	479
Trade finance	180	270
Other retail banking services	149	212
Securities and brokerage	111	274
Trust and other fiduciary activities	108	87
Others	276	274
	<u>1,678</u>	<u>2,056</u>
Total fee and commission income		
of which:		
Net fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading nor designated at fair value through profit or loss	1,262	1,603
Fee income	1,678	2,056
Fee expenses	(416)	(453)

### 6. Net Trading Losses

	6 months ended 30/6/2016	6 months ended 30/6/2015 Restated
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
Loss on dealing in foreign currencies and funding swaps	(517)	(599)
(Loss)/Profit on trading securities	(91)	277
Net gain on derivatives	554	263
Dividend income from listed trading securities	22	25
	<u>(32)</u>	<u>(34)</u>

## Notes to the Interim Financial Statements (Continued)

### 7. Net Result from Financial Instruments Designated at Fair Value through Profit or Loss

	6 months ended 30/6/2016	6 months ended 30/6/2015
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
Revaluation loss on debts issued	(2)	(40)
Profit on sale of debts issued	–	3
Revaluation (loss)/gain on financial assets	(3)	15
Profit/(Loss) on sale of financial assets	3	(2)
	<u>(2)</u>	<u>(24)</u>

### 8. Net Hedging Loss

	6 months ended 30/6/2016	6 months ended 30/6/2015
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
Fair value hedges		
– Net profit/(loss) on hedged items attributable to the hedged risk	454	(21)
– Net loss on hedging instruments	(458)	(2)
	<u>(4)</u>	<u>(23)</u>

There was insignificant ineffectiveness recognised in the Group's income statement arising from cash flow hedge for the six months ended 30th June, 2016 and 30th June, 2015.

### 9. Net Insurance Revenue

	6 months ended 30/6/2016	6 months ended 30/6/2015
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
(a) Net insurance revenue		
Net interest income	189	171
Net trading loss	(3)	(6)
Net (loss)/profit from financial instruments designated at fair value through profit or loss	(8)	28
Net hedging loss	(4)	(2)
Net insurance premium and other income	2,341	1,801
Other operating income	–	3
	<u>2,515</u>	<u>1,995</u>
Net insurance claims and expenses	(c) <u>(2,312)</u>	<u>(1,904)</u>
	203	91
Operating expenses	(1)	(1)
Impairment loss on available-for-sale financial assets	(19)	(9)
Net profit on sale of available-for-sale financial assets	45	122
	<u>228</u>	<u>203</u>

## Notes to the Interim Financial Statements (Continued)

### 9. Net Insurance Revenue (Continued)

	6 months ended 30/6/2016	6 months ended 30/6/2015
	HK\$ Mn	HK\$ Mn
(b) Net insurance premium and other income		
Gross insurance premium income	2,374	1,943
Reinsurer's share of gross insurance premium income	(33)	(142)
	<u>2,341</u>	<u>1,801</u>
(c) Net insurance claims and expenses		
Claims, benefits and surrenders paid	1,362	822
Movement in provisions	895	1,181
	<u>2,257</u>	<u>2,003</u>
Reinsurers' share of claim, benefits and surrenders paid	(33)	(21)
Reinsurers' share of movement in provisions	10	(139)
	<u>(23)</u>	<u>(160)</u>
	2,234	1,843
Net insurance commission expenses	78	61
	<u>2,312</u>	<u>1,904</u>

### 10. Other Operating Income

	6 months ended 30/6/2016	6 months ended 30/6/2015 Restated
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
Dividend income from available-for-sale financial assets		
– listed	8	5
– unlisted	7	8
Rental from safe deposit boxes	44	43
Rental income on properties	118	103
Others	27	48
	<u>204</u>	<u>207</u>



## Notes to the Interim Financial Statements (Continued)

### 11. Operating Expenses

	6 months ended 30/6/2016	6 months ended 30/6/2015 Restated
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
Contributions to defined contribution plan		
– Hong Kong	80	73
– Outside Hong Kong	172	161
Equity-settled share-based payment expenses	16	12
Salaries and other staff costs	2,128	2,014
	<hr/>	<hr/>
Total staff costs	2,396	2,260
	<hr/>	<hr/>
Premises and equipment expenses excluding depreciation		
– Rental of premises	314	303
– Maintenance, repairs and others	279	275
	<hr/>	<hr/>
Total premises and equipment expenses excluding depreciation	593	578
	<hr/>	<hr/>
Depreciation on fixed assets	240	252
Amortisation of intangible assets	16	16
Other operating expenses		
– Legal and professional fees	213	190
– Stamp duty, overseas and PRC business taxes, and value added taxes	210	337
– Communications, stationery and printing	141	149
– Advertising expenses	111	118
– Business promotions and business travel	73	77
– Card related expenses	72	63
– Insurance expenses	40	32
– Membership fees	10	8
– Bank charges	5	4
– Donations	3	3
– Bank licence	2	2
– Others	114	127
	<hr/>	<hr/>
Total other operating expenses	994	1,110
	<hr/>	<hr/>
Total operating expenses	4,239	4,216
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the Interim Financial Statements (Continued)

### 12. Net Profit on Sale of Available-for-Sale Financial Assets

	6 months ended 30/6/2016	6 months ended 30/6/2015
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
Net revaluation gain transferred from reserves	25	102
Profit/(Loss) arising in the period	15	(48)
	<u>40</u>	<u>54</u>

### 13. Net Gain on Disposal of Fixed Assets

	6 months ended 30/6/2016	6 months ended 30/6/2015
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
Net gain on disposal of investment properties	146	–
Net gain on disposal of bank premises, furniture, fixtures and equipment	624	112
	<u>770</u>	<u>112</u>

### 14. Income Tax

Taxation in the consolidated income statement represents:

	6 months ended 30/6/2016	6 months ended 30/6/2015 Restated
	HK\$ Mn	HK\$ Mn
CONTINUING OPERATIONS		
Current tax – Hong Kong		
Tax for the year	264	389
Under-provision in respect of prior years	17	18
	<u>281</u>	<u>407</u>
Current tax – outside Hong Kong		
Tax for the year*	709	394
Write back of over-provision in respect of prior years	(35)	(31)
	<u>674</u>	<u>363</u>
Deferred tax		
Origination and reversal of temporary differences	(228)	(162)
	<u>727</u>	<u>608</u>

\* For the first half of 2016, certain properties in Mainland China was disposed of, which resulted in an impact of land value added tax and corporate income tax totalling HK\$396 million.

## Notes to the Interim Financial Statements (Continued)

### 14. Income Tax (Continued)

The provision for Hong Kong profits tax is calculated at 16.5% (six months ended 30th June, 2015: 16.5%) of the estimated assessable profits for the six months ended 30th June, 2016.

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

### 15. Placements with Banks and Other Financial Institutions

	<u>30/6/2016</u>	<u>31/12/2015</u>
	HK\$ Mn	HK\$ Mn
Placements with banks and authorised institutions	58,500	80,828
Placements with central banks	–	–
	<u>58,500</u>	<u>80,828</u>
Maturing		
– within one month	41,906	62,384
– between one month and one year	16,594	18,444
	<u>58,500</u>	<u>80,828</u>

### 16. Trade Bills

	<u>30/6/2016</u>	<u>31/12/2015</u>
	HK\$ Mn	HK\$ Mn
Gross trade bills	14,616	19,533
Less: Individual impairment allowances	(1)	(1)
	<u>14,615</u>	<u>19,532</u>

## Notes to the Interim Financial Statements (Continued)

### 17. Trading Assets

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	265	1,178
Certificates of deposit held	2,555	1,192
Debt securities	2,669	1,620
Equity securities	1,071	1,345
	<u>6,560</u>	<u>5,335</u>
Issued by:		
Central governments and central banks	277	1,189
Public sector entities	8	8
Banks and other financial institutions	4,935	2,768
Corporate entities	1,307	1,370
Other entities	33	–
	<u>6,560</u>	<u>5,335</u>
Analysed by place of listing:		
Debt securities		
Listed in Hong Kong	12	11
Listed outside Hong Kong	–	25
	<u>12</u>	<u>36</u>
Unlisted	5,477	3,954
	<u>5,489</u>	<u>3,990</u>
Equity securities		
Listed in Hong Kong	860	1,124
Listed outside Hong Kong	211	221
	<u>1,071</u>	<u>1,345</u>
	<u>6,560</u>	<u>5,335</u>

## Notes to the Interim Financial Statements (Continued)

### 18. Financial Assets Designated at Fair Value through Profit or Loss

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
Certificates of deposit held	–	476
Debt securities	2,880	3,410
Equity securities	194	326
Investment funds	89	124
	<u>3,163</u>	<u>4,336</u>
Issued by:		
Central governments and central banks	89	90
Banks and other financial institutions	1,530	2,012
Corporate entities	1,455	2,110
Other entities	89	124
	<u>3,163</u>	<u>4,336</u>
Analysed by place of listing:		
Debt securities		
Listed in Hong Kong	554	797
Listed outside Hong Kong	1,012	1,589
	<u>1,566</u>	<u>2,386</u>
Unlisted	1,314	1,500
	<u>2,880</u>	<u>3,886</u>
Equity securities		
Listed in Hong Kong	66	116
Listed outside Hong Kong	128	210
	<u>194</u>	<u>326</u>
Investment funds		
Listed in Hong Kong	4	20
Listed outside Hong Kong	8	15
	<u>12</u>	<u>35</u>
Unlisted	77	89
	<u>89</u>	<u>124</u>
	<u>3,163</u>	<u>4,336</u>

**Notes to the Interim Financial Statements (Continued)**

**19. Advances to Customers and Other Accounts**

**(a) Advances to customers and other accounts**

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
(i) Advances to customers	448,816	441,506
Less: Impairment allowances		
– Individual	(1,060)	(1,021)
– Collective	(1,617)	(1,360)
	<u>446,139</u>	<u>439,125</u>
(ii) Other accounts		
Advances to banks and other financial institutions	3	31
Less: Impairment allowances – Individual	(1)	(1)
	<u>2</u>	<u>30</u>
Notes and bonds	–	1
Accrued interest	2,121	2,635
Customer liabilities under acceptances	19,280	20,602
Other accounts	11,443	9,778
	<u>32,844</u>	<u>33,016</u>
Less: Impairment allowances		
– Individual	(3)	(19)
– Collective	(1)	(19)
	<u>32,840</u>	<u>32,978</u>
(iii) Assets held for sale (Note 38)	<u>2,464</u>	<u>955</u>
	<u><u>481,445</u></u>	<u><u>473,088</u></u>

## Notes to the Interim Financial Statements (Continued)

### 19. Advances to Customers and Other Accounts (Continued)

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

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

	30/6/2016		31/12/2015	
	Gross advances	% of secured advances	Gross advances	% of secured advances
	HK\$ Mn	%	HK\$ Mn	%
Loans for use in Hong Kong				
Industrial, commercial and financial				
– Property development	13,483	69.54	13,009	67.44
– Property investment	41,572	91.82	41,890	87.44
– Financial concerns	10,415	69.26	10,011	70.44
– Stockbrokers	3,990	94.83	2,894	85.34
– Wholesale and retail trade	16,385	73.09	18,250	67.56
– Manufacturing	3,912	61.66	4,494	55.72
– Transport and transport equipment	5,887	78.75	5,758	80.15
– Recreational activities	148	73.86	155	56.66
– Information technology	2,096	0.92	1,251	27.87
– Others	21,541	79.93	21,370	76.27
– Sub-total	119,429	79.47	119,082	76.51
Individuals				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	1,033	99.98	1,050	100.00
– Loans for the purchase of other residential properties	40,916	100.00	40,805	100.00
– Credit card advances	3,910	0.00	4,552	0.00
– Others	23,072	86.07	21,191	83.99
– Sub-total	68,931	89.66	67,598	88.25
Total loans for use in Hong Kong	188,360	83.20	186,680	80.76
Trade finance	6,185	72.43	5,998	66.66
Loans for use outside Hong Kong*	254,271	63.33	248,828	66.25
Total advances to customers	448,816	71.79	441,506	72.39

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

	30/6/2016		31/12/2015	
	Gross advances	% of secured advances	Gross advances	% of secured advances
	HK\$ Mn	%	HK\$ Mn	%
Property development	41,123	58.26	42,468	60.86
Property investment	31,448	95.70	33,439	95.63
Wholesale and retail trade	18,703	74.54	22,931	75.90
Manufacturing	7,825	49.74	8,687	46.67
Others	81,288	50.49	77,247	53.85
	180,387	62.60	184,772	65.42

## Notes to the Interim Financial Statements (Continued)

### 19. Advances to Customers and Other Accounts (Continued)

#### (b) Advances to customers – by industry sectors (Continued)

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

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
(i) Property development		
a. Individually impaired loans	46	39
b. Individual impairment allowance	16	5
c. Collective impairment allowance	266	222
d. Provision charged to income statement		
– individual impairment loss	20	174
– collective impairment loss	79	136
e. Written off	–	–
(ii) Property investment		
a. Individually impaired loans	575	598
b. Individual impairment allowance	36	24
c. Collective impairment allowance	318	269
d. Provision charged to income statement		
– individual impairment loss	77	63
– collective impairment loss	91	130
e. Written off	22	33
(iii) Loans for purchase of residential properties		
a. Individually impaired loans	627	356
b. Individual impairment allowance	21	23
c. Collective impairment allowance	160	141
d. Provision charged to income statement		
– individual impairment loss	23	80
– collective impairment loss	23	57
e. Written off	–	50
(iv) Wholesale and retail trade		
a. Individually impaired loans	1,766	1,455
b. Individual impairment allowance	515	502
c. Collective impairment allowance	159	146
d. Provision charged to income statement		
– individual impairment loss	675	727
– collective impairment loss	43	74
e. Written off	106	189
(v) Hotels		
a. Individually impaired loans	929	912
b. Individual impairment allowance	93	56
c. Collective impairment allowance	66	63
d. Provision charged to income statement		
– individual impairment loss	66	62
– collective impairment loss	16	29
e. Written off	9	62



## Notes to the Interim Financial Statements (Continued)

### 19. Advances to Customers and Other Accounts (Continued)

#### (c) 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.

	30/6/2016				
	Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Hong Kong	186,599	659	1,089	253	327
People's Republic of China	205,671	4,009	4,129	766	1,151
Other Asian Countries	20,821	95	248	40	51
Others	35,725	1	64	1	88
<b>Total</b>	<b>448,816</b>	<b>4,764</b>	<b>5,530</b>	<b>1,060</b>	<b>1,617</b>
% of total advances to customers			1.23%		
Market value of security held against impaired advances to customers			6,867		
	31/12/2015				
	Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Hong Kong	181,968	243	643	152	263
People's Republic of China	212,621	3,809	4,037	818	978
Other Asian Countries	19,376	22	155	35	51
Others	27,541	5	138	16	68
<b>Total</b>	<b>441,506</b>	<b>4,079</b>	<b>4,973</b>	<b>1,021</b>	<b>1,360</b>
% of total advances to customers			1.13%		
Market value of security held against impaired advances to customers			8,239		

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.

## Notes to the Interim Financial Statements (Continued)

### 20. Available-for-Sale Financial Assets

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	22,246	17,920
Certificates of deposit held	1,290	2,228
Debt securities	83,929	70,136
Equity securities	3,021	2,832
Investment funds	461	479
	<u>110,947</u>	<u>93,595</u>
Issued by:		
Central governments and central banks	23,321	19,013
Public sector entities	561	553
Banks and other financial institutions	36,919	32,582
Corporate entities	49,637	40,927
Other entities	509	520
	<u>110,947</u>	<u>93,595</u>
Analysed by place of listing:		
Debt securities		
Listed in Hong Kong	19,049	18,236
Listed outside Hong Kong	33,635	21,344
	<u>52,684</u>	<u>39,580</u>
Unlisted	54,781	50,704
	<u>107,465</u>	<u>90,284</u>
Equity securities		
Listed in Hong Kong	854	800
Listed outside Hong Kong	1,724	1,501
	<u>2,578</u>	<u>2,301</u>
Unlisted	443	531
	<u>3,021</u>	<u>2,832</u>
Investment funds		
Listed in Hong Kong	100	92
Listed outside Hong Kong	70	63
	<u>170</u>	<u>155</u>
Unlisted	291	324
	<u>461</u>	<u>479</u>
	<u>110,947</u>	<u>93,595</u>

## Notes to the Interim Financial Statements (Continued)

### 21. Held-to-Maturity Investments

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	1,566	1,143
Certificates of deposit held	745	1,478
Debt securities	3,012	3,578
	<u>5,323</u>	<u>6,199</u>
Issued by:		
Central governments and central banks	2,311	1,850
Public sector entities	9	22
Banks and other financial institutions	212	1,156
Corporate entities	2,791	3,171
	<u>5,323</u>	<u>6,199</u>
Analysed by place of listing:		
Debt securities		
Listed in Hong Kong	2,456	2,673
Listed outside Hong Kong	1,697	1,588
	<u>4,153</u>	<u>4,261</u>
Unlisted	1,170	1,938
	<u>5,323</u>	<u>6,199</u>
Fair value:		
Listed securities	4,264	4,309
Unlisted securities	1,165	1,940
	<u>5,429</u>	<u>6,249</u>

Notes to the Interim Financial Statements (Continued)

22. Fixed Assets

	30/6/2016				
	Investment properties	Bank premises	Furniture, fixtures and equipment	Sub-total	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Cost or valuation					
At 1st January, 2016	4,891	8,703	5,093	13,796	18,687
Additions	–	3	185	188	188
Revaluation surplus	45	–	–	–	45
Disposals	(505)	(366)	(77)	(443)	(948)
Revaluation surplus on bank premises transferred to investment properties	–	24	–	24	24
Transfer from bank premises to investment properties	24	(24)	–	(24)	–
Transfer from investment properties to bank premises	(62)	62	–	62	–
Reclassification	–	18	(18)	–	–
Exchange adjustments	(18)	(69)	(37)	(106)	(124)
Transfer to asset classified as assets held for sale	(25)	(77)	(273)	(350)	(375)
At 30th June, 2016	<u>4,350</u>	<u>8,274</u>	<u>4,873</u>	<u>13,147</u>	<u>17,497</u>
Accumulated depreciation and amortisation					
At 1st January, 2016	–	1,613	3,777	5,390	5,390
Charge for the period	–	84	172	256	256
Written off on disposal	–	(38)	(71)	(109)	(109)
Reversal due to disposal of subsidiaries	–	–	(2)	(2)	(2)
Reclassification	–	16	(16)	–	–
Exchange adjustments	–	(19)	(28)	(47)	(47)
Transfer to asset classified as assets held for sale	–	(4)	(144)	(148)	(148)
At 30th June, 2016	<u>–</u>	<u>1,652</u>	<u>3,688</u>	<u>5,340</u>	<u>5,340</u>
Net book value at 30th June, 2016	<u>4,350</u>	<u>6,622</u>	<u>1,185</u>	<u>7,807</u>	<u>12,157</u>
Net book value at 31st December, 2015	<u>4,891</u>	<u>7,090</u>	<u>1,316</u>	<u>8,406</u>	<u>13,297</u>
The gross amounts of the above assets are stated:					
At cost	–	7,489	4,873	12,362	12,362
At Directors' valuation – 1989	–	785	–	785	785
At professional valuation – 2016	4,350	–	–	–	4,350
	<u>4,350</u>	<u>8,274</u>	<u>4,873</u>	<u>13,147</u>	<u>17,497</u>

## Notes to the Interim Financial Statements (Continued)

### 23. Trading Liabilities

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
Exchange fund bills sold	50	888
Shares sold	5	1
	<u>55</u>	<u>889</u>

### 24. Other Accounts and Provisions

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
Accrued interest payable	3,455	4,269
Acceptance draft payable	19,280	20,602
Liabilities held for sale (Note 38)	378	225
Other accounts	22,586	20,231
	<u>45,699</u>	<u>45,327</u>

### 25. Loan Capital

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
USD600 million subordinated notes, measured at amortised cost	5,004	4,887
USD500 million subordinated notes (under the Euro Medium Term Note Programme), measured at amortised cost	3,900	3,895
SGD800 million subordinated notes (under the Euro Medium Term Note Programme), measured at amortised cost	4,596	4,330
USD500 million subordinated notes (under the Euro Medium Term Note Programme), measured at amortised cost	3,976	3,884
	<u>17,476</u>	<u>16,996</u>

Two tranches of loan capital of face value totalling HK\$4,655 million (USD600 million) and carrying amount totalling HK\$5,004 million (31/12/2015: HK\$4,887 million) were issued on 16th July, 2010 (USD450 million) and on 23rd July, 2010 (USD150 million) by the Bank. These subordinated notes carrying a coupon rate of 6.125% qualifying as Tier 2 capital are listed on the Singapore Exchange and will mature on 16th July, 2020. Hedge ineffectiveness of HK\$2 million loss in the first half of 2016 (first half 2015: HK\$3 million loss) was recorded under fair value hedge accounting.

## Notes to the Interim Financial Statements (Continued)

### 25. Loan Capital (Continued)

Loan capital of face value of HK\$3,879 million (USD500 million) and carrying amount of HK\$3,900 million (31/12/2015: HK\$3,895 million) represents 6.375% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 4th November, 2011 by the Bank. The notes are listed on the Singapore Exchange and will mature on 4th May, 2022. Hedge ineffectiveness of HK\$2 million loss in the first half of 2016 (first half 2015: HK\$0.1 million loss) was recorded under the fair value hedge accounting for the USD400 million subordinated notes. The fair value as of 30th June, 2016 for the USD100 million subordinated notes was HK\$804 million (USD103.6 million) (31/12/2015: HK\$808 million (USD104.3 million)).

Loan capital of face value of HK\$4,596 million (SGD800 million) and carrying amount of HK\$4,596 million (31/12/2015: HK\$4,330 million) represents two tranches of 4.25% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 13th March, 2012 (SGD600 million) and on 27th April, 2012 (SGD200 million) by the Bank. The notes are listed on the Singapore Exchange and will mature on 13th September, 2022. Hedge ineffectiveness of HK\$1 million loss in the first half of 2016 (first half 2015: HK\$3 million loss) was recorded under the fair value hedge accounting.

Loan capital of face value of HK\$3,879 million (USD500 million) and carrying amount of HK\$3,976 million (31/12/2015: HK\$3,884 million) represents 4.25% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 20th November, 2014 by the Bank. The notes are listed on the Stock Exchange and will mature on 20th November, 2024. Hedge ineffectiveness of HK\$1 million loss in the first half of 2016 (first half 2015: HK\$0.003 million profit) was recorded under the fair value hedge accounting.

### 26. Segment Reporting

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

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

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

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

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

Financial institutions, which includes trade financing activities with correspondent banks in Hong Kong.

## Notes to the Interim Financial Statements (Continued)

### 26. Segment Reporting (Continued)

Other Hong Kong banking operations, which mainly include insurance business, trust business, securities & futures broking, money lender activities and corporate financial advisory in Hong Kong.

China operations mainly include the back office unit for China operations in Hong Kong, all branches, subsidiaries and associates operated in China, except those subsidiaries carrying out corporate services, data processing and other back office operations in China.

Overseas operations include the back office unit for overseas banking operations in Hong Kong, all branches, subsidiaries and associates operated in overseas, except those subsidiaries carrying out corporate services in overseas.

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

Other businesses include property-related business, supporting units of Hong Kong operations, investment properties, bank premises, the net results of other subsidiaries in Hong Kong except for those subsidiaries which are included in other Hong Kong banking operations.

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

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

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

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment lending), interest expense, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

## Notes to the Interim Financial Statements (Continued)

### 26. Segment Reporting (Continued)

	Hong Kong banking operations								Corporate services (Note)	Total reportable segments	Inter-segment elimination		Total
	Personal banking	Corporate banking	Treasury markets	Wealth management	Financial institutions	Others	China operations	Overseas operations			Others		
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn			HK\$ Mn	HK\$ Mn	
6 months ended 30th June, 2016													
CONTINUING OPERATIONS													
Net interest income/ (expense)	1,436	1,091	(215)	175	8	144	2,060	645	-	5,344	139	-	5,483
Non-interest income/ (expense)	407	70	(62)	183	8	312	452	70	-	1,440	389	(182)	1,647
Operating income	1,843	1,161	(277)	358	16	456	2,512	715	-	6,784	528	(182)	7,130
Operating expenses	(875)	(95)	(56)	(96)	(5)	(285)	(1,780)	(234)	-	(3,426)	(994)	181	(4,239)
Operating profit/(loss) before impairment losses	968	1,066	(333)	262	11	171	732	481	-	3,358	(466)	(1)	2,891
(Charge for)/write back of impairment losses on loans and advances and other accounts	(86)	(168)	1	(2)	-	(17)	(943)	(26)	-	(1,241)	-	-	(1,241)
Operating profit/(loss) after impairment losses	882	898	(332)	260	11	154	(211)	455	-	2,117	(466)	(1)	1,650
Profit/(Loss) on sale of fixed assets, held-to- maturity investments and available-for-sale financial assets	(2)	6	35	-	-	2	781	(6)	-	816	-	-	816
Profit/(Loss) on disposal of assets held for sale	-	-	-	-	-	-	(8)	-	-	(8)	21	-	13
Valuation gains on investment properties	-	-	-	-	-	-	-	1	-	1	44	-	45
Share of profits less losses of associates	-	-	-	-	-	(1)	74	119	-	192	-	-	192
Profit/(Loss) before taxation	880	904	(297)	260	11	155	636	569	-	3,118	(401)	(1)	2,716
Depreciation for the period	(29)	(1)	(1)	(1)	-	(9)	(114)	(10)	-	(165)	(75)	-	(240)
At 30th June, 2016													
Segment assets	70,640	143,950	154,948	24,475	6,131	19,598	299,634	90,365	-	809,741	17,320	(79,147)	747,914
Investments in associates	-	-	-	-	-	48	1,151	4,994	-	6,193	-	-	6,193
Other assets – Assets held for sale	-	-	-	-	-	-	133	39	2,281	2,453	11	-	2,464
Total assets	70,640	143,950	154,948	24,475	6,131	19,646	300,918	95,398	2,281	818,387	17,331	(79,147)	756,571
Segment liabilities	283,821	1,167	66,650	20,514	3	15,595	252,686	78,946	-	719,382	2,056	(52,280)	669,158
Other liabilities – Liabilities held for sale	-	-	-	-	-	-	-	-	378	378	-	-	378
Total liabilities	283,821	1,167	66,650	20,514	3	15,595	252,686	78,946	378	719,760	2,056	(52,280)	669,536



## Notes to the Interim Financial Statements (Continued)

### 26. Segment Reporting (Continued)

	Hong Kong banking operations									Total reportable segments	Others	Inter-segment elimination	Total
	Personal banking	Corporate banking	Treasury markets	Wealth management	Financial institutions	Others	China operations	Overseas operations	Corporate services (Note)				
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn				
6 months ended 30th June, 2015 (Restated)													
CONTINUING OPERATIONS													
Net interest income	1,342	1,191	101	190	35	160	2,534	561	-	6,114	69	-	6,183
Non-interest income/ (expense)	432	351	(433)	244	8	409	631	85	-	1,727	372	(181)	1,918
Operating income	1,774	1,542	(332)	434	43	569	3,165	646	-	7,841	441	(181)	8,101
Operating expenses	(833)	(100)	(62)	(87)	(6)	(317)	(1,799)	(232)	-	(3,436)	(960)	180	(4,216)
Operating profit/(loss) before impairment losses	941	1,442	(394)	347	37	252	1,366	414	-	4,405	(519)	(1)	3,885
(Charge for)/write back of impairment losses on loans and advances and other accounts	(70)	(8)	13	1	-	(31)	(684)	16	-	(763)	(13)	-	(776)
Impairment losses on available-for-sale financial assets	-	-	-	-	-	(1)	-	-	-	(1)	-	-	(1)
Operating profit/(loss) after impairment losses	871	1,434	(381)	348	37	220	682	430	-	3,641	(532)	(1)	3,108
Profit/(Loss) on sale of fixed assets, loans and receivables, held-to-maturity investments and available-for-sale financial assets	(2)	4	46	-	-	3	1	-	-	52	115	-	167
Valuation gains on investment properties	-	-	-	-	-	-	-	15	-	15	325	-	340
Share of profits less losses of associates	-	-	-	-	-	1	108	144	-	253	-	-	253
Profit/(Loss) before taxation	869	1,438	(335)	348	37	224	791	589	-	3,961	(92)	(1)	3,868
Depreciation for the period	(32)	(1)	(1)	(1)	-	(12)	(117)	(10)	-	(174)	(78)	-	(252)
At 31st December, 2015													
Segment assets	68,719	142,731	165,533	25,627	7,022	17,585	320,993	88,061	2,269	838,540	17,912	(81,806)	774,646
Investments in associates	-	-	-	-	-	50	1,102	4,591	20	5,763	-	-	5,763
Other assets – Assets held for sale	-	-	-	-	-	646	287	22	-	955	-	-	955
Total assets	68,719	142,731	165,533	25,627	7,022	18,281	322,382	92,674	2,289	845,258	17,912	(81,806)	781,364
Segment liabilities	279,214	1,124	80,117	21,436	6	13,827	275,702	77,011	405	748,842	2,148	(55,492)	695,498
Other liabilities – Liabilities held for sale	-	-	-	-	-	131	94	-	-	225	-	-	225
Total liabilities	279,214	1,124	80,117	21,436	6	13,958	275,796	77,011	405	749,067	2,148	(55,492)	695,723

Note: Since February 2016, BEA, together with NWS Holdings Limited, has been carrying out a review of its strategic investment in Tricor Holdings Limited and its subsidiaries (“Tricor Group”). The review considers strategic options including a possible sale of the entire interest in Tricor Group held by both BEA and NWS Holdings. Subsequently, a plan to sell Tricor Group has been initiated. Notwithstanding that a sale process is at an early stage and that the Bank has not entered into any agreement to sell its interest in Tricor Group, in accordance with HKFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Group is required to report Tricor Group’s operating results for the first half of 2016 separately as discontinued operations in the consolidated income statement with comparative information re-presented. Tricor Group’s assets and liabilities as at 30th June 2016 are presented separately as assets held for sale and liabilities held for sale respectively in the consolidated financial statements. Restatement of assets and liabilities as at 31st December 2015 is not required. Nevertheless, there can be no certainty about the outcome of the sale process referred to: it may or may not result in a sale being concluded. Please refer to Note 38 for the operating results of Tricor Group after consolidation.

## Notes to the Interim Financial Statements (Continued)

### 27. Analysis of Assets and Liabilities by Remaining Maturity

	30/6/2016							
	Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>								
Cash and balances with banks and other financial institutions	22,508	–	–	1,051	–	–	25,271	48,830
Placements with banks and other financial institutions	4	41,902	12,499	4,095	–	–	–	58,500
Trade bills	95	3,883	4,889	5,748	–	–	–	14,615
Trading assets	–	389	2,291	1,690	873	246	1,071	6,560
Financial assets designated at fair value through profit or loss	–	–	–	397	2,173	310	283	3,163
Positive fair value of derivatives	–	–	–	–	–	–	5,775	5,775
Advances to customers and other accounts	4,811	52,745	35,460	100,049	181,118	95,454	11,808	481,445
Available-for-sale financial assets	–	7,115	10,623	13,964	49,571	26,192	3,482	110,947
Held-to-maturity investments	–	899	402	1,502	1,957	563	–	5,323
Undated assets	–	–	–	–	–	–	21,413	21,413
<b>Total assets</b>	<u>27,418</u>	<u>106,933</u>	<u>66,164</u>	<u>128,496</u>	<u>235,692</u>	<u>122,765</u>	<u>69,103</u>	<u>756,571</u>
<b>Liabilities</b>								
Deposits and balances of banks and other financial institutions	1,604	18,235	4,756	5,136	248	–	–	29,979
Deposits from customers	187,457	95,297	106,546	116,396	22,453	–	–	528,149
– Demand deposits and current accounts	67,840	–	–	–	–	–	–	67,840
– Savings deposits	117,904	–	–	–	–	–	–	117,904
– Time, call and notice deposits	1,713	95,297	106,546	116,396	22,453	–	–	342,405
Trading liabilities	–	–	50	–	–	–	5	55
Negative fair value of derivatives	–	–	–	–	–	–	6,113	6,113
Certificates of deposit issued	–	613	1,006	14,186	15,945	–	–	31,750
Current taxation	–	–	–	1,816	–	–	–	1,816
Debt securities issued	–	–	–	1,354	6,639	–	–	7,993
Loan capital	–	–	–	–	17,476	–	–	17,476
Other liabilities	806	3,665	6,460	16,948	7,174	2,699	8,453	46,205
<b>Total liabilities</b>	<u>189,867</u>	<u>117,810</u>	<u>118,818</u>	<u>155,836</u>	<u>69,935</u>	<u>2,699</u>	<u>14,571</u>	<u>669,536</u>
<b>Net gap</b>	<u>(162,449)</u>	<u>(10,877)</u>	<u>(52,654)</u>	<u>(27,340)</u>	<u>165,757</u>	<u>120,066</u>		

## Notes to the Interim Financial Statements (Continued)

### 27. Analysis of Assets and Liabilities by Remaining Maturity (Continued)

	31/12/2015							
	Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>								
Cash and balances with banks and other financial institutions	41,490	826	-	71	-	-	26,735	69,122
Placements with banks and other financial institutions	-	62,384	15,985	2,459	-	-	-	80,828
Trade bills	73	3,602	7,955	7,901	-	-	1	19,532
Trading assets	-	1,197	1,121	456	1,166	50	1,345	5,335
Financial assets designated at fair value through profit or loss	-	116	430	1,148	2,192	-	450	4,336
Positive fair value of derivatives	-	-	-	-	-	-	6,205	6,205
Advances to customers and other accounts	5,273	49,881	43,983	98,596	170,843	95,511	9,001	473,088
Available-for-sale financial assets	-	5,338	11,072	11,647	47,846	14,381	3,311	93,595
Held-to-maturity investments	94	1,081	831	1,289	2,330	574	-	6,199
Undated assets	-	-	-	-	-	-	23,124	23,124
<b>Total assets</b>	<b>46,930</b>	<b>124,425</b>	<b>81,377</b>	<b>123,567</b>	<b>224,377</b>	<b>110,516</b>	<b>70,172</b>	<b>781,364</b>
<b>Liabilities</b>								
Deposits and balances of banks and other financial institutions	8,175	15,635	4,889	1,960	1,408	59	-	32,126
Deposits from customers	188,745	118,877	114,813	93,761	24,547	-	-	540,743
- Demand deposits and current accounts	73,471	-	-	-	-	-	-	73,471
- Savings deposits	113,332	-	-	-	-	-	-	113,332
- Time, call and notice deposits	1,942	118,877	114,813	93,761	24,547	-	-	353,940
Trading liabilities	-	831	7	50	-	-	1	889
Negative fair value of derivatives	-	-	-	-	-	-	6,909	6,909
Certificates of deposit issued	-	9,168	8,457	16,172	3,480	-	-	37,277
Current taxation	-	-	-	1,325	-	-	-	1,325
Debt securities issued	-	841	2,852	2,066	7,838	-	-	13,597
Loan capital	-	-	-	-	16,996	-	-	16,996
Other liabilities	850	5,206	7,302	14,338	7,533	2,713	7,919	45,861
<b>Total liabilities</b>	<b>197,770</b>	<b>150,558</b>	<b>138,320</b>	<b>129,672</b>	<b>61,802</b>	<b>2,772</b>	<b>14,829</b>	<b>695,723</b>
<b>Net gap</b>	<b>(150,840)</b>	<b>(26,133)</b>	<b>(56,943)</b>	<b>(6,105)</b>	<b>162,575</b>	<b>107,744</b>		

## Notes to the Interim Financial Statements (Continued)

### 28. Deferred Tax Assets and Liabilities Recognised

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the period are as follows:

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
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
At 1st January, 2016	285	193	(270)	149	(18)	14	353
(Credited)/Charged to income statement	(22)	(81)	(124)	-	(7)	4	(230)
Credited to reserves	-	-	-	(33)	-	-	(33)
Reversal due to disposal of subsidiaries	-	-	-	-	(1)	-	(1)
Exchange and other adjustments	-	(1)	5	(2)	-	-	2
Transfer to asset classified as assets held for sale	(3)	(1)	1	-	9	4	10
At 30th June, 2016	<u>260</u>	<u>110</u>	<u>(388)</u>	<u>114</u>	<u>(17)</u>	<u>22</u>	<u>101</u>
Balance as at 31st December, 2015	<u>285</u>	<u>193</u>	<u>(270)</u>	<u>149</u>	<u>(18)</u>	<u>14</u>	<u>353</u>

### 29. Reserves

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
General reserve	14,015	13,953
Revaluation reserve on bank premises	1,601	1,639
Investment revaluation reserve	1,456	1,383
Exchange revaluation reserve	(546)	(162)
Other reserves	5,242	4,986
Retained profits*	<u>22,197</u>	<u>21,799</u>
	<u>43,965</u>	<u>43,598</u>
Proposed dividends, not provided for	<u>751</u>	<u>1,320</u>

\* A regulatory reserve is maintained to satisfy the provisions of the Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the HKMA. As at 30th June, 2016, HK\$4,760 million (31st December, 2015: HK\$5,269 million) was included in the retained profits in this respect which was distributable to equity holders of the Group subject to consultation with the HKMA.

## Notes to the Interim Financial Statements (Continued)

### 30. Consolidated Cash Flow Statement

#### Cash and cash equivalents

	30/6/2016	30/6/2015
	HK\$ Mn	HK\$ Mn
(i) Components of cash and cash equivalents in the consolidated cash flow statement		
Cash and balances with banks and other financial institutions	23,905	28,487
Placements with banks and other financial institutions with original maturity within three months	46,876	52,288
Treasury bills with original maturity within three months	15,090	6,258
Certificates of deposit held with original maturity within three months	2,372	1,830
Debt securities with original maturity within three months	–	425
Add: Cash and balances with banks and other financial institutions included in "Assets held for sale" (Note 38)	240	–
Placements with banks and other financial institutions with original maturity within three months included in "Assets held for sale"	79	–
	<u>88,562</u>	<u>89,288</u>
(ii) Reconciliation with the consolidated statement of financial position		
Cash and balances with banks and other financial institutions	48,830	59,391
Placements with banks and other financial institutions	58,500	77,485
Treasury bills, certificates of deposit held and debt securities		
– trading assets	5,489	7,143
– designated at fair value through profit or loss	2,880	5,083
– advances to customers and other accounts	–	78
– available-for-sale	107,465	86,591
– held-to-maturity	5,323	7,779
	121,157	106,674
Add: Cash and balances with banks and other financial institutions included in "Assets held for sale" (Note 38)	240	–
Placements with banks and other financial institutions included in "Assets held for sale" (Note 38)	222	–
	<u>228,949</u>	<u>243,550</u>
Amount shown in the consolidated statement of financial position	228,949	243,550
Less: Amounts with an original maturity of beyond three months	(115,462)	(123,358)
Cash balance with central bank subject to regulatory restriction	(24,925)	(30,904)
	<u>88,562</u>	<u>89,288</u>
Cash and cash equivalents in the consolidated cash flow statement	<u>88,562</u>	<u>89,288</u>

## Notes to the Interim Financial Statements (Continued)

### 31. Offsetting Financial Instruments

The following tables present details of financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements.

	At 30th June, 2016				
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related financial instruments that are not set off	Net amount
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>					
Positive fair value of derivatives	25	–	25	(17)	8
Other accounts	562	(301)	261	–	261
Total	<u>587</u>	<u>(301)</u>	<u>286</u>	<u>(17)</u>	<u>269</u>

	At 30th June, 2016				
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related financial instruments that are not set off	Net amount
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Liabilities</b>					
Negative fair value of derivatives	105	–	105	(17)	88
Other accounts	301	(301)	–	–	–
Total	<u>406</u>	<u>(301)</u>	<u>105</u>	<u>(17)</u>	<u>88</u>

## Notes to the Interim Financial Statements (Continued)

### 31. Offsetting Financial Instruments (Continued)

	At 31st December, 2015				
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related financial instruments that are not set off	Net amount
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>					
Positive fair value of derivatives	28	–	28	(28)	–
Other accounts	403	(387)	16	–	16
<b>Total</b>	<b>431</b>	<b>(387)</b>	<b>44</b>	<b>(28)</b>	<b>16</b>

	At 31st December, 2015				
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related financial instruments that are not set off	Net amount
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Liabilities</b>					
Negative fair value of derivatives	140	–	140	(28)	112
Other accounts	519	(387)	132	–	132
<b>Total</b>	<b>659</b>	<b>(387)</b>	<b>272</b>	<b>(28)</b>	<b>244</b>

## Notes to the Interim Financial Statements (Continued)

### 32. Fair Values of Financial Instruments

#### (a) *Financial instruments carried at fair value*

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following hierarchy of methods:

Level 1 – Quoted market price in an active market for an identical instrument.

Level 2 – Valuation techniques based on observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or counterparty quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market widely recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, historical or implied volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

The Group uses widely recognised valuation models for determining the fair value of common and simpler financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses valuation models, which usually are developed from recognised valuation methodologies. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation control function, namely Financial Instruments Valuation Group ("FIVG") which comprises control units independent of front office management. Procedures for price verification have been established. Any pricing models to be used would be subject to a rigorous validation and approval process.



## Notes to the Interim Financial Statements (Continued)

### 32. Fair Values of Financial Instruments (Continued)

#### (a) Financial instruments carried at fair value (Continued)

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorised.

	30/6/2016				31/12/2015			
	Level One	Level Two	Level Three	Total	Level One	Level Two	Level Three	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Recurring fair value measurement</b>								
<b>Assets</b>								
Trading assets	1,348	5,212	-	6,560	2,276	3,059	-	5,335
Financial assets designated at fair value through profit or loss	1,772	1,391	-	3,163	2,877	1,459	-	4,336
Positive fair value of derivatives	-	5,775	-	5,775	-	3,064	3,141	6,205
Available-for-sale financial assets	74,341	35,963	643	110,947	51,672	41,173	750	93,595
	<u>77,461</u>	<u>48,341</u>	<u>643</u>	<u>126,445</u>	<u>56,825</u>	<u>48,755</u>	<u>3,891</u>	<u>109,471</u>
<b>Liabilities</b>								
Trading liabilities	55	-	-	55	889	-	-	889
Negative fair value of derivatives	-	6,113	-	6,113	-	3,892	3,017	6,909
Financial liabilities designated at fair value through profit or loss	-	19,631	-	19,631	-	18,996	-	18,996
	<u>55</u>	<u>25,744</u>	<u>-</u>	<u>25,799</u>	<u>889</u>	<u>22,888</u>	<u>3,017</u>	<u>26,794</u>

During the six months ended 30th June, 2016, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy (2015: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about significant unobservable inputs in Level 3 valuations:

	Valuation technique	Significant unobservable input(s)
Unlisted available-for-sale equity instruments	Discounted cash flow model	Forecasted cash flows and terminal growth rate
Structured derivatives	Option model	Expected volatility

The fair value of unlisted available-for-sale equity instruments is determined using the discounted cash flow model and the significant unobservable inputs used in the fair value measurement are forecasted cash flows and terminal growth rate. The fair value measurement is positively correlated to the net cash inflows and terminal growth rate.

The fair value of embedded options in structured derivatives is determined using option valuation model and the significant unobservable input used in the fair value measurement is the expected volatility. The fair value of the instrument is positively correlated to the expected volatility.

Valuation of financial instruments in Level 3 is subject to the same valuation control framework as described in above and reviewed regularly by FIVG.

## Notes to the Interim Financial Statements (Continued)

### 32. Fair Values of Financial Instruments (Continued)

#### (a) Financial instruments carried at fair value (Continued)

- (1) Valuation of financial instruments with significant unobservable inputs

Movements in the recognised fair values of instruments with significant unobservable inputs were as follows.

During the six months ended 30th June, 2016, the Group had developed an internal valuation model based on observable market inputs for pricing various foreign exchange, equity and interest rate contracts. As a result, these financial instruments were transferred from Level 3 to Level 2 of the fair value hierarchy at the reporting date (2015: Nil).

	30/6/2016		
	Positive fair value of derivatives	Available-for-sale financial assets	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>			
At 1st January, 2016	3,141	750	3,891
Purchases	–	7	7
Settlements	(617)	(24)	(641)
Changes in fair value recognised in the income statement	(1,110)	–	(1,110)
Changes in fair value recognised in the other comprehensive income	–	(62)	(62)
Exchange adjustments	–	1	1
Transfer to level 2	(1,414)	–	(1,414)
Transfer to asset classified as assets held for sale	–	(29)	(29)
At 30th June, 2016	<u>–</u>	<u>643</u>	<u>643</u>
Total gains or losses for the period included in available-for-sale fair value reserve of the other comprehensive income for assets held at the end of the reporting period	<u>–</u>	<u>(62)</u>	<u>(62)</u>
Total gains or losses for the period included in the income statement for assets held at the end of the reporting period recorded in net trading income	<u>–</u>	<u>–</u>	<u>–</u>

## Notes to the Interim Financial Statements (Continued)

### 32. Fair Values of Financial Instruments (Continued)

#### (a) Financial instruments carried at fair value (Continued)

(1) Valuation of financial instruments with significant unobservable inputs (Continued)

	31/12/2015		
	Positive fair value of derivatives HK\$ Mn	Available-for-sale financial assets HK\$ Mn	Total HK\$ Mn
<b>Assets</b>			
At 1st January, 2015	1,554	993	2,547
Purchases	–	60	60
Settlements	(333)	(322)	(655)
Changes in fair value recognised in the income statement	1,920	(15)	1,905
Changes in fair value recognised in the other comprehensive income	–	75	75
Exchange adjustments	–	(41)	(41)
At 31st December, 2015	<u>3,141</u>	<u>750</u>	<u>3,891</u>
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the end of the reporting period	<u>–</u>	<u>75</u>	<u>75</u>
Total gains or losses for the year included in the income statement for assets held at the end of the reporting period recorded in net trading income	<u>1,920</u>	<u>–</u>	<u>1,920</u>
			<u>30/6/2016</u>
			Negative fair value of derivatives
			HK\$ Mn
<b>Liabilities</b>			
At 1st January, 2016			3,017
Settlements			(615)
Changes in fair value recognised in the income statement			(917)
Transfer to level 2			(1,485)
At 30th June, 2016			<u>–</u>
Total gains or losses for the period included in the income statement for liabilities held at the end of the reporting period recorded in net trading income			<u>–</u>

## Notes to the Interim Financial Statements (Continued)

### 32. Fair Values of Financial Instruments (Continued)

#### (a) Financial instruments carried at fair value (Continued)

- (1) Valuation of financial instruments with significant unobservable inputs (Continued)

	31/12/2015
	Negative fair value of derivatives
	HK\$ Mn
<b>Liabilities</b>	
At 1st January, 2015	1,571
Settlements	(336)
Changes in fair value recognised in the income statement	1,782
	<u>3,017</u>
At 31st December, 2015	<u>3,017</u>
Total gains or losses for the year included in the income statement for liabilities held at the end of the reporting period recorded in net trading income	<u>1,782</u>

- (2) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

	30/6/2016			
	Effect recorded in profit or loss		Effect recorded directly in equity	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Positive fair value of derivatives	-	-	-	-
Available-for-sale financial assets	-	-	54	(54)
	<u>-</u>	<u>-</u>	<u>54</u>	<u>(54)</u>
Negative fair value of derivatives	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	31/12/2015			
	Effect recorded in profit or loss		Effect recorded directly in equity	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Positive fair value of derivatives	262	(262)	-	-
Available-for-sale financial assets	-	-	63	(63)
	<u>262</u>	<u>(262)</u>	<u>63</u>	<u>(63)</u>
Negative fair value of derivatives	<u>252</u>	<u>(252)</u>	<u>-</u>	<u>-</u>

The fair values of financial instruments are in certain circumstances, measured using valuation models that incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The table above shows the sensitivity of fair values due to parallel movement of plus or minus 10% in reasonably possible alternative assumptions.

## Notes to the Interim Financial Statements (Continued)

### 32. Fair Values of Financial Instruments (Continued)

#### (b) Fair values of financial instruments carried at other than fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented below:

- (i) The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the end of the reporting period.
- (ii) The fair value of variable rate financial instruments is assumed to be approximated by their carrying amounts and, in the case of loans and unquoted debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the impairment allowances from both the carrying amount and fair value.
- (iii) The fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value.
- (iv) The fair value of unquoted equity investments is estimated, if possible, using the applicable dividend discount model, or share of net asset value in the investment, or applying a discount to the market value of investments with a lock-up period.
- (v) The fair value of unlisted open-ended investment funds is estimated using the net asset value per share as reported by the managers of such funds.
- (vi) The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

The carrying amounts of the financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30th June, 2016 and 31st December, 2015 except as follows:

	30/6/2016		31/12/2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Financial assets				
Held-to-maturity investments	5,323	5,429	6,199	6,249
Financial liabilities				
Certificates of deposits issued	12,544	12,544	20,820	20,831
Debt securities issued	7,568	7,613	11,058	11,118
Subordinated liabilities	17,476	17,845	16,996	17,367

## Notes to the Interim Financial Statements (Continued)

### 33. Off-balance Sheet Exposures

(a) *The following is a summary of each significant class of off-balance sheet exposures:*

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
Contractual amounts of contingent liabilities and commitments		
Direct credit substitutes	30,636	32,679
Transaction-related contingencies	821	1,039
Trade-related contingencies	1,060	747
Commitments that are unconditionally cancellable without prior notice	161,322	168,798
Other commitments with an original maturity		
– up to 1 year	14,051	15,796
– over 1 year	27,551	23,421
	<u>235,441</u>	<u>242,480</u>
Credit risk weighted amounts	<u>33,287</u>	<u>30,430</u>
Fair value of derivatives		
Assets		
Exchange rate contracts	3,695	3,836
Interest rate contracts	1,978	2,121
Equity contracts	76	239
Others	26	9
	<u>5,775</u>	<u>6,205</u>
Liabilities		
Exchange rate contracts	3,594	4,754
Interest rate contracts	2,277	1,932
Equity contracts	210	221
Others	32	2
	<u>6,113</u>	<u>6,909</u>
Notional amounts of derivatives		
Exchange rate contracts	485,788	458,645
Interest rate contracts	540,745	624,108
Equity contracts	7,355	9,928
Others	2,937	9,329
	<u>1,036,825</u>	<u>1,102,010</u>
Credit risk weighted amounts*		
Exchange rate contracts	6,278	6,693
Interest rate contracts	1,123	1,090
Equity contracts	183	526
Others	621	760
	<u>8,205</u>	<u>9,069</u>

The fair value and credit risk weighted amounts of the off-balance sheet exposures do not take into account the effects of bilateral netting arrangements.

\* *The Bank adopted the Foundation Internal Ratings Based approach according to Capital Rules for calculating the credit risk weighted amount as at 30th June, 2016 and 31st December, 2015.*

## Notes to the Interim Financial Statements (Continued)

### 33. Off-balance Sheet Exposures (Continued)

#### (b) Capital Commitments

Capital commitments on purchase of property, plant and equipment outstanding as at 30th June and 31st December and not provided for in the accounts were as follows:

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
Expenditure authorised and contracted for	230	228
Expenditure authorised but not contracted for	252	153
	<u>482</u>	<u>381</u>

### 34. Material Related Party Transactions

#### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Bank's directors and certain of the highest paid employees, is as follows:

	30/6/2016	30/6/2015
	HK\$ Mn	HK\$ Mn
Short-term employee benefits	54	57
Post-employment benefits	3	3
Equity compensation benefits	16	12
	<u>73</u>	<u>72</u>

- (b) The Group maintains certain retirement benefit schemes for its staff. In the six months ended 30th June, 2016, the total amount of contributions the Group made to the schemes was HK\$85 million (six months ended 30th June, 2015: HK\$83 million).

The Group enters into a number of transactions with the Group's related parties, including its associates, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. All interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

The interest received from and interest paid to the Group's related parties for the six months ended 30th June, 2016, outstanding balances of amounts due from and due to them at 30th June, 2016 and maximum outstanding balance of amounts due from and due to them for the six months ended 30th June, 2016 are aggregated as follows:

	Key management personnel		Associates	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Interest income	47	49	10	6
Interest expense	14	24	–	–
Amounts due from	5,714	5,191	678	768
Amounts due to	3,881	3,610	92	97
Maximum amounts due from	7,835	7,727	742	785
Maximum amounts due to	6,207	7,884	490	1,007
Committed facilities to	3,807	5,447	296	352

## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation

Unless otherwise stated, all financial information contained in this interim report is prepared according to the consolidation basis for accounting purposes.

The capital adequacy ratio and liquidity position of the Group are prepared according to the basis of consolidation for regulatory purposes. The main difference between the consolidation base for accounting and regulatory purposes is that the former includes the Bank and all its subsidiaries whereas the latter includes the Bank and only some of the Group's subsidiaries which mainly conduct banking business or other businesses incidental to banking business.

#### List of subsidiaries for financial reporting consolidation:

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Abacus (Nominees) Limited	Nominee company	–	–
Abacus Business Consultants Sdn. Bhd.	Dormant	–	–
Abacus Company Administration Sdn. Bhd.	Corporate director and secretarial services	–	–
Abacus Share Registrars Ltd	Name reservation	–	–
Acheson Limited	Trustee and shareholder services	–	–
Agensi Pekerjaan Tricor Sdn Bhd	Employment agency	1	–
Albridge Corporate Advisory Services Ltd	Corporate services	–	–
Albridge Services London Ltd	Dormant	–	–
Alhart Limited	Nominee company	–	–
Ample Delight Limited	Investment holding	378	378
Asia Management Services Sdn Berhad	Management services	5	5
Asia Securities Sdn Berhad	Management services (Dormant)	–	–
Atsumi & Sakai UK Limited	Dormant (use as name protection vehicle)	–	–
* Bank of East Asia (Trustees) Limited	Trustee services	201	197
Barbinder & Co. Pte. Ltd.	Share registration	6	2
Barbinder & Co., Sdn. Bhd.	Dormant	–	–
BC (BVI) Holdings Limited	Investment holding	16	16



## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
BEA Blue Sky Company Limited	Acting as the sole General Partner to BEA Blue Sky Real Estate Fund L.P.	1	1
BEA Blue Sky Real Estate Fund L.P.	Acting as a Limited Partner to BEA/AGRE China Real Estate Fund, L.P.	59	56
BEA Blue Sky SLP Limited	Acting as a Special Limited Partner to BEA/AGRE China Real Estate Fund, L.P.	–	–
BEA Consortium GS Investors L.P.	Acting as a limited partner of a limited partnership	116	116
BEA Insurance Agency Limited	Insurance	–	–
BEA Life Limited	Life insurance	13,203	1,175
BEA Pacific Asia Limited	Dormant	–	–
BEA Union Investment Management Limited	Asset management	471	445
Becmac Limited	Nominee shareholder	–	–
Beecroft Limited	Nominee company	–	–
Bentley Services Limited	Nominee director	–	–
Blue Care (BVI) Holdings Limited	Investment holding	16	16
Blue Care JV (BVI) Holdings Limited	Investment holding	18	18
Blue Care Medical Services Limited	Medical services	41	29
Blue Cross (Asia-Pacific) Insurance Limited	Insurance	3,550	791
Camceb Limited	Nominee shareholder	–	–
Cane Garden Bay Limited	Nominee director/shareholder	–	–
Capico Asset Management Sdn. Bhd.	Corporate director and secretarial services	–	–
Caribbean Corporate Services Ltd.	Corporate secretarial and accounting services	14	11
CCSL St. Lucia Ltd.	Holding company	2	–
Central Town Limited	Property investment	664	451
Century Able Limited	Investment holding	788	788

## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Cheam Holdings Limited	Nominee director	–	–
Cheam Nominees Limited	Nominee director	–	–
Chongqing Dongrong Business Consultancy Company Limited	Business consultancy services	5	–
* Chongqing Liangjiang New Area Credit Gain Finance Company Limited	Micro-finance loan	349	347
Chua, Woo & Company Sdn. Bhd.	Dormant	–	–
Citiview Capital Limited	Acting as the general partner and limited partner of a limited partnership	11	4
Clacton Company Limited	Nominee company	–	–
Clancy Limited (formerly Nickel Resources International Holdings Company Limited)	Provision of name reservation service	–	–
Cloud Paging Nominees Limited	Dormant	–	–
Corona Light Limited	Investment holding	930	930
* Credit Gain Finance Company Limited	Money lenders	939	570
Crystal Gleaming Limited	Investment holding	930	930
Dean Street Property Limited	Property development	31	28
Delanez Limited	Nominee director/shareholder	–	–
Denroy Nominees Limited	Nominee director	–	–
Dersale Limited	Nominee director/shareholder	–	–
Directra Overseas Services Inc.	Nominee company	–	–
Directra Services Limited	Nominee company	–	–
EA Securities Limited	Investment holding	–	(63)
East Asia Corporate Services (BVI) Limited	Registered agent and trustee services	34	33
East Asia Corporate Services (Nominees) Ltd.	Nominee director/shareholder	–	–
* East Asia Electronic Data Processing (Guangzhou) Limited	Servicing	86	73
* East Asia Facility Management Limited	Facility management	12	10

## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
East Asia Financial Services (BVI) Ltd.	Investment holding	1	1
East Asia Futures Limited	Futures and options trading	59	59
* East Asia Holding Company, Inc.	Bank holding company	644	596
East Asia Indonesian Holdings Limited	Investment holding	137	136
East Asia International Trustees Holdings (BVI) Limited	Investment holding	10	10
East Asia International Trustees Limited	Trustee services	30	28
* East Asia Investments Holdings (BVI) Ltd.	Investment holding	1,018	1,018
* East Asia Properties (US), Inc.	Property holding	197	196
East Asia Properties Holding Company Limited	Investment holding	1	(67)
East Asia Property Agency Company Limited	Property agency	15	15
East Asia Property Holdings (Jersey) Limited	Property holding	29	28
East Asia Property Management (China) Limited	Property management	–	–
East Asia Secretaries (BVI) Limited	Investment holding	594	594
East Asia Secretaries Limited	Secretarial services	–	–
East Asia Securities Company Limited	Securities broking	1,212	793
* East Asia Services (Holdings) Limited	Holding company	23	–
East Asia Strategic Holdings Limited	Investment holding	418	418
Elemen Limited	Nominee shareholder	–	–
Epsilon Registration Services Sdn. Bhd.	Dormant	–	–
Equity Trustee Limited	Trustee	3	1
Essex Nominees Limited	Nominee director/shareholder	–	–
Evatthouse Corporate Services Pte. Ltd.	Corporate secretarial and advisory services	106	4
Fitz Services Pte. Ltd.	Business and management consultancy services	–	–
Fortra Services Limited	Nominee company	–	–

## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Gainsville Limited	Nominee shareholder and director	–	–
Gil Services Pte. Ltd.	Business and management consultancy services	–	–
Gladwood Limited	Nominee director/shareholder	–	–
Gold Sweep Sdn Bhd	Investment holding	85	11
Golden Empire International Inc.	Property investment	–	–
Golden Properties Finance Ltd.	Mortgage financing	–	–
Golden Queen International Ltd.	Property investment	–	–
Grimma Company Limited	Nominee company	–	–
High Town Limited	Investment holding	4	4
ICIS China (HK) Co Limited	Name reservation service	–	–
* Innovate Holdings Limited	Special purpose vehicle company specially set up for BEA's Hybrid Tier 1 issue	2,470	2,470
International Holdings Corporation	Trust related services	–	–
Kaliwood Corporation	Nominee director/shareholder	–	–
Keen Sight Development Limited	Investment holding	229	229
Leader One Limited	Investment holding	1	–
Linkwall Investments Limited	Trustee	–	–
Maccabee (Nominees) Limited	Nominee director	–	–
Mache Holdings Limited	Nominee shareholder	–	–
Mache Nominees Limited	Nominee shareholder	–	–
Mactors Limited	Nominee director	–	–
Maintex Limited	Nominee director	–	–
Malplaquet Limited	Nominee director, shareholder and secretary	–	–
Manchester Property Holdings Ltd.	Property holding	30	13
Menroy Registrars Limited	Nominee director	–	–
Norpac Holdings Limited	Custodian services	–	–

## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Outsource Centre Pte. Ltd.	Accounting and payroll services	5	1
Overseas Nominees Limited	Nominee services	–	–
Pen Ling Limited	Nominee company	–	–
PFA Corporate Consultants Sdn Bhd	Consultancy, advisory and nominees services	–	–
PFA Registration Services Sdn. Bhd.	Dormant	1	1
Powerhouse Worldwide Limited	Investment holding	84	84
Premier Dragon Development Limited (formerly Jinmao (China) Hotel Investments and Management Limited)	Name reservation service	–	–
Ramillies Limited	Nominee director, shareholder and secretary	–	–
Red Phoenix Limited	Leasing of motor vehicles	1	1
Roebuck Limited	Directorship services	–	–
Rontors Limited	Nominee director	–	–
Rosland Corporate Management Limited	Nominee shareholder	–	–
Secretaries Limited	Name reservation service	–	–
Secretarius Services Sdn. Bhd.	Corporate director and secretarial services	–	–
Selene Throne (HK) Limited	Name reservation service	–	–
*# Shaanxi Fuping BEA Rural Bank Corporation	Banking and other financial businesses	129	30
Shaftesbury Property Holdings Limited	Investment holding	104	104
Shaftesbury Property Investments Limited	Investment holding	66	66
Shareg Nominees Limited	Nominee services	–	–
* Shenzhen Credit Gain Finance Company Limited	Micro-finance Loan	308	298
Silver River International Limited	Acting as the general partner and limited partner of a limited partnership	159	–
Silver Sunlight Limited	Acting as the general partner of a limited partnership	–	–

## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Skyray Holdings Limited	Investment holding	450	450
Songket Bakery Sdn Bhd	Development and trading of computer software and provision of computer software related maintenance services	–	–
Speedfull Limited	Investment holding	450	450
Standard Registrars Limited	Name reservation service	–	–
Strath Corporate Services Limited	Business and corporate services	–	–
Swan Nominees Limited	Nominee shareholder	–	–
Tabernacle Assets Limited	Protector of trust	–	–
Teeroy Limited	Trustee	–	–
Tengis International Limited	Authorised signatories services	–	–
Tengis Limited	Name reservation service	–	–
Tengis Services Limited	Act as account holder for clients' funds for payroll and Mandatory Provident Fund	–	–
*/# The Bank of East Asia (China) Limited	Banking and related financial services	266,659	26,802
The Bank of East Asia (Nominees) Limited	Nominee services	–	–
The Bank of East Asia (Nominees) Private Limited	Nominee services	–	–
The Bank of East Asia Charitable Foundation Limited	Charitable institution	–	–
The Bank of East Asia Nominees (UK) Limited	Dormant	–	–
Travelsafe Limited	Dormant	–	–
Tricor (B) Sdn. Bhd.	Corporate, business and investor services	7	4
Tricor A&S Corporate Services KK	Corporate secretarial, tax and accounting, payroll, banking and cash management services	1	1

## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Tricor Abacus Limited	Investor services	3	1
Tricor Asia Limited	Act as account holder for clients' funds for payroll and payment processing	–	–
Tricor Authorised Representative Limited	Authorised representative services	–	–
Tricor Board Dynamics Sdn Bhd	Temporarily ceased business operations	–	(1)
Tricor Business Services Sdn. Bhd.	Accounting, payroll and administration services	77	8
Tricor Caribbean Limited	Inactive	–	–
Tricor CNP Corporate Services Pte. Ltd.	Corporate services	4	3
Tricor Consultancy (Beijing) Limited	Business consultancy in China	172	167
Tricor Consulting Limited	Consultancy services	5	–
Tricor Corporate Secretaries Limited	Dormant	–	–
Tricor Corporate Secretary Limited	Corporate services	–	–
Tricor Corporate Services Sdn. Bhd.	Provision of corporate secretarial services	21	6
Tricor Custodian Limited	Process agent and escrow services	–	–
Tricor Europe (Holdings) Limited	Investment holding	–	–
Tricor Executive Recruitment Ltd.	Executive recruitment	4	(9)
Tricor Executive Resources Limited	Executive search and human resource solutions	2	(5)
Tricor Fiduciaries Limited	Trust services	–	–
Tricor Firmley Limited	Nominee company and corporate services	–	–
Tricor Friendly Limited	Investor services	1	1
Tricor Global Limited	Investment holding	10	10
Tricor Greater China Limited	Investor of Tricor Beijing Wholly Foreign Owned Enterprise	24	20

## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Tricor Hive Sdn Bhd	Business of incubation and business centres	33	6
Tricor Holdings Limited	Investment holding	1,119	1,092
Tricor Holdings Pte. Ltd.	Investment holding	455	225
Tricor HSP Japan JV K.K.	Consultancy services	4	1
Tricor HSP Singapore Pte. Ltd.	Secretarial and accounting services	2	1
Tricor Humatrix Asia Pte. Ltd	Payroll and accounting services	9	8
Tricor Humatrix (M) Sdn. Bhd.	To carry on and transact in providing software	2	–
Tricor Human Capital Limited	Consultancy services (human capital, human resources), dormant status	–	–
Tricor IAG Fund Administration (Hong Kong) Limited	Fund administration services	–	(7)
Tricor IAG Fund Administration (Singapore) Pte. Limited	Activities auxiliary to fund management activities	2	1
Tricor International Trustee Limited	Trustee	2	2
Tricor Investor & Issuing House Services Sdn. Bhd.	Shares registration service	12	13
Tricor Investor Services Limited	Investor services	97	49
Tricor Investor Services Sdn. Bhd.	Provision of shares registration service	10	10
Tricor Japan Holdings GK	Nominee company	–	–
Tricor Japan Limited	Consulting, accounting, human resources & office administrative service	16	14
Tricor K.K.	Business process outsourcing	84	44
Tricor Knowledge House Sdn Bhd	Organizing training courses and workshops	–	–
Tricor Labour and Social Security Corporation	Labour and social security service	–	–



## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Tricor Nominees Limited	Founder member of Tricor's HK shelf companies	–	–
Tricor Nominees (Overseas) Limited	Nominee company (acting as first director & shareholder of Tricor's BVI shelf companies which remain unsold for 6 months)	–	–
Tricor Outsourcing (Thailand) Ltd.	Business outsourcing	41	7
Tricor Praesidium Limited	Compliance & corporate services	1	(3)
Tricor PrimePartners Corporate Services Pte. Ltd.	Providing secretarial, accounting and share registration services, employment agencies (excluding maid agencies)	1	1
Tricor Progressive Limited	Investor services	2	1
Tricor Representatives Limited	Process agent or escrow services	–	–
Tricor Roots Business Intelligence Sdn Bhd.	Development and trading of computer software and provision of software related maintenance services	15	15
Tricor Roots Consulting Sdn Bhd.	Engaged in the business of installation of computer software and provision of related consulting services, conducting and organizing seminar and conference	5	(5)
Tricor Roots Governance Sdn. Bhd.	Internal audit service	–	(1)
Tricor SaaS Sdn Bhd	Software development and other related information technology support	1	–
Tricor Secretaries (Labuan) Limited	Secretarial services	1	1
Tricor Secretaries Limited <sup>1</sup>	Business, corporate and investor services	18	17

<sup>1</sup> Incorporated in Hong Kong

## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Tricor Secretaries Limited <sup>2</sup>	Corporate secretarial services plus registrar and Enterprise Investment Scheme administration services	1	–
Tricor Securities Limited	Nominee and custodian services	–	–
Tricor Senedi Sdn Bhd	Information technology support	–	(4)
Tricor Services (Brunei) Ltd	Registered agent	–	–
Tricor Services (BVI) Limited	Registered agent and trustee services	30	20
Tricor Services (London) Limited	Dormant	1	–
Tricor Services (Macau) Limited	Business services	4	4
Tricor Services (Malaysia) Sdn. Bhd.	Investment holding	132	81
Tricor Services Europe LLP	Limited liability partnership	23	(3)
Tricor Services Europe No. 1 Limited	Dormant	–	–
Tricor Services Limited	Business, corporate and investor services	401	257
Tricor Signatory Limited	Bank signatory	–	–
Tricor Singapore Pte. Ltd.	Business management and consultancy services, and employment agency	332	178
Tricor Standard Limited	Investor services	2	2
Tricor Strath Group Limited	Holding company	–	–
Tricor Strath Limited	Business and corporate services	–	–
Tricor Tax Corporation	Tax services	7	3
Tricor Tax Services Sdn. Bhd.	Tax advisory and consulting services	3	4
Tricor Tengis Limited	Business, corporate and investor services	32	10
Tricor Trident Nominees Limited	Trustee company	–	–

<sup>2</sup> Incorporated in England and Wales

## Notes to the Interim Financial Statements (Continued)

### 35. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Tricor Trustco (Labuan) Limited	Corporate, secretarial & accounting services	21	15
Tricor Vietnam Company Limited	Management consulting services	1	–
Tricor WP Corporate Services Pte. Ltd	Business and management consultancy services	30	23
Trident Corporate Management Limited	Nominee shareholder	–	–
Tristan Company Limited	Nominee director/shareholder	–	–
TSV Services (Singapore) Pte. Ltd.	Holding company	–	–
Tudor Nominees Limited	Nominee shareholder	–	–
Tung Shing Holdings (BVI) Limited	Investment holding	–	–
Turquandia Limited	Nominee shareholder	–	–
U Care Hong Kong Medical Limited	Medical services	11	(14)
United Chinese (Nominee) Limited	Dormant	–	–
Vanceburg Limited	Nominee shareholder, director, secretary and appointor	–	–
W.T. (Secretaries) Limited	Secretaries services	–	–
Wai Chiu Company Limited	Nominee director/shareholder	–	–
Wai Hop Company Limited	Nominee director/shareholder	–	–
WCS Nominees Limited	Nominee services	–	–
Witcombe Corporation	Nominee director/shareholder	–	–
Woodside Corporate Services Limited	Receiving agent, fund administration, custodial, security trustee and registrar services	15	14
WT Management (PTC) Inc	Trustee	–	–

\* "regulated financial entities" as defined by the Capital Rules and included in the basis of consolidation for regulatory reporting purpose.

# "associated entities" as defined by the Liquidity Rules and included in the basis of consolidation for regulatory reporting purpose.

## Notes to the Interim Financial Statements (Continued)

### 36. Comparative Figures

Certain 2015 comparative figures have been restated to conform to current period's presentation. Please refer to Consolidated Income Statement, Condensed Consolidated Cash Flow Statement, Note 9 and Note 38 for the effect of restatement.

### 37. Statement of Compliance

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Rules and in compliance with HKAS 34, "Interim Financial Reporting", issued by the HKICPA. It was authorised for issue on 19th August, 2016. It also contains the disclosure information required under the Banking (Disclosure) Rules made under section 60A of the Banking Ordinance.

### 38. Discontinued Operations and Assets Held for Sale

Since February 2016, BEA, together with NWS Holdings Limited, has been carrying out a review of its strategic investment in Tricor Holdings Limited and its subsidiaries ("Tricor Group"). The review considers strategic options including a possible sale of the entire interest in Tricor Group held by both BEA and NWS Holdings. Subsequently, a plan to sell Tricor Group has been initiated. Notwithstanding that a sale process is at an early stage and that the Bank has not entered into any agreement to sell its interest in Tricor Group, in accordance with HKFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Group is required to report Tricor Group's operating results for the first half of 2016 separately as discontinued operations in the consolidated income statement with comparative information re-presented. Tricor Group's assets and liabilities as at 30th June 2016 are presented separately as assets held for sale and liabilities held for sale respectively in the consolidated financial statements. Restatement of assets and liabilities as at 31st December 2015 is not required. Nevertheless, there can be no certainty about the outcome of the sale process referred to: it may or may not result in a sale being concluded.

The comparative amounts of consolidated income statement have been restated as if the discontinued operations had been discontinued at the beginning of year 2015. The consolidated statement of changes in equity and the condensed consolidated cash flow statement are prepared on the same basis as 2015.

## Notes to the Interim Financial Statements (Continued)

### 38. Discontinued Operations and Assets Held for Sale (Continued)

The results of discontinued operations for the periods are as follows:

	6 months ended 30/6/2016	6 months ended 30/6/2015
	HK\$ Mn	HK\$ Mn
Interest income	3	3
Interest expense	(1)	–
Net interest income	<u>2</u>	<u>3</u>
Fee and commission income	626	597
Fee and commission expense	–	–
Net fee and commission income	626	597
Net trading losses	(2)	(2)
Other operating income	1	–
Non-interest income	<u>625</u>	<u>595</u>
Operating income	627	598
Operating expenses	(441)	(404)
Operating profit before impairment losses	186	194
Impairment losses on loans and advances	(2)	(5)
Operating profit after impairment losses	184	189
Net profit on sale of available-for-sale financial assets	4	–
Share of profits less losses of associates	2	1
Profit for the period before taxation	190	190
Income tax		
Current tax		
– Hong Kong	(17)	(16)
– Outside Hong Kong	(16)	(19)
Deferred tax	2	–
Profit for the period from discontinued operations	<u><u>159</u></u>	<u><u>155</u></u>

## Notes to the Interim Financial Statements (Continued)

### 38. Discontinued Operations and Assets Held for Sale (Continued)

The assets and liabilities of the disposal group held for sale are summarized below:

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
<b>ASSETS</b>		
Cash and balances with banks and other financial institutions	240	173
Placements with banks and other financial institutions	222	35
Other accounts	359	598
Available-for-sale financial assets	29	–
Investments in associates	24	–
Fixed assets	216	8
– Investment properties	25	–
– Other property and equipment	191	8
Goodwill and intangible assets	1,178	2
Deferred tax assets	13	5
	2,281	821
	2,281	821
<b>LIABILITIES</b>		
Deposits and balances of banks and other financial institutions	75	40
Current taxation	39	1
Deferred tax liabilities	3	–
Other accounts and provisions	261	184
	378	225
	378	225

## Notes to the Interim Financial Statements (Continued)

### 38. Discontinued Operations and Assets Held for Sale (Continued)

#### *Disposal group held for sale as at 31st December 2015*

On 23rd October, 2015 the Bank entered into an agreement to sell its wholly-owned subsidiary, Tung Shing Holdings Company Limited to SinoPac Securities (Cayman) Holdings Limited. In addition, the Bank has entered into an agreement with SinoPac Securities Corporation for the disposal of all the issued shares in BEA Wealth Management Services (Taiwan) Limited (“BEAWMS”) through the merger of BEAWMS with SinoPac Securities. Both SinoPac Securities and SPSC are wholly-owned subsidiaries of SinoPac Financial Holdings Company Limited, which is listed on the Taiwan Stock Exchange (2890.TT). The sales were completed during the period ended 30th June, 2016.

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
Assets held for sale ( <i>Note 19</i> )		
Disposal group held for sale	2,281	821
Other properties and loans	183	134
	<u>2,464</u>	<u>955</u>
Liabilities held for sale ( <i>Note 24</i> )		
Disposal group held for sale	<u>378</u>	<u>225</u>

The cumulative income recognised in other comprehensive income relating to disposal group held for sale is as follows:

	30/6/2016	30/6/2015
	HK\$ Mn	HK\$ Mn
Cumulative income recognised in other comprehensive income	<u>31</u>	<u>-</u>

The net cash flows incurred by discontinued operations and included in the condensed consolidated cash flow statement are as follows:

	30/6/2016	30/6/2015
	HK\$ Mn	HK\$ Mn
Operating activities	125	7
Investing activities	(14)	(14)
Financing activities	(80)	(65)
Net cash inflow/(outflow)	<u>31</u>	<u>(72)</u>

## Supplementary Financial Information

### A. Capital Adequacy

	30/6/2016	31/12/2015
	HK\$ Mn	Restated HK\$ Mn
Capital base		
– Common Equity Tier 1 capital	62,547	61,571
– Additional Tier 1 capital	7,142	7,210
	<hr/>	<hr/>
– Total Tier 1 capital	69,689	68,781
– Tier 2 capital	16,523	17,703
	<hr/>	<hr/>
– Total capital	<u>86,212</u>	<u>86,484</u>
Risk weighted assets by risk type		
– Credit risk	451,212	458,920
– Market risk	18,524	17,231
– Operational risk	29,816	30,507
	<hr/>	<hr/>
Less: Deductions	499,552	506,658
	(2,956)	(3,018)
	<hr/>	<hr/>
	<u>496,596</u>	<u>503,640</u>
	30/6/2016	31/12/2015
	%	%
Common Equity Tier 1 capital ratio	12.6	12.2
Tier 1 capital ratio	14.0	13.7
Total capital ratio	17.4	17.2

Capital adequacy ratios are compiled in accordance with the Capital Rules issued by the HKMA. In accordance with the Capital Rules, the Bank has adopted the foundation internal ratings-based approach for the calculation of the risk-weighted assets for credit risk and the internal models approach for the calculation of market risk and standardised approach for operational risk.

The basis of consolidation for regulatory purposes is different from the basis of consolidation for accounting purposes. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with Section 3C of the Capital Rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and the securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Capital Rules and the Banking Ordinance. The Bank's shareholdings in these subsidiaries are deducted from its Tier 1 capital and Tier 2 capital subject to the thresholds and transitional arrangements as determined in accordance with Part 3 and Schedule 4H of the Capital Rules respectively.



## Supplementary Financial Information (Continued)

### A. Capital Adequacy (Continued)

The subsidiaries that are included in consolidation for regulatory purposes are listed in Note 35 of the Interim Report.

The Group operates subsidiaries in a number of countries and territories where capital is governed by local rules and there may be restrictions on the transfer of regulatory capital and funds between members of the Group.

For the purpose of compliance with the Banking (Disclosure) Rules, the Group has established a section on the Bank's website. Additional information relating to the Group's regulatory capital and other disclosures can be found in this section of the Bank's website, accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

### B. Liquidity Position

	<u>30/6/2016</u>	<u>31/12/2015</u>
	%	%
Average liquidity coverage ratio – First quarter	151.3	127.2
– Second quarter	141.2	137.5
– Third quarter	N.A.	132.1
– Fourth quarter	N.A.	151.2

The liquidity coverage ratio is calculated in accordance with the Banking (Liquidity) Rules effective from 1st January, 2015. The information for the regulatory disclosure can be found on the Bank's website accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

The Bank held an amount of HKD-denominated level 1 assets that was not less than 20% of its HKD-denominated total net cash outflows. There is no significant currency mismatch in the Bank's LCR at respective levels of consolidation.

## Supplementary Financial Information (Continued)

### C. International Claims

The information on international claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any recognised risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only regions constituting 10% or more of the aggregate international claims after taking into account any recognised risk transfer are disclosed.

Counterparty country/jurisdiction	30/6/2016							
	Banks HK\$ Mn	Official sector HK\$ Mn	Non-bank private sector			Total claims HK\$ Mn	Of which:	
			Non-bank financial institutions HK\$ Mn	Non-financial private sector HK\$ Mn	Others HK\$ Mn		Cross-border claims HK\$ Mn	Local claims (in all currencies) HK\$ Mn
Developed countries	25,175	5,651	4,408	39,028	6	74,268	39,323	34,945
Offshore centres	15,331	32,515	23,870	220,825	3	292,544	33,517	259,027
– of which: Hong Kong	8,627	28,758	23,568	197,085	3	258,041	25,466	232,575
Developing Europe	–	–	–	23	–	23	23	–
Developing Latin America and Caribbean	–	–	–	2	–	2	2	–
Developing Africa and Middle East	93	–	26	177	–	296	288	8
Developing Asia and Pacific	87,587	31,083	30,976	219,752	3	369,401	117,599	251,802
– of which: China	75,428	30,005	29,930	209,891	–	345,254	98,125	247,129
International organisations	–	–	233	–	–	233	233	–
<b>Total</b>	<b>128,186</b>	<b>69,249</b>	<b>59,513</b>	<b>479,807</b>	<b>12</b>	<b>736,767</b>	<b>190,985</b>	<b>545,782</b>

## Supplementary Financial Information (Continued)

### C. International Claims (Continued)

Counterparty country/jurisdiction	31/12/2015							
	Banks HK\$ Mn	Official sector HK\$ Mn	Non-bank private sector			Total claims HK\$ Mn	Of which:	
			Non-bank financial institutions HK\$ Mn	Non-financial private sector HK\$ Mn	Others HK\$ Mn		Cross-border claims HK\$ Mn	Local claims (in all currencies) HK\$ Mn
Developed countries	28,334	6,077	4,416	32,787	–	71,614	39,280	32,334
Offshore centres	12,606	42,102	20,531	215,979	3	291,221	28,421	262,800
– of which: Hong Kong	9,281	35,297	19,917	194,412	3	258,910	23,394	235,516
Developing Europe	–	–	–	54	–	54	54	–
Developing Latin America and Caribbean	–	–	–	184	–	184	184	–
Developing Africa and Middle East	91	–	26	–	–	117	109	8
Developing Asia and Pacific	100,385	32,630	30,215	233,699	–	396,929	120,525	276,404
– of which: China	89,081	31,356	28,395	223,628	–	372,460	102,882	269,578
International organisations	–	–	–	–	–	–	–	–
<b>Total</b>	<b>141,416</b>	<b>80,809</b>	<b>55,188</b>	<b>482,703</b>	<b>3</b>	<b>760,119</b>	<b>188,573</b>	<b>571,546</b>

The above figures are disclosed according to the return of international banking statistics the Bank submitted to the HKMA pursuant to section 63 of the Banking Ordinance in respect of the interim reporting period, which are computed on the consolidated basis as required by the HKMA for its regulatory purposes.

## Supplementary Financial Information (Continued)

### D. Mainland Activities

The table below summaries the non-bank Mainland China exposure of the Bank's Hong Kong Office and the Bank's Mainland subsidiary banks categorised by types of counterparties:

	30/6/2016		
	On-balance sheet exposure	Off-balance sheet exposure	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Type of counterparties</b>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures	30,254	5,925	36,179
2. Local governments, local government-owned entities and their subsidiaries and joint ventures	17,248	743	17,991
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	152,221	31,104	183,325
4. Other entities of central government not reported in item 1 above	3,860	841	4,701
5. Other entities of local governments not reported in item 2 above	2,897	50	2,947
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6,112	539	6,651
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	38,366	2,739	41,105
Total	<u>250,958</u>	<u>41,941</u>	<u>292,899</u>
Total assets after provision	<u>706,655</u>		
On-balance sheet exposures as percentage of total assets	<u>35.5%</u>		

## Supplementary Financial Information (Continued)

### D. Mainland Activities (Continued)

	31/12/2015		
	On-balance sheet exposure	Off-balance sheet exposure	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Type of counterparties</b>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures	26,087	3,934	30,021
2. Local governments, local government-owned entities and their subsidiaries and joint ventures	16,568	1,762	18,330
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	155,502	34,997	190,499
4. Other entities of central government not reported in item 1 above	3,746	1,570	5,316
5. Other entities of local governments not reported in item 2 above	3,948	98	4,046
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	8,507	304	8,811
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	39,950	1,616	41,566
Total	<u>254,308</u>	<u>44,281</u>	<u>298,589</u>
Total assets after provision	<u>737,558</u>		
On-balance sheet exposures as percentage of total assets	<u>34.5%</u>		

The above figures are disclosed in accordance with the return relating to Mainland activities the Bank submitted to the HKMA pursuant to section 63 of the Banking Ordinance in respect of the interim reporting period, which are computed on the consolidated basis as required by the HKMA for its regulatory purposes.

## Supplementary Financial Information (Continued)

### E. Overdue, Rescheduled and Repossessed Assets

#### (a) Overdue and rescheduled advances

	30/6/2016		31/12/2015	
	HK\$ Mn	% of total advances to customers	HK\$ Mn	% of total advances to customers
Advances to customers overdue for				
– 6 months or less but over 3 months	845	0.2	610	0.1
– 1 year or less but over 6 months	1,275	0.3	1,535	0.4
– Over 1 year	2,644	0.6	1,934	0.4
	<u>4,764</u>	<u>1.1</u>	<u>4,079</u>	<u>0.9</u>
Rescheduled advances to customers	89	0.0	78	0.0
	<u>4,853</u>	<u>1.1</u>	<u>4,157</u>	<u>0.9</u>
Secured overdue advances	<u>3,995</u>	<u>0.9</u>	<u>3,597</u>	<u>0.8</u>
Unsecured overdue advances	<u>769</u>	<u>0.2</u>	<u>482</u>	<u>0.1</u>
Market value of security held against secured overdue advances	<u>5,785</u>		<u>6,804</u>	
Individual impairment allowance made on loans overdue for more than 3 months	<u>938</u>		<u>799</u>	

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the period-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at period-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.

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.

## Supplementary Financial Information (Continued)

### E. Overdue, Rescheduled and Repossessed Assets (Continued)

#### (a) Overdue and rescheduled advances (Continued)

The two main types of "Eligible Collateral" are as follows:

- (i) "Eligible Financial Collateral" mainly comprises cash deposits and shares.
- (ii) "Eligible Physical Collateral" mainly comprises land and buildings, vehicles and equipment.

When the Bank's clients face financial difficulties and fail to settle their loans, depending on different situations, the Bank usually takes the following actions to recover the debt:

- (a) Debt rescheduling/restructuring
- (b) Enforcement of security
- (c) Legal action
- (d) Recovery via debt collector

#### (b) Advances to banks

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
Advances to banks overdue for		
– 6 months or less but over 3 months	–	–
– 1 year or less but over 6 months	–	–
– Over 1 year	–	–
	—	—
Rescheduled advances to banks	–	–
	—	—
Total overdue and rescheduled advances	—	—
	=	=

## Supplementary Financial Information (Continued)

### E. Overdue, Rescheduled and Repossessed Assets (Continued)

#### (c) Other overdue and rescheduled assets

	30/6/2016		
	Accrued interest HK\$ Mn	Debt securities HK\$ Mn	Other assets* HK\$ Mn
Other assets overdue for			
– 6 months or less but over 3 months	–	–	–
– 1 year or less but over 6 months	–	–	–
– Over 1 year	–	–	1
			1
Rescheduled assets	–	–	–
Total other overdue and rescheduled assets	–	–	1
	31/12/2015		
	Accrued interest HK\$ Mn	Debt securities HK\$ Mn	Other assets* HK\$ Mn
Other assets overdue for			
– 6 months or less but over 3 months	–	–	–
– 1 year or less but over 6 months	–	–	–
– Over 1 year	–	–	1
			1
Rescheduled assets	–	–	–
Total other overdue and rescheduled assets	–	–	1

\* Other assets refer to trade bills and receivables.

#### (d) Repossessed assets

	30/6/2016	31/12/2015
	HK\$ Mn	HK\$ Mn
Repossessed land and buildings*	301	317
Repossessed vehicles and equipment	2	–
Repossessed machines	1	–
Total repossessed assets	304	317

The amount represents the estimated market value of the repossessed assets as at 30th June, 2016 and 31st December, 2015.

\* The balance included HK\$78 million (2015: HK\$7 million) relating to properties that were contracted for sale but not yet completed.



## Supplementary Financial Information (Continued)

### F. Currency Concentrations

The net positions or net structural positions in foreign currencies are disclosed when each currency constitutes 10% or more of the respective total net position or total net structural position in all foreign currencies. The net option position is calculated in the basis of the delta-weighted position of option contracts.

	30/6/2016						
	USD	GBP	RMB	JPY	SGD	Other foreign currencies	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Spot assets	187,838	25,881	273,865	1,692	22,012	28,943	540,231
Spot liabilities	(171,798)	(18,223)	(262,553)	(1,285)	(25,336)	(28,538)	(507,733)
Forward purchases	175,750	688	139,105	1,698	5,063	9,655	331,959
Forward sales	(193,841)	(8,265)	(152,317)	(2,017)	(2,101)	(10,004)	(368,545)
Net options position	(956)	(11)	889	(5)	–	1	(82)
Net long/(short) non-structural position	<u>(3,007)</u>	<u>70</u>	<u>(1,011)</u>	<u>83</u>	<u>(362)</u>	<u>57</u>	<u>(4,170)</u>

	31/12/2015 (Restated)						
	USD	GBP	RMB	JPY	SGD	Other foreign currencies	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Spot assets	167,551	28,260	301,093	1,335	22,505	26,147	546,891
Spot liabilities	(162,388)	(19,318)	(291,341)	(3,000)	(25,293)	(28,410)	(529,750)
Forward purchases	149,048	150	117,610	4,190	4,429	8,469	283,896
Forward sales	(157,288)	(8,799)	(128,386)	(2,430)	(2,221)	(6,115)	(305,239)
Net options position	92	(1)	(70)	(4)	–	(8)	9
Net long/(short) non-structural position	<u>(2,985)</u>	<u>292</u>	<u>(1,094)</u>	<u>91</u>	<u>(580)</u>	<u>83</u>	<u>(4,193)</u>

	30/6/2016				
	USD	RMB	MYR	Other foreign currencies	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Net structural position	<u>2,175</u>	<u>13,422</u>	<u>2,264</u>	<u>938</u>	<u>18,799</u>
	31/12/2015				
	USD	RMB	MYR	Other foreign currencies	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Net structural position	<u>2,168</u>	<u>12,287</u>	<u>2,123</u>	<u>925</u>	<u>17,503</u>

The above figures are disclosed in accordance with the return relating to foreign currency positions the Bank submitted to the HKMA pursuant to section 63 of the Banking Ordinance in respect of the interim reporting period, which are computed on the consolidated basis as required by the HKMA for its regulatory purposes.

## Supplementary Financial Information (Continued)

### G. Leverage Ratio

	<u>30/6/2016</u>	<u>31/12/2015</u>
	%	%
Leverage ratio	8.8	8.3

The disclosure on leverage ratio is effective since 31st March, 2015 and is computed on the same consolidated basis as specified in a notice from the HKMA in accordance with section 3C of the Capital Rules. The relevant disclosures pursuant to section 24A of the Banking (Disclosure) Rules for this period can be found on the Bank's website accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

### H. Countercyclical Capital Buffer Ratio

	<u>30/6/2016</u>	<u>31/12/2015</u>
	%	%
Countercyclical Capital Buffer Ratio	0.2	–

The relevant disclosures pursuant to section 24B of the Banking (Disclosure) Rules for this period can be found on the Bank's website accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

There was no information disclosed relating to the countercyclical capital buffer ratio pursuant to section 45B of the Banking (Disclosure) Rules for 2015 because the applicable JCCyB ratios for Hong Kong and for jurisdiction outside Hong Kong are at 0% before 1st January, 2016 according to section 3P and section 3Q of the Capital Rules.

### I. Capital Conservation Buffer Ratio

Under section 3M of the Capital Rules, the capital conservation buffer ratios for calculating the Bank's buffer level are 0.625% for 2016 and 0% for 2015.

### J. Higher Loss Absorbency Ratio

The HKMA has designated the Bank as a domestic systematically important authorised institution ("D-SIB"). Under section 3V of the Capital Rules, the higher loss absorbency ratios applicable to the Bank is 0.25% for 2016 and 0% for 2015.

## **INDEPENDENT REVIEW REPORT**



### **TO THE BOARD OF DIRECTORS OF THE BANK OF EAST ASIA, LIMITED**

#### **INTRODUCTION**

We have reviewed the interim financial report set out on pages 3 to 61 which comprises the consolidated statement of financial position of The Bank of East Asia, Limited as of 30th June, 2016 and the related consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

#### **SCOPE OF REVIEW**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

#### **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30th June, 2016 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, "Interim financial reporting".

#### **KPMG**

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

Hong Kong, 19th August, 2016

## **INTERIM DIVIDEND**

The Directors are pleased to declare an interim dividend of HK\$0.28 per share (the “2016 Interim Dividend”) (2015 Interim Dividend: HK\$0.38 per share) for the six months ended 30th June, 2016. The 2016 Interim Dividend will be paid in cash with an option to receive new, fully paid shares in lieu of cash (the “Scrip Dividend Scheme”), to shareholders whose names appear on the Register of Members of the Bank at the close of business on Thursday, 8th September, 2016. The ex-dividend date for the 2016 Interim Dividend will be on Monday, 5th September, 2016. Details of the Scrip Dividend Scheme and the election form will be sent to shareholders on or about Thursday, 8th September, 2016. The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme. The dividend warrants and the share certificates for the scrip dividend will be sent to shareholders by ordinary mail on or about Friday, 30th September, 2016.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Bank will be closed on Wednesday, 7th September, 2016 and Thursday, 8th September, 2016. In order to qualify for the 2016 Interim Dividend, all transfer documents should be lodged for registration with Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, by 4:00 p.m. on Tuesday, 6th September, 2016.

## **FINANCIAL REVIEW**

### **Financial Performance**

Since February 2016, BEA, together with NWS Holdings Limited, has been carrying out a review of its strategic investment in Tricor Holdings Limited and its subsidiaries (collectively, the “Tricor Group”). The review considers strategic options including a possible sale of the entire interest in Tricor Group held by both BEA and NWS Holdings. Subsequently, a plan to sell the entire interest in Tricor Group has been initiated. Notwithstanding that a sale process is at an early stage and that the Bank has not entered into any agreement to sell its interest in Tricor Group, in accordance with Hong Kong Financial Reporting Standard 5 “Non-current Assets Held for Sale and Discontinued Operations”, the Group is required to report Tricor Group’s operating results for the first half of 2016 separately as discontinued operations in the consolidated income statement with comparative information re-presented. Tricor Group’s assets and liabilities as at 30th June, 2016 are presented separately as assets held for sale and liabilities held for sale respectively in the consolidated financial statements. Restatement of assets and liabilities as at 31st December, 2015 is not required. Nevertheless, there can be no certainty about the outcome of the sale process referred to: it may or may not result in a sale being concluded.

For the first six months of 2016, the Group achieved a profit attributable to owners of the parent of HK\$2,095 million, representing a decrease of HK\$1,259 million or 37.5%, compared with the HK\$3,354 million earned in the same period in 2015. Profit attributable to owners of the parent from continuing operations and discontinued operations respectively amounted to HK\$1,981 million and HK\$114 million, representing a decrease of HK\$1,261 million, or 38.9%, and an increase of HK\$2 million, or 0.8%, respectively as compared to the first half of 2015. Basic earnings per share from continuing operations fell from HK\$1.24 in 2015 to HK\$0.65 in 2016 while basic earnings per share from discontinued operations remained at HK\$0.04.

Annualised return on average assets and annualised return on average equity fell from 0.8% to 0.5%, and from 8.7% to 4.8%, respectively.

During the first six months of 2016, the Group’s net interest income from continuing operations decreased by HK\$700 million, or 11.3%, to HK\$5,483 million. Net interest margin narrowed from 1.71% to 1.59%, largely due to pressure on BEA China’s net interest margin, which decreased from 1.95% to 1.61%.

Net fee and commission income from continuing operations decreased by HK\$336 million, or 21.2%, to HK\$1,253 million. Commission income from credit cards grew, whereas securities and brokerage, trade finance, loans and guarantee, and retail banking services declined.

Net trading losses from continuing operations decreased by HK\$2 million, or 7.6%, to HK\$32 million. Overall, non-interest income from continuing operations decreased by 14.1% to HK\$1,647 million. Operating income from continuing operations decreased by 12.0% to HK\$7,130 million.

Total operating expenses from continuing operations rose by 0.5% to HK\$4,239 million. The cost-to-income ratio rose from 52.0% in the first half of 2015 to 59.4% in the first half of 2016.

Operating profit before impairment losses from continuing operations was HK\$2,891 million, a decrease of HK\$994 million, or 25.6%, when compared with the corresponding period in 2015.

With the worsening economic environment in Mainland China, impairment losses on loans and advances from continuing operations grew by 59.9% to HK\$1,241 million. As a result, the impaired loan ratio of the Group rose from 1.13% at the end of 2015 to 1.23% at the end of June 2016. BEA China's impaired loan ratio increased from 2.63% to 2.80% while BEA Hong Kong's impaired loan ratio rose from 0.34% to 0.49%.

Operating profit after impairment losses from continuing operations was HK\$1,650 million, a decrease of 46.9% or HK\$1,458 million.

Net profit on disposal of fixed assets from continuing operations included a net gain of HK\$782 million on certain properties in Mainland China. Associated land value-added tax and corporate income tax on the disposal, amounting to HK\$396 million, is included in Income Tax.

Valuation gains on investment properties from continuing operations decreased to HK\$45 million.

The Group shared after-tax profits from associates of HK\$192 million from continuing operations, a decrease of HK\$61 million, or 23.7% compared to the same period in 2015, mainly due to the weaker performance of a Malaysia-based associate and a Mainland China-based associate during the period under review.

After accounting for income taxes, profit after taxation from continuing operations fell to HK\$1,989 million, a decrease of 39.0% compared to HK\$3,260 million recorded in 2015.

## **Financial Position**

Total consolidated assets of the Group stood at HK\$756,571 million at the end of June 2016, a decrease of 3.2% over the HK\$781,364 million reported at the end of 2015.

Gross advances to customers rose by 1.7% to HK\$448,816 million and trade bills declined by 25.2% to HK\$14,616 million.

Available-for-sale financial assets increased by 18.5% to HK\$110,947 million, whereas trading assets increased by 22.9% to HK\$6,560 million.

Total deposits from customers fell by 2.3% to HK\$528,149 million. Demand deposits and current account balances decreased by HK\$5,631 million, or 7.7%, compared with the balance at year-end 2015. Savings deposits increased to HK\$117,904 million, a rise of 4.0%, while time deposits decreased by HK\$11,535 million, a decrease of 3.3%, when compared with the end of December 2015. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, fell by 3.1% to HK\$559,899 million.

The loan-to-deposit ratio stood at 80.2% at the end of June 2016, 3.8 percentage points higher than the 76.4% reported at the end of 2015.

Total equity increased to HK\$87,035 million, up 1.6%.

The Group maintained healthy capital adequacy and liquidity positions at the end of June 2016. The total capital ratio, tier 1 ratio, and common equity tier 1 ratio were 17.4%, 14.0%, and 12.6% respectively, as at 30th June, 2016. The average liquidity coverage ratio for the quarter ended 30th June, 2016 was 141.2%, which was well above the statutory limit of 70% for the year 2016.

## **ECONOMIC OVERVIEW**

The global economy turned in a mixed performance during the first half of the year. The United States economy grew at a slower pace compared to previous years. Meanwhile, the European and Chinese economies turned in disappointing performances. With weak external demand, Hong Kong's exports dropped by 3.9% in the first half of 2016.

Meanwhile, growth in the domestic economy slowed. Tourist spending remained weak, creating headwinds for the retail and restaurant sectors. This has adversely affected the employment market, pushing the unemployment rate slightly higher to 3.4% at the end of June. Residential property prices dropped by 3.3% in the first half of the year, with concerns about the employment market, expectations for an increase in interest rates, and increased housing supply affecting market sentiment. The resulting negative wealth effect, together with rising unemployment, undermined consumer confidence, leading to a fall in private consumption. Retail sales recorded a 10.5% decline year on year in the first half of 2016.

On the Mainland, exports continued to struggle as demand from European and Asian markets remained weak in the first half. Furthermore, production costs are continuing to rise, encouraging a shift of some export orders to other countries. Investment growth moderated, as China's deleveraging policies forced investors to be more selective. Consumer spending has also been weak, creating a knock-on effect for many domestic companies. The Central Bank cut the deposit reserve ratio by a further 25 basis points in the first half of 2016, helping to ward off a steeper decline in economic performance.

Following the historic referendum in June, the United Kingdom voted to leave the European Union, which sent shockwaves through financial markets worldwide and ushered in a period of economic and political uncertainty. Looking ahead, growth of the European economy will remain sluggish while the US economic recovery will continue at a slower pace. As a result, little change is expected in China's export fortunes. The Chinese government is expected to continue to address structural economic problems by restraining investment growth. As the stimulus measures introduced last year appear to be working, we expect the Central Bank to refrain from taking further measures unless the economy deteriorates. China's economy is likely to grow by 6.7% in 2016, with inflation remaining low at 2.0%.

In Hong Kong, meanwhile, GDP growth is forecast to average 0.5% for 2016, while the inflation rate will soften to 2.6%.

## **OPERATIONS REVIEW**

### **Business – Hong Kong**

As at 30th June, 2016, the aggregate value of all customer loans and trade bills of BEA in Hong Kong was 0.9% higher than at the end of 2015, despite the run off in trade bills. Customer loans increased by 3.0%, while customer deposits were up by 1.2% and debt investments rose by 26.1%.

### ***Retail Banking***

During the first half of 2016, BEA's personal banking operations in Hong Kong performed well. Total operating income grew by 3.9% compared to the same period a year earlier, driven by a 7.0% increase in net interest income. This was the result of ongoing efforts to optimise the Bank's deposit mix and expand current and savings account balances, thereby reducing the cost of funding.

Customers exhibited a reduced appetite for investment products, in light of poor market conditions. To offset the loss in related income, increased focus was placed on selling insurance. Overall, net fee and commission income fell by 6.3% when compared to the same period last year.

On the lending side, retail loans increased compared to the end of 2015, despite weak local consumption and property prices. The Bank recorded a significant upturn in mortgage loan drawdowns following the launch of a fixed-rate plan. Meanwhile, the consumer loan balance recorded a double-digit rise during the period under review.

With economic uncertainty expected to continue in the second half of this year, cost containment is a top priority. A full review of the Bank's local branch and automated teller machine network has been completed, and a programme is now in progress to optimise use of resources. Several branches in underperforming areas were consolidated or relocated in the first half of 2016, while new outlets were opened in prime locations including Pacific Place, Convention Plaza, and Plaza Hollywood. This rationalisation programme is expected to maximise network productivity within three years. Meanwhile, an operational efficiency drive has been started for personal banking products and services, aiming to further improve productivity and eliminate redundant processes. Together, these initiatives will enable the Bank to optimise network and human resources and serve customers more efficiently.

### ***Corporate & Commercial Banking***

The situation became even more challenging for Corporate Banking in the first half of the year. Restrained loan demand from local and Mainland clients encouraged intense competition among lenders for quality assets. Margins were pressured, although the effect was mitigated by lower funding costs, and net interest income recorded an 8.4% decline as a result. Meanwhile, drops in trade bills and treasury product sales dragged net fee and commission income down. Overall, operating income fell by 24.7% compared to the same period in 2015.

The sudden devaluation of the RMB last August and sluggish economic environment thereafter led to defaults by a few clients, which were reported during the period under review. The impaired loan ratio edged upwards as a result, although it remained at a manageable level at the end of the first half.

Despite this slow start to the year, business began to pick up in the second quarter. Loan prepayments from Mainland corporates slowed, and certain big names returned to Hong Kong to refinance existing offshore debt and raise funds for business expansion and overseas acquisitions. In addition, Corporate Banking actively sought opportunities in the primary and secondary loan and bond markets. The holding of high-quality corporate notes and bonds increased, while the corporate loan portfolio rose by 4.2% in the first half.

Going forward, there are still good prospects for lending to Chinese borrowers, particularly for M&A purposes. With its strong Mainland presence and expertise in cross-border lending, BEA is in a unique position to leverage these opportunities.

### ***Wealth Management***

After a strong period of market exuberance in the first half of 2015, Private Banking's performance has suffered in comparison so far this year, with operating income down by 16.5% year on year due primarily to the high base effect. Net fee and commission income was lower, while net interest income recorded an increase.

Private Banking's assets under management were 1.4% higher at the end of the period compared to the end of 2015. Demand for loans dropped on customer deleveraging and weak investor sentiment, and the loan balance declined as a result.

Facing volatile conditions, investors were cautious at the start of the year, holding cash or favouring defensive products such as bond funds and other fixed-income vehicles. The Bank's product offering was tailored to meet demand. Meanwhile, increased efforts were made to promote insurance products with premium financing, providing clients with protection for a smaller outlay of funds.

Volatility intensified following the UK's decision to leave the European Union in June. Global markets have since pared back their losses. However, policymakers remain cautious given political and social instability in Europe, the Middle East, and the US. Central banks are therefore expected to extend their accommodative monetary policies, giving a boost to investor sentiment as the added liquidity drives up asset prices. As a result, customers are returning to the market, favouring safe assets and currencies.

Looking ahead, the upcoming launch of the Shenzhen-Hong Kong Stock Connect scheme will provide further opportunities for investors, and Hong Kong's equity markets should benefit due to the gradual devaluation of the RMB. The Bank is adjusting its product mix accordingly, and is well placed to capture business as investment sentiment recovers.

## **Insurance & MPF Services**

Given high levels of uncertainty and volatility in the investment market, insurance products with guaranteed returns have been favoured by risk-averse customers and investors seeking to diversify their asset allocation. Against this backdrop, BEA Life Limited, the Bank's wholly-owned life insurance arm, continued to see solid top-line growth in the first half of 2016. New premium income increased by 22.4% year on year, with strong sales of both short-term and long-term products.

Blue Cross (Asia-Pacific) Insurance Limited, BEA's wholly-owned general insurance arm, recorded a mild increase in premium income under a highly competitive market environment. In particular, group medical premium income grew at a healthy 3.3% year on year, as the company focused on retaining existing quality clients and further developing the small and medium-sized enterprise segment.

Total membership of BEA's MPF schemes grew to 658,000 in the first half of 2016, while AUM increased by 5.3% to HK\$20.2 billion. Efforts to control costs are ongoing. A new efficiency drive was kicked off early this year, aiming to streamline operations and enhance productivity through job reallocation and workflow re-engineering.

## **Broking Operations**

In April 2016, BEA completed the disposal of Tung Shing as part of its efforts to enhance resource management and streamline sales channels. Going forward, securities and brokerage services in Hong Kong will continue to be available to customers through the Bank's wholly-owned subsidiaries, East Asia Securities Company Limited and East Asia Futures Limited.

In June, EAS announced plans to close all 22 retail outlets in Hong Kong on 8th July, in view of the increasing popularity of electronic and phone trading platforms. More than 90% of EAS's securities transactions had already shifted to electronic and phone platforms, and the move will enable EAS to focus its efforts on further enhancing its digital platform and serving customers more efficiently.

Meanwhile, with an extensive branch network, the Bank will continue to provide securities services for its retail customers via integrated accounts, namely SupremeGold Account, Supreme Account, and i-Account.

## **Business – Greater China ex-Hong Kong**

Following the market volatility and sharp deceleration in economic activity experienced in 2015, operating conditions in Mainland China continued to be challenging in the first half of 2016. Growth in gross domestic product was 6.7% for the first half of 2016 while the consumer price index rose by 2.1%. A mini-stimulus restored some confidence in the first quarter by boosting credit and fixed asset investment, but subsequent pronouncements suggest that the government is unlikely to repeat such measures. Instead, it is prepared to accept an "L-shaped recovery", in which the quality of growth is given priority over its pace. Structural reform is positive for Mainland China's long-term development, but the risk of a prolonged balance sheet recession is not insignificant.

The banking sector in Mainland China continues to be challenged in this environment by slowing loan growth, compressed net interest margins, and increased default risk.

BEA China has not been immune to these trends. The Management maintained its conservative approach in the first half by reducing exposure to high risk sectors such as hotels, boarding houses, and catering; the wholesale and retail trade; and manufacturing. This resulted in a 2.3% half on half reduction in loans outstanding to HK\$146,539 million. Deposits were reduced by 8.7% half on half to HK\$183,705 million following the relaxation of the loan-to-deposit ratio cap.

The net interest margin in the first half of 2016 was 1.61%, similar to the 1.70% achieved in the second half of 2015. While yields on more conservative assets remained low, the cost of funding has now adjusted to the cuts made in 2015 by the People's Bank of China to its base interest rate. In addition, a Value Added Tax was implemented on 1st May, 2016, impacting two months' results. Tax will now be deducted from interest income rather than recorded in operating expenses, making net interest margins otherwise lower than previous comparable periods.



BEA China's non-performing loan ratio as at 30th June, 2016, was 2.80%, 17 basis points higher than as at 31st December, 2015. Given the reduction in assets, the increase was to a certain extent the result of a smaller denominator. In absolute terms, however, BEA China's balance of NPLs increased 3.9% half on half to HK\$4,104 million as at 30th June, 2016.

It is noted that most of BEA China's NPLs were extended in 2013 and in the first half of 2014. Reflecting the decision to change risk appetite, the asset quality of loans issued since the middle of 2014 has generally been much better.

Operating expenses (after exceptional items) stayed roughly constant thanks to controls initiated in 2015. However, as a result of the pressures on operations and asset quality described above, BEA China's net profit after tax for the first half of 2016 decreased by 55.6% year on year to HK\$240 million.

Since its establishment in 2007, BEA China has strived to develop a culture and platform necessary for long-term success. BEA China's vision is to be Mainland China's most localised foreign bank, offering quality products and services to meet the increasingly sophisticated financial needs of retail and corporate clients.

Without losing sight of this vision, BEA China is responding to its immediate challenges in a number of ways. First and foremost is cost control. BEA China has completed the sale of eight floors in the BEA Tower in Beijing during the period under review. The second half of this year will see BEA China focus on three fronts: rationalising its branch network by consolidating and relocating certain sub-branches and ATMs; pursuing operational excellence by standardising, centralising, automating, and digitising its workflow; and realigning its business to create a regional structure, so as to pool branch resources and better coordinate client marketing.

In addition, BEA China will further optimise its asset and liability mix so as to alleviate pressure on net interest margins, particularly by seeking cheaper funding. Finally, measures to improve credit assessment and recovery will continue. While 94% of impaired loans are collateralised, the centralised credit approval process introduced in the fourth quarter of 2015 will ensure greater consistency and accountability going forward.

At the same time, BEA China has launched a range of initiatives to enhance revenues. BEA China is pursuing new opportunities for corporate lending in sectors such as utilities, pharmaceuticals, health, storage, and logistics. Treasury products are another promising area for growth. BEA China launched cross-currency swaps in 2016, and has made significant inroads into the onshore RMB options market.

Following the rapid increase in outward investment and offshore business, BEA China continued to reach out to corporate clients seeking cross-border products. In this regard, BEA China is able to offer use of BEA's global network, its outlets in the Pilot Free Trade Zones in Mainland China, and its strong relationships with BEA's strategic partners in Asia and Europe.

BEA China is also placing greater emphasis on retail banking as a source of higher yields. BEA China's credit card instalment loans reached HK\$3,646 million as at 30th June, 2016, a 27% year-on-year increase. In the future, BEA China also plans to target high net-worth customers with tailored wealth management solutions.

To this end, BEA China will continue to invest in its internet and mobile banking channels. These have already proven a successful way of reaching retail customers and streamlining the handling of product applications. BEA China is also pursuing partnerships within Mainland China's vibrant internet business community. These have the potential to offer transformational access to large communities of potential customers without the need for substantial fixed investment.

As at 30th June, 2016, BEA China's branch network consisted of 30 branches and 94 sub-branches in 44 cities across the country, offering customers one of the most extensive networks of any foreign bank in Mainland China.

## **BEA Macau and Taiwan**

The ongoing contraction in Macau's gambling industry resulted in a challenging operating environment for BEA Macau. Nonetheless, its efforts to target local professionals and high net-worth customers resulted in an over 65% year-on-year increase in the fee and commission income generated from this category of customers. To rationalise services, the Arieta Sub-branch was closed at the end of June 2016. Going forward, BEA Macau will continue to optimise its asset and liability structure, improve its net interest margin, and exercise stringent control on operating costs.

Facing slower cross-strait economic activity in the first half of 2016, BEA Taiwan focused lending on large-scale Mainland Chinese state-owned enterprises, large-scale Taiwanese companies, or other clients able to offer full security. In addition, BEA Taiwan successfully boosted its non-interest income by arranging syndicated loan facilities. BEA Taiwan intends to pursue these initiatives in the second half as well as to focus on cost control.

In addition, during the first half of 2016, the Bank disposed of its 100% interest in BEAWMS and BEA Insurance Brokerage (Taiwan) Limited to SinoPac Securities. The transaction was completed on 28th March, 2016.

## **Business – International**

Singapore Branch continues to face strong headwinds, with slowing economic growth and a tough operating environment in the first half of 2016.

The Branch recorded a 12% decrease in loan portfolio from the end of last year, mainly due to a decline in China cross-border trade loans. To gain new business and sustain net interest margins, the Branch stepped up its Singapore dollar-denominated corporate debt securities investment programme, increasing its holdings by 107% from the prior year end. BEA will continue to focus on expanding its syndicated and bilateral corporate loan portfolio, as well as bond investments, especially among larger new-to-bank clients in the corporate and SME sectors.

While the outlook for the second half of 2016 remains uncertain, plans are under way to increase fee income by cross-selling and up-selling trade, treasury, deposit, and wealth management products. The Branch is also placing more emphasis on developing its retail banking business by re-organising the customer facing function, under the leadership of a dedicated business head from retail branch operations. This will enable higher levels of customer engagement, deepen customer relationships, and increase opportunities to improve the share of the customer's wallet managed by BEA.

Labuan Branch continued to deliver profit growth despite Malaysia's economic slowdown. The Branch remains focused on developing syndication and bilateral loan business in the region.

In the first half of 2016, the Bank's operations in the UK registered modest growth in loan assets and profitability.

The UK vote to leave the European Union has sent shockwaves across global financial markets. BEA is confident that its UK operations will be able to withstand the adverse impact arising from Brexit, given its prudent lending strategy and stringent underwriting criteria. However, the Bank expects that clients, especially property investors from Hong Kong and China, will take a more prudent approach toward new investments in the UK. As a result, BEA anticipates a possible slowdown in the business of its UK operations. The Bank will monitor the market closely and make adjustments to its business strategy accordingly.

In June 2016, the staff of BEA's London Branch completed their relocation back to the Bank's newly renovated premises at 75 Shaftesbury Avenue. BEA will celebrate the opening of the newly-renovated branch in October.

BEA's US operations recorded a solid performance in the first half of 2016. The combined loan assets of New York and Los Angeles branches reached a new high of US\$3.48 billion, up 31.8% from the end of 2015. Likewise, operating profit and net profit increased 70.8% and 14.6% year on year respectively. The impaired loan ratio further improved to 0.18% from 0.58% at the end of 2015.

The strong growth recorded by BEA's US branches during the first half of 2016 is due to the continuing domestic economic recovery; demand for property investment in gateway cities such as New York, San Francisco, and Los Angeles; and increased refinancing and merger and acquisition activities in the corporate and syndication markets.

The Bank's US operations will continue capitalising on the favourable market conditions to diversify and expand its portfolio, targeting high quality corporate and syndicated loans as well as commercial real estate financing.

Overall, BEA's international operations registered modest growth in loan assets from the end of 2015. Net profit slightly decreased by 3%, year on year, for the first half of 2016, mainly due to sluggish performance in Singapore and the depreciation of the pound sterling. Going forward, the Bank's international branches will continue to expand lending relationships with local enterprises and step up customer referral efforts and other forms of collaboration with the Bank's Head Office and BEA China to capture lending opportunities from large corporations that have outbound investments.

## **Other Subsidiaries**

### ***Credit Gain Finance Company Limited***

Credit Gain reported satisfactory loan portfolio growth for the first half of 2016. Against the uncertain economic backdrop, Credit Gain will continue to focus on expanding its customer base, rolling out competitive marketing campaigns, enhancing service quality, and further strengthening risk management. As of 30th June, Credit Gain operated a total of 23 service outlets in Hong Kong, Shenzhen, and Chongqing.

### ***Tricor Holdings Limited***

Tricor reported record-high fee revenue of HK\$629 million for the first six months of the year, thus making a strong contribution to the BEA Group's fee and commission income. In May, Tricor acquired a 30% interest in a corporate services firm in Brisbane, Australia, whose name has subsequently been changed to Tricor Chew Pty. Ltd. The establishment of Tricor's first office in Australia has further enhanced the Company's servicing capabilities in the Asia-Pacific Region.

### ***BEA Union Investment Management Limited***

BEA Union Investment recorded a 10.5% increase in AUM in the first half of 2016. This growth was mainly due to the Company's success in penetrating both the retail and institutional sectors in Hong Kong and on the Mainland.

To cater to growing demand from retail investors for funds with income features, BEA Union Investment introduced the Global Flexi Allocation Fund in January and the China High Yield Income Fund in April for distribution in Hong Kong.

Looking ahead, BEA Union Investment will continue to broaden its product offering and work closely with BEA Trustees in preparation for the launch of the default investment strategy under the MPF system in 2017.

## **Our People**

As of 30th June, 2016, the BEA Group employed 12,840 people:

Hong Kong	5,590
Greater China ex-Hong Kong	5,883
Overseas	1,367
	<hr/>
Total	<u>12,840</u>

There were no significant changes to the Group's remuneration policies and practices, bonus scheme, or training programmes during the period under review. A revised Staff Share Option Scheme was approved at the 2016 Annual General Meeting in April. In early June, following extensive review of the Group's operations with a view to streamlining workflows and enhancing cost efficiency – and following a business realignment exercise conducted by EAS – BEA reduced its manpower resources in Hong Kong. On the Mainland, BEA China imposed a headcount freeze to control costs, which resulted in a headcount reduction, while Credit Gain streamlined its operations in Chongqing in line with its business needs. The Group's overall headcount was further reduced during the period under review, half on half, by the sale of Tung Shing and BEAWMS.

## Future Prospects

The business and operating environment is expected to remain challenging in the second half of 2016. Brexit will no doubt add to uncertainties in financial markets, and may affect inward investment into the UK and Europe.

BEA will maintain its focus on diversifying income sources and managing operating costs. In addition, BEA will continue to focus on acquiring customers in desired and profitable segments, while maximising opportunities generated through its unique network across Hong Kong, China and overseas operations. BEA will also continue to exercise stringent cost control by driving improvement of basic systems and processes as well as building a more productive and flexible workforce through training to enhance back-office efficiency and cost savings.

In Hong Kong, BEA will strive to maintain its position as the market leader in innovation and digitisation. The digital model will be further extended to cover more local branches. Digital transformation will enable the Bank to do more with less, driving long term cost benefits. In addition, the Bank will further develop innovative products and services as well as enhance retail wealth management operations, including insurance and investment products, to attract affluent customers in Hong Kong and wealthy Mainland Chinese. To cater for the needs of the market, BEA will further increase treasury activities and broaden product offerings.

On the Mainland, the Bank's long-term commitment to China remains intact. BEA China is in the midst of a branch network rationalisation programme, and plans to accelerate the development of mobile platforms with WeBank Co., Ltd. to capture digital and mobile banking opportunities. In addition, financial markets business and personal lending business will be further expanded. BEA China will also continue to invest selectively in new growth areas, in particular in emerging industries under the 13th Five Year Plan.

Outside Hong Kong and China, BEA will capture new revenue streams from emerging business opportunities in overseas countries. Business collaboration with the Hong Kong and China branches of BEA will be further expanded in order to further capitalise on BEA's unique Greater China platform.

While the challenging environment is likely to maintain for some time, BEA has a proven capability of adapting to difficult market conditions. The Bank has the experience, the established relationships, and the determination to capture the growth opportunities ahead.

## **RISK MANAGEMENT**

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

The Risk Committee stands at the highest level of the Group's risk governance structure below the Board. The Risk Committee consists of five independent non-executive directors (including the Chairman of the Committee) and two non-executive directors. The Risk Committee provides direct oversight over the formulation of the Group's institutional risk appetite, and sets the levels of risk that the Group is willing to undertake with regard to its financial capacity, strategic direction, prevailing market conditions, and regulatory requirements.

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

To ensure that roles within the organisation are clearly defined in regard to risk management, BEA has adopted a “Three Lines of Defence” risk management structure. The first line of defence comprises the Bank’s business units and functional units, which are responsible for the management of the risks that the units incur in the course of their activities. The Risk Management Division and Compliance Division provide independent oversight over the risk takers as the second line of defence. Reporting directly to the Audit Committee, the Bank’s Internal Audit Division serves as the third line of defence. The Internal Audit Division assists the AC in its oversight of the Bank’s overall risk management and internal control systems by conducting periodic reviews to assess the adequacy of the Bank’s risk management framework, control, and governance processes as designed by the first and second lines of defence.

The Group has formulated policies to identify, measure, monitor, control, and report on the various types of risk and, where appropriate, to allocate adequate capital to cover those risks. The Group’s major risk management policies and control limits are approved by the Board and are monitored and regularly reviewed to align with market changes, statutory requirements, and best practices in risk management processes. The Board has delegated the responsibility for on-going risk management to the Risk Committee, Risk Management Committee and specialised risk management committees. Significant risk management-related issues must be reported to the Board, which oversees risk management. Moreover, on a daily basis, the Group Chief Risk Officer is responsible for overseeing the Bank Group’s risk management issues which include, but are not limited to, the risk management infrastructure, strategies, appetites, culture, and resources.

Stress testing is an integral part of the Group’s risk management. BEA regularly performs stress-tests on the principal risks, where appropriate, to assess the potential impact of stressed business conditions (including hypothetical situations such as a significant economic downturn in Mainland China and Hong Kong) on the Group’s financial positions, in particular, capital adequacy, profitability, and liquidity. Whenever necessary, a prompt management response will be developed and executed to mitigate potential impacts.

Each new product launch must go through an approval process, which includes business and financial analysis and risk assessment. New products are reviewed and assessed by the New Products Evaluation Working Group (comprising the department heads of supporting units), endorsed by the Steering Group (chaired by the Bank’s Group Chief Risk Officer and comprising the division heads of supporting units), and approved by the Risk Management Committee.

#### **(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 loans and advances, issuer risks from the securities business, and counterparty risks from trading activities.

The Credit Committee is responsible for managing all credit risk-related issues of the Group, while the Credit Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to credit risk. The Group identifies and manages credit risk by defining the target market segment, formulating appropriate credit policies, and carrying out credit assessment and monitoring of asset quality. Credit risk control limits are set for different levels. Risk, return, and market situation are considered when setting all limits. Active limit monitoring is undertaken.

In evaluating the credit risk associated with an individual customer or counterparty, financial strength and repayment ability are always the primary considerations. Credit risk may be mitigated by obtaining collateral from the customer or counterparty.

The Group has established policies, procedures, and rating systems to identify, measure, monitor, control, and report on credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group’s Credit Risk Management Manual. These guidelines stipulate delegated lending authorities, credit underwriting criteria, credit monitoring processes, an internal rating structure, credit recovery procedures, a provisioning policy and procedures related to collateral for loans and advances granted by the Group. They are reviewed and enhanced on an ongoing basis to cater for market changes, statutory requirements, and best practices in risk management processes.

**(b) Market risk management**

Market risk refers to the risk of adverse price movements arising from all market risk-sensitive financial instruments, including debt securities, foreign exchange contracts, equity and derivative instruments, as well as from structured products. The aim in managing market risk is to reduce the Group's exposure to the volatility inherent in financial instruments.

The Asset and Liability Management Committee deals with all market risk-related issues of the Group. It is also responsible for conducting a regular review of interest rate trends and deciding the corresponding future business strategy. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to market risk.

The use of derivatives for proprietary trading and the sale of derivatives to customers as risk management products are integral parts of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk, as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest rate, foreign exchange, and equity-related contracts, in the form of both over-the-counter derivatives and exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

In this connection, the key types of market risk that must be managed are:

*(i) Currency risk*

The Group's foreign currency positions arise from foreign exchange dealing (including derivatives), commercial banking operations, and structural foreign currency exposures. The Group's non-structural foreign currency exposures are mainly denominated in USD, RMB, GBP, JPY, and SGD. All foreign currency positions are managed within limits approved by the Board or the Asset and Liability Management Committee.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries, and associated companies, are excluded from "value-at-risk" measurements, as related gains or losses are taken to reserves. Such foreign currency positions are managed with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations. The Group seeks to match its foreign currency denominated assets closely with corresponding liabilities in the same currencies.

*(ii) Interest rate risk*

The Group's interest rate positions arise from treasury and commercial banking activities in trading portfolios. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

*(iii) Equity risk*

The Group's equity positions arise from equity investment and dynamic hedging of customer-driven business. Equity risk is managed daily by the Investment Department within the limits approved by the Board, Investment Committee, or the Asset and Liability Management Committee.

Market risk control limits have been set at varying levels according to the practical requirements of different units. The Board approves the core control limits and has delegated the authority to set detailed control limits to the Asset and Liability Management Committee. Risk, return, and market conditions are considered when setting limits. Active limit monitoring is carried out.

In this connection, the Asset and Liability Management Committee monitors the related market risk arising from the risk-taking activities of the Group, to ensure that overall and individual market risks are within the Group's risk tolerance level. Risk exposures are monitored frequently to ensure that they are within established control limits.

The Group quantifies the market risk of the underlying trading portfolio by means of VaR. VaR is a statistical estimate that measures the potential losses in market value of a portfolio as a result of unfavourable movements in market rates and prices, if positions are held unchanged over a certain horizon time period.

The Group estimates VaR for the Group's trading portfolio by the parametric approach, where the VaR is derived from the underlying variances and co-variances of the constituents of a portfolio. This methodology uses historical movements in market rates and prices, a 99% confidence level, a one-day holding period, and a one-year historical observation period. An equal or higher weighting scheme is applied to more recent observations under which higher VaR should be used.

Structural foreign exchange positions arising from net investments in branches and subsidiaries are not included in the VaR for the foreign exchange trading position.

The book value of listed shares, as well as the book value of private equity funds and unlisted equities (collectively the "Unlisted Securities"), are subject to limits and these are monitored by the Management of the Group. The Unlisted Securities and listed non-trading equities are not included in the VaR for the equity trading position, and are managed through delegated limits. The limits are subject to regular review by the Asset and Liability Management Committee.

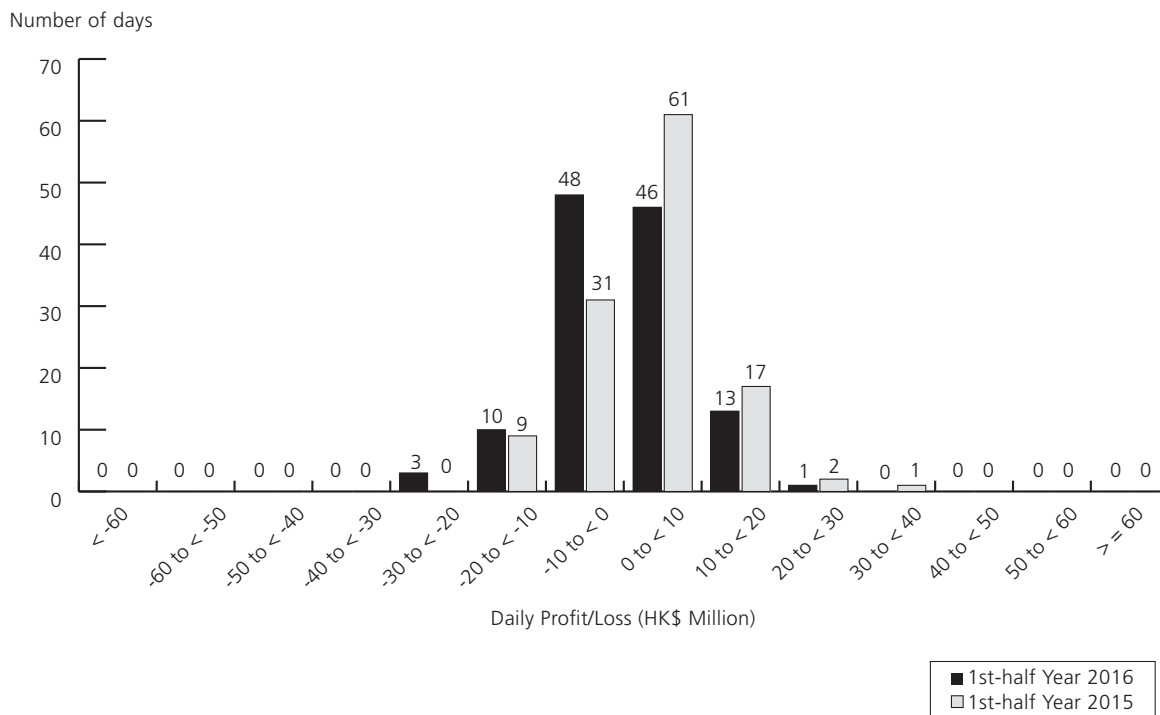
#### *Value-at-risk statistics*

	Year 2016 1st half			
	At 30th June	Maximum	Minimum	Mean
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
VaR for total trading activities	36	45	31	38
VaR for foreign exchange trading positions*	12	14	8	11
VaR for interest rate trading positions	3	7	2	4
VaR for equity trading positions	25	34	23	27
	Year 2015 1st half			
	At 30th June	Maximum	Minimum	Mean
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
VaR for total trading activities	35	45	22	30
VaR for foreign exchange trading positions*	9	14	6	9
VaR for interest rate trading positions	4	8	3	4
VaR for equity trading positions	27	32	14	21

\* Including all foreign exchange positions but excluding structural foreign exchange positions.

The average daily profit for all trading activities (including foreign exchange, interest rate, and equity trading activities) in the first six months of 2016 was HK\$0.59 million (average daily profit of HK\$2.82 million in the first six months of 2015). The standard deviation of the daily profit/loss for the period was HK\$8.60 million (standard deviation of HK\$9.18 million for the same period in 2015). The frequency distribution of daily profit/loss is shown below:

**DAILY DISTRIBUTION OF TRADING ACTIVITIES RELATED PROFIT/LOSS  
– 1st-half Year 2016 vs 1st-half Year 2015**



**(c) Operational risk management**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The objectives of operational risk management are to identify, assess, monitor, and report on operational risk systematically; to minimise the operational loss and other impact on the Group; and to comply with the relevant regulatory requirements.

The Operational Risk Management Committee is responsible for overseeing operational risk management of the Group while the Operational Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to operational risk.

The operational risk management tools adopted include operational risk incident reporting, risk control self-assessment, key risk indicators, operation manuals, insurance policies, business continuity planning, etc.



**(d) Liquidity risk management**

Liquidity pertains to the Group's ability to meet obligations as they fall due. Funding liquidity relates to the ability to meet expected and unexpected current and future cash flow and collateral needs without affecting daily operations or the financial position. Market liquidity concerns the inability to offset or eliminate a position at market price because of inadequate market depth or market disruption, or the access to financial resources at excessive cost.

The purpose of liquidity risk management is to ensure sufficient cash flows to meet all financial commitments and to capitalise on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity coverage ratio, and to make new loans and investments as opportunities arise.

The Asset and Liability Management Committee is delegated by the Board to oversee the Group's liquidity risk management. The Asset and Liability Management Committee sets the strategy, policy, and limits for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Regular meetings are held to review the compliance status of the monitoring matrix established and the need for any change in strategy and policy.

Liquidity is managed daily by the Capital Markets & Liquidity Management Department under the Treasury Markets Division of the Group within the set limits. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to liquidity risk. The Internal Audit Division performs periodic reviews to ensure that the liquidity risk management functions are carried out effectively.

The LCR, which came into effect on 1st January, 2015, imposes a more stringent regulatory regime for liquidity risk management on the Group. Banking (Liquidity) Rules require the Group to meet the minimum LCR by 2019. During the transitional period, the percentage will increase from 60% in 2015 to 100% in 2019, with 10% added to the regulatory requirement each year from 2016. To ensure compliance with the enhanced regulatory requirement, material changes in the LCR will be reported regularly to the Asset and Liability Management Committee together with proposed mitigation actions to cope with adverse changes arising from, but not limited to, composition of the deposit base and remaining tenor to maturity, short-term lending activities, and the Group's asset and liability mix strategy. An internal LCR target has been established to maintain the ratio within a suitable range. In planning the asset and liability mix strategy, the Group assesses the impact of asset growth and funding structure on the LCR with support from relevant business units for the Asset and Liability Management Committee's review and decision.

As part of Group efforts to manage the LCR effectively, emphasis is placed on strengthening the deposit base by retaining loyal customers and maintaining customer relationships. The Group balances funding among retail, small business, and wholesale funding to avoid concentration in any one source. Professional markets are accessed through the issuance of certificates of deposit, medium-term notes, subordinated debt, money market placement, and borrowing for the purposes of providing additional funding, maintaining a presence in local money markets, and optimising asset and liability maturities.

Internally, intra-group funding transactions are carried out at arm's length and treated in a manner in line with other third party transactions, with regular monitoring and appropriate control.

In addition to observing the statutory LCR, the Group has established different liquidity metrics – including but not limited to the loan-to-deposit ratio, cumulative mismatch ratio, funding concentration ratio, intra-group exposure threshold, and cross currency funding ratio – to measure and analyse the Group's liquidity risks.

As a majority of the Group's liquidity risk arises from the maturity mismatch gap between the Group's asset and liability portfolios, the Group manages liquidity risk by conducting cash flow analysis and projections through the regular use of the Bank's management information system. These are carried out on a regular basis to identify funding needs arising from on and off-balance sheet items in a specific time frame over a set of time horizons. The Group maintains sufficient liquid assets as a liquidity cushion that can be accessed in times of stress. The high quality liquid assets for fulfilling the LCR consist of cash, short term funds, exchange fund bills, and notes. The majority of high quality liquid assets are denominated in Hong Kong dollars. Contingent funding sources are maintained to provide strategic liquidity to meet unexpected and material cash outflows.

The Group also conducts stress testing regularly to analyse liquidity risk. Both on and off-balance sheet items and their impact on cash flow are considered, together with applicable hypothetical and historical assumptions. The assessment and review of market liquidity risk are included in the various control processes, including investment/trading strategy, market risk monitoring, valuation, and portfolio review. Three stress scenarios – namely an institution-specific crisis, a general market crisis, and a crisis involving a combination of the two – are adopted with minimum survival period defined according to HKMA's Supervisory Policy Manual "Sound Systems and Controls for Liquidity Risk Management".

With reference to the stress-testing results, the Group identifies potential vulnerabilities within the Group and formulates a Contingency Funding Policy and a Contingency Funding Plan that set out the Group's strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations.

The Contingency Funding Policy and Contingency Funding Plan are designed to be pro-active and pre-emptive, and stipulate the following three stages:

1. The Group utilises early warning indicators, which cover both qualitative and quantitative measures, and monitors both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position, the Asset and Liability Management Committee is informed. The Asset and Liability Management Committee will consider appropriate remedial actions and will consider employing crisis management if the situation warrants.
2. A Crisis Management Committee, which is chaired by the Chairman & Chief Executive, is formed to handle the crisis. Strategy and procedures for obtaining contingency funding, as well as roles and responsibilities of the parties concerned, are clearly stated.
3. In the final stage, a post-crisis review is carried out to recommend necessary improvements to avoid incidents of a similar nature in the future.

An annual drill test is conducted and the Contingency Funding Policy and Contingency Funding Plan are subject to regular review in order to accommodate any changes in the business environment. Any significant changes to the Contingency Funding Policy and Contingency Funding Plan are approved by the Board and the Asset and Liability Management Committee, respectively.

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

In the first half of 2016, BEA issued floating rate certificates of deposit and debt securities with a face value of USD20 million; fixed rate certificates of deposit and debt securities with a face value of HKD2,720 million, USD690 million, CNY800 million, GBP150 million and SGD50 million; and zero coupon certificates of deposit and debt securities with a face value of HKD1,963 million, USD1,337 million, GBP36 million and EUR71 million. The Group redeemed a quantity of certificates of deposit and debt securities amounting to HKD35,694 million equivalent upon maturity.

At the end of June 2016, the face value of the outstanding certificates of deposit and debt securities issued was equivalent to HKD39,808 million, with a carrying amount equivalent to HKD39,743 million.

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

As at 30th June, 2016

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity			
		2016	2017	2018	2019
<b>Floating Rate</b>					
HKD	730	430	300		
USD	330	260	70		
<b>Fixed Rate (Note)</b>					
HKD	6,429	2,145	3,301	683	300
USD	1,595	285	1,275	35	
CNY	750	550	200		
SGD	100		100		
<b>Zero Coupon</b>					
HKD	2,525	1,525	1,000		
USD	1,653	905	748		
CNY	255		255		
EUR	71	71			
<b>Total Certificates of Deposit and Debt Securities issued in HKD equivalent</b>					
	<u>39,808</u>	<u>16,604</u>	<u>21,949</u>	<u>955</u>	<u>300</u>

Note:

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

At the end of June 2016, the face value of the outstanding loan capital issued was equivalent to HKD17,010 million, with a carrying amount equivalent to HKD17,476 million.

### Maturity Profile of Loan Capital

As at 30th June, 2016

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity		
		2020	2022	2024
USD (Notes 1 & 2)	1,600	600	500	500
SGD (Note 3)	800		800	
<b>Total Loan Capital issued in HKD equivalent</b>				
	<u>17,010</u>	<u>4,655</u>	<u>8,475</u>	<u>3,880</u>

Notes:

1. The USD500 million loan capital that matures in 2022 will be callable on 4th May, 2017.
2. The USD500 million loan capital that matures in 2024 will be callable on 20th November, 2019.
3. Callable on 13th September, 2017.

**(e) Interest rate risk management**

Interest rate risk is the risk of negative impact on the Group's earnings or economic value due to adverse movements in interest rates. The Asset and Liability Management Committee is delegated by the Board to oversee the Group's interest rate risk management, establish the strategy and policy for managing interest rate risk, and determine the means for ensuring that such strategies and policies are implemented. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to interest rate risk. The Internal Audit Division performs periodic reviews to ensure that the interest rate risk management functions are implemented effectively.

Interest rate risk primarily results from the timing differences in the re-pricing of interest-bearing assets, liabilities, and off-balance sheet items in the banking book. It also relates to positions from non-interest bearing liabilities and certain fixed-rate loans and liabilities. In determining the level of interest rate risk, re-pricing risk, basis risk, options risk, and yield curve risk components are assessed. The Group manages the interest rate risk on the banking book primarily by focusing on re-pricing mismatches. Gap analysis provides a static view of the maturity and re-pricing characteristics of the Group's assets, liabilities, and off-balance sheet positions. Re-pricing gap limits are set to control the Group's interest rate risk.

Sensitivity analysis in relation to the impact of changes in interest rates on earnings and economic value is assessed through a hypothetical interest rate shock of 200 basis points across the yield curve on the Group's assets, liabilities, and off-balance sheet positions and is performed on a monthly basis. Sensitivity limits are set to control the Group's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee on a regular basis.

**(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 Risk Management Division of the Group monitors the activities under the Group's prevailing interest earning asset mix and funding strategies and regularly reports the status to the Asset and Liability Management Committee, Risk Management Committee, Risk Committee, and the Board, where appropriate.

The Group regularly generates portfolio projections to ensure optimal asset allocation to diversify risk and achieve returns that are commensurate with the risks taken. Capital management through projection of the Capital Adequacy Ratio and Internal Capital Adequacy Assessment Process is also regularly conducted to assess the level of capital resources needed to support the risks that the Group tolerates.

**(g) Legal 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.

The objective of managing legal risk is to identify, assess, monitor, and report on legal risk, and to comply with the relevant legal and regulatory requirements.

The Group provides appropriate training courses conducted by qualified internal personnel and/or external lawyers/professionals, and issues regular reminders to staff members. When dealing with legal matters, the Group engages qualified internal personnel and, when necessary and appropriate, external lawyers with specific expertise including counsel and senior counsel for advice.

The Operational Risk Management Committee is responsible for overseeing the management of the Group's legal risk.

**(h) Reputation risk management**

Reputation risk is the risk that the Group's reputation is damaged by events that result in 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 and may result in costly litigation or decline in the Group's customer base, business, and revenue.

The objective of managing reputation risk is to identify, assess, monitor, report, and mitigate such risk, and to ensure compliance with the relevant regulatory requirements.

The Group establishes various policies, guidelines, manuals, and codes to ensure compliance with applicable laws, rules, and regulations, and to ensure that the Bank Group maintains a high standard of corporate governance, which in turn helps to safeguard and enhance the Group's reputation.

The Group formulates, and adheres to, the Reputation Risk Management Manual, which outlines a systematic approach to the management of reputation risk, including a framework for reputation risk identification, assessment, monitoring, mitigation, and control, thereby protecting and enhancing the reputation of the Bank Group. The Guidelines for Incident Response and Management are also established for swift response to and management of unexpected incidents.

The Operational Risk Management Committee is responsible for overseeing the management of the Group's reputation risk.

**(i) Money laundering and terrorist financing risk management**

Money laundering and terrorist financing risk is the risk arising from the use of the financial services provided by the Group:

- (i) To conceal or disguise the nature or source of proceeds derived from illegal activities; or
- (ii) To obscure or disguise links between terrorists/terrorist organisations and their funding sources, regardless of whether the funds are from legitimate or illegitimate sources.

Failure to prevent or deter the above-mentioned activities may result in fines and sanctions by regulators or damage to the reputation of the Group.

To manage money laundering and terrorist financing risk, the Group has established a Group Policy and relevant Guidelines on Anti-Money Laundering and Counter-Terrorist Financing, which set forth the governing principles and minimum standards that protect Group members and their businesses from being used to facilitate money laundering and terrorist financing.

The Institutional Risk Assessment on money laundering and terrorist financing is established to identify, assess, and understand the money laundering and terrorist financing risk exposure of the Group, through individual assessment conducted by Group members. The Institutional Risk Assessment helps determine the residual risk that the Group is exposed to, after taking into consideration the inherent risks identified and the effectiveness of the existing control measures.

**(j) Technology risk management**

Technology risk (including cybersecurity risk and e-banking risk) is the risk of loss resulting from inadequate or faulty technical processes, people and computing systems; or unauthorised access or disruption to technology resources.

The Group has established a technology risk management framework, which is supported by comprehensive control policies, standards, guidelines, and procedures.

Control measures relating to the security of internet systems and applications, customer authentication, risk assessment for new products and services, and confidentiality and integrity of information are adopted.

The Operational Risk Management Committee is responsible for overseeing the technology risk-related issues of the Group.

**CORPORATE SOCIAL RESPONSIBILITY**

Environmental protection was a key focus of the BEA Group's CSR programme during the first half of 2016.

In April, BEA signed the Charter on External Lighting launched by the Hong Kong government's Environment Bureau in support of efforts to reduce light pollution and energy wastage. As a signator, the Bank has pledged to turn off decorative and advertising lighting installations at selected branches and offices at 11:00 p.m. every evening. For the eighth consecutive year, the BEA Group participated in the World Wide Fund for Nature's "Earth Hour" by switching off all non-essential lighting for one hour to show our support for efforts to combat climate change.

The BEA Volunteer Team actively supported environmental protection efforts in Hong Kong during the period under review. Volunteers participated in three coastal clean-ups organised by WWF-Hong Kong and helped remove invasive Mikania vines at the Mai Po Nature Reserve.

On the operations side, BEA incorporated environmental concerns into branch and SupremeGold Centre renovation work by installing energy-saving equipment.

In June, the Group issued its fourth GRI-adherent CSR report. In response to stakeholder feedback and in support of efforts to reduce paper consumption, BEA chose to issue its report in softcopy form only. The report may be accessed via the Bank's homepage at [www.hkbea.com](http://www.hkbea.com) (About BEA/Corporate Social Responsibility).

In support of the Government initiative to improve financial literacy in Hong Kong, the Bank arranged financial education lessons in May for primary school students participating in the BEA "High Five" Club. The programme was jointly supported by The Bank of East Asia Charitable Foundation and St. James' Settlement. In addition, the Bank held a financial education workshop for low-income families, which was jointly organised by the Hong Kong Association of Banks and Baptist Oi Kwan Social Service.

To assist the Hong Kong Red Cross in its efforts to increase blood collection capacity to meet future needs, the Bank donated a total of HK\$5 million from 2011 to 2013 for the establishment of a state-of-the-art blood donor centre located at the HKRC's new headquarters. The West Kowloon Blood Donor Centre was officially opened in March 2016. To mark the opening of the Donor Centre, BEA organised a blood drive at BEA Tower and HKRC blood donor centres throughout Hong Kong in March and April.

During the period under review, BEA continued to support a wide range of events and programmes organised by The Salvation Army Hong Kong and Macau Command, the Hospital Authority, and others in support of health and social welfare. In February, BEA served as title sponsor of The Community Chest BEA Charity Golf Day 2016 in Fanling. More than HK\$2.3 million was raised through the event, which was donated to benefit people suffering from mental health issues.

In the first half of 2016, the Bank supported a number of educational and cultural programmes including the 2016 Children Storytelling Competition organised by the Boys' and Girls' Clubs Association of Hong Kong and Le French May Arts Festival.

On the Mainland, BEA China organised the "Happy Year of the Monkey" charity campaign in January and February 2016 in 14 cities nationwide. Nearly 160 volunteers contributed over 780 hours of service visiting elderly centres, Firefly Centres, social welfare centres, and other locations. The volunteers distributed food and other daily necessities to recipients in celebration of the Lunar New Year.

From March to May 2016, more than 680 volunteers participated in the "Protect Every Tree and Bush" campaign in 21 cities nationwide to promote the importance of environmental protection. Various activities were organised including visits to ecological farms and forest parks, and seminars on geponics and potting. The volunteers also planted more than 760 saplings.

In April, BEA China issued its eighth CSR report, covering the year 2015. The report provides information on BEA China's progress and achievements in regard to community investment. In May, 15 staff members of BEA China conducted a 3-day teaching programme for the students of Jianguo Primary School in Harbin, Heilongjiang Province. Volunteers provided 45 hours of teaching on a wide range of subjects, including English, environmental protection, geography, paper-cutting, and calligraphy.

In January 2016, BEA's Macau Branch participated in the "Laisee Packets Recycling and Reuse Campaign" jointly organised by the Civic and Municipal Affairs Bureau of Macau and the Macau Free Cycle Association. Approximately 3,300 discarded laisee packets were collected from Branch staff members and delivered to IACM for distribution to the general public.

In May 2016, Macau Branch participated in the "Macau Famine", organised by World Vision of Macau Association. For the third consecutive year, staff members of Macau Branch supported World Vision's worldwide food security and development projects by raising funds through various activities.

In March 2016, New York Branch volunteers visited fifth grade students at Public Primary School #204 in Bensonhurst Brooklyn to introduce banking services and the virtues of saving money. In April, staff members of BEA's New York Branch and their families participated in "KIDS WALK", a charity walk organised in support of children with cancer at the Memorial Sloan Kettering Cancer Center. Funds raised from the event will be used in support of research to find more effective and less toxic treatments for children suffering from cancer.

Turning to BEA subsidiaries, in January, Blue Cross participated in the "PHAB Walk for Integration 2015/2016", organised by the Hong Kong PHAB Association at the scenic Ma On Shan Promenade. This is the fourth time that the Company has supported this event, which raises funds in support of rehabilitation as well as elderly and youth services, and promotes the concept of social integration among members of the general public.

For the fifth consecutive year, Blue Cross sponsored the "Happy Teens, Full of Fun Programme" organised by the Hong Kong PHAB Association. The Programme provides an interactive platform with an array of individual development programmes for both able-bodied and disabled teenagers to equip themselves for future challenges in life.

Tricor Services Limited in Hong Kong established its own staff volunteer team in March, which kicked off its volunteer programme by visiting elderly residents of the Caritas Ngau Tau Kok Elderly Home. In April, Tricor Hong Kong raised money through the "Kiss Mama Cookies Sales" in support of the Salvation Army's services for families with special needs children. Tricor Hong Kong also organised a collection of over 18,000 laisee packets following the Lunar New Year, which were recycled by Greeners Action.

During the period under review, representatives of Tricor Thailand visited sick children at the Chulalongkorn Hospital and made a donation to the hospital's paediatric ward. In addition, staff members visited the Thai Blind People's Foundation and donated 40 used computers to the centre. In March, Tricor UK supported a number of charitable activities, including "Wear a Hat Day 2016" organised by Brain Tumour Research.

## **RECOGNITION**

During the first six months of 2016, the Bank received a number of awards in recognition of its achievements. These included:

- “2016 Best SME’s Partner Award” (for the ninth consecutive year) from The Hong Kong General Chamber of Small and Medium Business;
- “Quamnet Outstanding Enterprise Award 2015 – Outstanding SME Service Provider (Bank)” (for the third consecutive year) from Quam (H.K.) Limited;
- “Outstanding Corporate Banking Services Award 2015” (for the third consecutive year) and “Outstanding Corporate Banking Renminbi Services Award” (for the third consecutive year) from *Wen Wei Po*;
- “Best FinTech Grand Award”, “Best FinTech (Banking and Insurance) Gold Award”, and “Best Mobile Apps (Consumer Solutions) Gold Award” in Hong Kong ICT Awards 2016;
- “e-Banking – Excellence” and “Digital Innovation – Outstanding Performance” in *Bloomberg Businessweek* Chinese Edition Financial Institution Awards 2016;
- “The Best Travel Card Programme Launched in 2015 in Hong Kong – BEA Flyer World MasterCard”, “The Highest Growth of Open Cards in 2015 in Hong Kong – Winner”, “The Highest Market Share of Contactless Spending in 2015 in Hong Kong”, and “The Highest Market Share of Super Premium Card Spending in 2015 in Hong Kong – 2nd Runner Up” from MasterCard Worldwide; and
- “2015 Exclusive Year-round Promotion Platform” from UnionPay International.

In addition, BEA China earned the following distinctions:

- “2015 China Internet Financial Innovation Award” (for BEA China’s Electronic Banking Business) from the Internet Society of China, Internet Finance Working Committee of ISC, and China Electronic Finance Industry Alliance;
- “Best Wealth Management Bank” in the 2015 Shanghai Top Finance List from the *Oriental Morning Post and The Paper*;
- “Advanced Corporate Award” in the 2015 China Banking Industry Online Competition on the Knowledge of Consumer Rights Protection from the China Banking Association; and
- “Best Social Media Project” in The Asian Banker’s China Country Awards for 2016 from *The Asian Banker*.

Credit Gain also received recognition during the period under review, namely the:

- “Finance Service Award” in *Capital Weekly’s* 2016 Service Awards (for the fourth consecutive year).

BEA Union Investment received a number of awards in recognition of the performance of its funds.

For the BEA Union Investment Asian Bond and Currency Fund (for the fourth consecutive year):

- “Best Bond Fund, Asia Pacific, Local Currency” from Lipper Fund Awards Programme 2016 Hong Kong (for its 3-year performance);
- “Best of the Best Performance Awards 2015 – Asian Bonds” from Asia Asset Management (for its 3-year performance); and
- “2016/17 FSM Fund Picks – Fixed Income” from Fundsupermart.com.



For the BEA Union Investment Global Resources Fund:

- “2016/17 FSM Fund Picks – Global Resource Sector Equity” from Fundsupermart.com (for the third consecutive year).

During the period under review, BEA also received the following awards in recognition of its CSR programme:

- “President’s Award” (for the 17th consecutive year), “Diamond Award” in the Corporate & Employee Contribution Programme 2015/2016 (for the 22nd consecutive year), “5th Top Fund Raiser Award” in the Dress Casual Day 2015 programme, and “4th Runner-up in the Top Fund-raiser Award” in the Hong Kong & Kowloon Walk 2015/2016 from The Community Chest of Hong Kong;
- Named “Caring Company” by the Hong Kong Council of Social Service (for the 13th consecutive year). Blue Cross, Credit Gain, and Tricor were named “Caring Company” for the eighth, sixth, and first year, respectively;
- “Community Engagement \*\*2 Stars Award” from the Senior Citizen Home Safety Association;
- Top Fundraising Award (Private Rice Stall) in the Oxfam Rice Sale 2016 from Oxfam Hong Kong;
- “Gold Award for Volunteer Service” from the Social Welfare Department’s Central Office for Volunteer Service in 2015 (for the third consecutive year);
- “Gold Award” (Website Stream and Mobile Application Stream) in the Web Accessibility Recognition Scheme co-organised by The Office of the Government Chief Information Officer and the Equal Opportunities Commission (for the second consecutive year);
- Named “Manpower Developer” (2016–2018) by the Employees Retraining Board;
- Indoor Air Quality Certificate (Good Class for BEA’s Head Office Building and 33 Des Voeux Road Central Building, and Excellent Class for BEA Tower);
- “Class of Excellence” in the Energywi\$e Label Scheme of the Hong Kong Awards for Environmental Excellence programme (for BEA’s Head Office Building and BEA Tower);
- “Class of Excellence” in the Wastewi\$e Label Scheme of the HKAEE programme (for BEA’s Head Office Building and BEA Tower); and
- Quality Water Supply Scheme for Buildings – Fresh Water (Plus) (Basic Plan) (for BEA’s Head Office Building and 33 Des Voeux Road Central Building).

BEA China received the “Outstanding Corporate Social Responsibility Award” (for the Firefly project) from the Shanghai Soong Ching Ling Foundation.

In addition to being named a “Caring Company” by HKCSS, Credit Gain and Tricor received the following recognition during the first half of 2016:

Credit Gain:

- “Caring Agency Award 2015 – One Star Certificate” from the Tsuen Wan and Kwai Tsing District Co-ordinating Committee on Elderly Services of the Social Welfare Department (for the third consecutive year).

Tricor:

- “Silver Award” (Website Stream) in the Web Accessibility Recognition Scheme co-organised by The Office of the Government Chief Information Officer and the Equal Opportunities Commission.

Tricor Services Limited and Tricor Greater China Limited were also named an ACCA Approved Employer – Trainee Development, Gold by the Association of Chartered Certified Accountants.

## **CHANGES TO INFORMATION IN RESPECT OF DIRECTORS**

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since publication of the Bank's Annual Report 2015 up to 19th August, 2016 (being the date of approval of the Bank's Interim Report 2016) are set out below:

### **Changes in Positions held with the Bank and other members of the Bank Group**

Mr. Valiant CHEUNG Kin-piu ceased to be 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.

Changes in positions held by the Directors with the Bank after the conclusion of the Bank's 2016 AGM are set out below:

<u>Name of Directors</u>	<u>Changes in Positions held with the Bank</u>
Dr. the Hon. Sir David LI Kwok-po	<b>Appointment</b> Member of the NC  <b>Cessation of appointments</b> Chairman of the NC Chairman of the RIC Member of the RC
Dr. Allan WONG Chi-yun	<b>Appointments</b> Chairman of the NC Chairman of the RIC Member of the RC  <b>Cessation of appointment</b> Chairman of the RC
Dr. the Hon. Rita FAN HSU Lai-tai	<b>Appointment</b> Chairman of the RC
Dr. Peter LEE Ka-kit	<b>Appointment</b> Member of the RC
Mr. Kenneth LO Chin-ming	<b>Appointment</b> Member of the RIC
Dr. Daryl NG Win-kong	<b>Appointments</b> Member of the AC Member of the RIC
Mr. Masayuki OKU	<b>Appointment</b> Member of the NC
Mr. Aubrey LI Kwok-sing	<b>Cessation of appointment</b> Member of the NC
Mr. WONG Chung-hin	<b>Cessation of appointments</b> Independent Non-executive Director of the Bank (resignation) Member of the AC
Mr. Eric LI Fook-chuen	<b>Cessation of appointments</b> Non-executive Director of the Bank (resignation) Deputy Chairman of the NC Member of the RIC Member of the RC
Tan Sri Dr. KHOO kay-peng	<b>Cessation of appointments</b> Independent Non-executive Director of the Bank (retirement) Member of the NC Member of the RC

## Changes in experience including other directorships and major appointments

<u>Name of Directors</u>	<u>Other directorships and appointments</u>
Dr. the Hon. Sir David LI Kwok-po	Ceased to be an Independent Non-executive Director of Armada Holdings Limited (formerly known as SCMP Group Limited)
Mr. Adrian David LI Man-kiu	Ceased to be a Board Member of The Community Chest of Hong Kong
Dr. Isidro FAINÉ CASAS	Ceased to be the Chairman and Director of CaixaBank, S.A.
Mr. Valiant CHEUNG Kin-piu	Ceased to be an Independent Non-executive Director of Dah Chong Hong Holdings Limited
Dr. Daryl NG Win-kong	Appointed as an Associated Member of the Central Policy Unit of the Government of Hong Kong Special Administrative Region and ceased to be a Director of Ocean Park Corporation
Dr. the Hon. Rita FAN HSU Lai-tai	Elected as Chairman of the Board of Management of the Endeavour Education Centre

## Changes in Directors' emoluments

With effect from 1st April, 2016, the base salary payable to Dr. the Hon. Sir David LI Kwok-po, Chief Executive of the Bank, has been increased from HK\$10.6 million to HK\$10.7 million on an annualized basis.

Dr. the Hon. Rita FAN HSU Lai-tai receives a fee of HK\$300,000 per annum as a Director of the Bank with effect from 25th February, 2016.

Changes in Directors' emoluments after the conclusion of the 2016 AGM are set out below:

<u>Name of Directors</u>	<u>Position in Committee</u>	<u>Annual Fee</u> (HK\$)
Dr. the Hon. Sir David LI Kwok-po	Member of the NC	50,000
Dr. Allan WONG Chi-yun	Chairman of the NC Chairman of the RIC Member of RC	80,000 160,000 50,000
Dr. the Hon. Rita FAN HSU Lai-tai	Chairman of the RC	80,000
Dr. Peter LEE Ka-kit	Member of the RC	50,000
Mr. Kenneth LO Chin-ming	Member of the RIC	100,000
Dr. Daryl NG Win-kong	Member of the AC Member of the RIC	120,000 100,000
Mr. Masayuki OKU	Member of the NC	50,000

Other than those disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE**

As at 30th June, 2016, the interests and short positions of the Directors and Chief Executive of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations as recorded in the register required to be kept under section 352 of the SFO (the "Register") were as follows:

### **I. Long positions in ordinary shares of the Bank:**

<u>Name</u>	<u>Capacity and nature</u>	<u>No. of shares</u>	<u>Total</u>	<u>% of issued voting shares</u>
David LI Kwok-po	Beneficial owner Interest of spouse Interest of corporation Executor of estate	74,057,843 1,989,448 231,146 <u>10,073,476</u>	86,351,913 <sup>1</sup>	3.22
Arthur LI Kwok-cheung	Beneficial owner Interest of corporation Executor of estate	11,731,397 16,172,936 <u>10,073,476</u>	37,977,809 <sup>2</sup>	1.42
Allan WONG Chi-yun	Beneficial owner Interest of spouse Founder and beneficiary of discretionary trust	416,964 136 <u>15,636,499</u>	16,053,599 <sup>3</sup>	0.60
Aubrey LI Kwok-sing	Beneficial owner Interest of spouse Interest of corporation	1,134,036 21,948 <u>16,295,361</u>	17,451,345 <sup>4</sup>	0.65
Winston LO Yau-lai	–	–	Nil	Nil
Richard LI Tzar-kai	–	–	Nil	Nil
Kenneth LO Chin-ming	–	–	Nil	Nil
Stephen Charles LI Kwok-sze	Beneficial owner Interest of children Beneficiary of discretionary trusts Administrator of estate	10,143,660 613,418 <u>2,632,695</u> <u>1,206,600</u>	14,596,373 <sup>5</sup>	0.54
William DOO Wai-hoi	–	–	Nil	Nil
KUOK Khoon-ean	–	–	Nil	Nil
Valiant CHEUNG Kin-piu	–	–	Nil	Nil
Isidro FAINÉ CASAS	–	–	Nil	Nil
Peter LEE Ka-kit	Interest of corporation Beneficiary of discretionary trust	679,000 <u>1,100,000</u>	1,779,000 <sup>6</sup>	0.07

Name	Capacity and nature	No. of shares	Total	% of issued voting shares
Adrian David LI Man-kiu	Beneficial owner	807,206	2,771,862 <sup>7</sup>	0.10
	Interest of child Settlor/Founder of discretionary trust	6,969		
Brian David LI Man-bun	Beneficial owner	2,119,916	2,892,451 <sup>8</sup>	0.11
	Interest of corporation	772,535		
Daryl NG Win-kong	–	–	Nil	Nil
Masayuki OKU	–	–	Nil	Nil
Rita FAN HSU Lai-tai	–	–	Nil	Nil

Notes:

- 1 *David LI Kwok-po was the beneficial owner of 74,057,843 shares and he was deemed to be interested in 1,989,448 shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 231,146 shares held by David LI Kwok-po Charitable Foundation Limited, a charitable institution of which David LI Kwok-po is a director and the sole member. He was also deemed to be interested in 10,073,476 shares held by an estate of which he is one of the executors. Arthur LI Kwok-cheung was also deemed to be interested in the same block of 10,073,476 shares as one of the executors of the estate (please refer to Note 2 below).*
- 2 *Arthur LI Kwok-cheung was the beneficial owner of 11,731,397 shares and he was deemed to be interested in 16,172,936 shares held by Dapa Company Limited, which is wholly-owned by him. He was also deemed to be interested in 10,073,476 shares held by an estate of which he is one of the executors. David LI Kwok-po was also deemed to be interested in the same block of 10,073,476 shares as one of the executors of the estate (please refer to Note 1 above).*
- 3 *Allan WONG Chi-yun was the beneficial owner of 416,964 shares and he was deemed to be interested in 136 shares through the interests of his spouse, Margaret KWOK Chi-wai (deceased). He was also deemed to be interested in 15,636,499 shares held by a discretionary trust, Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary.*
- 4 *Aubrey LI Kwok-sing was the beneficial owner of 1,134,036 shares and he was deemed to be interested in 21,948 shares through the interests of his spouse, Elizabeth WOO. He was also deemed to be interested in 16,295,361 shares held by Hope Lake Ltd., which is wholly-owned by him.*
- 5 *Stephen Charles LI Kwok-sze was the beneficial owner of 10,143,660 shares, and he was deemed to be interested in 613,418 shares through the interests of his children under the age of 18. He was also deemed to be interested in 1,206,600 shares held by an estate of which he is one of the Administrators. Of the remaining 2,632,695 shares, (i) 2,410,000 shares were held by a discretionary trust, Settlement of Dr. Simon F. S. Li, of which Stephen Charles LI Kwok-sze, his spouse and his children were beneficiaries and (ii) 222,695 shares were held by a discretionary trust, Longevity Trust, of which his children were beneficiaries.*
- 6 *Of these 1,779,000 shares, 679,000 shares were owned by Golf Limited which in turn is wholly-owned by Peter LEE Ka-kit. He was also deemed to be interested in 1,100,000 shares ("Deemed Shares"). The Deemed Shares were beneficially owned by a subsidiary of The Hong Kong and China Gas Company Limited ("HKCG") and Peter LEE Ka-kit is a discretionary beneficiary of the discretionary trusts which indirectly control more than one third of the voting power at the general meeting of HKCG.*
- 7 *Adrian David LI Man-kiu was the beneficial owner of 807,206 shares, and he was deemed to be interested in 6,969 shares through the interests of his child under the age of 18. Adrian David LI Man-kiu has made a voluntary disclosure of 1,957,687 shares indirectly held by a discretionary trust of which he was the settlor/founder but has no influence on how the trustee exercises its discretion.*
- 8 *Brian David LI Man-bun was the beneficial owner of 2,119,916 shares. He was also deemed to be interested in 772,535 shares held by Triple Kingdom Limited, which is wholly-owned by him.*

## II. Long positions (in respect of equity derivatives) in underlying shares of the Bank:

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Adrian David LI Man-kiu and Brian David LI Man-bun pursuant to the approved Staff Share Option Schemes. Information in relation to these share options during the six months ended 30th June, 2016 was shown in the following section under the heading "Information on Share Options".

## III. Interests in Hybrid Tier I Capital Instruments:

Allan WONG Chi-yun was the beneficial owner of the following capital instruments<sup>Note</sup>:

Issuer	Type/Class of securities	Amount of debentures	No. of shares
The Bank of East Asia, Limited	Subordinated Notes	US\$7,000,000	–
Innovate Holdings Limited	Preference Shares	–	7,000
The Bank of East Asia, Limited	Substitute Preference Shares (unissued)	–	7,000

*Note: In November 2009, the Bank issued capital instruments qualifying as hybrid tier 1 capital with a face value of US\$500 million. The capital instruments comprise 8.5% step-up subordinated notes due 2059 issued by the Bank (the "2059 Notes") stapled with perpetual non-cumulative step-up preference shares issued by Innovate Holdings Limited, a wholly-owned subsidiary of the Bank (the "Innovate Preference Shares"). The 2059 Notes and the Innovate Preference Shares are listed as stapled units on Singapore Exchange. The Substitute Preference Shares (being perpetual non-cumulative step-up preference shares) are created, and to be issued by the Bank upon the occurrence of a Substitution Event (as defined in the circular to shareholders of the Bank dated 11th November, 2009) as one of the terms of the issue of the 2059 Notes and the Innovate Preference Shares.*

## IV. Interests in New Capital Securities of the Bank:

Name	Capacity and nature	Amount of Debentures
David LI Kwok-po	Interest of spouse <sup>Note</sup>	US\$500,000

*Note: David LI Kwok-po was deemed to be interested in the above US-dollar denominated fixed rate Undated Non-cumulative Subordinated Additional Tier I Capital Securities ("New Capital Securities") issued by the Bank under its US\$6,000,000,000 Medium Term Note Programme through the interests of his spouse, Penny POON Kam-chui. The New Capital Securities, with a principal amount of US\$650 million, were issued in 2015 and are listed on the Stock Exchange.*

Save as disclosed above, no other interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations were recorded in the Register.

## 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 six months ended 30th June, 2016:

Name	Date of Grant	Number of Share Options				Outstanding at 30/6/2016
		Outstanding at 01/1/2016	Granted	Exercised	Lapsed	
David Li Kwok-po	05/5/2011 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	05/5/2011 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	05/5/2011 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	03/5/2013 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	03/5/2013 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	02/5/2014 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	04/5/2015 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	08/4/2016 <sup>b</sup>	-	666,000 <sup>T1</sup>	-	-	666,000
	08/4/2016 <sup>b</sup>	-	666,000 <sup>T2</sup>	-	-	666,000
08/4/2016 <sup>b</sup>	-	668,000 <sup>T3</sup>	-	-	668,000	
Adrian David Li Man-kiu	05/5/2011 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	08/4/2016 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	216,000
08/4/2016 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	216,000	
08/4/2016 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	218,000	
Brian David Li Man-bun	05/5/2011 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	08/4/2016 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	216,000
08/4/2016 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	216,000	
08/4/2016 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	218,000	

Name	Date of Grant	Number of Share Options				Outstanding at 30/6/2016
		Outstanding at 01/1/2016	Granted	Exercised	Lapsed	
Aggregate of other Employees*	05/5/2011 <sup>a</sup>	732,000 <sup>T1</sup>	–	–	–	732,000
	05/5/2011 <sup>a</sup>	732,000 <sup>T2</sup>	–	–	–	732,000
	05/5/2011 <sup>a</sup>	736,000 <sup>T3</sup>	–	–	–	736,000
	10/5/2012 <sup>a</sup>	632,000 <sup>T1</sup>	–	–	–	632,000
	10/5/2012 <sup>a</sup>	632,000 <sup>T2</sup>	–	–	–	632,000
	10/5/2012 <sup>a</sup>	636,000 <sup>T3</sup>	–	–	–	636,000
	03/5/2013 <sup>a</sup>	732,000 <sup>T1</sup>	–	–	–	732,000
	03/5/2013 <sup>a</sup>	732,000 <sup>T2</sup>	–	–	–	732,000
	03/5/2013 <sup>a</sup>	736,000 <sup>T3</sup>	–	–	–	736,000
	02/5/2014 <sup>a</sup>	844,000 <sup>T1</sup>	–	–	–	844,000
	02/5/2014 <sup>a</sup>	894,000 <sup>T2</sup>	–	–	–	894,000
	02/5/2014 <sup>a</sup>	899,500 <sup>T3</sup>	–	–	–	899,500
	04/5/2015 <sup>a</sup>	932,000 <sup>T1</sup>	–	–	–	932,000
	04/5/2015 <sup>a</sup>	932,000 <sup>T2</sup>	–	–	–	932,000
	04/5/2015 <sup>a</sup>	936,000 <sup>T3</sup>	–	–	–	936,000
	08/4/2016 <sup>b</sup>	–	985,000 <sup>T1</sup>	–	–	985,000
08/4/2016 <sup>b</sup>	–	985,000 <sup>T2</sup>	–	–	985,000	
08/4/2016 <sup>b</sup>	–	992,500 <sup>T3</sup>	–	–	992,500	
Other Participants**	05/5/2011 <sup>a</sup>	50,000 <sup>T1</sup>	–	–	–	50,000
	05/5/2011 <sup>a</sup>	100,000 <sup>T2</sup>	–	–	–	100,000
	05/5/2011 <sup>a</sup>	100,000 <sup>T3</sup>	–	–	–	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T1</sup>	–	–	–	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T2</sup>	–	–	–	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T3</sup>	–	–	–	100,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T1</sup>	–	–	–	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T2</sup>	–	–	–	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T3</sup>	–	–	–	50,000

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

\*\* Other Participants refer to two former employees who ceased to be employees of the Bank in 2013. The share options were granted to them prior to their cessation as employees of the Bank.



Notes:

a Particulars of share options granted in years 2011 to 2015:

<u>Date of Grant</u>	<u>Tranche</u>	<u>Vesting Period</u>	<u>Exercise Period</u>	<u>Exercise Price Per Share</u> HK\$
05/5/2011	T1	05/5/2011–04/5/2012	05/5/2012–05/5/2017	32.00
05/5/2011	T2	05/5/2011–04/5/2013	05/5/2013–05/5/2018	32.00
05/5/2011	T3	05/5/2011–04/5/2014	05/5/2014–05/5/2019	32.00
10/5/2012	T1	10/5/2012–09/5/2013	10/5/2013–10/5/2018	28.99
10/5/2012	T2	10/5/2012–09/5/2014	10/5/2014–10/5/2019	28.99
10/5/2012	T3	10/5/2012–09/5/2015	10/5/2015–10/5/2020	28.99
03/5/2013	T1	03/5/2013–02/5/2014	03/5/2014–03/5/2019	31.40
03/5/2013	T2	03/5/2013–02/5/2015	03/5/2015–03/5/2020	31.40
03/5/2013	T3	03/5/2013–02/5/2016	03/5/2016–03/5/2021	31.40
02/5/2014	T1	02/5/2014–01/5/2015	02/5/2015–02/5/2020	32.50
02/5/2014	T2	02/5/2014–01/5/2016	02/5/2016–02/5/2021	32.50
02/5/2014	T3	02/5/2014–01/5/2017	02/5/2017–02/5/2022	32.50
04/5/2015	T1	04/5/2015–03/5/2016	04/5/2016–04/5/2021	34.15
04/5/2015	T2	04/5/2015–03/5/2017	04/5/2017–04/5/2022	34.15
04/5/2015	T3	04/5/2015–03/5/2018	04/5/2018–04/5/2023	34.15

b Share options granted in year 2016:

(i) Particulars:

<u>Date of Grant</u>	<u>Tranche</u>	<u>Vesting Period</u>	<u>Exercise Period</u>	<u>Exercise Price Per Share</u> HK\$
08/4/2016	T1	08/4/2016–07/4/2017	08/4/2017–08/4/2022	28.45
08/4/2016	T2	08/4/2016–07/4/2018	08/4/2018–08/4/2023	28.45
08/4/2016	T3	08/4/2016–07/4/2019	08/4/2019–08/4/2024	28.45

(ii) The closing price of the shares of the Bank on 7th April, 2016 (being the business day immediately preceding 8th April, 2016 on which the options were granted) was HK\$28.05.

(iii) Fair value of share options granted during the six months ended 30th June, 2016 and assumptions are as follows:

The fair value of services received in return for share options granted are 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.

	<u>30/6/2016</u>
Fair value at measurement date	
– Tranche 1	HK\$7.74
– Tranche 2	HK\$8.04
– Tranche 3	HK\$8.23
Share price	HK\$28.00
Exercise price	HK\$28.45
Expected volatility (expressed as weighted average volatility used in the modelling under trinomial lattice model)	38.48%
Option life	
– Tranche 1	6 years
– Tranche 2	7 years
– Tranche 3	8 years
Expected dividends	4.54%-4.80%
Risk-free interest rate (based on Exchange Fund Notes)	0.85%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

- (2) No share options were exercised during the six months ended 30th June, 2016.
- (3) No share options were cancelled during the six months ended 30th June, 2016.
- (4) The accounting policy adopted for share options:

The option exercise price is equal to the higher of:

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

When the options are exercised, equity is increased by the amount of the proceeds received. The fair value of share options granted to employees is recognised as an expense in the income statement with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the trinomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to those share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged or credited to the income statement for the year of the review unless the original expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Bank's shares.

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

Save as disclosed above, as at 30th June, 2016, none of the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

### **INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS**

As at 30th June, 2016, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Bank as recorded in the register required to be kept under section 336 of the SFO (the "Register") were as follows:

#### **Long positions in ordinary shares of the Bank:**

Name	Capacity and nature	No. of shares	% of issued voting Shares
Sumitomo Mitsui Banking Corporation	Beneficial owner	510,003,673 <sup>1</sup>	19.01
Sumitomo Mitsui Financial Group, Inc.	Interest of corporation	510,003,673 <sup>1</sup>	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	Beneficial owner	464,287,319 <sup>2</sup>	17.30
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	Interest of corporation	464,287,319 <sup>2</sup>	17.30
Guoco Management Company Limited	Beneficial owner	369,755,978 <sup>3,4</sup>	14.15 <sup>5</sup>
Guoco Group Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15
GuoLine Overseas Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
GuoLine Capital Assets Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
Hong Leong Company (Malaysia) Berhad	Interest of corporation	369,755,978 <sup>3,4</sup>	14.15
HL Holdings Sdn Bhd	Interest of corporation	369,755,978 <sup>3</sup>	14.15
QUEK Leng Chan	Interest of corporation	369,755,978 <sup>3</sup>	14.15
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	369,755,978 <sup>4</sup>	14.15
Davos Investment Holdings Private Limited	Interest of corporation	369,755,978 <sup>4</sup>	14.15
KWEK Leng Kee	Interest of corporation	369,755,978 <sup>4</sup>	14.15
Elliott Capital Advisors, L.P.	Interest of corporation	184,876,693 <sup>6</sup>	7.00

Notes:

1 Sumitomo Mitsui Financial Group, Inc. owned a 100% interest in Sumitomo Mitsui Banking Corporation. Sumitomo Mitsui Financial Group, Inc. was deemed to be interested in the 510,003,673 shares of the Bank held by Sumitomo Mitsui Banking Corporation.

2 As at 30th June, 2016, Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") owned a 100% interest in Critería Caixa, S.A., Sociedad Unipersonal ("Critería Caixa"). la Caixa was deemed to be interested in the 464,287,319 shares of the Bank held by Critería Caixa.

3 The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Guoco Management Company Limited was the beneficial owner of 369,755,978 shares (equivalent to approximately 13.78% of the issued shares of the Bank as at 30th June, 2016). Hong Leong Company (Malaysia) Berhad was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Capital Assets Limited which owned a 100% interest in GuoLine Overseas Limited. GuoLine Overseas Limited held a 71.88% interest in Guoco Group Limited which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Capital Assets Limited, GuoLine Overseas Limited and Guoco Group Limited were all deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited.

QUEK Leng Chan was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 100% interest in HL Holdings Sdn Bhd ("HLH"). Hong Leong Company (Malaysia) Berhad was 49.27% owned by QUEK Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly-owned by him and 0.311% via Newton (L) Limited.

4 The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Hong Leong Company (Malaysia) Berhad was 34.69% held by Hong Leong Investment Holdings Pte. Ltd. which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 369,755,978 shares (equivalent to approximately 13.78% of the issued shares of the Bank as at 30th June, 2016) held by Guoco Management Company Limited by virtue of their interests in Hong Leong Company (Malaysia) Berhad.

KWEK Leng Kee was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.

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

6 Elliott Capital Advisors, L.P. ("ECALP") was deemed to be interested in these shares comprising 122,018,020 shares held by Elliott International L.P. ("EILP"), 62,857,673 shares held by The Liverpool Limited Partnership ("Liverpool LP"), 200 shares held by Artan Investments Ltd, 200 shares held by Frasco Investments Ltd, 200 shares held by Milton Investments Ltd, 200 shares held by Parlan Investments Ltd and 200 shares held by Trevet Investments Ltd.

Liverpool LP was 100% controlled by Liverpool Associates, Ltd. Liverpool Associates, Ltd, Artan Investments Ltd and Frasco Investments Ltd were 100% controlled by Elliott Associates, L.P.. Milton Investments Ltd, Parlan Investments Ltd and Trevet Investments Ltd were 100% controlled by EILP which in turn was 100% controlled by Hambledon, Inc..

Both Elliott Associates, L.P. and Hambledon, Inc. were 100% controlled by ECALP which is accustomed to act in accordance with the instructions of Paul Singer.

The Bank had been notified that the shareholding of the above shareholder had been increased to 187,935,493 shares (equivalent to approximately 7.00% of the issued shares of the Bank as at 30th June, 2016) comprising 167,898,893 shares held by Elliott International L.P. ("EILP"), 20,035,600 shares held by The Liverpool Limited Partnership ("Liverpool LP"), 200 shares held by Artan Investments Ltd, 200 shares held by Frasco Investments Ltd, 200 shares held by Milton Investments Ltd, 200 shares held by Parlan Investments Ltd and 200 shares held by Trevet Investments Ltd. Such increases in shareholdings were not required to be disclosed under Part XV of 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.

## **PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SECURITIES**

On 7th March, 2016, the Bank redeemed a face value of CHF100 million of 0.78% Senior Notes (the "2016 CHF Senior Notes") upon their maturity. The 2016 CHF Senior Notes were issued in 2014 under the Bank's Medium Term Note Programme and listed on the Singapore Exchange.

On 16th March, 2016, the Bank redeemed a face value of US\$15 million 1.20% Senior Notes (the "2016 USD Senior Notes") upon their maturity. The 2016 USD Senior Notes were issued in 2015 under the Bank's Medium Term Note Programme and listed on the Singapore Exchange.

During the six months ended 30th June, 2016, the Bank bought back an aggregate principal amount of US\$6 million of the outstanding Hybrid Tier 1 capital instruments (comprising the US\$500,000,000 Step-up Subordinated Notes due 2059 issued by the Bank and the US\$500,000,000 Perpetual Non-cumulative Step-up Preference Shares of no par value in a liquidation preference of US\$1,000 issued by Innovate Holdings Limited, a wholly-owned subsidiary of the Bank) ("Hybrid Tier 1 Securities") on the Singapore Exchange. The aggregate price paid by the Bank for such purchases was US\$6,772,500. All the Hybrid Tier 1 Securities purchased by the Bank have been cancelled. Following cancellation of the Hybrid Tier 1 Securities purchased by the Bank, the aggregate principal amount of the Hybrid Tier 1 Securities which remains outstanding is US\$318,345,000. The Hybrid Tier 1 Securities are listed on the Singapore Exchange.

Save for the redemption of the 2016 CHF Senior Notes and 2016 USD Senior Notes, and the cancellation of the Hybrid Tier 1 Securities purchased by the Bank as disclosed herein, there was no purchase, sale or redemption by the Bank or any or its subsidiaries, of listed securities of the Bank during the six months ended 30th June, 2016.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

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

The Bank is constantly looking for ways to enhance the effectiveness of our corporate governance practices to ensure that they are in line with the requirements of relevant rules and regulations.

Throughout the accounting period for the six months ended 30th June, 2016, the Bank has complied with all the Code Provisions set out in the CG Code, except for Code Provision A.2.1 as explained below. The Bank has also followed the modules on CG-1 and CG-5.

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

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

Dr. the Hon. Sir David Li Kwok-po is the Chairman & Chief Executive of the Bank. The Board considers that this structure will not impair the balance of power and authority between the Board and the Management of the Bank. The division of responsibilities between the Chairman and the Chief Executive is clearly established and set out in the job mandate of the Chairman & Chief Executive. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting operations of the Bank. There is a strong independent element in the composition of the Board. After the conclusion of the 2016 AGM, out of the 18 Board members, 9 are INEDs. The Board believes that the current structure is conducive to strong and consistent leadership, enabling the Bank to make and implement decisions promptly and efficiently. The Board believes that Sir David's appointment to the posts of Chairman and Chief Executive is beneficial to the business prospects and management of the Bank.

The Bank received confirmations from Directors (including any Directors, who were appointed, resigned or retired, during the six months ended 30th June, 2016) that they have spent sufficient time performing their responsibilities as Directors of the Bank and have given sufficient time and attention to the Bank's affairs. They acknowledged that they have participated, from time to time, in continuous professional development to develop and refresh their knowledge and skills for carrying out their duties and responsibilities as Directors of the Bank.

The AC of the Bank has reviewed the results of the Bank for the six months ended 30th June, 2016 and the Bank's Interim Report 2016.

## **COMPLIANCE WITH MODEL CODE**

The Bank has adopted its own code of securities transactions by the Directors and Chief Executive, i.e. *Policy on Insider Dealing – Directors and Chief Executive* (“Bank’s Policy”) on terms no less exacting than the required standard set out in Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) of the Listing Rules.

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

Following specific enquiries by the Bank, all Directors (including any Directors, who were appointed, resigned or retired, during the six months ended 30th June, 2016) confirmed that they had complied with the required standard set out in the Model Code and the Bank’s Policy at all the applicable time during the six months ended 30th June, 2016.

## **PUBLICATION OF INTERIM REPORT**

The Interim Report 2016 in both English and Chinese is now available in printed form and on the websites of the Bank ([www.hkbea.com](http://www.hkbea.com)) and HKEx ([www.hkexnews.hk](http://www.hkexnews.hk)). Shareholders are encouraged to rely on website version to help reduce the quantity of printed copies of corporate communications of the Bank and hence the impact on the environment. Notwithstanding any choice of means for the receipt of corporate communications (i.e. either receiving a printed copy or by electronic means through the Bank’s website) previously made by Shareholders and communicated to the Bank, Shareholders may at any time change their choice, free of charge, by giving reasonable notice in writing to the Bank’s Share Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by fax to (852) 2861 1465 or by email to [BEA0023-ecom@hk.tricorglobal.com](mailto:BEA0023-ecom@hk.tricorglobal.com) specifying your request together with your full name and contact telephone number.

By order of the Board

**David LI Kwok-po**

*Chairman & Chief Executive*

Hong Kong, 19th August, 2016

*As at the date of this report, the Board of Directors of the Bank comprises Dr. the Hon. Sir David LI Kwok-po<sup>#</sup> (Chairman & Chief Executive), Professor Arthur LI Kwok-cheung\* (Deputy Chairman), Dr. Allan WONG Chi-yun\*\* (Deputy Chairman), Mr. Aubrey LI Kwok-sing\*, Mr. Winston LO Yau-lai\*\*, Mr. Richard LI Tzar-kai\*\*, Mr. Kenneth LO Chin-ming\*\*, Mr. Stephen Charles LI Kwok-sze\*, Mr. William DOO Wai-hoi\*\*, Mr. KUOK Khoon-ean\*\*, Mr. Valiant CHEUNG Kin-piu\*\*, Dr. Isidro FAINÉ CASAS\*, Dr. Peter LEE Ka-kit\*, Mr. Adrian David LI Man-kiu<sup>#</sup> (Deputy Chief Executive), Mr. Brian David LI Man-bun<sup>#</sup> (Deputy Chief Executive), Dr. Daryl NG Win-kong\*\*, Mr. Masayuki OKU\* and Dr. the Hon. Rita FAN HSU Lai-tai\*\*.*

<sup>#</sup> Executive Director

<sup>\*</sup> Non-executive Director

<sup>\*\*</sup> Independent Non-executive Director

## GLOSSARY 詞彙

2016 AGM 「2016股東周年常會」	an AGM of the Bank held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Hong Kong on Friday, 8th April, 2016 at 11:30 a.m. or any adjournment thereof 本行於2016年4月8日星期五上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會，或其任何續會
AC 「審核委員會」	the Audit Committee of the Bank 本行的審核委員會
AGM 「股東周年常會」	an Annual General Meeting of the Bank 本行的股東周年常會
ATM 「自動櫃員機」	Automated Teller Machine 自動櫃員機
AUM 「管理資產」	Assets under management 管理資產
Bank Group or BEA Group or Group 「集團」或「本集團」	The Bank and its subsidiaries 東亞銀行及其附屬公司
Bank or BEA 「本行」或「東亞銀行」	The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong 東亞銀行有限公司，於香港註冊成立的有限公司
Banking Ordinance 《銀行業條例》	Banking Ordinance (Chapter 155 of the Laws of Hong Kong) 《銀行業條例》(香港法例第155章)
BEA China 「東亞中國」	The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank 東亞銀行(中國)有限公司，本行的全資附屬公司
BEA Macau or Macau Branch 「澳門分行」	the Bank's branch operations in Macau 本行的澳門分行
BEA Taiwan 「台灣分行」	the Bank's branch operations in Taiwan 本行的台灣分行
BEA Trustees 「東亞信託」	Bank of East Asia (Trustees) Limited, a wholly-owned subsidiary of the Bank 東亞銀行(信託)有限公司，本行的全資附屬公司
BEA Union Investment 「東亞聯豐投資」	BEA Union Investment Management Limited, a non-wholly-owned subsidiary of the Bank 東亞聯豐投資管理有限公司，本行的非全資附屬公司
BEAWMS 「東亞證券(台灣)」	BEA Wealth Management Services (Taiwan) Limited 東亞證券股份有限公司
Blue Cross 「藍十字」	Blue Cross (Asia-Pacific) Insurance Limited, a wholly-owned subsidiary of the Bank 藍十字(亞太)保險有限公司，本行的全資附屬公司
Board 「董事會」	Board of Directors of the Bank 本行的董事會
Capital Rules 「《資本規則》」	Banking (Capital) Rules issued by the HKMA 金管局頒布的《銀行業(資本規則)》
CG Code 「《企業管治守則》」	Corporate Governance Code and Corporate Governance Report, Appendix 14 of the Listing Rules 《上市規則》附錄14內所載的《企業管治守則及企業管治報告》
CG-1 「CG-1」	Supervisory Policy Manual CG-1 on Corporate Governance of Locally Incorporated Authorized Institutions, issued by the HKMA 金管局頒布之監管政策手冊CG-1內有關《本地註冊認可機構的企業管治》
CG-5 「CG-5」	Supervisory Policy Manual CG-5 on Guideline on a Sound Remuneration System, issued by the HKMA 金管局頒布之監管政策手冊CG-5內有關《穩健的薪酬制度指引》
CHF 「瑞士法郎」	Swiss franc, the lawful currency of Switzerland 瑞士法定貨幣
China, Mainland, Mainland China, or PRC 「中國」或「內地」	People's Republic of China 中華人民共和國

CNY or RMB 「人民幣」	Chinese yuan or Renminbi, the lawful currency of the PRC 中國法定貨幣
Companies Ordinance 「《公司條例》」	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 《公司條例》(香港法例第622章)
Credit Gain 「領達財務」	Credit Gain Finance Company Limited, a wholly-owned subsidiary of the Bank 領達財務有限公司，本行的全資附屬公司
CSR 「企業社會責任」	Corporate social responsibility 企業社會責任
Director(s) 「董事」	includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require 包括任何擔任本行董事職位的人士(無論該人是以何職稱擔任該職位)，或文義另有所指的人士
EAS 「東亞證券」	East Asia Securities Company Limited, a wholly-owned subsidiary of the Bank 東亞證券有限公司，本行的全資附屬公司
EUR 「歐羅」	Euro 歐羅
GBP 「英鎊」	Pound sterling, the lawful currency of the UK 英國法定貨幣
GDP 「本地生產總值」	Gross domestic product 本地生產總值
GRI 「全球報告倡議組織」	Global Reporting Initiative 全球報告倡議組織
HK\$ or HKD 「港幣」	Hong Kong dollar, the lawful currency of Hong Kong 香港法定貨幣
HKAS 「香港會計準則」	Hong Kong Accounting Standards 香港會計準則
HKEx 「香港交易所」	Hong Kong Exchanges and Clearing Limited 香港交易及結算所有限公司
HKFRS 「香港財務報告準則」	Hong Kong Financial Reporting Standards 香港財務報告準則
HKICPA 「香港會計師公會」	Hong Kong Institute of Certified Public Accountants 香港會計師公會
HKMA 「金管局」	Hong Kong Monetary Authority 香港金融管理局
HKRC 「香港紅十字會」	Hong Kong Red Cross 香港紅十字會
Hong Kong or HK 「香港」	Hong Kong Special Administrative Region of PRC 中華人民共和國香港特別行政區
HQLAs 「優質流動資產」	High quality liquid assets 優質流動資產
IACM 「澳門民政總署」	Civic and Municipal Affairs Bureau of Macau 澳門民政總署
JPY 「日圓」	Japanese yen, the lawful currency of Japan 日本法定貨幣
LCR 「流動性覆蓋比率」	Liquidity coverage ratio 流動性覆蓋比率
Listing Rules 「《上市規則》」	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, modified or otherwise supplemented from time to time) 聯交所《證券上市規則》，經不時修訂、修改或以其他方式補充
M&A 「併購」	Mergers and acquisitions 合併與收購



Mn 「百萬」	Million 百萬
MPF 「強積金」	Mandatory Provident Fund 強制性公積金
NC 「提名委員會」	the Nomination Committee of the Bank 本行的提名委員會
NPL 「不良貸款」	Non-performing loan 不良貸款
NWS Holdings 「新創建集團」	NWS Holdings Limited 新創建集團有限公司
OBS 「資產負債表外」	Off-balance sheet 資產負債表外
PHAB 「傷健」	Physically handicapped and able-bodied 傷殘與健全人士
RC 「薪酬委員會」	the Remuneration Committee of the Bank 本行的薪酬委員會
RIC 「風險委員會」	the Risk Committee of the Bank 本行的風險委員會
RQFII 「人民幣合格境外機構投資者」	Renminbi Qualified Foreign Institutional Investor 人民幣合格境外機構投資者
The Salvation Army 「救世軍」	The Salvation Army Hong Kong and Macau Command 救世軍港澳軍區
Senior Management 「高層管理人員」	the Deputy Chief Executives of the Bank 本行的副行政總裁
SFO 「《證券及期貨條例》」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 《證券及期貨條例》(香港法例第571章)
SGD 「新加坡元」	Singapore dollar, the lawful currency of Singapore 新加坡法定貨幣
SinoPac Securities 「永豐金證券」	SinoPac Securities Corporation 永豐金證券股份有限公司
SMEs 「中小企」	Small and medium-sized enterprises 中小型企業
SPSC 「永豐金證券(開曼)」	SinoPac Securities (Cayman) Holdings Limited 永豐金證券(開曼)控股有限公司
Stock Exchange 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Tricor or Tricor Holdings 「卓佳」或「卓佳集團」	Tricor Holdings Limited, a non-wholly-owned subsidiary of the Bank 卓佳集團有限公司，本行的非全資附屬公司
Tung Shing 「東盛」	Tung Shing Holdings Company Limited 東盛控股有限公司
TWD 「新台幣」	Taiwan dollar, the lawful currency of Taiwan 台灣法定貨幣
UK 「英國」	United Kingdom 英國
US 「美國」	United States of America 美利堅合眾國
US\$ or USD 「美元」	United States dollar, the lawful currency of the US 美國法定貨幣
VaR 「風險值」	value-at-risk 風險值
WWF 「世界自然基金會」	World Wide Fund for Nature 世界自然基金會

## 財務摘要

	2016年 6月30日	2015年 6月30日	2015年 12月31日
<b>半年期內</b>			
<b>盈利能力</b>	港幣百萬元	港幣百萬元	港幣百萬元
來自持續經營業務之經營收入總額	7,130	8,101 <sup>1</sup>	7,766 <sup>1</sup>
來自持續經營業務之可歸屬於本集團股東溢利	1,981	3,242 <sup>1</sup>	2,063 <sup>1</sup>
可歸屬於本集團股東溢利	2,095	3,354	2,168
<b>每股盈利及每股股息</b>	港幣元	港幣元	港幣元
來自持續經營業務之基本盈利	0.65	1.24 <sup>1</sup>	0.62 <sup>1</sup>
基本盈利	0.69	1.28	0.67
股息	0.28	0.38	0.50
<b>主要比率</b>	%	%	%
平均資產回報率(年率)	0.5	0.8	0.5
平均股東權益回報率(年率)	4.8	8.7 <sup>1</sup>	4.6
來自持續經營業務之成本對收入比率	59.4	52.0 <sup>1</sup>	60.4 <sup>1</sup>
平均流動性覆蓋比率－第一季度	151.3	127.2	不適用
－第二季度	141.2	137.5	不適用
－第三季度	不適用	不適用	132.1
－第四季度	不適用	不適用	151.2

### 於期末／年末

	港幣百萬元	港幣百萬元	港幣百萬元
<b>資產負債狀況</b>			
客戶墊款及貿易票據總額	463,432	498,868	461,039
資產總額	756,571	815,986	781,364
存款總額	559,899	597,889	578,020
股東權益總額	87,035	82,869	85,641
<b>主要比率</b>	%	%	%
貸款對存款比率	80.2	75.7	76.4
減值貸款比率	1.2	1.0	1.1
普通股權一級資本比率	12.6	13.2	12.2
一級資本比率	14.0	13.8	13.7
總資本比率	17.4	17.6	17.2

1 重報

## 公司資料

### 董事會

#### 執行董事

李國寶爵士(主席兼行政總裁)

李民橋先生(副行政總裁)

李民斌先生(副行政總裁)

#### 非執行董事

李國章教授(副主席)

李國星先生

李國仕先生

范禮賢博士

李家傑博士

奧正之先生

#### 獨立非執行董事

黃子欣博士(副主席)

羅友禮先生

李澤楷先生

駱錦明先生

杜惠愷先生

郭孔演先生

張建標先生

黃永光博士

范徐麗泰博士

#### 高級顧問

彭玉榮先生

陳棋昌先生

陳子政先生

#### 高層管理人員

李民橋先生

執行董事兼副行政總裁

李民斌先生

執行董事兼副行政總裁

李繼昌先生

副行政總裁兼投資總監

唐漢城先生

副行政總裁兼營運總監

#### 公司秘書

羅春德先生

#### 核數師

畢馬威會計師事務所

執業會計師

#### 股份上市

香港聯合交易所有限公司

#### 股份登記處

卓佳標準有限公司

電話：(852) 2980 1768

傳真：(852) 2861 1465

#### 美國預託證券託管銀行

BNY Mellon

電話：1 201 680 6825

美國境內免費電話：1-888-BNY-ADRS

電郵：shrrelations@bnymellon.com

#### 註冊行址

香港德輔道中10號

電話：(852) 3608 3608

傳真：(852) 3608 6000

網站：www.hkbea.com

電郵：info@hkbea.com

## 中期業績

本行董事會欣然宣布本集團截至2016年6月30日止6個月未經審核的業績(附註1(a))。除預計需要反映在2016年已審核賬項內的會計政策變動外，編製此中期財務報表的基礎，跟2015年度賬項所採納的會計政策及方法是一致的。會計政策變動之詳情已列載於附註2。此中期財務報表是未經審核的，但畢馬威會計師事務所已按照香港會計師公會頒布之《香港審閱工作準則》第2410號「獨立核數師對中期財務信息的審閱」，審閱此中期財務報表。畢馬威會計師事務所致本行董事會之獨立審閱報告刊載於第181頁。

### 綜合收益表

		截至30/6/2016 止6個月	截至30/6/2015 止6個月 重報
	附註	港幣百萬元	港幣百萬元
持續經營業務			
利息收入	3	10,361	12,328
利息支出	4	(4,878)	(6,145)
淨利息收入		5,483	6,183
服務費及佣金收入	5	1,678	2,056
服務費及佣金支出		(425)	(467)
服務費及佣金收入淨額		1,253	1,589
交易虧損淨額	6	(32)	(34)
指定為通過損益以反映公平價值金融工具的淨表現	7	(2)	(24)
對沖虧損淨額	8	(4)	(23)
保險業務淨收入	9	228	203
其他經營收入	10	204	207
非利息收入		1,647	1,918
經營收入		7,130	8,101
經營支出	11	(4,239)	(4,216)
未扣除減值損失之經營溢利		2,891	3,885
貸款及墊款減值損失		(1,241)	(776)
可供出售金融資產減值損失		-	(1)
減值損失		(1,241)	(777)
已扣除減值損失後之經營溢利		1,650	3,108
出售持至到期投資之淨溢利		6	3
出售可供出售金融資產之淨溢利	12	40	54
出售貸款及應收賬項之淨虧損		-	(2)
出售持有作出售資產之淨溢利		13	-
出售固定資產之淨盈利	13	770	112
重估投資物業盈利	22	45	340
應佔聯營公司溢利減虧損		192	253
期內除稅前溢利		2,716	3,868
所得稅	14		
本期稅項			
— 香港		(281)	(407)
— 香港以外		(674)	(363)
遞延稅項		228	162
期內持續經營業務溢利		1,989	3,260
已終止經營業務			
已終止經營業務溢利	38	159	155
期內溢利		2,148	3,415

綜合收益表(續)

		截至30/6/2016 止6個月	截至30/6/2015 止6個月 重報
	附註	港幣百萬元	港幣百萬元
可歸屬於：			
本集團股東			
—來自持續經營業務		1,981	3,242
—來自已終止經營業務		114	112
		<u>2,095</u>	<u>3,354</u>
非控股權益		53	61
		<u>2,148</u>	<u>3,415</u>
期內溢利		<u>2,148</u>	<u>3,415</u>
本行的溢利		<u>1,682</u>	<u>2,193</u>
每股			
基本盈利	1(b)		
—期內溢利		港幣0.69元	港幣1.28元
—來自持續經營業務溢利		港幣0.65元	港幣1.24元
攤薄盈利	1(b)		
—期內溢利		港幣0.69元	港幣1.28元
—來自持續經營業務溢利		港幣0.65元	港幣1.24元

## 綜合全面收益表

	截至30/6/2016 止6個月	截至30/6/2015 止6個月
	港幣百萬元	港幣百萬元
淨溢利	2,148	3,415
期內其他全面收益：		
不可轉回收益表的項目：		
行址：		
— 重估行址所產生的未實現盈餘	24	—
以後可能轉回收益表的項目：		
行址：		
— 遞延稅項	—	(14)
可供出售投資的重估儲備：		
— 計入股東權益的公平價值變動	47	338
— 轉自／(轉入)收益表的公平價值變動：		
— 減值及攤銷	18	10
— 出售	12 (25)	(102)
— 遞延稅項	28 33	(23)
應佔聯營公司權益的變動	113	24
因折算產生的匯兌差額：		
— 海外分行、附屬公司及聯營公司的賬項	(375)	(349)
其他全面收益	(165)	(116)
全面收益總額	1,983	3,299
全面收益總額可歸屬於：		
本集團股東	1,921	3,246
非控股權益	62	53
	1,983	3,299

綜合財務狀況表

		30/6/2016	31/12/2015
	附註	港幣百萬元	港幣百萬元
<b>資產</b>			
現金及在銀行和其他金融機構的結存		48,830	69,122
在銀行及其他金融機構的存款	15	58,500	80,828
貿易票據	16	14,615	19,532
交易用途資產	17	6,560	5,335
指定為通過損益以反映公平價值的金融資產	18	3,163	4,336
衍生工具的正公平價值	33(a)	5,775	6,205
客戶墊款及其他賬項	19	481,445	473,088
可供出售金融資產	20	110,947	93,595
持至到期投資	21	5,323	6,199
聯營公司投資		6,193	5,763
固定資產	22	12,157	13,297
— 投資物業		4,350	4,891
— 其他物業及設備		7,807	8,406
商譽及無形資產		2,658	3,883
遞延稅項資產	28	405	181
<b>資產總額</b>		<b>756,571</b>	<b>781,364</b>
<b>股東權益及負債</b>			
銀行及其他金融機構的存款及結餘		29,979	32,126
客戶存款		528,149	540,743
— 活期存款及往來賬戶		67,840	73,471
— 儲蓄存款		117,904	113,332
— 定期及通知存款		342,405	353,940
交易用途負債	23	55	889
衍生工具的負公平價值	33(a)	6,113	6,909
已發行存款證		31,750	37,277
— 指定為通過損益以反映公平價值		19,206	16,457
— 攤銷成本		12,544	20,820
本期稅項		1,816	1,325
已發行債務證券		7,993	13,597
— 指定為通過損益以反映公平價值		425	2,539
— 攤銷成本		7,568	11,058
遞延稅項負債	28	506	534
其他賬項及準備	24	45,699	45,327
借貸資本—攤銷成本	25	17,476	16,996
<b>負債總額</b>		<b>669,536</b>	<b>695,723</b>
股本	1(d)	34,875	33,815
儲備	29	43,965	43,598
歸屬於本集團股東權益總額		78,840	77,413
額外股本工具		5,016	5,016
非控股權益		3,179	3,212
<b>股東權益總額</b>		<b>87,035</b>	<b>85,641</b>
<b>股東權益及負債總額</b>		<b>756,571</b>	<b>781,364</b>

## 綜合權益變動表

	股本	資本儲備－	匯兌重估	投資重估	行址重估	資本儲備	一般儲備	其他儲備 <sup>2</sup>	留存溢利	總額	額外	非控股	權益總額
		已發行權證											
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
於2016年1月1日	33,815	90	(162)	1,383	1,639	230	13,953	4,666	21,799	77,413	5,016	3,212	85,641
權益變動													
期內溢利	-	-	-	-	-	-	-	-	2,095	2,095	-	53	2,148
其他全面收益	-	-	(384)	73	24	-	-	113	-	(174)	-	9	(165)
全面收益總額	-	-	(384)	73	24	-	-	113	2,095	1,921	-	62	1,983
以股代息發行的股份(附註1(d))	1,060	-	-	-	-	-	-	-	-	1,060	-	-	1,060
以股份為基礎作支付之交易	-	16	-	-	-	-	-	-	-	16	-	-	16
轉賬	-	-	-	-	(62)	-	62	127	(127)	-	-	-	-
期內已宣布或核准派發股息(附註1(c))	-	-	-	-	-	-	-	-	(1,564)	(1,564)	-	(48)	(1,612)
回購混合一級資本工具 <sup>1</sup>	-	-	-	-	-	-	-	-	(6)	(6)	-	(47)	(53)
於2016年6月30日	<u>34,875</u>	<u>106</u>	<u>(546)</u>	<u>1,456</u>	<u>1,601</u>	<u>230</u>	<u>14,015</u>	<u>4,906</u>	<u>22,197</u>	<u>78,840</u>	<u>5,016</u>	<u>3,179</u>	<u>87,035</u>
於2015年1月1日	25,217	84	1,970	1,660	1,642	228	13,930	4,300	19,849	68,880	-	4,564	73,444
權益變動													
期內溢利	-	-	-	-	-	-	-	-	3,354	3,354	-	61	3,415
其他全面收益	-	-	(341)	223	(14)	-	-	24	-	(108)	-	(8)	(116)
全面收益總額	-	-	(341)	223	(14)	-	-	24	3,354	3,246	-	53	3,299
以股代息發行的股份	1,216	-	-	-	-	-	-	-	-	1,216	-	-	1,216
發行新股	6,576	-	-	-	-	-	-	-	-	6,576	-	-	6,576
根據權證設計發行的股份	131	-	-	-	-	-	-	-	-	131	-	-	131
以股份為基礎作支付之交易	-	12	-	-	-	-	-	-	-	12	-	-	12
轉賬	13	(13)	-	-	-	2	-	114	(116)	-	-	-	-
期內已宣布或核准派發股息(附註1(c))	-	-	-	-	-	-	-	-	(1,762)	(1,762)	-	(47)	(1,809)
於2015年6月30日	<u>33,153</u>	<u>83</u>	<u>1,629</u>	<u>1,883</u>	<u>1,628</u>	<u>230</u>	<u>13,930</u>	<u>4,438</u>	<u>21,325</u>	<u>78,299</u>	<u>-</u>	<u>4,570</u>	<u>82,869</u>

1. 期內，本行回購港幣4,700萬元於綜合財務報表中分類為非控股權益之混合一級資本工具。支付超過購入非控股權益賬面值之溢價港幣600萬元經已於留存溢利中支銷。
2. 其他儲備包括法定儲備及其他儲備。



## 簡略綜合現金流量表

		截至30/6/2016 止6個月	截至30/6/2015 止6個月 重報
	附註	港幣百萬元	港幣百萬元
經營活動現金(流出)／流入淨額		(10,130)	16,956
已付所得稅			
已付香港利得稅		(6)	(3)
已付海外利得稅		(436)	(283)
(用於)／源自經營活動之現金淨額		(10,572)	16,670
投資活動			
收取聯營公司股息		51	9
收取可供出售股份證券股息		15	13
購入股份證券		(1,396)	(1,523)
出售股份證券所得款項		1,097	1,123
購入固定資產		(188)	(143)
出售其他物業及設備所得款項		958	156
出售投資物業所得款項		651	–
出售持有作出售資產所得款項		646	–
出售／(購入)聯營公司權益		2	(61)
源自／(用於)投資活動之現金淨額		1,836	(426)
融資活動			
支付普通股股息		(308)	(428)
派發予混合／額外一級資本工具持有人	1(c)	(244)	(165)
發行普通股股本		–	131
發行新股	1(d)	–	6,576
發行存款證		22,921	43,695
發行債務證券		687	9,167
回購混合一級資本工具		(53)	–
贖回已發行存款證		(27,753)	(41,837)
贖回已發行債務證券		(6,542)	(14,814)
支付借貸資本利息		(452)	(451)
支付已發行存款證利息		(303)	(466)
支付已發行債務證券利息		(127)	(288)
(用於)／源自融資活動之現金淨額		(12,174)	1,120
現金及等同現金項目淨(減)／增額		(20,910)	17,364
於1月1日之現金及等同現金項目		110,966	71,986
匯率變動的影響		(1,494)	(62)
於6月30日之現金及等同現金項目	30	88,562	89,288
源自經營業務活動的現金流量包括：			
利息收入		10,875	12,379
利息支出		5,693	6,442
股息收入		38	38

## 中期財務報表附註

1. (a) 除預計需要反映在2016年年度財務報表內的會計政策變動外，編製此中期報告的會計政策與編製2015年年度財務報表是一致的。會計政策變動之詳情已列載於附註2。

作為比較信息被納入2016年中期報告的、與截至2015年12月31日止年度有關的財務信息雖然來源於本行的法定年度綜合財務報表，但不構成本行的法定年度綜合財務報表。《公司條例》第436條要求披露的與這些法定財務報表有關的更多信息如下：

按照《公司條例》第662(3)條及附表6第3部的要求，本行已向香港公司註冊處遞交截至2015年12月31日止年度的財務報表。

本行的核數師已就這些財務報表出具核數師報告。該核數師報告為無保留意見的核數師報告；其中不包含核數師在不出具保留意見的情況下以強調的方式提請使用者注意的任何事項；亦不包含根據《公司條例》第406(2)條及第407(2)或(3)條作出的聲明。

- (b) (i) 每股基本盈利乃按照已派發予混合／額外一級資本工具持有人港幣2.44億元(截至2015年6月30日止6個月：港幣1.65億元)及已扣除用作支付回購部份混合一級資本工具的溢價港幣600萬元(截至2015年6月30日止6個月：無)後之期內綜合溢利及來自持續經營業務之可歸屬於本集團股東溢利，分別為港幣18.45億元及港幣17.31億元(截至2015年6月30日止6個月：港幣31.89億元及港幣30.77億元)及截至2016年6月30日止6個月內已發行普通股份的加權平均數26.62億股(截至2015年6月30日止6個月：24.89億股)計算。
- (ii) 每股攤薄盈利乃按照已派發予混合／額外一級資本工具持有人港幣2.44億元(截至2015年6月30日止6個月：港幣1.65億元)及已扣除用作支付回購部份混合一級資本工具的溢價港幣600萬元(截至2015年6月30日止6個月：無)後之期內綜合溢利及來自持續經營業務之可歸屬於本集團股東溢利，分別為港幣18.45億元及港幣17.31億元(截至2015年6月30日止6個月：港幣31.89億元及港幣30.77億元)及就截至2016年6月30日止6個月內所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數26.62億股(截至2015年6月30日止6個月：24.90億股)計算。
- (c) 股息
- (i) 可歸屬於本中期而應付予本集團股東的股息

	截至30/6/2016 止6個月	截至30/6/2015 止6個月
	港幣百萬元	港幣百萬元
在中期後已宣布派發中期股息予26.83億股每股港幣0.28元(截至2015年6月30日止6個月：26.17億股每股港幣0.38元)	751	994

於報告期結束日該中期股息並未確認為負債。

中期財務報表附註(續)

1. (c) 股息(續)

(ii) 已核准及在本中期支付可歸屬於上年度應付予本集團股東的股息

	截至30/6/2016 止6個月 港幣百萬元	截至30/6/2015 止6個月 港幣百萬元
已支付於報告期結束後及本行股票過戶登記截止日前根據認股計劃發行股份屬上年度每股港幣0.50元的第二次中期股息(2015年：每股港幣0.68元)	-	1
第二次中期股息予26.41億股每股港幣0.50元 (2015年：23.47億股每股港幣0.68元)	1,320	1,596
	<u>1,320</u>	<u>1,597</u>

(iii) 派發予混合／額外一級資本工具持有人

	截至30/6/2016 止6個月 港幣百萬元	截至30/6/2015 止6個月 港幣百萬元
已付或應付予混合一級資本工具的利息	105	165
已付予額外一級資本工具的款項	139	-
	<u>244</u>	<u>165</u>

(d) 股本

本行普通股的變動列示如下：

	於30/6/2016		於31/12/2015	
	股份數目 百萬	港幣百萬元	股份數目 百萬	港幣百萬元
已發行及繳足普通股：				
於1月1日	2,641	33,815	2,347	25,217
發行新股	-	-	223	6,576
根據僱員認股計劃發行的股份	-	-	5	150
認股權的公平價值轉自資本儲備				
— 已發行認股權	-	-	-	16
以股代息發行的股份	42	1,060	66	1,856
	<u>2,683</u>	<u>34,875</u>	<u>2,641</u>	<u>33,815</u>
於6月30日／12月31日	<u>2,683</u>	<u>34,875</u>	<u>2,641</u>	<u>33,815</u>

## 中期財務報表附註(續)

### 2. 會計政策之變動

香港會計師公會已頒布若干對本集團本期會計期可首次生效之修訂的《香港財務報告準則》。

各項之發展對本集團本期或前期已編製及呈報之業績及財務狀況並無重大影響。本集團並未採納任何於本年度尚未生效的新準則或詮釋。

### 3. 利息收入

	截至30/6/2016 止6個月	截至30/6/2015 止6個月 重報
	港幣百萬元	港幣百萬元
持續經營業務		
分類為持至到期或可供出售的證券	1,269	1,249
交易用途資產	73	88
指定為通過損益以反映公平價值金融資產	68	74
貸款、在銀行和其他金融機構的存款、及貿易票據	8,951	10,917
	<u>10,361</u>	<u>12,328</u>

以上包括減值金融資產的應計利息為港幣1.90億元(截至2015年6月30日止6個月：港幣8,700萬元)。

在不包括對沖影響前，來自非按公平價值確認損益的金融資產之利息收入為港幣103.73億元(截至2015年6月30日止6個月：港幣122.49億元)。

就已對沖利率風險的交易而言，作為帶息金融資產的合格對沖工具或可個別地與帶息金融資產共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融資產產生的利息收入合併。

### 4. 利息支出

	截至30/6/2016 止6個月	截至30/6/2015 止6個月
	港幣百萬元	港幣百萬元
持續經營業務		
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	4,313	5,525
已發行債務證券		
-按攤銷成本	86	146
-指定為通過損益以反映公平價值	114	147
按攤銷成本列賬的後償票據	364	317
其他借款	1	10
	<u>4,878</u>	<u>6,145</u>

## 中期財務報表附註(續)

### 4. 利息支出(續)

在不包括對沖影響前，來自非按公平價值確認損益的金融負債之利息支出為港幣46.64億元(截至2015年6月30日止6個月：港幣61.31億元)。

就已對沖利率風險的交易而言，作為帶息金融負債的合格對沖工具或可個別地與帶息金融負債共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融負債產生的利息支出合併。

### 5. 服務費及佣金收入

源自下列服務的服務費及佣金收入：

	截至30/6/2016 止6個月	截至30/6/2015 止6個月 重報
	港幣百萬元	港幣百萬元
持續經營業務		
信用卡	484	460
貸款、透支及擔保	370	479
貿易融資	180	270
其他零售銀行服務	149	212
證券及經紀	111	274
信託及其他代理業務	108	87
其他	276	274
服務費及佣金收入總額	<u>1,678</u>	<u>2,056</u>
其中：		
由非持作交易用途或指定為通過損益以反映公平價值列賬之 金融資產或負債所產生之淨服務費收入(不包括用作計算 有效利率之金額)	1,262	1,603
服務費收入	1,678	2,056
服務費支出	(416)	(453)

### 6. 交易虧損淨額

	截至30/6/2016 止6個月	截至30/6/2015 止6個月 重報
	港幣百萬元	港幣百萬元
持續經營業務		
外幣買賣及外匯掉期虧損	(517)	(599)
交易用途證券(虧損)/溢利	(91)	277
衍生工具淨盈利	554	263
交易用途上市證券的股息收入	22	25
	<u>(32)</u>	<u>(34)</u>

中期財務報表附註(續)

7. 指定為通過損益以反映公平價值金融工具的淨表現

	截至30/6/2016 止6個月 港幣百萬元	截至30/6/2015 止6個月 港幣百萬元
持續經營業務		
重估已發行債務虧損	(2)	(40)
出售已發行債務溢利	-	3
重估金融資產(虧損)/盈利	(3)	15
出售金融資產溢利/(虧損)	3	(2)
	<u>(2)</u>	<u>(24)</u>

8. 對沖虧損淨額

	截至30/6/2016 止6個月 港幣百萬元	截至30/6/2015 止6個月 港幣百萬元
持續經營業務		
公平價值對沖		
—可歸屬於被對沖項目之對沖風險產生的淨溢利/(虧損)	454	(21)
—用作對沖工具的淨虧損	(458)	(2)
	<u>(4)</u>	<u>(23)</u>

截至2016年6月30日止6個月及2015年6月30日止6個月，因現金流對沖所產生並已在本集團收益表內確認之無效部分是不重大的。

9. 保險業務淨收入

	截至30/6/2016 止6個月 港幣百萬元	截至30/6/2015 止6個月 港幣百萬元
持續經營業務		
(a) 保險業務淨收入		
淨利息收入	189	171
交易虧損淨額	(3)	(6)
指定為通過損益以反映公平價值金融工具的淨 (虧損)/溢利	(8)	28
對沖虧損淨額	(4)	(2)
淨保費及其他收入	2,341	1,801
其他經營收入	-	3
	<u>2,515</u>	<u>1,995</u>
保險索償及支出淨額	(c) <u>(2,312)</u>	<u>(1,904)</u>
	203	91
經營支出	(1)	(1)
可供出售金融資產減值損失	(19)	(9)
出售可供出售金融資產之淨溢利	45	122
	<u>228</u>	<u>203</u>

中期財務報表附註(續)

9. 保險業務淨收入(續)

	截至30/6/2016 止6個月 港幣百萬元	截至30/6/2015 止6個月 港幣百萬元
(b) 淨保費及其他收入		
保費收入總額	2,374	1,943
保費收入總額之分保份額	(33)	(142)
	<u>2,341</u>	<u>1,801</u>
(c) 保險索償及支出淨額		
已付索償、利益及退保 準備金變動	1,362 895	822 1,181
	<u>2,257</u>	<u>2,003</u>
已付索償、利益及退保之分保份額 準備金變動之分保份額	(33) 10	(21) (139)
	<u>(23)</u>	<u>(160)</u>
保險佣金支出淨額	2,234 78	1,843 61
	<u>2,312</u>	<u>1,904</u>

10. 其他經營收入

	截至30/6/2016 止6個月 港幣百萬元	截至30/6/2015 止6個月 重報 港幣百萬元
持續經營業務		
可供出售金融資產股息收入		
— 上市	8	5
— 非上市	7	8
保險箱租金收入	44	43
物業租金收入	118	103
其他	27	48
	<u>204</u>	<u>207</u>

中期財務報表附註(續)

11. 經營支出

	截至30/6/2016 止6個月	截至30/6/2015 止6個月 重報
	港幣百萬元	港幣百萬元
持續經營業務		
定額供款公積金供款		
— 香港	80	73
— 香港以外	172	161
以股份為基礎作支付的費用	16	12
薪金及其他員工成本	2,128	2,014
員工成本總額	2,396	2,260
不包括折舊的物業及設備支出		
— 物業租金	314	303
— 保養、維修及其他	279	275
不包括折舊的物業及設備支出總額	593	578
固定資產折舊	240	252
無形資產攤銷	16	16
其他經營支出		
— 法律及專業服務費	213	190
— 印花稅、海外及中華人民共和國營業稅，及增值稅	210	337
— 通訊、文具及印刷	141	149
— 廣告費	111	118
— 業務推廣及商務旅遊	73	77
— 有關信用卡支出	72	63
— 保險費	40	32
— 會員費	10	8
— 銀行收費	5	4
— 捐款	3	3
— 銀行牌照費	2	2
— 其他	114	127
其他經營支出總額	994	1,110
經營支出總額	4,239	4,216



中期財務報表附註(續)

12. 出售可供出售金融資產之淨溢利

	截至30/6/2016 止6個月 港幣百萬元	截至30/6/2015 止6個月 港幣百萬元
持續經營業務		
由儲備轉撥的重估盈利淨額	25	102
期內產生的溢利／(虧損)	15	(48)
	<u>40</u>	<u>54</u>

13. 出售固定資產之淨溢利

	截至30/6/2016 止6個月 港幣百萬元	截至30/6/2015 止6個月 港幣百萬元
持續經營業務		
出售投資物業之淨溢利	146	—
出售銀行行址、傢私及設備之淨溢利	624	112
	<u>770</u>	<u>112</u>

14. 所得稅

綜合收益表內的稅項指：

	截至30/6/2016 止6個月 港幣百萬元	截至30/6/2015 止6個月 重報 港幣百萬元
持續經營業務		
本期稅項－香港		
本年度稅項	264	389
往年度撥備不足	17	18
	<u>281</u>	<u>407</u>
本期稅項－香港以外		
本年度稅項*	709	394
往年度撥備過剩的回撥	(35)	(31)
	<u>674</u>	<u>363</u>
遞延稅項		
暫時性差異的產生及轉回	(228)	(162)
	<u>727</u>	<u>608</u>

\* 在2016年上半年，出售若干中國內地物業而產生的土地增值稅及企業所得稅之總額為港幣3.96億元。

## 中期財務報表附註(續)

### 14. 所得稅(續)

香港利得稅款是以截至2016年6月30日止6個月預計應課稅溢利按稅率16.5%(截至2015年6月30日止6個月:16.5%)計算。

海外分行及附屬公司的稅款亦按其經營所在國家現行稅率計算。

### 15. 在銀行及其他金融機構的存款

	<u>30/6/2016</u>	<u>31/12/2015</u>
	港幣百萬元	港幣百萬元
在銀行及認可金融機構的存款	58,500	80,828
在中央銀行的存款	—	—
	<u>58,500</u>	<u>80,828</u>
到期期限		
— 1個月內	41,906	62,384
— 1個月至1年內	16,594	18,444
	<u>58,500</u>	<u>80,828</u>

### 16. 貿易票據

	<u>30/6/2016</u>	<u>31/12/2015</u>
	港幣百萬元	港幣百萬元
貿易票據總額	14,616	19,533
減: 個別減值準備	(1)	(1)
	<u>14,615</u>	<u>19,532</u>

中期財務報表附註(續)

17. 交易用途資產

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
國庫債券(包括外匯基金票據)	265	1,178
持有的存款證	2,555	1,192
債務證券	2,669	1,620
股份證券	1,071	1,345
	<u>6,560</u>	<u>5,335</u>
發行機構：		
中央政府和中央銀行	277	1,189
公營機構	8	8
銀行及其他金融機構	4,935	2,768
企業實體	1,307	1,370
其他實體	33	-
	<u>6,560</u>	<u>5,335</u>
按上市地區分析：		
債務證券		
在香港上市	12	11
在香港以外地區上市	-	25
	<u>12</u>	<u>36</u>
非上市	5,477	3,954
	<u>5,489</u>	<u>3,990</u>
股份證券		
在香港上市	860	1,124
在香港以外地區上市	211	221
	<u>1,071</u>	<u>1,345</u>
	<u>6,560</u>	<u>5,335</u>

中期財務報表附註(續)

18. 指定為通過損益以反映公平價值的金融資產

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
持有的存款證	–	476
債務證券	2,880	3,410
股份證券	194	326
投資基金	89	124
	<u>3,163</u>	<u>4,336</u>
發行機構：		
中央政府和中央銀行	89	90
銀行及其他金融機構	1,530	2,012
企業實體	1,455	2,110
其他實體	89	124
	<u>3,163</u>	<u>4,336</u>
按上市地區分析：		
債務證券		
在香港上市	554	797
在香港以外地區上市	1,012	1,589
	<u>1,566</u>	<u>2,386</u>
非上市	1,314	1,500
	<u>2,880</u>	<u>3,886</u>
股份證券		
在香港上市	66	116
在香港以外地區上市	128	210
	<u>194</u>	<u>326</u>
投資基金		
在香港上市	4	20
在香港以外地區上市	8	15
	<u>12</u>	<u>35</u>
非上市	77	89
	<u>89</u>	<u>124</u>
	<u>3,163</u>	<u>4,336</u>

中期財務報表附註(續)

19. 客戶墊款及其他賬項

(a) 客戶墊款及其他賬項

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
(i) 客戶墊款	448,816	441,506
減：減值準備		
— 個別	(1,060)	(1,021)
— 整體	(1,617)	(1,360)
	<u>446,139</u>	<u>439,125</u>
(ii) 其他賬項		
銀行及其他金融機構墊款	3	31
減：減值準備— 個別	(1)	(1)
	<u>2</u>	<u>30</u>
債券	—	1
應計利息	2,121	2,635
承兌客戶負債	19,280	20,602
其他賬項	11,443	9,778
	<u>32,844</u>	<u>33,016</u>
減：減值準備		
— 個別	(3)	(19)
— 整體	(1)	(19)
	<u>32,840</u>	<u>32,978</u>
(iii) 持有作出售資產(附註38)	<u>2,464</u>	<u>955</u>
	<u><u>481,445</u></u>	<u><u>473,088</u></u>

中期財務報表附註(續)

19. 客戶墊款及其他賬項(續)

(b) 客戶墊款－按行業分類

按行業分類的客戶墊款總額及有抵押墊款的百分比是按照金管局所採用的類別和定義。

	30/6/2016		31/12/2015	
	墊款總額 港幣百萬元	有抵押墊款 的百分比 百分率	墊款總額 港幣百萬元	有抵押墊款 的百分比 百分率
在香港使用的貸款				
工商金融				
－物業發展	13,483	69.54	13,009	67.44
－物業投資	41,572	91.82	41,890	87.44
－金融企業	10,415	69.26	10,011	70.44
－股票經紀	3,990	94.83	2,894	85.34
－批發與零售業	16,385	73.09	18,250	67.56
－製造業	3,912	61.66	4,494	55.72
－運輸與運輸設備	5,887	78.75	5,758	80.15
－娛樂活動	148	73.86	155	56.66
－資訊科技	2,096	0.92	1,251	27.87
－其他	21,541	79.93	21,370	76.27
－小計	119,429	79.47	119,082	76.51
個人				
－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」樓宇貸款	1,033	99.98	1,050	100.00
－購買其他住宅物業的貸款	40,916	100.00	40,805	100.00
－信用卡墊款	3,910	0.00	4,552	0.00
－其他	23,072	86.07	21,191	83.99
－小計	68,931	89.66	67,598	88.25
在香港使用的貸款總額	188,360	83.20	186,680	80.76
貿易融資	6,185	72.43	5,998	66.66
在香港以外使用的貸款*	254,271	63.33	248,828	66.25
客戶墊款總額	448,816	71.79	441,506	72.39

\* 在香港以外使用的貸款包括以下在中國內地使用的貸款。

	30/6/2016		31/12/2015	
	墊款總額 港幣百萬元	有抵押墊款 的百分比 百分率	墊款總額 港幣百萬元	有抵押墊款 的百分比 百分率
物業發展	41,123	58.26	42,468	60.86
物業投資	31,448	95.70	33,439	95.63
批發與零售業	18,703	74.54	22,931	75.90
製造業	7,825	49.74	8,687	46.67
其他	81,288	50.49	77,247	53.85
	180,387	62.60	184,772	65.42

中期財務報表附註(續)

19. 客戶墊款及其他賬項(續)

(b) 客戶墊款－按行業分類(續)

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

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
(i) 物業發展		
a. 已個別減值的貸款	46	39
b. 個別減值準備	16	5
c. 整體減值準備	266	222
d. 於收益表支銷的準備		
－ 個別減值損失	20	174
－ 整體減值損失	79	136
e. 撇銷	-	-
(ii) 物業投資		
a. 已個別減值的貸款	575	598
b. 個別減值準備	36	24
c. 整體減值準備	318	269
d. 於收益表支銷的準備		
－ 個別減值損失	77	63
－ 整體減值損失	91	130
e. 撇銷	22	33
(iii) 購買其他住宅物業的貸款		
a. 已個別減值的貸款	627	356
b. 個別減值準備	21	23
c. 整體減值準備	160	141
d. 於收益表支銷的準備		
－ 個別減值損失	23	80
－ 整體減值損失	23	57
e. 撇銷	-	50
(iv) 批發與零售業		
a. 已個別減值的貸款	1,766	1,455
b. 個別減值準備	515	502
c. 整體減值準備	159	146
d. 於收益表支銷的準備		
－ 個別減值損失	675	727
－ 整體減值損失	43	74
e. 撇銷	106	189
(v) 酒店		
a. 已個別減值的貸款	929	912
b. 個別減值準備	93	56
c. 整體減值準備	66	63
d. 於收益表支銷的準備		
－ 個別減值損失	66	62
－ 整體減值損失	16	29
e. 撇銷	9	62

19. 客戶墊款及其他賬項(續)

(c) 客戶墊款－按區域分類

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

	30/6/2016				
	客戶墊款 總額	逾期3個月 以上的 客戶墊款	減值 客戶墊款	個別 減值準備	整體 減值準備
	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
香港	186,599	659	1,089	253	327
中華人民共和國	205,671	4,009	4,129	766	1,151
其他亞洲國家	20,821	95	248	40	51
其他	35,725	1	64	1	88
總額	<u>448,816</u>	<u>4,764</u>	<u>5,530</u>	<u>1,060</u>	<u>1,617</u>
佔客戶墊款總額的百分比			<u>1.23%</u>		
減值客戶墊款抵押品市值			<u>6,867</u>		
	31/12/2015				
	客戶墊款 總額	逾期3個月 以上的 客戶墊款	減值 客戶墊款	個別 減值準備	整體 減值準備
	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
香港	181,968	243	643	152	263
中華人民共和國	212,621	3,809	4,037	818	978
其他亞洲國家	19,376	22	155	35	51
其他	27,541	5	138	16	68
總額	<u>441,506</u>	<u>4,079</u>	<u>4,973</u>	<u>1,021</u>	<u>1,360</u>
佔客戶墊款總額的百分比			<u>1.13%</u>		
減值客戶墊款抵押品市值			<u>8,239</u>		

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。上述資料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。



中期財務報表附註(續)

20. 可供出售金融資產

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
國庫債券(包括外匯基金票據)	22,246	17,920
持有的存款證	1,290	2,228
債務證券	83,929	70,136
股份證券	3,021	2,832
投資基金	461	479
	<u>110,947</u>	<u>93,595</u>
發行機構：		
中央政府和中央銀行	23,321	19,013
公營機構	561	553
銀行及其他金融機構	36,919	32,582
企業實體	49,637	40,927
其他實體	509	520
	<u>110,947</u>	<u>93,595</u>
按上市地區分析：		
債務證券		
在香港上市	19,049	18,236
在香港以外地區上市	33,635	21,344
	<u>52,684</u>	<u>39,580</u>
非上市	54,781	50,704
	<u>107,465</u>	<u>90,284</u>
股份證券		
在香港上市	854	800
在香港以外地區上市	1,724	1,501
	<u>2,578</u>	<u>2,301</u>
非上市	443	531
	<u>3,021</u>	<u>2,832</u>
投資基金		
在香港上市	100	92
在香港以外地區上市	70	63
	<u>170</u>	<u>155</u>
非上市	291	324
	<u>461</u>	<u>479</u>
	<u>110,947</u>	<u>93,595</u>

中期財務報表附註(續)

21. 持至到期投資

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
國庫債券(包括外匯基金票據)	1,566	1,143
持有的存款證	745	1,478
債務證券	3,012	3,578
	<u>5,323</u>	<u>6,199</u>
發行機構：		
中央政府和中央銀行	2,311	1,850
公營機構	9	22
銀行及其他金融機構	212	1,156
企業實體	2,791	3,171
	<u>5,323</u>	<u>6,199</u>
按上市地區分析：		
債務證券		
在香港上市	2,456	2,673
在香港以外地區上市	1,697	1,588
	<u>4,153</u>	<u>4,261</u>
非上市	1,170	1,938
	<u>5,323</u>	<u>6,199</u>
公平價值：		
上市證券	4,264	4,309
非上市證券	1,165	1,940
	<u>5,429</u>	<u>6,249</u>

中期財務報表附註(續)

22. 固定資產

	30/6/2016				
	投資物業 港幣百萬元	行址 港幣百萬元	傢俬、裝修 及設備 港幣百萬元	小計 港幣百萬元	總額 港幣百萬元
成本或估值					
於2016年1月1日	4,891	8,703	5,093	13,796	18,687
增置	-	3	185	188	188
重估盈餘	45	-	-	-	45
出售	(505)	(366)	(77)	(443)	(948)
由行址轉作投資物業時產生的					
重估盈餘	-	24	-	24	24
由行址轉入投資物業	24	(24)	-	(24)	-
由投資物業轉入行址	(62)	62	-	62	-
重新分類	-	18	(18)	-	-
匯兌調整	(18)	(69)	(37)	(106)	(124)
轉至分類為持有作出售資產	(25)	(77)	(273)	(350)	(375)
於2016年6月30日	4,350	8,274	4,873	13,147	17,497
累計折舊及攤銷					
於2016年1月1日	-	1,613	3,777	5,390	5,390
期內支銷	-	84	172	256	256
出售時撇銷	-	(38)	(71)	(109)	(109)
出售附屬公司回撥	-	-	(2)	(2)	(2)
重新分類	-	16	(16)	-	-
匯兌調整	-	(19)	(28)	(47)	(47)
轉至分類為持有作出售資產	-	(4)	(144)	(148)	(148)
於2016年6月30日	-	1,652	3,688	5,340	5,340
賬面淨值於2016年6月30日	4,350	6,622	1,185	7,807	12,157
賬面淨值於2015年12月31日	4,891	7,090	1,316	8,406	13,297
上述資產的總額列示如下：					
按成本	-	7,489	4,873	12,362	12,362
按董事估值					
- 1989	-	785	-	785	785
按專業估值					
- 2016	4,350	-	-	-	4,350
	4,350	8,274	4,873	13,147	17,497

中期財務報表附註(續)

23. 交易用途負債

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
外滙基金票據空倉	50	888
股份空倉	5	1
	<u>55</u>	<u>889</u>

24. 其他賬項及準備

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
應計應付利息	3,455	4,269
應付承兌匯票	19,280	20,602
持有作出售負債(附註38)	378	225
其他賬項	22,586	20,231
	<u>45,699</u>	<u>45,327</u>

25. 借貸資本

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
按攤銷成本列賬的6億美元後償票據	5,004	4,887
按攤銷成本列賬的5億美元後償票據 (按歐洲形式中期票據計劃)	3,900	3,895
按攤銷成本列賬的8億新加坡元後償票據 (按歐洲形式中期票據計劃)	4,596	4,330
按攤銷成本列賬的5億美元後償票據 (按歐洲形式中期票據計劃)	3,976	3,884
	<u>17,476</u>	<u>16,996</u>

兩宗票面值總額港幣46.55億元(6億美元)及賬面值總額港幣50.04億元(於2015年12月31日：港幣48.87億元)的借貸資本，是指由本行於2010年7月16日(4.5億美元)及於2010年7月23日(1.5億美元)發行年息6.125%，並評定為二級資本的後償票據。該票據於新加坡交易所上市，並將於2020年7月16日到期。在2016年上半年，因採用公平價值對沖會計法而錄得的無效對沖部分虧損為港幣200萬元(2015年上半年：港幣300萬元虧損)。

## 中期財務報表附註(續)

### 25. 借貸資本(續)

票面值港幣38.79億元(5億美元)，即賬面值港幣39.00億元(於2015年12月31日：港幣38.95億元)的借貸資本，是指由本行於2011年11月4日發行年息6.375%，並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於新加坡交易所上市，並將於2022年5月4日到期。就其中4億美元後償票據而言，在2016年上半年，因採用公平價值對沖會計法而錄得的無效對沖部分虧損為港幣200萬元(2015年上半年：港幣10萬元虧損)。於2016年6月30日，其中1億美元後償票據的公平價值則為港幣8.04億元(1.036億美元)(2015年12月31日：港幣8.08億元(1.043億美元))。

票面值港幣45.96億元(8億新加坡元)及賬面值港幣45.96億元(於2015年12月31日：港幣43.30億元)的借貸資本，是指由本行於2012年3月13日(6億新加坡元)及於2012年4月27日(2億新加坡元)發行兩宗年息4.25%，並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於新加坡交易所上市，並將於2022年9月13日到期。在2016年上半年，因採用公平價值對沖會計法而錄得的無效對沖部分虧損為港幣100萬元(2015年上半年：港幣300萬元虧損)。

票面值港幣38.79億元(5億美元)及賬面值港幣39.76億元(於2015年12月31日：港幣38.84億元)的借貸資本，是指由本行於2014年11月20日發行年息4.25%，並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於聯交所上市，並將於2024年11月20日到期。在2016年上半年，因採用公平價值對沖會計法而錄得的無效對沖部分虧損為港幣100萬元(2015年上半年：港幣3,000元溢利)。

### 26. 分部報告

本集團按分處管理其業務，而分處則由業務及地區混合組成。分部資料的列報與內部匯報予本集團的高層管理人員作為資源分配及表現評核的方式是一致的。本集團列報以下九個可匯報分部。營運分部並未包括在以下的可匯報分部內。

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

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款及證券業務貸款。

財資市場包括在香港之財資運作及證券買賣。

財富管理包括提供予在香港之私人銀行業務及相關資產。

金融機構包括在香港之全球同業間的銀行代理行及金融貿易業務。

**26. 分部報告(續)**

其他香港銀行業務主要包括在香港之保險業務、信託業務、證券及期貨經紀、放債人業務及企業財務諮詢。

中國業務主要包括在香港支援中國業務的後勤單位、所有在中國經營的分行、附屬公司及聯營公司，但不包括在中國經營企業服務和資料處理及其他後勤支援之附屬公司。

國際業務包括在香港支援國際銀行業務的後勤單位、所有在海外經營的分行、附屬公司及聯營公司，但不包括在海外經營企業服務之附屬公司。

企業服務包括公司秘書服務、股票登記及商業服務，以及離岸企業及信託服務。

其他業務包括與地產有關的業務、香港業務之後勤單位、投資物業、行址及在香港之其他附屬公司的業績(除已包括在其他香港銀行業務內的附屬公司)。

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

分部資產包括所有有形資產、無形資產及金融資產(聯營公司之權益除外)、遞延稅項資產及其他企業資產。分部負債包括存款、金融負債及可歸屬於個別分部的其他負債。

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

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。

中期財務報表附註(續)

26. 分部報告(續)

	香港銀行業務									可匯報 分部總額	其他	分部間之 交易抵銷	總額
	個人銀行	企業銀行	財資市場	財富管理	金融機構	其他	中國業務	國際業務	企業服務 (附註)				
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元				
截至2016年6月30日 止6個月 持續經營業務													
淨利息收入/(支出)	1,436	1,091	(215)	175	8	144	2,060	645	-	5,344	139	-	5,483
非利息收入/(支出)	407	70	(62)	183	8	312	452	70	-	1,440	389	(182)	1,647
經營收入	1,843	1,161	(277)	358	16	456	2,512	715	-	6,784	528	(182)	7,130
經營支出	(875)	(95)	(56)	(96)	(5)	(285)	(1,780)	(234)	-	(3,426)	(994)	181	(4,239)
未扣除減值損失之 經營溢利/(虧損)	968	1,066	(333)	262	11	171	732	481	-	3,358	(466)	(1)	2,891
貸款及墊款及其他 賬項的減值損失 (支銷)/回撥	(86)	(168)	1	(2)	-	(17)	(943)	(26)	-	(1,241)	-	-	(1,241)
已扣除減值損失後之 經營溢利/(虧損)	882	898	(332)	260	11	154	(211)	455	-	2,117	(466)	(1)	1,650
出售固定資產、持至 到期投資及可供出售 金融資產之溢利/ (虧損)	(2)	6	35	-	-	2	781	(6)	-	816	-	-	816
出售持作出售資產之 溢利/(虧損)	-	-	-	-	-	-	(8)	-	-	(8)	21	-	13
重估投資物業盈利	-	-	-	-	-	-	-	1	-	1	44	-	45
應佔聯營公司溢利減虧損	-	-	-	-	-	(1)	74	119	-	192	-	-	192
除稅前溢利/(虧損)	880	904	(297)	260	11	155	636	569	-	3,118	(401)	(1)	2,716
期內折舊	(29)	(1)	(1)	(1)	-	(9)	(114)	(10)	-	(165)	(75)	-	(240)
於2016年6月30日													
分部資產	70,640	143,950	154,948	24,475	6,131	19,598	299,634	90,365	-	809,741	17,320	(79,147)	747,914
聯營公司投資	-	-	-	-	-	48	1,151	4,994	-	6,193	-	-	6,193
其他資產—持有作 出售資產	-	-	-	-	-	-	133	39	2,281	2,453	11	-	2,464
資產總額	70,640	143,950	154,948	24,475	6,131	19,646	300,918	95,398	2,281	818,387	17,331	(79,147)	756,571
分部負債	283,821	1,167	66,650	20,514	3	15,595	252,686	78,946	-	719,382	2,056	(52,280)	669,158
其他負債—持有作 出售負債	-	-	-	-	-	-	-	-	378	378	-	-	378
負債總額	283,821	1,167	66,650	20,514	3	15,595	252,686	78,946	378	719,760	2,056	(52,280)	669,536

中期財務報表附註(續)

26. 分部報告(續)

	香港銀行業務						中國業務	國際業務	企業服務 (附註)	可匯報 分部總額	其他	分部間之 交易抵銷	總額
	個人銀行	企業銀行	財資市場	財富管理	金融機構	其他							
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
截至2015年6月30日 止6個月(重報)													
持續經營業務													
淨利息收入	1,342	1,191	101	190	35	160	2,534	561	-	6,114	69	-	6,183
非利息收入/(支出)	432	351	(433)	244	8	409	631	85	-	1,727	372	(181)	1,918
經營收入	1,774	1,542	(332)	434	43	569	3,165	646	-	7,841	441	(181)	8,101
經營支出	(833)	(100)	(62)	(87)	(6)	(317)	(1,799)	(232)	-	(3,436)	(960)	180	(4,216)
未扣除減值損失之 經營溢利/(虧損)	941	1,442	(394)	347	37	252	1,366	414	-	4,405	(519)	(1)	3,885
貸款及墊款及其他 賬項的減值損失 (支銷)/回撥	(70)	(8)	13	1	-	(31)	(684)	16	-	(763)	(13)	-	(776)
可供出售金融資產 減值損失	-	-	-	-	-	(1)	-	-	-	(1)	-	-	(1)
已扣除減值損失後之 經營溢利/(虧損)	871	1,434	(381)	348	37	220	682	430	-	3,641	(532)	(1)	3,108
出售固定資產、貸款及 應收賬項、持至到期投 資及可供出售金融資產 之溢利/(虧損)	(2)	4	46	-	-	3	1	-	-	52	115	-	167
重估投資物業盈利	-	-	-	-	-	-	-	15	-	15	325	-	340
應佔聯營公司溢利減虧損	-	-	-	-	-	1	108	144	-	253	-	-	253
除稅前溢利/(虧損)	869	1,438	(335)	348	37	224	791	589	-	3,961	(92)	(1)	3,868
期內折舊	(32)	(1)	(1)	(1)	-	(12)	(117)	(10)	-	(174)	(78)	-	(252)
於2015年12月31日													
分部資產	68,719	142,731	165,533	25,627	7,022	17,585	320,993	88,061	2,269	838,540	17,912	(81,806)	774,646
聯營公司投資	-	-	-	-	-	50	1,102	4,591	20	5,763	-	-	5,763
其他資產-持有作 出售資產	-	-	-	-	-	646	287	22	-	955	-	-	955
資產總額	68,719	142,731	165,533	25,627	7,022	18,281	322,382	92,674	2,289	845,258	17,912	(81,806)	781,364
分部負債	279,214	1,124	80,117	21,436	6	13,827	275,702	77,011	405	748,842	2,148	(55,492)	695,498
其他負債-持有作 出售負債	-	-	-	-	-	131	94	-	-	225	-	-	225
負債總額	279,214	1,124	80,117	21,436	6	13,958	275,796	77,011	405	749,067	2,148	(55,492)	695,723

附註：由2016年2月起，東亞銀行與新創建集團有限公司就其於卓佳集團有限公司及其附屬公司(統稱「卓佳集團」)的策略性投資進行檢討。該檢討考慮了各項策略方案，包括可能出售本行與新創建集團所持有的卓佳集團全部權益。其後，出售卓佳集團之計劃隨之展開。雖然出售程序只屬初步階段，本行尚未簽訂任何出售卓佳集團之協議，惟根據《香港財務報告準則》第5號「持作出售非流動資產及已終止經營業務」，本集團需於綜合收益表中將卓佳集團2016上半年的業績以已終止經營業務列示，而比較資料亦相應重新列示。卓佳集團於2016年6月30日的資產及負債在綜合財務報表中則分別以持有作出售資產及持有作出售負債列示，而2015年12月31日的資產及負債均毋須重報。然而，有關出售程序的最終結果仍存在不確定性，即有關出售最終可能會或可能不會達成。請參閱附註38有關卓佳集團已綜合的經營業績。



中期財務報表附註(續)

27. 資產及負債的剩餘期限分析

	30/6/2016							總額 港幣百萬元
	即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上	無註明日期 或逾期	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
<b>資產</b>								
現金及在銀行和其他 金融機構的結存	22,508	-	-	1,051	-	-	25,271	48,830
在銀行及其他金融機構 的存款	4	41,902	12,499	4,095	-	-	-	58,500
貿易票據	95	3,883	4,889	5,748	-	-	-	14,615
交易用途資產	-	389	2,291	1,690	873	246	1,071	6,560
指定為通過損益以反映 公平價值的金融資產	-	-	-	397	2,173	310	283	3,163
衍生工具的正公平價值	-	-	-	-	-	-	5,775	5,775
客戶墊款及其他賬項	4,811	52,745	35,460	100,049	181,118	95,454	11,808	481,445
可供出售金融資產	-	7,115	10,623	13,964	49,571	26,192	3,482	110,947
持至到期投資	-	899	402	1,502	1,957	563	-	5,323
無註明日期資產	-	-	-	-	-	-	21,413	21,413
<b>資產總額</b>	<b>27,418</b>	<b>106,933</b>	<b>66,164</b>	<b>128,496</b>	<b>235,692</b>	<b>122,765</b>	<b>69,103</b>	<b>756,571</b>
<b>負債</b>								
銀行及其他金融機構的 存款及結餘	1,604	18,235	4,756	5,136	248	-	-	29,979
客戶存款	187,457	95,297	106,546	116,396	22,453	-	-	528,149
—活期存款及往來賬戶	67,840	-	-	-	-	-	-	67,840
—儲蓄存款	117,904	-	-	-	-	-	-	117,904
—定期及通知存款	1,713	95,297	106,546	116,396	22,453	-	-	342,405
交易用途負債	-	-	50	-	-	-	5	55
衍生工具的負公平價值	-	-	-	-	-	-	6,113	6,113
已發行存款證	-	613	1,006	14,186	15,945	-	-	31,750
本期稅項	-	-	-	1,816	-	-	-	1,816
已發行債務證券	-	-	-	1,354	6,639	-	-	7,993
借貸資本	-	-	-	-	17,476	-	-	17,476
其他負債	806	3,665	6,460	16,948	7,174	2,699	8,453	46,205
<b>負債總額</b>	<b>189,867</b>	<b>117,810</b>	<b>118,818</b>	<b>155,836</b>	<b>69,935</b>	<b>2,699</b>	<b>14,571</b>	<b>669,536</b>
<b>淨差距</b>	<b>(162,449)</b>	<b>(10,877)</b>	<b>(52,654)</b>	<b>(27,340)</b>	<b>165,757</b>	<b>120,066</b>		

中期財務報表附註(續)

27. 資產及負債的剩餘期限分析(續)

	31/12/2015							總額 港幣百萬元
	即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上	無註明日期 或逾期	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
<b>資產</b>								
現金及在銀行和其他 金融機構的結存	41,490	826	-	71	-	-	26,735	69,122
在銀行及其他金融機構 的存款	-	62,384	15,985	2,459	-	-	-	80,828
貿易票據	73	3,602	7,955	7,901	-	-	1	19,532
交易用途資產	-	1,197	1,121	456	1,166	50	1,345	5,335
指定為通過損益以反映 公平價值的金融資產	-	116	430	1,148	2,192	-	450	4,336
衍生工具的正公平價值	-	-	-	-	-	-	6,205	6,205
客戶墊款及其他賬項	5,273	49,881	43,983	98,596	170,843	95,511	9,001	473,088
可供出售金融資產	-	5,338	11,072	11,647	47,846	14,381	3,311	93,595
持至到期投資	94	1,081	831	1,289	2,330	574	-	6,199
無註明日期資產	-	-	-	-	-	-	23,124	23,124
<b>資產總額</b>	<b>46,930</b>	<b>124,425</b>	<b>81,377</b>	<b>123,567</b>	<b>224,377</b>	<b>110,516</b>	<b>70,172</b>	<b>781,364</b>
<b>負債</b>								
銀行及其他金融機構的 存款及結餘	8,175	15,635	4,889	1,960	1,408	59	-	32,126
客戶存款	188,745	118,877	114,813	93,761	24,547	-	-	540,743
—活期存款及往來賬戶	73,471	-	-	-	-	-	-	73,471
—儲蓄存款	113,332	-	-	-	-	-	-	113,332
—定期及通知存款	1,942	118,877	114,813	93,761	24,547	-	-	353,940
交易用途負債	-	831	7	50	-	-	1	889
衍生工具的負公平價值	-	-	-	-	-	-	6,909	6,909
已發行存款證	-	9,168	8,457	16,172	3,480	-	-	37,277
本期稅項	-	-	-	1,325	-	-	-	1,325
已發行債務證券	-	841	2,852	2,066	7,838	-	-	13,597
借貸資本	-	-	-	-	16,996	-	-	16,996
其他負債	850	5,206	7,302	14,338	7,533	2,713	7,919	45,861
<b>負債總額</b>	<b>197,770</b>	<b>150,558</b>	<b>138,320</b>	<b>129,672</b>	<b>61,802</b>	<b>2,772</b>	<b>14,829</b>	<b>695,723</b>
<b>淨差距</b>	<b>(150,840)</b>	<b>(26,133)</b>	<b>(56,943)</b>	<b>(6,105)</b>	<b>162,575</b>	<b>107,744</b>		

中期財務報表附註(續)

28. 遞延稅項資產及負債確認

確認於綜合財務狀況表中遞延稅項(資產)/負債的組成部分及期內之變動如下：

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
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
於2016年1月1日	285	193	(270)	149	(18)	14	353
綜合收益表內(存入)/支銷	(22)	(81)	(124)	-	(7)	4	(230)
儲備內存入	-	-	-	(33)	-	-	(33)
出售附屬公司回撥	-	-	-	-	(1)	-	(1)
匯兌及其他調整	-	(1)	5	(2)	-	-	2
轉至分類為持有作出售資產	(3)	(1)	1	-	9	4	10
	<u>260</u>	<u>110</u>	<u>(388)</u>	<u>114</u>	<u>(17)</u>	<u>22</u>	<u>101</u>
於2016年6月30日							
於2015年12月31日結餘	<u>285</u>	<u>193</u>	<u>(270)</u>	<u>149</u>	<u>(18)</u>	<u>14</u>	<u>353</u>

29. 儲備

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
一般儲備	14,015	13,953
行址重估儲備	1,601	1,639
投資重估儲備	1,456	1,383
匯兌重估儲備	(546)	(162)
其他儲備	5,242	4,986
留存溢利*	22,197	21,799
	<u>43,965</u>	<u>43,598</u>
未入賬擬派股息	<u>751</u>	<u>1,320</u>

\* 為符合《銀行業條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款及墊款減值損失金額。經諮詢金管局後，儲備的變動已直接在留存溢利內劃定。於2016年6月30日，留存溢利中包括與此有關屬可派發予本集團股東港幣47.60億元(2015年12月31日：港幣52.69億元)，但派發前須諮詢金管局。

中期財務報表附註(續)

30. 綜合現金流量表

現金及等同現金項目

	30/6/2016	30/6/2015
	港幣百萬元	港幣百萬元
(i) 在綜合現金流量表內現金及等同現金項目的組成部分		
現金及在銀行及其他金融機構的結存	23,905	28,487
原本期限為3個月以內在銀行及其他金融機構的存款	46,876	52,288
原本期限為3個月以內的國庫債券	15,090	6,258
原本期限為3個月以內之持有的存款證	2,372	1,830
原本期限為3個月以內的債務證券	-	425
加：持有作出售資產中包括現金及在銀行及其他金融機構的結存(附註38)	240	-
持有作出售資產中包括原本期限為3個月以內在銀行及其他金融機構的存款	79	-
	<u>88,562</u>	<u>89,288</u>
(ii) 與綜合財務狀況表的對賬		
現金及在銀行及其他金融機構的結存	48,830	59,391
在銀行及其他金融機構的存款	58,500	77,485
國庫債券、持有的存款證及債務證券		
— 交易用途資產	5,489	7,143
— 指定為通過損益以反映公平價值	2,880	5,083
— 客戶墊款及其他賬項	-	78
— 可供出售	107,465	86,591
— 持至到期	5,323	7,779
	121,157	106,674
加：持有作出售資產中包括現金及在銀行及其他金融機構的結存(附註38)	240	-
持有作出售資產中包括在銀行及其他金融機構的存款(附註38)	222	-
在綜合財務狀況表列示的金額	228,949	243,550
減：原本期限為3個月以上的金額	(115,462)	(123,358)
受監管限制的在中央銀行之現金結存	(24,925)	(30,904)
在綜合現金流量表內的現金及等同現金項目	<u>88,562</u>	<u>89,288</u>

中期財務報表附註(續)

31. 抵銷金融工具

下表列示受抵銷、具法律效力之淨額結算總安排及相近協議約束的金融工具詳情。

	於2016年6月30日				
	已確認 金融資產 總額	於財務狀況 表中抵銷之 已確認金融 負債總額	於財務狀況 表中列示的 金融資產 淨額	未有於 財務狀況表 中抵銷之 相關金額	淨額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>資產</b>					
衍生工具的正公平價值	25	-	25	(17)	8
其他賬項	562	(301)	261	-	261
總額	587	(301)	286	(17)	269
<b>負債</b>					
衍生工具的負公平價值	105	-	105	(17)	88
其他賬項	301	(301)	-	-	-
總額	406	(301)	105	(17)	88

中期財務報表附註(續)

31. 抵銷金融工具(續)

	於2015年12月31日				
	已確認 金融資產 總額	於財務狀況 表中抵銷之 已確認金融 負債總額	於財務狀況 表中列示的 金融資產 淨額	未有於 財務狀況表 中抵銷之 相關金額	淨額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>資產</b>					
衍生工具的正公平價值	28	-	28	(28)	-
其他賬項	403	(387)	16	-	16
<b>總額</b>	<b>431</b>	<b>(387)</b>	<b>44</b>	<b>(28)</b>	<b>16</b>

	於2015年12月31日				
	已確認 金融負債 總額	於財務狀況 表中抵銷之 已確認金融 資產總額	於財務狀況 表中列示的 金融負債 淨額	未有於 財務狀況表 中抵銷之 相關金額	淨額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>負債</b>					
衍生工具的負公平價值	140	-	140	(28)	112
其他賬項	519	(387)	132	-	132
<b>總額</b>	<b>659</b>	<b>(387)</b>	<b>272</b>	<b>(28)</b>	<b>244</b>

## 32. 金融工具的公平價值

### (a) 以公平價值列賬的金融工具

公平價值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。本集團以下列的分級方法計算公平價值：

第一級－參考同一工具在活躍市場取得的市場報價。

第二級－根據可觀察的參數之估值模式。為此級別估值的工具，包括以下方式：就相若工具在活躍市場取得的市場報價；就相若工具在非活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的參數，是直接或間接可從市場觀察所得的數據。

第三級－根據重要但非可觀察得到的參數之估值模式。為此級別估值的工具，其估值模式所輸入之參數為非可觀察的數據，惟該等非可觀察的數據可以對估值產生重大影響。為此級別估值的工具，也包括在活躍市場取得相若金融工具的市場報價，惟當中需要作出非可觀察之調整或假設，以反映不同金融工具之間的差別。

於活躍市場買賣的金融資產及金融負債，是根據市場報價或交易對手報價以釐定其公平價值。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式、以及其他市場廣泛應用的期權估值模式。用於估值模式之假設及參數包括無風險利率、基準利率、股票價格、外幣兌換率、指數價格、過往或預期波幅及相聯關係。採用估值模式的目的是計量公平價值，藉以在報告日能反映金融工具的價格，而該價格可被視為在正常交易下市場人士當賣出資產時可收取或當轉移負債時須支付之款項。

本集團會使用廣泛應用的估值模式，以釐定一般性及較簡單金融工具的公平價值，例如僅使用可觀察市場價格及毋須管理層耗時判斷及估計之利率及貨幣掉期。可觀察價格及模式的參數，通常可從市場上的上市債務及股份證券、在交易所買賣的衍生工具和簡單的場外交易衍生工具如利率掉期獲取。獲取可觀察市場價格及模式的參數，可以減省管理層需時判斷及估計，也可減少有關釐定公平價值的不穩定因素。是否取得可觀察市場價格及參數，視乎產品及市場性質，並會因金融市場的個別事件和一般情況而有不同變化。

至於較複雜的金融工具，本集團會使用通常由已有認受性的估值模式改動而來。部分甚或所有須予輸入模式的重要參數或未能從市場中觀察得出，而必須從市場價格或利率計算、或基於假設而估計而得出。該等須利用重要而非可觀察之參數的估值模式，需要管理層投入較多時間於判斷及估計，始能釐定金融工具的公平價值；而揀選適當的估值模式、為估值之金融工具決定其預期的未來現金流、決定交易對手違約和提早還款的或然率，以及挑選適用的貼現率等，一般皆需要管理層的判斷和估計。

本集團已就計算公平價值設立了監控機制。此機制包括擁有產品監控功能並獨立於前線管理人員，稱為金融工具估值群組(「群組」)。價格核實的程序已經確立。任何將被採用的價格模式必須經過嚴格的檢測及審批程序。

中期財務報表附註(續)

32. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

下表是分析於報告期期末，在公平價值分級內金融工具之公平價值的處理方式：

	30/6/2016				31/12/2015			
	第一級	第二級	第三級	總額	第一級	第二級	第三級	總額
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>重覆發生的公平價值釐定資產</b>								
交易用途資產	1,348	5,212	-	6,560	2,276	3,059	-	5,335
指定為通過損益以反映公平價值的金融資產	1,772	1,391	-	3,163	2,877	1,459	-	4,336
衍生工具的正公平價值	-	5,775	-	5,775	-	3,064	3,141	6,205
可供出售金融資產	74,341	35,963	643	110,947	51,672	41,173	750	93,595
	<u>77,461</u>	<u>48,341</u>	<u>643</u>	<u>126,445</u>	<u>56,825</u>	<u>48,755</u>	<u>3,891</u>	<u>109,471</u>
<b>負債</b>								
交易用途負債	55	-	-	55	889	-	-	889
衍生工具的負公平價值	-	6,113	-	6,113	-	3,892	3,017	6,909
指定為通過損益以反映公平價值的金融負債	-	19,631	-	19,631	-	18,996	-	18,996
	<u>55</u>	<u>25,744</u>	<u>-</u>	<u>25,799</u>	<u>889</u>	<u>22,888</u>	<u>3,017</u>	<u>26,794</u>

截至2016年6月30日止6個月內，根據第一級及第二級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移(2015年：無)。本集團的政策是只確認於報告期期末公平價值分級之間發生的轉移。

有關在第三級估值的重要非可觀察參數資料：

	估值模式	重要非可觀察參數
非上市可供出售股份工具	現金流折扣模式	預計現金流及終端增長率
結構性衍生工具	期權模式	預計波幅

非上市可供出售股份工具的公平價值是根據現金流折扣模式，而用以計量公平價值之重要但非可觀察參數是預計現金流及終端增長率。計量公平價值與淨現金流及終端增長率是有正面的相互關係。

在結構性衍生工具內之嵌入期權的公平價值是根據期權估值模式，而用以計量公平價值之重要非可觀察參數是預計波幅。工具的公平價值與預計波幅是有正面的相互關聯。

在第三級之金融工具估值是受上述相同估值監控機制及金融工具估值群組的定期檢視。



中期財務報表附註(續)

32. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

(1) 使用重要而非可觀察之參數的金融工具估值

已列賬並含有重要而非可觀察參數的工具，其公平價值之變動如下。

截至2016年6月30日止6個月，本集團已根據用作匯率、股份及利率合約計價之市場可觀察參數而建立了內部估值模式。因此，於報告期日，該等金融工具在公平價值分級方法下由第三級轉入第二級內(2015年：無)。

	30/6/2016		
	衍生工具的 正公平價值 港幣百萬元	可供出售 金融資產 港幣百萬元	總額 港幣百萬元
<b>資產</b>			
於2016年1月1日	3,141	750	3,891
購入	–	7	7
結算	(617)	(24)	(641)
公平價值變動確認於收益表	(1,110)	–	(1,110)
公平價值變動確認於其他全面收益	–	(62)	(62)
匯兌調整	–	1	1
轉至第二級	(1,414)	–	(1,414)
轉至分類為持有作出售資產	–	(29)	(29)
於2016年6月30日	–	643	643
於報告期結束日持有之資產而已計 入期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	–	(62)	(62)
於報告期結束日持有之資產而已計 入期內收益表之交易收入淨額之 收益或虧損總額	–	–	–

中期財務報表附註(續)

32. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

(1) 使用重要而非可觀察之參數的金融工具估值(續)

	31/12/2015		總額 港幣百萬元
	衍生工具的 正公平價值 港幣百萬元	可供出售 金融資產 港幣百萬元	
<b>資產</b>			
於2015年1月1日	1,554	993	2,547
購入	-	60	60
結算	(333)	(322)	(655)
公平價值變動確認於收益表	1,920	(15)	1,905
公平價值變動確認於其他全面收益	-	75	75
匯兌調整	-	(41)	(41)
於2015年12月31日	<u>3,141</u>	<u>750</u>	<u>3,891</u>
於報告期結束日持有之資產而已計入年度內其他全面收益之可供出售公平價值儲備之收益或虧損總額	<u>-</u>	<u>75</u>	<u>75</u>
於報告期結束日持有之資產而已計入年度內收益表之交易收入之收益或虧損總額	<u>1,920</u>	<u>-</u>	<u>1,920</u>
			30/6/2016
			衍生工具的 負公平價值 港幣百萬元
<b>負債</b>			
於2016年1月1日			3,017
結算			(615)
公平價值變動確認於收益表 轉至第二級			(917)
			<u>(1,485)</u>
於2016年6月30日			<u>-</u>
於報告期結束日持有之負債而已計入期內收益表之交易收入之收益或虧損總額			<u>-</u>

中期財務報表附註(續)

32. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

(1) 使用重要而非可觀察之參數的金融工具估值(續)

	31/12/2015
	衍生工具的 負公平價值
	港幣百萬元
<b>負債</b>	
於2015年1月1日	1,571
結算	(336)
公平價值變動確認於收益表	1,782
	<u>3,017</u>
於2015年12月31日	<u>3,017</u>
於報告期結束日持有之負債而已計入年度內收益表之交易收入之 收益或虧損總額	<u>1,782</u>

(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

	30/6/2016			
	直接記錄於損益上之影響		直接記錄於股東權益上之影響	
	有利	(不利)	有利	(不利)
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
衍生工具的正公平價值	-	-	-	-
可供出售金融資產	-	-	54	(54)
	<u>-</u>	<u>-</u>	<u>54</u>	<u>(54)</u>
衍生工具的正公平價值	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
衍生工具的正公平價值	262	(262)	-	-
可供出售金融資產	-	-	63	(63)
	<u>262</u>	<u>(262)</u>	<u>63</u>	<u>(63)</u>
衍生工具的正公平價值	<u>252</u>	<u>(252)</u>	<u>-</u>	<u>-</u>

在若干情況下，計算金融工具的公平價值所使用的估值模式，其含有的假設並非依據在相同工具的當前可觀察市場交易價格，亦非依賴其他可觀察的市場數據。上表顯示公平價值之敏感度，即因轉用至合理可行之另類假定所產生的正、負10%的價值的並行變動。

32. 金融工具的公平價值(續)

(b) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假定，以釐定如下的金融工具的公平價值：

- (i) 不設指定期限的活期存款和儲蓄賬戶的公平價值，乃假定為於報告期結束日可按要求而支付的金額。
- (ii) 浮息金融工具的公平價值，乃假定為與其賬面值相若。如此等工具為貸款和非上市債務證券，由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，因此其公平價值不能反映其信貸素質的改變。
- (iii) 以攤銷成本入賬的定息貸款和按揭貸款的公平價值，乃在此等貸款按相若貸款所獲提供的目前市場利率批出時，以市場利率比較的方式估計。由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，在決定公平價值總額時，貸款組合內各項貸款的信貸素質的改變均不會予以考慮。
- (iv) 非上市股票投資的公平價值是在可能情況下採用適用的股息折扣模式，或應佔投資的淨資產，或為設有禁售期之投資按其市值以折扣計算。
- (v) 非上市開放式投資基金的公平價值估計，是基於投資經理所匯報的每股資產淨值作出。
- (vi) 已發出的融資擔保之公平價值，是以參考在相若服務的公平交易中所徵收費用之可取得相關資料而釐定；有關的資料也可參考利率差價而估計，亦可以就貸款機構對發出擔保所實際徵收的息率，與在沒有取得擔保之情況下而貸款機構將可能徵收的估計息率作出比較，並在當中取用較可靠的相關資料以釐定公平價值。

除下列者外，以成本或攤銷成本入賬的金融工具賬面值，與其於2016年6月30日及2015年12月31日之公平價值相若。

	30/6/2016		31/12/2015	
	賬面值	公平價值	賬面值	公平價值
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
金融資產				
持至到期投資	5,323	5,429	6,199	6,249
金融負債				
已發行存款證	12,544	12,544	20,820	20,831
已發行債務證券	7,568	7,613	11,058	11,118
後償負債	17,476	17,845	16,996	17,367

中期財務報表附註(續)

33. 資產負債表以外的風險

(a) 每項資產負債表以外風險的主要類別摘要如下：

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
或然負債及承擔的合約金額		
直接信貸代替品	30,636	32,679
與交易有關的或然項目	821	1,039
與貿易有關的或然項目	1,060	747
可無條件取消而毋須事先通知的承擔	161,322	168,798
其他承擔的原到期日		
- 1年或以下	14,051	15,796
- 1年以上	27,551	23,421
	<u>235,441</u>	<u>242,480</u>
總額		
信貸風險加權金額	<u>33,287</u>	<u>30,430</u>
衍生工具的公平價值		
資產		
匯率合約	3,695	3,836
利率合約	1,978	2,121
股份合約	76	239
其他	26	9
	<u>5,775</u>	<u>6,205</u>
負債		
匯率合約	3,594	4,754
利率合約	2,277	1,932
股份合約	210	221
其他	32	2
	<u>6,113</u>	<u>6,909</u>
衍生工具的名義金額		
匯率合約	485,788	458,645
利率合約	540,745	624,108
股份合約	7,355	9,928
其他	2,937	9,329
	<u>1,036,825</u>	<u>1,102,010</u>
信貸風險加權金額*		
匯率合約	6,278	6,693
利率合約	1,123	1,090
股份合約	183	526
其他	621	760
	<u>8,205</u>	<u>9,069</u>

資產負債表以外風險的公平價值及信貸風險加權金額，並未計及雙邊淨額結算安排的影響。

\* 根據《資本規則》，本行選擇採納「基礎內部評級基準計算法」計算於2016年6月30日及2015年12月31日之信貸風險之風險加權金額。

33. 資產負債表以外的風險(續)

(b) 資本承擔

於6月30日及12月31日並未在賬項中提撥準備有關購買物業、廠房及設備的資本承擔如下：

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
已核准支出並已簽約	230	228
已核准支出但未簽約	252	153
	<u>482</u>	<u>381</u>

34. 關聯人士的重大交易

(a) 主要管理人員薪酬

本集團之主要管理人員薪酬，包括支付予本行董事及若干最高薪酬僱員的金額如下：

	30/6/2016	30/6/2015
	港幣百萬元	港幣百萬元
短期僱員福利	54	57
僱員退休福利	3	3
股份補償福利	16	12
	<u>73</u>	<u>72</u>

- (b) 本集團為其職員提供若干退休保障計劃。截至2016年6月30日止6個月，本集團對該等計劃的供款總額為港幣8,500萬元(截至2015年6月30日止6個月：港幣8,300萬元)。

本集團與其關聯人士進行多項交易，該等人士包括聯營公司、及主要行政人員與其直系親屬、及受該等人士所控制或具有重大影響力的公司。該等交易包括接受該等人士存款及為他們提供信貸。所有存款及信貸的利率，均按照給予一般相若水平客戶的條款。

截至2016年6月30日止6個月，本集團從關聯人士所收取與支付予他們的利息，及於2016年6月30日關聯人士的欠款及欠關聯人士的款項，及截至2016年6月30日止6個月關聯人士的最高欠款及欠關聯人士的最高款項總額總結如下：

	主要管理人員		聯營公司	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
利息收入	47	49	10	6
利息支出	14	24	-	-
關聯人士的欠款	5,714	5,191	678	768
欠關聯人士的款項	3,881	3,610	92	97
關聯人士的最高欠款	7,835	7,727	742	785
欠關聯人士的最高款項	6,207	7,884	490	1,007
給予信貸承諾	3,807	5,447	296	352

## 中期財務報表附註(續)

### 35. 綜合基準

除特別說明外，此中期報告所載的財務資料是按用作會計用途之綜合基準編製。

編製集團的資本充足比率及流動資金狀況，是按用作監管用途之綜合基準編製。而編製用作會計用途及監管用途之綜合基準之最大分別是前者包括本行及其所有附屬公司，而後者只包括本行及本集團部分從事銀行業務或其他與銀行業務有關的附屬公司。

已包括在綜合財務報表內的附屬公司列示如下：

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Abacus (Nominees) Limited	受託代管公司	-	-
Abacus Business Consultants Sdn. Bhd.	不活動	-	-
Abacus Company Administration Sdn. Bhd.	法人團體董事及秘書服務	-	-
雅柏勤證券登記有限公司	預留公司名稱	-	-
Acheson Limited	信託及股東服務	-	-
Agensi Pekerjaan Tricor Sdn Bhd	職業介紹機構	1	-
Albridge Corporate Advisory Services Ltd	企業服務	-	-
Albridge Services London Ltd	不活動	-	-
Alhart Limited	受託代管公司	-	-
承悅有限公司	投資控股	378	378
亞洲管理服務有限公司	管理服務	5	5
Asia Securities Sdn Berhad	管理服務(不活動)	-	-
Atsumi & Sakai UK Limited	不活動(用作名稱保護工具)	-	-
* 東亞銀行(信託)有限公司	信託服務	201	197
Barbinder & Co. Pte. Ltd.	證券登記	6	2
Barbinder & Co., Sdn. Bhd.	不活動	-	-
BC (BVI) Holdings Limited	投資控股	16	16

中期財務報表附註(續)

35. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
BEA Blue Sky Company Limited	出任BEA Blue Sky Real Estate Fund L.P. 單一普通合夥人	1	1
BEA Blue Sky Real Estate Fund L.P.	出任BEA/AGRE China Real Estate Fund, L.P. 有限責任合夥人	59	56
BEA Blue Sky SLP Limited	出任BEA/AGRE China Real Estate Fund, L.P. 特殊有限責任合夥人	—	—
BEA Consortium GS Investors L.P.	有限責任合夥人	116	116
東亞保險代理有限公司	保險	—	—
東亞人壽保險有限公司	人壽保險	13,203	1,175
BEA Pacific Asia Limited	不活動	—	—
東亞聯豐投資管理有限公司	資產管理	471	445
Becmac Limited	股東代名人	—	—
Beecroft Limited	受託代管公司	—	—
Bentley Services Limited	董事代名人	—	—
Blue Care (BVI) Holdings Limited	投資控股	16	16
Blue Care JV (BVI) Holdings Limited	投資控股	18	18
寶康醫療服務有限公司	醫療服務	41	29
藍十字(亞太)保險有限公司	保險	3,550	791
Camceb Limited	股東代名人	—	—
Cane Garden Bay Limited	董事/股東代名人	—	—
Capico Asset Management Sdn. Bhd.	法人團體董事及秘書服務	—	—
Caribbean Corporate Services Ltd.	法人團體秘書及會計服務	14	11
CCSL St. Lucia Ltd.	控股公司	2	—
匯中興業有限公司	物業投資	664	451
階潤有限公司	投資控股	788	788



中期財務報表附註(續)

35. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Cheam Holdings Limited	董事代名人	-	-
Cheam Nominees Limited	董事代名人	-	-
重慶市東榮商務諮詢有限公司	商業諮詢服務	5	-
* 重慶兩江新區領達小額貸款有限公司	小額貸款	349	347
Chua, Woo & Company Sdn. Bhd.	不活動	-	-
Citiview Capital Limited	普通合夥人及有限責任合夥人	11	4
Clacton Company Limited	受託代管公司	-	-
Clancy Limited(前稱鎳資源國際控股有限公司)	預留公司名稱服務	-	-
Cloud Paging Nominees Limited	不活動	-	-
Corona Light Limited	投資控股	930	930
* 領達財務有限公司	放債人	939	570
Crystal Gleaming Limited	投資控股	930	930
Dean Street Property Limited	物業發展	31	28
Delanez Limited	董事/股東代名人	-	-
Denroy Nominees Limited	董事代名人	-	-
Dersale Limited	董事/股東代名人	-	-
Directra Overseas Services Inc.	受託代管公司	-	-
Directra Services Limited	受託代管公司	-	-
EA Securities Limited	投資控股	-	(63)
East Asia Corporate Services (BVI) Limited	註冊代理及信託服務	34	33
East Asia Corporate Services (Nominees) Ltd.	董事/股東代名人	-	-
* 東亞電子資料處理(廣州)有限公司	服務	86	73
* 東亞設施管理有限公司	設施管理	12	10

中期財務報表附註(續)

35. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
East Asia Financial Services (BVI) Ltd.	投資控股	1	1
東亞期貨有限公司	期貨及期權交易	59	59
* East Asia Holding Company, Inc.	銀行控股公司	644	596
East Asia Indonesian Holdings Limited	投資控股	137	136
East Asia International Trustees Holdings (BVI) Limited	投資控股	10	10
East Asia International Trustees Limited	信託服務	30	28
* East Asia Investments Holdings (BVI) Ltd.	投資控股	1,018	1,018
* East Asia Properties (US), Inc.	物業持有	197	196
東亞物業控股有限公司	投資控股	1	(67)
東亞物業代理有限公司	物業代理	15	15
East Asia Property Holdings (Jersey) Limited	物業持有	29	28
東亞物業管理(中國)有限公司	物業管理	–	–
East Asia Secretaries (BVI) Limited	投資控股	594	594
東亞秘書有限公司	秘書服務	–	–
東亞證券有限公司	證券買賣	1,212	793
* 東亞服務(控股)有限公司	控股公司	23	–
East Asia Strategic Holdings Limited	投資控股	418	418
Elemen Limited	股東代名人	–	–
Epsilon Registration Services Sdn. Bhd.	不活動	–	–
Equity Trustee Limited	信託服務	3	1
Essex Nominees Limited	董事/股東代名人	–	–
Evatthouse Corporate Services Pte. Ltd.	法人團體秘書及諮詢服務	106	4
Fitz Services Pte. Ltd.	商業及管理諮詢服務	–	–
Fortra Services Limited	受託代管公司	–	–

中期財務報表附註(續)

35. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Gainsville Limited	股東／董事代名人	—	—
Gil Services Pte. Ltd.	商業及管理諮詢服務	—	—
Gladwood Limited	董事／股東代名人	—	—
Gold Sweep Sdn Bhd	投資控股	85	11
Golden Empire International Inc.	物業投資	—	—
Golden Properties Finance Ltd.	按揭財務	—	—
Golden Queen International Ltd.	物業投資	—	—
Grimma Company Limited	受託代管公司	—	—
High Town Limited	投資控股	4	4
ICIS China (HK) Co Limited	預留公司名稱服務	—	—
* Innovate Holdings Limited	為東亞銀行混合一級資本而成 立之特定目的投資工具公司	2,470	2,470
International Holdings Corporation	信託相關服務	—	—
Kaliwood Corporation	董事／股東代名人	—	—
Keen Sight Development Limited	投資控股	229	229
Leader One Limited	投資控股	1	—
領皇投資有限公司	信託服務	—	—
Maccabee (Nominees) Limited	董事代名人	—	—
Mache Holdings Limited	股東代名人	—	—
Mache Nominees Limited	股東代名人	—	—
Mactors Limited	董事代名人	—	—
Maintex Limited	董事代名人	—	—
Malplaquet Limited	董事、股東及秘書代名人	—	—
Manchester Property Holdings Ltd.	物業控股	30	13
Menroy Registrars Limited	董事代名人	—	—
Norpac Holdings Limited	保管服務	—	—

中期財務報表附註(續)

35. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Outsource Centre Pte. Ltd.	會計及支薪服務	5	1
Overseas Nominees Limited	受託代管服務	–	–
Pen Ling Limited	受託代管公司	–	–
PFA Corporate Consultants Sdn Bhd	諮詢、顧問及受託代管服務	–	–
PFA Registration Services Sdn. Bhd.	不活動	1	1
Powerhouse Worldwide Limited	投資控股	84	84
Premier Dragon Development Limited(前稱 金茂(中國)酒店投資管理有限公司)	預留公司名稱服務	–	–
Ramillies Limited	董事、股東及秘書代名人	–	–
Red Phoenix Limited	汽車租賃	1	1
Roebuck Limited	董事職務服務	–	–
Rontors Limited	董事代名人	–	–
Rosland Corporate Management Limited	股東代名人	–	–
秘書商業服務有限公司	預留公司名稱服務	–	–
Secretarius Services Sdn. Bhd.	法人團體董事及秘書服務	–	–
Selene Throne (HK) Limited	預留公司名稱服務	–	–
*/# 陝西富平東亞村鎮銀行有限責任公司	銀行及有關的金融服務	129	30
Shaftesbury Property Holdings Limited	投資控股	104	104
Shaftesbury Property Investments Limited	投資控股	66	66
Shareg Nominees Limited	受託代管服務	–	–
* 深圳市領達小額貸款有限公司	小額貸款	308	298
Silver River International Ltd.	普通合夥人及有限責任合夥人	159	–
Silver Sunlight Limited	普通合夥人	–	–

中期財務報表附註(續)

35. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Skyray Holdings Limited	投資控股	450	450
Songket Bakery Sdn Bhd	電腦軟件開發及買賣以及提供 相關之軟件保養服務	—	—
Speedfull Limited	投資控股	450	450
標準證券登記有限公司	預留公司名稱服務	—	—
Strath Corporate Services Limited	商業及企業服務	—	—
Swan Nominees Limited	股東代名人	—	—
德纘有限公司	信託保障人	—	—
Teeroy Limited	信託服務	—	—
Tengis International Limited	授權簽署服務	—	—
登捷時有限公司	預留公司名稱服務	—	—
Tengis Services Limited	出任客戶支薪及強積金賬戶 持有人	—	—
*/# 東亞銀行(中國)有限公司	銀行及有關的金融服務	266,659	26,802
東亞銀行受託代管有限公司	受託代管服務	—	—
The Bank of East Asia (Nominees) Private Limited	受託代管服務	—	—
東亞銀行慈善基金有限公司	慈善機構	—	—
The Bank of East Asia Nominees (UK) Limited	不活動	—	—
Travelsafe Limited	不活動	—	—
Tricor (B) Sdn. Bhd.	企業、商業及投資者服務	7	4
Tricor A&S Corporate Services KK	公司秘書、稅務及會計、支 薪、銀行及現金管理服務	1	1

中期財務報表附註(續)

35. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
卓佳雅柏勤有限公司	投資者服務	3	1
Tricor Asia Limited	出任客戶支薪及付款處理賬戶 持有人	–	–
Tricor Authorised Representative Limited	授權代表服務	–	–
Tricor Board Dynamics Sdn Bhd	暫時停止業務運作	–	(1)
Tricor Business Services Sdn. Bhd.	會計、支薪及行政服務	77	8
Tricor Caribbean Limited	不活躍	–	–
Tricor CNP Corporate Services Pte. Ltd.	企業服務	4	3
東亞卓佳諮詢(北京)有限公司	國內商業諮詢	172	167
卓佳管理諮詢有限公司	諮詢服務	5	–
Tricor Corporate Secretaries Limited	不活動	–	–
Tricor Corporate Secretary Limited	企業服務	–	–
Tricor Coporate Services Sdn. Bhd.	提供公司秘書服務	21	6
Tricor Custodian Limited	法律程序文件代理人及委託交 易服務	–	–
Tricor Europe (Holdings) Limited	投資控股	–	–
Tricor Executive Recruitment Ltd.	高級管理人才招聘	4	(9)
卓佳行政資源顧問有限公司	搜羅高級管理人才及提供人力 資源方案	2	(5)
Tricor Fiduciaries Limited	信託服務	–	–
Tricor Firmley Limited	受託代管公司及企業服務	–	–
卓佳準誠有限公司	投資者服務	1	1
Tricor Global Limited	投資控股	10	10
卓佳大中華有限公司	卓佳北京外商投資企業投資者	24	20

中期財務報表附註(續)

35. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Tricor Hive Sdn Bhd	創業服務中心及商務中心	33	6
Tricor Holdings Limited	投資控股	1,119	1,092
Tricor Holdings Pte. Ltd.	投資控股	455	225
Tricor HSP Japan JV K.K.	諮詢服務	4	1
Tricor HSP Singapore Pte. Ltd.	秘書及會計服務	2	1
Tricor Humatrix Asia Pte. Ltd	支薪及會計服務	9	8
Tricor Humatrix (M) Sdn. Bhd.	從事軟件提供	2	-
Tricor Human Capital Limited	諮詢服務(人力資本, 人力資源), 不活動公司	-	-
卓佳頤富基金管理(香港)有限公司	基金管理	-	(7)
Tricor IAG Fund Administration (Singapore) Pte. Limited	基金管理附屬業務	2	1
Tricor International Trustee Limited	信託服務	2	2
Tricor Investor & Issuing House Services Sdn. Bhd.	證券登記服務	12	13
卓佳證券登記有限公司	投資者服務	97	49
Tricor Investor Services Sdn. Bhd.	提供證券登記服務	10	10
Tricor Japan Holdings GK	受託代管公司	-	-
卓佳日本有限公司	諮詢、會計、人力資源及辦公室行政服務	16	14
Tricor K.K.	業務流程外包	84	44
Tricor Knowledge House Sdn Bhd	籌劃培訓課程及工作坊	-	-
Tricor Labour and Social Security Corporation	勞工及社會保障服務	-	-

中期財務報表附註(續)

35. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Tricor Nominees Limited	為卓佳香港空殼公司之創辦成員	-	-
Tricor Nominees (Overseas) Limited	受託代管公司(擔任6個月仍未售出的卓佳英屬處女群島空殼公司的首任董事及股東)	-	-
Tricor Outsourcing (Thailand) Ltd.	業務外包	41	7
Tricor Praesidium Limited	合規及企業服務	1	(3)
Tricor PrimePartners Corporate Services Pte. Ltd.	提供秘書、會計、股票登記服務及僱傭公司(不包括女傭中介)	1	1
卓佳廣進有限公司	投資者服務	2	1
Tricor Representatives Limited	法律程序文件代理人及委託交易服務	-	-
Tricor Roots Business Intelligence Sdn Bhd.	電腦軟件開發及買賣以及提供相關之軟件維修服務	15	15
Tricor Roots Consulting Sdn Bhd.	從事電腦軟件裝置及提供相關之諮詢服務以及開展及組織研討會及會議	5	(5)
Tricor Roots Governance Sdn. Bhd.	內部審計服務	-	(1)
Tricor SaaS Sdn Bhd	軟件開發以及其他相關資訊科技支援	1	-
Tricor Secretaries (Labuan) Limited	秘書服務	1	1
卓佳秘書商務有限公司	商業、企業及投資者服務	18	17



中期財務報表附註(續)

35. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Tricor Secretaries Limited	法人團體秘書服務、過戶登記處及企業投資計劃行政服務	1	-
Tricor Securities Limited	受託代管服務	-	-
Tricor Senedi Sdn Bhd	資訊科技支援	-	(4)
Tricor Services (Brunei) Ltd	註冊代理	-	-
Tricor Services (BVI) Limited	註冊代理及信託服務	30	20
Tricor Services (London) Limited	不活動	1	-
卓佳專業商務(澳門)有限公司	商業服務	4	4
Tricor Services (Malaysia) Sdn. Bhd.	投資控股	132	81
Tricor Services Europe LLP	有限責任合夥	23	(3)
Tricor Services Europe No. 1 Limited	不活動	-	-
卓佳專業商務有限公司	商業、企業及投資者服務	401	257
Tricor Signatory Limited	銀行戶口簽署人	-	-
Tricor Singapore Pte. Ltd.	商業管理及諮詢服務、兼職業介紹機構	332	178
卓佳標準有限公司	投資者服務	2	2
Tricor Strath Group Limited	控股公司	-	-
Tricor Strath Limited	商業及企業服務	-	-
Tricor Tax Corporation	稅務服務	7	3
Tricor Tax Services Sdn. Bhd.	稅務顧問及諮詢服務	3	4
卓佳登捷時有限公司	商業、企業及投資者服務	32	10
Tricor Trident Nominees Limited	信託人公司	-	-

中期財務報表附註(續)

35. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Tricor Trustco (Labuan) Limited	企業、秘書及會計服務	21	15
Tricor Vietnam Company Limited	管理諮詢服務	1	—
Tricor WP Corporate Services Pte. Ltd	商業及管理諮詢服務	30	23
Trident Corporate Management Limited	股東代名人	—	—
Tristan Company Limited	董事／股東代名人	—	—
TSV Services (Singapore) Pte. Ltd.	控股公司	—	—
Tudor Nominees Limited	股東代名人	—	—
Tung Shing Holdings (BVI) Limited	投資控股	—	—
Turquandia Limited	股東代名人	—	—
明康醫療香港有限公司	醫療服務	11	(14)
United Chinese (Nominee) Limited	不活動	—	—
Vanceburg Limited	股東、董事代名人、秘書及提名人	—	—
W.T. (Secretaries) Limited	秘書服務	—	—
偉超有限公司	董事／股東代名人	—	—
偉合有限公司	董事／股東代名人	—	—
WCS Nominees Limited	受託代管服務	—	—
Witcombe Corporation	董事／股東代名人	—	—
Woodside Corporate Services Limited	收款代理人、基金管理、保管、信託保安及登記服務	15	14
WT Management (PTC) Inc	信託服務	—	—

\* 「規管金融實體」是按照《資本規則》之定義及已包括在用作監管用途之綜合基準內。

# 「聯營實體」是按照《流動性規則》之定義及已包括在用作監管用途之綜合基準內。

## 中期財務報表附註(續)

### 36. 比較數字

若干2015年的比較數字經已重報以符合本期的呈報方式。請參閱綜合收益表、簡略綜合現金流量表、附註9及附註38中所述的重報影響。

### 37. 符合指引

此中期財務報表經已按照有關《上市規則》的披露規定，包括符合香港會計師公會頒布《香港會計準則》第34號「中期財務報告」而編製。此中期財務報表已於2016年8月19日獲授權發布。此中期財務報表亦包括根據《銀行業條例》第60A條之《銀行業(披露)規則》所要求披露的資料。

### 38. 已終止經營業務及持有作出售資產

由2016年2月起，東亞銀行與新創建集團有限公司就其於卓佳集團有限公司及其附屬公司(統稱「卓佳集團」)的策略性投資進行檢討。該檢討考慮了各項策略方案，包括可能出售本行與新創建集團所持有的卓佳集團全部權益。其後，出售卓佳集團之計劃隨之展開。雖然出售程序只屬初步階段，本行尚未簽訂任何出售卓佳集團之協議，惟根據《香港財務報告準則》第5號「持作出售非流動資產及已終止經營業務」，本集團需於綜合收益表中將卓佳集團2016上半年的業績以已終止經營業務列示，而比較資料亦相應重新列示。卓佳集團於2016年6月30日的資產及負債在綜合財務報表中則分別以持有作出售資產及持有作出售負債列示，而2015年12月31日的資產及負債均毋須重報。然而，有關出售程序的最終結果仍存在不確定性，即有關出售最終可能會或可能不會達成。

綜合收益表的比較數字經已重報，尤如已終止經營業務已經在2015年初已被終止。而編製綜合權益變動表及簡略綜合現金流量表的方法與2015年是相同的。

中期財務報表附註(續)

38. 已終止經營業務及持有作出售資產(續)

期內已終止經營業務的業績如下：

	截至30/6/2016 止6個月 港幣百萬元	截至30/6/2015 止6個月 港幣百萬元
利息收入	3	3
利息支出	(1)	-
淨利息收入	2	3
服務費及佣金收入	626	597
服務費及佣金支出	-	-
服務費及佣金收入淨額	626	597
交易虧損淨額	(2)	(2)
其他經營收入	1	-
非利息收入	625	595
經營收入	627	598
經營支出	(441)	(404)
未扣除減值損失之經營溢利	186	194
貸款及墊款減值損失	(2)	(5)
已扣除減值損失後之經營溢利	184	189
出售可供出售金融資產之淨溢利	4	-
應佔聯營公司溢利減虧損	2	1
期內除稅前溢利	190	190
所得稅		
本期稅項		
- 香港	(17)	(16)
- 香港以外	(16)	(19)
遞延稅項	2	-
期內已終止經營業務溢利	159	155

中期財務報表附註(續)

38. 已終止經營業務及持有作出售資產(續)

持有作出售的組別之資產及負債摘要如下：

	30/6/2016	31/12/2015
	港幣百萬元	港幣百萬元
<b>資產</b>		
現金及在銀行和其他金融機構的結存	240	173
在銀行及其他金融機構的存款	222	35
其他賬項	359	598
可供出售金融資產	29	-
聯營公司投資	24	-
固定資產	216	8
— 投資物業	25	-
— 其他物業及設備	191	8
商譽及無形資產	1,178	2
遞延稅項資產	13	5
持有作出售資產	<u>2,281</u>	<u>821</u>
<b>負債</b>		
銀行及其他金融機構的存款及結餘	75	40
本期稅項	39	1
遞延稅項負債	3	-
其他賬項及準備	261	184
持有作出售負債(附註24)	<u>378</u>	<u>225</u>

中期財務報表附註(續)

38. 已終止經營業務及持有作出售資產(續)

於2015年12月31日之持有作出售組別

於2015年10月23日，本行與永豐金證券(開曼)控股有限公司(「永豐金證券(開曼)」)達成協議，向其出售旗下全資附屬公司一東盛控股有限公司。此外，本行亦與永豐金證券股份有限公司(「永豐金證券」)簽訂了一項協議，透過出售位於台灣的東亞證券股份有限公司(「東亞證券(台灣)」)之全部已發行股份，將東亞證券(台灣)併入永豐金證券。永豐金證券和永豐金證券(開曼)乃台灣證券交易所上市的永豐金融控股股份有限公司(「永豐金控」)(2890.TT)的全資附屬公司。該等出售交易經已在截至2016年6月30日止之期內完成。

	30/6/2016 港幣百萬元	31/12/2015 港幣百萬元
持有作出售資產(附註19)		
持有作出售組別	2,281	821
其他物業及貸款	183	134
	<u>2,464</u>	<u>955</u>
持有作出售負債(附註24)		
持有作出售組別	<u>378</u>	<u>225</u>

有關持有作出售的組別在其他全面收益內確認之累計收入如下：

	30/6/2016 港幣百萬元	30/6/2015 港幣百萬元
確認在其他全面收益內之累計收入	<u>31</u>	<u>-</u>

已包括在簡略綜合現金流量表而由已終止經營業務產生的淨現金流如下：

	30/6/2016 港幣百萬元	30/6/2015 港幣百萬元
經營活動	125	7
投資活動	(14)	(14)
融資活動	(80)	(65)
淨現金流入／(流出)	<u>31</u>	<u>(72)</u>

## 補充財務資料

### A. 資本充足

	30/6/2016	31/12/2015 重報
	港幣百萬元	港幣百萬元
股本基礎		
— 普通股權一級資本	62,547	61,571
— 額外一級資本	7,142	7,210
	<hr/>	<hr/>
— 一級資本總額	69,689	68,781
— 二級資本	16,523	17,703
	<hr/>	<hr/>
— 資本總額	<u>86,212</u>	<u>86,484</u>
風險加權資產類別		
— 信貸風險	451,212	458,920
— 市場風險	18,524	17,231
— 營運風險	29,816	30,507
	<hr/>	<hr/>
減：扣除	499,552 (2,956)	506,658 (3,018)
	<hr/>	<hr/>
	<u>496,596</u>	<u>503,640</u>
	<hr/>	<hr/>
	30/6/2016	31/12/2015
	百份率	百份率
普通股權一級資本比率	12.6	12.2
一級資本比率	14.0	13.7
總資本比率	17.4	17.2

資本充足比率乃根據金管局所頒布的《資本規則》計算。根據《資本規則》，本行選擇採納「基礎內部評級基準計算法」計算信貸風險之風險加權資產、「內部模式計算法」計算市場風險及「標準計算法」計算營運風險。

用作監管用途之綜合基礎與作會計用途之綜合基礎是不相同的。包括在用作監管用途之附屬公司乃根據金管局按《資本規則》第3C條所頒布的通知內列載。不包括在綜合基礎用作監管用途之附屬公司為非金融類公司以及已核准和受一監管機構規管的證券及保險公司，對該等公司有關維持足夠資本以支持商業活動的監管安排，與按照適用於《資本規則》及《銀行業條例》的金融機構之標準相符。本行於該等公司的權益已按《資本規則》第3部分所述之門檻規定以及附表4H所述之過渡性安排經計算後從一級及二級資本中扣除。

## 補充財務資料(續)

### A. 資本充足(續)

包括在用作監管用途的綜合基礎之主要附屬公司已於中期報告之附註35列示。

本集團之附屬公司在多個國家及地區營運而其資本乃受當地法則約束，可能在轉移受規管資本及在銀行集團成員間的資金調配方面存在某些限制。

為符合《銀行業(披露)規則》，本集團已在本行網站內增設一節。有關本集團的監管資本工具及其他披露資料，可瀏覽本行網站 [www.hkbea.com](http://www.hkbea.com) 主頁內「監管披露」的連繫或按 [www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html) 的直接連繫。

### B. 流動資金狀況

	<u>30/6/2016</u>	<u>31/12/2015</u>
	百分率	百分率
平均流動性覆蓋比率		
— 第一季度	151.3	127.2
— 第二季度	141.2	137.5
— 第三季度	不適用	132.1
— 第四季度	不適用	151.2

流動性覆蓋比率是根據由2015年1月1日起生效的《銀行業(流動性)規則》計算。相關的監管披露資料可瀏覽本行網站 [www.hkbea.com](http://www.hkbea.com) 主頁內「監管披露」的連繫或按 [www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html) 的直接連繫。

本銀行持有以港幣計價的一級優質流動資產不少於以港幣計價的淨現金流出總額的20%。按各綜合層級的流動性覆蓋比率並沒有重大的貨幣錯配。



補充財務資料(續)

C. 國際債權

國際債權資料披露對海外交易對手風險額最終風險的所在地，並已顧及認可風險轉移因素。一般而言，有關貸款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。當某一地區的風險額佔已計算認可風險轉移的風險總額的百分之十或以上，該地區的國際債權便須予以披露。

交易對手的國家/ 司法管轄區	30/6/2016							
	非銀行私營機構					總額	其中：	
	銀行	官方部門	非銀行 金融機構	非金融 私營機構	其他		跨國債權	所在地債權 (所有貨幣)
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
發達國家	25,175	5,651	4,408	39,028	6	74,268	39,323	34,945
離岸中心	15,331	32,515	23,870	220,825	3	292,544	33,517	259,027
—其中：香港	8,627	28,758	23,568	197,085	3	258,041	25,466	232,575
發展中歐洲	-	-	-	23	-	23	23	-
發展中的拉丁美洲和 加勒比	-	-	-	2	-	2	2	-
發展中的非洲和 中東地區	93	-	26	177	-	296	288	8
發展中的亞洲和 太平洋地區	87,587	31,083	30,976	219,752	3	369,401	117,599	251,802
—其中：中華人民 共和國	75,428	30,005	29,930	209,891	-	345,254	98,125	247,129
國際機構	-	-	233	-	-	233	233	-
總額	<u>128,186</u>	<u>69,249</u>	<u>59,513</u>	<u>479,807</u>	<u>12</u>	<u>736,767</u>	<u>190,985</u>	<u>545,782</u>

補充財務資料(續)

C. 國際債權(續)

	31/12/2015							
	非銀行私營機構					總額	其中：	
	銀行	官方部門	非銀行 金融機構	非金融 私營機構	其他		跨國債權	所在地債權 (所有貨幣)
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
交易對手的國家/ 司法管轄區								
發達國家	28,334	6,077	4,416	32,787	-	71,614	39,280	32,334
離岸中心	12,606	42,102	20,531	215,979	3	291,221	28,421	262,800
—其中：香港	9,281	35,297	19,917	194,412	3	258,910	23,394	235,516
發展中歐洲	-	-	-	54	-	54	54	-
發展中的拉丁美洲和 加勒比	-	-	-	184	-	184	184	-
發展中的非洲和 中東地區	91	-	26	-	-	117	109	8
發展中的亞洲和 太平洋地區	100,385	32,630	30,215	233,699	-	396,929	120,525	276,404
—其中：中華人民 共和國	89,081	31,356	28,395	223,628	-	372,460	102,882	269,578
國際機構	-	-	-	-	-	-	-	-
總額	<u>141,416</u>	<u>80,809</u>	<u>55,188</u>	<u>482,703</u>	<u>3</u>	<u>760,119</u>	<u>188,573</u>	<u>571,546</u>

以上分析是根據國際銀行業務統計資料申報表及按照《銀行業條例》第63條的基礎上作出披露，以及按金管局作為監管用途所要求的綜合基準計算。

補充財務資料(續)

D. 內地活動

下表概述本行香港辦事處及國內附屬銀行之非銀行的中國內地風險承擔，按交易對手類型進行分類：

	30/6/2016		
	資產負債表 以內的風險	資產負債表 以外的風險	總額
	港幣百萬元	港幣百萬元	港幣百萬元
<b>交易對手的類別</b>			
1. 中央政府、屬中央政府擁有之機構與其附屬公司及合營企業	30,254	5,925	36,179
2. 地方政府、屬地方政府擁有之機構與其附屬公司及合營企業	17,248	743	17,991
3. 居住中國內地的中國公民或其他於境內註冊成立之其他機構與其附屬公司及合營企業	152,221	31,104	183,325
4. 並無於上述(1)項內報告的中央政府之其他機構	3,860	841	4,701
5. 並無於上述(2)項內報告的地方政府之其他機構	2,897	50	2,947
6. 居住中國境外的中國公民或於境外註冊之其他機構，其於中國內地使用之信貸	6,112	539	6,651
7. 其他被視作為內地非銀行客戶之風險	38,366	2,739	41,105
總額	<u>250,958</u>	<u>41,941</u>	<u>292,899</u>
扣除撥備後總資產	<u>706,655</u>		
資產負債表內之風險承擔佔總資產的比例	<u>35.5%</u>		

補充財務資料(續)

D. 內地活動(續)

	31/12/2015		
	資產負債表 以內的風險	資產負債表 以外的風險	總額
	港幣百萬元	港幣百萬元	港幣百萬元
<b>交易對手的類別</b>			
1. 中央政府、屬中央政府擁有之機構與其附屬公司及合營企業	26,087	3,934	30,021
2. 地方政府、屬地方政府擁有之機構與其附屬公司及合營企業	16,568	1,762	18,330
3. 居住中國內地的中國公民或其他於境內註冊成立之其他機構與其附屬公司及合營企業	155,502	34,997	190,499
4. 並無於上述(1)項內報告的中央政府之其他機構	3,746	1,570	5,316
5. 並無於上述(2)項內報告的地方政府之其他機構	3,948	98	4,046
6. 居住中國境外的中國公民或於境外註冊之其他機構，其於中國內地使用之信貸	8,507	304	8,811
7. 其他被視作為內地非銀行客戶之風險	39,950	1,616	41,566
總額	<u>254,308</u>	<u>44,281</u>	<u>298,589</u>
扣除撥備後總資產	<u>737,558</u>		
資產負債表內之風險承擔佔總資產的比例	<u>34.5%</u>		

以上數字乃根據《銀行業條例》第63條，就中期報告期向金管局呈交的關乎內地活動的申報表之基準，其計算是根據金管局訂定用作規管用途的綜合基準所編製。

補充財務資料(續)

E. 逾期、經重組及收回資產

(a) 逾期及經重組墊款

	30/6/2016		31/12/2015	
	港幣百萬元	佔客戶 墊款總額的 百分比	港幣百萬元	佔客戶 墊款總額的 百分比
逾期客戶墊款				
– 3個月以上至6個月	845	0.2	610	0.1
– 6個月以上至1年	1,275	0.3	1,535	0.4
– 1年以上	2,644	0.6	1,934	0.4
	4,764	1.1	4,079	0.9
經重組客戶墊款	89	0.0	78	0.0
逾期及經重組客戶墊款總額	4,853	1.1	4,157	0.9
有抵押逾期墊款	3,995	0.9	3,597	0.8
無抵押逾期墊款	769	0.2	482	0.1
有抵押逾期墊款抵押品市值	5,785		6,804	
逾期3個月以上貸款的個別 減值準備	938		799	

有明確到期日之貸款，若其本金或利息已逾期，並於年結日仍未償還，則列作逾期處理。定期分期償還之貸款，若其中一次還款逾期，而於年結日仍未償還，則列作逾期處理。即時到期之貸款，若已向借款人送達還款通知，但借款人未按指示還款，或貸款已超出借款人獲通知的批准限額，而此情況持續超過有關逾期期限，亦列作逾期處理。

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。

補充財務資料(續)

E. 逾期、經重組及收回資產(續)

(a) 逾期及經重組墊款(續)

合格抵押品主要分為下列兩種：

- (i) 合格金融抵押品主要包括現金存款及股票。
- (ii) 合格實物抵押品主要包括土地及建築物、汽車及設備。

按不同情況下，當本行客戶面對財政困難而無力償還貸款，本行一般採用以下方式以追收欠款：

- (a) 重新編排債務還款期時間表/債務重組
- (b) 沒收抵押品
- (c) 採取法律行動
- (d) 通過收數公司追收

(b) 銀行墊款

	30/6/2016 港幣百萬元	31/12/2015 港幣百萬元
逾期銀行墊款		
— 3個月以上至6個月	—	—
— 6個月以上至1年	—	—
— 1年以上	—	—
	—	—
經重組銀行墊款	—	—
	—	—
逾期及經重組銀行墊款總額	—	—

補充財務資料(續)

E. 逾期、經重組及收回資產(續)

(c) 其他逾期及經重組資產

	30/6/2016		
	應計利息 港幣百萬元	債務證券 港幣百萬元	其他資產* 港幣百萬元
其他逾期資產			
– 3個月以上至6個月	–	–	–
– 6個月以上至1年	–	–	–
– 1年以上	–	–	1
	–	–	1
經重組資產	–	–	–
其他逾期及經重組資產總額	–	–	1
	31/12/2015		
	應計利息 港幣百萬元	債務證券 港幣百萬元	其他資產* 港幣百萬元
其他逾期資產			
– 3個月以上至6個月	–	–	–
– 6個月以上至1年	–	–	–
– 1年以上	–	–	1
	–	–	1
經重組資產	–	–	–
其他逾期及經重組資產總額	–	–	1

\* 其他資產是指貿易票據及應收款項。

(d) 收回資產

	30/6/2016 港幣百萬元	31/12/2015 港幣百萬元
收回土地及建築物*	301	317
收回汽車及設備	2	–
收回機器	1	–
收回資產總額	304	317

此等金額指於2016年6月30日及2015年12月31日收回資產的估計市值。

\* 結餘中並包括港幣7,800萬元已簽約出售但仍未成交的物業(2015年: 700萬)。

補充財務資料(續)

F. 貨幣風險

如個別外幣的持倉淨額或結構性持倉淨額佔所持有外幣淨持倉總額或結構性淨持倉總額的10%或以上，便須予以披露。期權倉淨額乃根據所有外匯期權合約之得爾塔加權持倉為基礎計算。

	30/6/2016						總額 港幣百萬元
	美元	英鎊	人民幣	日圓	新加坡元	其他外幣	
	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	
現貨資產	187,838	25,881	273,865	1,692	22,012	28,943	540,231
現貨負債	(171,798)	(18,223)	(262,553)	(1,285)	(25,336)	(28,538)	(507,733)
遠期買入	175,750	688	139,105	1,698	5,063	9,655	331,959
遠期賣出	(193,841)	(8,265)	(152,317)	(2,017)	(2,101)	(10,004)	(368,545)
期權倉淨額	(956)	(11)	889	(5)	-	1	(82)
非結構性長/ (短)盤淨額	<u>(3,007)</u>	<u>70</u>	<u>(1,011)</u>	<u>83</u>	<u>(362)</u>	<u>57</u>	<u>(4,170)</u>

	31/12/2015(重報)						總額 港幣百萬元
	美元	英鎊	人民幣	日圓	新加坡元	其他外幣	
	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	
現貨資產	167,551	28,260	301,093	1,335	22,505	26,147	546,891
現貨負債	(162,388)	(19,318)	(291,341)	(3,000)	(25,293)	(28,410)	(529,750)
遠期買入	149,048	150	117,610	4,190	4,429	8,469	283,896
遠期賣出	(157,288)	(8,799)	(128,386)	(2,430)	(2,221)	(6,115)	(305,239)
期權倉淨額	92	(1)	(70)	(4)	-	(8)	9
非結構性長/ (短)盤淨額	<u>(2,985)</u>	<u>292</u>	<u>(1,094)</u>	<u>91</u>	<u>(580)</u>	<u>83</u>	<u>(4,193)</u>

	30/6/2016					總額 港幣百萬元
	美元	人民幣	馬幣	其他外幣		
	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	
結構性持倉淨額	<u>2,175</u>	<u>13,422</u>	<u>2,264</u>	<u>938</u>		<u>18,799</u>

	31/12/2015					總額 港幣百萬元
	美元	人民幣	馬幣	其他外幣		
	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	
結構性持倉淨額	<u>2,168</u>	<u>12,287</u>	<u>2,123</u>	<u>925</u>		<u>17,503</u>

以上數字乃根據《銀行業條例》第63條，就中期報告期向金管局呈交的關乎非港元貨幣持倉的申報表之基準，其計算是根據金管局訂定用作規管用途的綜合基準所編製。



## 補充財務資料(續)

### G. 槓桿比率

	<u>30/6/2016</u> 百分率	<u>31/12/2015</u> 百分率
槓桿比率	8.8	8.3

槓桿比率之披露是由2015年3月31日起生效，其計算乃按金管局根據《資本規則》第3C條頒布的通知內所指定的綜合基準。根據《銀行業(披露)規則》第24A條的有關披露資料，可瀏覽本行網站[www.hkbea.com](http://www.hkbea.com)主頁內「監管披露」的連繫或按[www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html)的直接連繫。

### H. 逆周期緩衝資本比率

	<u>30/6/2016</u> 百分率	<u>31/12/2015</u> 百分率
逆周期緩衝資本比率	0.2	-

根據《銀行業(披露)規則》第24B條的有關披露本期的資料，可瀏覽本行網站[www.hkbea.com](http://www.hkbea.com)主頁內「監管披露」的連繫或按[www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html)的直接連繫。

根據《資本規則》第3P及3Q條，由於在2016年1月1日之前，香港及非香港司法管轄區的適用JCCyB比率均是0%，故2015年未有資料就《銀行業(披露)規則》第45B條作出有關披露。

### I. 防護緩衝資本比率

根據《資本規則》第3M條，用以計算2016年及2015年之緩衝水平的防護緩衝資本比率分別是0.625%及0%。

### J. 較高吸收虧損能力比率

根據《資本規則》第3V條，金管局已將本銀行指定為具本地系統重要性認可機構。適用於2016年及2015年之具本地系統重要性認可機構的較高吸收虧損能力比率分別是0.25%及0%。

## 獨立審閱報告



致東亞銀行有限公司董事會

### 引言

我們已審閱 貴集團列載於第111頁至第169頁的中期財務報告，此中期財務報告包括於2016年6月30日的綜合財務狀況表與截至該日止6個月期間有關的綜合收益表、綜合全面收益表、綜合權益變動表和簡略綜合現金流量表以及附註解釋。根據「上市規則」，上市公司必須符合上市規則中的相關規定和香港會計師公會頒布的《香港會計準則》第34號「中期財務報告」的規定編製中期財務報告。董事須負責根據《香港會計準則》第34號編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照我們雙方所協定的應聘條款，僅向全體董事會報告。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。

### 審閱範圍

我們已根據香港會計師公會所頒布的《香港審閱工作準則》第2410號「獨立核數師對中期財務信息的審閱」進行審閱。中期財務報告審閱工作包括主要向負責財務會計事項的人員詢問、並實施分析和其他審閱程序。由於審閱的範圍遠較按照《香港審核準則》進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

### 結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於2016年6月30日的中期財務報告在所有重大方面沒有按照《香港會計準則》第34號「中期財務報告」的規定編製。

### 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，2016年8月19日

## 中期股息

董事會欣然宣布派發截至2016年6月30日止6個月的中期股息每股港幣0.28元(「2016中期股息」)(2015中期股息：每股港幣0.38元)，2016中期股息將以現金派發予於2016年9月8日(星期四)辦公時間結束時在本行股東名冊上已登記的股東，股東亦可選擇收取已繳足股款的新股以代替現金(「以股代息計劃」)。2016中期股息的除息日期為2016年9月5日(星期一)。以股代息計劃的詳情將連同有關選擇表格約於2016年9月8日(星期四)寄予各股東。以股代息計劃須待聯交所上市委員會批准所發行的新股上市及買賣方可作實。有關的股息單和以股代息的股票將約於2016年9月30日(星期五)以平郵寄予股東。

## 過戶日期

本行將於2016年9月7日(星期三)及2016年9月8日(星期四)暫停辦理股票過戶登記。如欲享有2016中期股息，股東須於2016年9月6日(星期二)下午4時前，將過戶文件送達卓佳標準有限公司，地址為香港皇后大道東183號合和中心22樓辦理登記手續。

## 財務回顧

### 財務表現

由2016年2月起，東亞銀行與新創建集團有限公司就其於卓佳集團有限公司及其附屬公司(統稱「卓佳集團」)的策略性投資進行檢討。該檢討考慮了各項策略方案，包括可能出售本行與新創建集團所持有的卓佳集團全部權益。其後，出售卓佳集團之計劃隨之展開。雖然出售程序只屬初步階段，本行尚未簽訂任何出售卓佳集團之協議，惟根據《香港財務報告準則》第5號「持作出售非流動資產及已終止經營業務」，本集團需於綜合收益表中將卓佳集團2016上半年的業績以已終止經營業務列示，而比較資料亦相應重新列示。卓佳集團於2016年6月30日的資產及負債在綜合財務報表中則分別以持有作出售資產及持有作出售負債列示，而2015年12月31日的資產及負債均毋須重報。然而，有關出售程序的最終結果仍存在不確定性，即有關出售最終可能會或可能不會達成。

於2016年首6個月，本集團錄得可歸屬於集團股東溢利達港幣20.95億元，較2015年同期港幣33.54億元下跌港幣12.59億元或37.5%。來自持續經營業務及已終止經營業務之可歸屬於集團股東溢利分別為港幣19.81億元及港幣1.14億元，比較2015年上半年分別減少港幣12.61億元，或38.9%，及增加港幣2百萬元，或0.8%。來自持續經營業務之每股基本盈利由2015年的港幣1.24元下降至2016年的港幣0.65元，而來自已終止經營業務之每股基本盈利則維持為港幣0.04元。

年度平均資產回報率及年度平均股東權益回報率分別由0.8%下降至0.5%及由8.7%下降至4.8%。

於2016年首6個月，本集團來自持續經營業務的淨利息收入減少港幣7.00億元，或11.3%，至港幣54.83億元。淨息差由1.71%收窄至1.59%，主要由於東亞中國的淨息差受壓，由1.95%下跌至1.61%。

來自持續經營業務的費用及佣金收入淨額下跌港幣3.36億元，或21.2%，至港幣12.53億元。信用卡的佣金收入錄得增長，而證券及經紀、貿易融資、貸款及擔保以及零售銀行服務的佣金收入則減少。

來自持續經營業務的交易虧損淨額減少港幣2百萬元，或7.6%，至港幣3,200萬元。整體而言，來自持續經營業務的非利息收入下跌14.1%，至港幣16.47億元。來自持續經營業務的經營收入則減少12.0%，至港幣71.30億元。

來自持續經營業務的總經營支出增加0.5%，至港幣42.39億元。成本對收入比率從2015年上半年的52.0%上升至2016年上半年的59.4%。

來自持續經營業務的未扣除減值損失之經營溢利為港幣28.91億元，較2015年同期減少港幣9.94億元，或25.6%。

隨著中國內地經濟環境轉差，來自持續經營業務的貸款及墊款減值損失上升59.9%至港幣12.41億元。因此，本集團的減值貸款比率從2015年底的1.13%上升至2016年6月底的1.23%。東亞中國的減值貸款比率從2.63%上升至2.80%，而東亞香港的減值貸款比率則從0.34%上升至0.49%。

來自持續經營業務的已扣除減值損失之經營溢利為港幣16.50億元，下跌46.9%或港幣14.58億元。

來自持續經營業務的出售固定資產的淨溢利中，包括出售若干中國內地物業的淨盈利港幣7.82億元。因該項出售而產生的土地增值稅及企業所得稅則包括在所得稅項內，金額為港幣3.96億元。

來自持續經營業務的重估投資物業盈利減少至港幣4,500萬元。

來自持續經營業務的集團應佔聯營公司之除稅後溢利為港幣1.92億元，較2015年同期減少港幣6,100萬元，或23.7%，主要由於一間位於馬來西亞的聯營公司及一間位於中國內地的聯營公司於報告期內表現欠佳。

經計及所得稅後，來自持續經營業務的除稅後溢利降至港幣19.89億元，較2015年錄得港幣32.60億元下降39.0%。

## 財務狀況

於2016年6月底，本集團綜合資產總額較2015年底的港幣7,813.64億元下跌3.2%，至港幣7,565.71億元。

客戶墊款總額上升1.7%至港幣4,488.16億元，而貿易票據則減少25.2%至港幣146.16億元。

可供出售金融資產增加18.5%至港幣1,109.47億元，而交易用途資產則增加22.9%至港幣65.60億元。

客戶存款總額下跌2.3%至港幣5,281.49億元。與2015年底的存款數字比較，活期存款及往來存款賬戶結餘減少港幣56.31億元，或7.7%。相較2015年12月底存款數字，儲蓄存款增加至港幣1,179.04億元，增幅為4.0%，而定期存款則減少港幣115.35億元，減幅為3.3%。包括客戶存款及所有已發行的存款證的存款總額下跌3.1%至港幣5,598.99億元。

於2016年6月底的貸款對存款比率為80.2%，較2015年底的76.4%上升3.8個百分點。

股東權益總額增加1.6%，至港幣870.35億元。

本集團於2016年6月底維持良好的資本充足及流動資金狀況。於2016年6月30日，總資本比率、一級資本比率及普通股權一級資本比率分別為17.4%、14.0%及12.6%。截至2016年6月30日止季度的平均流動性覆蓋比率為141.2%，遠高於2016年70%的法定要求。

## 經濟概覽

2016年上半年，全球經濟表現參差。美國經濟較過往年度增長放緩。與此同時，歐洲及內地經濟均表現欠佳。鑑於外部需求疲弱，香港的出口於2016年上半年下跌3.9%。

同時，本地經濟增長放緩。旅客消費依舊疲弱，不但阻礙零售及餐飲業的發展，更為就業市場帶來衝擊，令6月底的失業率輕微上升至3.4%。此外，對就業市場的憂慮和加息的預期，以及住房供應量的增加亦影響了市場的情緒，住宅物業價格於2016年上半年下跌了3.3%。由此產生的負財富效應，連同失業率上升，動搖消費者信心，導致個人消費下跌。於2016年上半年，零售業銷售按年減少10.5%。

內地方面，由於歐洲及亞洲市場需求於上半年仍然疲弱，出口業繼續面對重重困難。此外，生產成本持續上升，導致部分出口訂單轉移到其他國家。由於中國的去槓桿政策令投資者在選擇項目時更趨審慎，投資增長因而放緩。消費開支亦持續疲弱，其連鎖效應波及眾多當地企業。2016年上半年，央行將存款準備金率再下調25個基點，力求避免經濟下滑加劇。

英國於6月的歷史性公投中，投票通過脫離歐盟，不僅導致全球金融市場大幅動盪，亦標誌全球已進入一個充滿經濟及政治變數的時期。展望未來，歐洲各經濟體的增長將持續低迷，同時美國經濟將繼續緩慢復甦。因此，預計中國的出口將不會出現重大變動。相信中國政府將繼續透過抑制投資增長以解決經濟結構問題。鑑於去年推出的刺激措施漸見成效，我們預計，除非經濟轉差，否則央行將不會採取進一步措施。中國經濟預期將於2016年增長6.7%，而通脹率則維持在2.0%的低位。

同時，我們預測香港2016年的本地生產總值將增長0.5%左右，而通脹率有望降至2.6%。

## 業務回顧

### 香港業務

於2016年6月30日，儘管受到貿易票據減少所影響，東亞銀行香港的客戶貸款及貿易票據總額較2015年底上升0.9%，而客戶貸款則增加3.0%，客戶存款及債券投資亦分別上升1.2%及26.1%。

### 零售銀行

2016年上半年，東亞銀行香港的個人銀行業務表現理想。淨利息收入較去年同期增長7.0%，帶動經營收入總額上升3.9%，此乃本行持續優化存款組合及增加往來賬戶及儲蓄賬戶結餘以降低資金成本所帶來的成效。

市況不佳，客戶購買投資產品的意慾亦有所下降。為抵銷相關收入的跌幅，本行銳意加強保險產品的銷售。整體而言，服務費及佣金收入淨額仍較去年同期下跌6.3%。

貸款方面，儘管本地消費及物業價格疲弱，零售貸款較2015年底仍錄得增長。本行早前推出定息計劃，帶動新取用按揭貸款額顯著上升，期內個人貸款餘額亦錄得雙位數增長。

由於預期下半年經濟形勢仍然不明朗，控制成本乃重點工作。本行已全面檢討本地分行及自動櫃員機網絡，並已展開分行網絡優化計劃，預期可於3年內將分行生產力提升至最高水平。由年初至今，本行已整合或搬遷數間因位置未能配合本行營銷策略以致表現欠佳的分行，並於太古廣場、會展廣場及荷里活廣場等黃金地段開設新網點。同時，本行於個人銀行業務方面推行營運效率改善計劃，以進一步提高生產力及減省冗贅的工作流程。此等措施將可優化本行網絡及人力資源，以便更有效率地為客戶提供服務。

### **企業及商業銀行**

今年上半年，企業銀行的經營環境更具挑戰。本港及內地客戶貸款需求疲弱，令貸款機構競逐優質資產的情況進一步加劇，息差因而受壓，儘管較低的資金成本緩和了部分影響，淨利息收入仍錄得8.4%跌幅。同時，貿易票據及財資產品的銷售下降，導致服務費及佣金收入淨額減少。整體而言，經營收入相比2015年同期下跌24.7%。

去年8月人民幣突然貶值，及其後經濟環境欠佳，以致數名客戶違約，其影響已於回顧期內反映。於上半年末，減值貸款比率因此而上升，但仍處於可控制的水平。

儘管業務於今年初表現疲弱，第二季度情況卻開始轉好。內地企業提早償還貸款的步伐減慢，同時一些知名企業重返香港市場，為現有離岸債務進行再融資，以及為擴展業務及海外收購項目籌集資金。此外，企業銀行積極在貸款及債券的第一及第二市場物色機會，優質企業票據及債券持有量因而錄得增長，而企業貸款組合亦於期內上升4.2%。

展望未來，為內地企業提供貸款的業務前景仍然向好，尤其在併購融資方面。憑藉其內地龐大的網絡及跨境貸款方面的專業知識，東亞銀行具備獨特優勢，可望能夠充分把握中港業務帶來的機遇。

### **財富管理**

由於2015年上半年股市非常暢旺，相比之下，今年同期私人銀行的業績表現受壓，經營收入按年下降16.5%，主要受高基數效應影響。服務費及佣金收入淨額下跌，而淨利息收入則錄得增長。

與2015年底相比，本行私人銀行管理的資產於回顧期末增加1.4%。由於客戶去槓桿加上投資情緒低迷，貸款需求減少，貸款餘額因而下降。

面對波動的市況，年初時投資者取態謹慎，手持現金或偏好防守型投資產品，例如債券基金及其他固定收益工具，本行適時推出投資產品以切合客戶的需求。同時，本行加大力度推廣以保費融資方式投保的保險產品，讓客戶可以投放較少現金而獲取保障。

英國在六月份的公投中決定脫離歐盟後，環球投資市場波動加劇，但至今已收復失地。然而，由於歐洲、中東和美國的政治及社會不穩，財金決策者仍然保持審慎取態，預期各國央行將繼續維持寬鬆的貨幣政策。額外的流動資金將帶動資產價格上升，對投資氣氛產生提振作用。因此，客戶正重返投資市場，並聚焦較安全的資產及貨幣。

展望未來，即將開通的深港通將為投資者帶來更多機會，而本港股市亦受惠於人民幣逐步貶值。本行正相應調整產品組合，以把握投資氣氛好轉時湧現的業務機會。

## 保險及強積金服務

鑑於投資市場高度不明朗且波動頻仍，具保證回報的保險產品受到不少追求低風險的客戶及尋求資產分布多元化的投資者歡迎。在此環境下，本行旗下全資壽險附屬公司—東亞人壽保險有限公司於2016年上半年的收入繼續錄得可觀增幅，新造保單保費收入按年上升22.4%，短期及長期產品兩者均銷情暢旺。

面對競爭極度激烈的市場環境，本行旗下一般保險全資附屬公司—藍十字(亞太)保險有限公司的保費收入增長溫和。由於該公司集中力量保留現有的優質客戶，並進一步拓展中小型企業市場，其團體醫療保單保費收入按年穩健增長3.3%。

於2016年上半年末，東亞銀行旗下強積金計劃的成員總數增至658,000名，而管理資產則上升5.3%至港幣202億元。本行持續推行控制成本的措施，並已於本年初推出一項全新提升效率計劃，旨在透過工作再分配及重組工作流程，進一步精簡運作並提高生產力。

## 經紀業務

為加強資源管理及精簡銷售渠道，東亞銀行於2016年4月已完成出售東盛。本行繼續透過旗下全資附屬公司—東亞證券有限公司及東亞期貨有限公司為客戶提供香港證券買賣服務。

基於電子及電話交易服務不斷普及，東亞證券現時90%以上的證券交易已於電子及電話渠道上進行。有見及此，東亞證券於6月宣布7月8日關閉香港全部22個零售網點。此舉令東亞證券能夠專注於進一步提升其數碼平台，並為客戶提供更高效率的服務。

與此同時，憑藉龐大的分行網絡，本行將繼續透過綜合戶口(即顯卓理財戶口、至尊理財戶口及i-Account)為零售客戶提供證券服務。

## 大中華地區業務(香港除外)

經歷2015年市場動盪及經濟急劇放緩後，內地經營環境在2016年上半年仍然充滿挑戰。國內生產總值錄得6.7%增幅，消費物價指數則上升2.1%。政府為促進信貸及固定資產投資而推出的微刺激措施，雖令市場於第一季度稍為回復信心，但隨後的公告顯示政府將不會繼續實施該等措施。政府將更注重增長質素而非增長速度，並已作準備接受經濟「L形復甦」。結構性改革有利於內地長遠發展，但對資產負債表持續收縮的風險卻不容忽視。

在此環境下，內地銀行業繼續面對貸款增長放緩、淨息差收窄及違約風險增加所帶來的挑戰。

東亞中國亦無可避免地受到影響。管理層於上半年繼續取態審慎，減少對酒店、住宿及餐飲業、批發及零售業，以及製造業等高風險行業的借貸，以致貸款餘額較2015年底減少2.3%，至港幣1,465.39億元；而自貸存比率上限放寬後，存款總額較2015年底減少8.7%，至港幣1,837.05億元。

2016年上半年淨息差為1.61%，接近2015年下半年所錄得的1.70%。雖然較保守資產的收益率持續低企，但資金成本亦因中國人民銀行於2015年下調基準利率而下降。此外，內地於2016年5月1日起實施徵收增值稅，稅款將從利息收入中扣除，而非如以往般列作經營支出，影響東亞中國上半年中兩個月的業績，導致淨息差較以往收窄。

於2016年6月30日，東亞中國的不良貸款比率為2.80%，較2015年12月31日的比率上升17個基點，此比率上升某程度上是由於資產的減少。東亞中國的不良貸款餘額於2016年6月30日為港幣41.04億元，比2015年底上升3.9%。

值得注意的是，東亞中國的大部分不良貸款來自2013年及2014年上半年批出的貸款。由於東亞中國作出了改變風險偏好的決定，自2014年中起批出貸款的資產質素普遍已大為改善。

受惠於2015年推出的成本控制措施，經營支出(扣除特殊項目後)大致持平。然而，東亞中國的營運及資產質素因上述因素而受壓，2016年上半年的稅後淨溢利下跌至港幣2.40億元，按年減少55.6%。

東亞中國自2007年成立以來，一直致力打造長遠賴以成功的企業文化及平台。東亞中國的願景是要成為內地最本土化的外資銀行，提供優質產品及服務，以更切合零售及企業客戶的財務需要。

在致力實現上述願景的同時，東亞中國正採取多項措施應對當前挑戰，其中以控制成本為首要任務。於回顧期內，東亞中國完成出售北京東亞銀行大廈共8層房產。今年下半年，東亞中國將專注3方面營運：透過整合及搬遷部分支行及自動櫃員機，優化分行網絡；透過工作流程標準化、集中化、自動化及數碼化達致卓越經營；以及調整業務以建立區域性架構，整合分行資源，並協調客戶市場推廣。

此外，東亞中國將進一步優化其資產及負債組合，尤其是透過尋求更低成本的資金，以緩解淨息差的壓力。最後，東亞中國將繼續採取加強信貸評估及追收不良貸款的措施。東亞中國的減值貸款中，其中94%均附有抵押品，而在2015年第4季度引入的信貸審批流程集中化，將可進一步提高貸款批核的一致性及問責性。

同時，東亞中國已推出一系列增加收入的計劃。東亞中國正集中於公用事業、醫藥、保健、倉儲物流等行業，尋求企業借貸的新機遇。此外，財資產品為另一項富增長潛力的業務。東亞中國已於2016年推出交叉貨幣掉期服務，並在進軍在岸人民幣期權市場方面取得重大進展。

由於內地企業對外投資及離岸業務迅速增加，東亞中國因此將繼續以對跨境產品有需求的企業客戶為服務對象。東亞中國憑藉東亞銀行全球網絡的優勢、其本身位於內地自由貿易試驗區的網點，以及與東亞銀行在亞洲及歐洲的戰略合作夥伴的強大關係而大力拓展業務機會。

另外，東亞中國日益重視零售銀行業務，以獲取較高的收益率。於2016年6月30日，東亞中國的信用卡分期貸款餘額達港幣36.46億元，按年增長27%。未來，東亞中國亦計劃針對高端客戶提供量身訂造的財富管理方案。

互聯網及手機銀行已被證實為有效接觸零售客戶及簡化處理產品申請的成功途徑，為此，東亞中國將繼續投資於這些業務平台。東亞中國亦在中國活躍的互聯網業界中物色合作夥伴。此等舉措將有助東亞中國毋須投入大量固定投資，而能夠接觸到龐大的潛在客戶群。

於2016年6月30日，東亞中國在全國44個城市設有30間分行及94間支行，是內地擁有最龐大網絡的外資銀行之一。



## 澳門分行及台灣分行

澳門博彩業持續收縮，致使東亞銀行澳門分行的經營環境充滿挑戰。儘管如此，澳門分行致力以當地的專業人士及高淨值客戶為目標客戶群，令來自該客戶類別的服務費用及佣金收入錄得按年增長超過65%。為合理配置資源及服務，澳門黑沙環支行已於2016年6月底關閉。展望未來，東亞銀行澳門分行將繼續優化其資產及負債結構、改善淨息差及嚴格控制營運成本。

面對2016年上半年兩岸經濟活動放緩，東亞銀行台灣分行專注於向大型內地國有企業、大型台灣企業或其他能夠提供全額抵押的客戶提供貸款。此外，透過安排銀團貸款融資，東亞銀行台灣分行成功增加其非利息收入。東亞銀行台灣分行計劃於下半年繼續推行上述計劃並努力控制成本。

另外，2016年上半年，本行向永豐金證券出售東亞證券(台灣)及東亞銀保險經紀人股份有限公司之全部權益，該交易於2016年3月28日正式完成。

## 國際業務

新加坡分行在2016年上半年持續面對當地經濟增長放緩及經營環境轉差所帶來的挑戰。

該分行的貸款組合較去年底錄得12%跌幅，主要由於新加坡與中國的跨境貿易收縮所致。為增進新業務及維持淨息差收入，該分行強化新加坡元企業債券投資計劃，債券持有量較上年度年結時增加107%。東亞銀行在新加坡將繼續專注擴展銀團及雙邊企業貸款組合和債券投資，特別是加強與企業及中小企板塊中實力較強的新客戶之關係。

由於2016年下半年的前景仍然不明朗，新加坡分行已計劃向借貸客戶推廣介紹其貿易、財資、存款及財富管理等產品，進行交叉和追加銷售策略，藉以增加銀行服務費收入。該分行亦進行前線客戶服務團隊改組及分工，在零售專項業務主管的帶領下，加強發展其零售銀行業務，此舉將增加和深化與客戶的互動關係，讓東亞銀行有更多機會向客戶提供財富管理服務。

儘管馬來西亞經濟下滑，但納閩分行仍然錄得溢利增長。該分行繼續專注在馬來西亞區內發展銀團及雙邊貸款業務。

2016年上半年，本行的英國業務在貸款資產及盈利方面錄得溫和增長。

英國脫歐公投結果引起環球金融市場震盪。鑑於本行的英國業務穩固，借貸策略及審批標準審慎嚴謹，能夠抵禦英國脫歐所帶來的不利影響。然而，本行預料一些客戶，特別是來自香港及中國的物業投資者，將就赴英進行新的投資採取更為謹慎的態度。因此，東亞銀行預計其英國業務或將可能放緩。東亞銀行將密切注視市場情況，相應調整業務策略。

2016年6月，東亞銀行倫敦分行的所有員工亦遷回本行位於75 Shaftesbury Avenue的新裝修物業內工作。本行將於10月舉行慶祝新裝修後的倫敦分行開業典禮。

東亞銀行在美國的業務於2016年上半年表現強勁。紐約及洛杉磯分行的貸款資產總額創下34.8億美元新高，較2015年底上升31.8%。經營溢利及淨溢利分別按年上升70.8%及14.6%。減值貸款比率從2015年底的0.58%進一步改善至0.18%。

美國的業務增長主要受惠於當地經濟持續復甦，投資者對紐約、三藩市及洛杉磯等主要城市的物業投資需求，以及企業再融資及併購活動增加等因素。

本行在美國將繼續把握市場上的利好因素擴展業務，使貸款組合更多元化，並增加高質素的企業、銀團貸款及商業房地產融資借貸。

整體而言，東亞銀行的國際業務保持穩健，貸款資產總值較2015年底錄得溫和的升幅。然而，淨溢利於2016年上半年則按年輕微下跌3%，主要由於新加坡的業務表現遜色及英鎊貶值。展望未來，本行各國際分行將繼續擴展與當地企業的借貸關係，以及在客戶轉介及其他方面加強與總行及東亞中國的合作，藉此把握機遇，為進行境外投資的大型企業提供借貸。

## 其他附屬公司

### 領達財務有限公司

2016年上半年，領達財務錄得令人滿意的貸款組合增長。在不明朗的經濟環境下，領達財務將繼續專注於擴大客戶基礎、推出具競爭力的市場推廣、提升服務質素，以及進一步加強風險管理。於6月30日，領達財務在香港、深圳及重慶共設有23個服務網點。

### 卓佳集團有限公司

卓佳於本年度首6個月錄得收入港幣6.29億元，創下歷史新高，為東亞銀行集團服務費及佣金收入作出可觀的貢獻。於5月，卓佳收購澳洲布里斯班一家企業服務公司的30%權益，該公司隨後更名為Tricor Chew Pty. Ltd。卓佳藉此在澳洲開設首個辦事處，令該公司在亞太區的服務能力得到進一步提升。

### 東亞聯豐投資管理有限公司

2016年上半年，東亞聯豐投資錄得10.5%的管理資產增長，主要由於在拓展香港和內地的零售及機構業務方面取得成果。

為切合零售投資者對收益型基金日益增長的需求，東亞聯豐投資於1月及4月在香港分別推出環球靈活配置基金及中國高收益入息基金。

展望未來，東亞聯豐投資將繼續擴大產品種類，並與東亞信託緊密合作，為將於2017年推行的強積金預設投資策略作好準備。

## 人力資源

東亞銀行集團於2016年6月30日的僱員人數為12,840人，分布如下：

香港	5,590
大中華地區(香港除外)	5,883
海外	1,367
	<hr/>
總計	12,840

回顧期內，本集團的薪酬政策及常規、賞金計劃或培訓計劃均無重大變動。經修訂的僱員認股計劃於4月舉行的2016年股東周年常會上獲批准。於6月初，經對本集團業務進行廣泛檢討以簡化工作流程及繼東亞證券進行經營模式的調整後，東亞銀行縮減了香港的人力資源。在內地方面，東亞中國採取了凍結人手措施以控制成本，令員工人數下降，而領達財務亦按其業務需要簡化其在重慶的業務運作。按半年計算，透過出售東盛及東亞證券(台灣)，集團的整體員工人數於回顧期內進一步減少。

## 未來展望

預計業務及經營環境於2016年下半年仍充滿挑戰。英國脫歐無疑將令金融市場更趨不明朗，並可能影響對英國及歐洲的投資。

東亞銀行將持續專注建立多元化的收入來源及控制營運成本。此外，本行將繼續在目標及高利潤的市場分部爭取客戶，同時充分把握其覆蓋香港、中國及海外的獨特業務網絡所創造的機遇。本行亦將繼續採取嚴格的成本控制措施，包括改善基本系統和流程，並透過培訓提高團隊的生產力和靈活性，藉此加強後勤部門的營運效率及減省成本。

香港方面，本行將致力成為創新及數碼化方面的市場先驅。本行將進一步把智能數碼模式涵蓋至更多的本地分行。數碼化的變革將提高本行的營運效率，提升長期成本效益。此外，本行將進一步開發創新的產品及服務，同時強化零售財富管理業務(包括保險及投資產品)以吸引香港及中國內地的優裕客戶。為迎合市場需求，本行將進一步加強財資業務並提供更廣泛的產品種類。

內地方面，本行一如既往地注重中國業務的長期發展。東亞中國正推行分行網絡優化計劃，並與微眾銀行股份有限公司合作，加快發展流動平台，以抓緊智能及手機銀行帶來的機遇。此外，東亞中國將進一步拓展金融市場業務及個人借貸業務。東亞中國亦將繼續選擇性地投資於新增長領域，特別是十三五規劃所指明的新興產業。

除香港及中國內地以外，東亞銀行將把握海外國家不斷湧現的商機以開拓新的收入來源。本行計劃持續加強海外分行與香港及中國內地分行的業務合作，務求更能善用本行獨特的大中華區平台。

雖然經營環境在未來一段時間仍會充滿挑戰，但我們在過去的逆境中亦能展現出應對困難市況的能力。本行定能憑藉豐富的經驗、長久建立的業務關係及堅毅的決心以迎接未來發展的機遇。

## 風險管理

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

風險委員會為本集團僅次於董事會的最高風險管治單元，由五名獨立非執行董事(包括委員會的主席)及兩名非執行董事組成。風險委員會直接監督本集團機構風險偏好的制定，並設定本集團就其財務能力、策略性指引、目前市況及監管要求而言可承擔的風險水平。

風險委員會亦確保本集團的風險偏好反映於政策及程序上，讓管理層行使其業務職能時採納。透過行政人員層面的危機管理委員會、風險管理委員會及專責風險管理委員會(包括信貸委員會、資產負債管理委員會及營運風險管理委員會)以及風險管理處的協調，風險委員會定期檢討本集團的風險管理架構，確保所有與風險相關的重要任務符合既有政策並以適當資源完成。

為確保風險管理責任於組織內分工明確，本行已採納「三道防線」風險管理架構。第一道防線由本行各業務單位及職能單位組成，負責管理有關單位在業務過程中產生的風險。第二道防線由風險管理處及合規處組成，獨立監督風險承受單元。第三道防線為直接向審核委員會匯報的稽核處。稽核處定期評估本行由第一及第二道防線所設計的風險管理架構、監控及管治流程的充裕性，以協助審核委員會監督本行的整體風險管理及內部監控系統。

本集團已制定政策，以識別、衡量、監察、控制及匯報各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團的主要風險管理政策及控制限額由董事會批准，並且受到監控及定期檢討，以符合市場轉變及法定要求，及達致風險管理程序中的最佳做法。董事會已將持續管理風險的責任授予風險委員會、風險管理委員會及專責風險管理委員會。與重要風險管理相關的事項須上報至監督風險管理的董事會。此外，集團風險總監的日常職責為監督集團風險管理相關事項，包括但不限於風險管理基礎架構及策略、風險偏好、風險管治文化及有關資源。

壓力測試為本集團風險管理的重要部分。東亞銀行定期對相關的主要風險進行壓力測試，評估受壓營商環境(包括中國內地及香港出現嚴重經濟下滑等假設情景)對本集團的財務狀況，尤其是資本充足、盈利能力及流動資金，可能產生的影響。有需要時，管理層亦會果斷制定並執行應對措施以減低潛在影響。

每一個新產品的推出，須通過審批過程，包括業務和財務分析和風險評估。這些新產品首先由新產品評審工作組審核及評估，並由督導組認可及由風險管理委員會批准。新產品評審工作組由支援職能的部門主管組成，而督導組的主席為集團風險總監，並由支援職能的處級主管組成。

#### **(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之責任，可來自本集團貸款及墊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。

信貸委員會負責管理所有與本集團信貸風險有關的事務，而本集團風險管理處轄下的信貸風險管理部則負責監察與信貸風險有關的活動。本集團透過設定目標市場、制定適當的信貸政策和執行信貸評核程序，以及監控資產質素，來識別和管理信貸風險。信貸風險控制限額設有不同層次。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

本集團在評估與個別客戶或交易對手相關的信貸風險時，其財政實力以及還款能力乃是主要的考慮因素。此外，客戶或交易對手所提供的抵押品亦有助減低信貸風險。

本集團已制定多項政策、程序及評級系統，以識別、衡量、監察、控制及匯報本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸風險管理手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收程序、撥備政策及本集團授出貸款及墊款時與抵押品相關的程序訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變、有關法定要求及風險管理程序的最佳做法。

## **(b) 市場風險管理**

市場風險是指不利的價格變動的風險，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結構性產品。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。

資產負債管理委員會負責處理本集團一切與市場風險相關的事項，亦負責定期檢討利率走勢及釐定相應的未來業務策略。本集團風險管理處轄下的資產負債管理部，負責監察與市場風險有關的活動。

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的部分程序。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場內交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，本集團主要管理的市場風險包括：

### **(i) 貨幣風險**

本集團的外幣持倉源自外匯買賣(包括衍生工具)、商業銀行業務和結構性外匯風險。本集團的非結構性外幣風險主要以美元、人民幣、英鎊、日圓及新加坡元為單位。所有外幣持倉均維持在董事會或資產負債管理委員會所訂定的限額內。

結構性外匯持倉主要源自於本集團分行、附屬公司和聯營公司的外匯投資，其有關的溢利及虧損因為已撥入儲備，所以未計算在「風險值」內。管理此等外幣投資的主要目的，是保障本集團的儲備免受匯率波動的影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

### **(ii) 利率風險**

本集團的利率持倉來自交易組合中的財資及商業銀行業務。利率風險由本集團資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

### **(iii) 股份風險**

本集團的股份持倉來自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會、投資委員會或資產負債管理委員會批准的限額範圍進行日常管理。

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審批核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團承擔市場風險的活動，確保整體及個別市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

本集團通過參數法評估本集團交易組合的風險值，其中，風險值乃透過組成份的有關方差及協方差計算得出。該方法是依據過往市場息率與價格的波動、99%置信水平、1日持倉期以及1年過往觀察期來推算，其中對較近期觀察給予相等或較高的權重，並且據此採用較高的風險值。

由分行及附屬公司的淨投資產生的結構性外匯持倉不會包括在計算外匯交易持倉的風險值內。

除上市股份外，私人股份基金及非上市股份(統稱「非上市證券」)的賬面值均由本集團管理層按限額控制。非上市證券及非交易上市股份是根據特定限額管理及並不包括在交易股份持倉的風險值內。資產負債管理委員會須定期檢討該限額。

#### 風險值統計

	2016年上半年			
	於6月30日 港幣百萬元	最高 港幣百萬元	最低 港幣百萬元	平均 港幣百萬元
交易活動的風險值總額	36	45	31	38
外匯交易持倉的風險值*	12	14	8	11
利率交易持倉的風險值	3	7	2	4
股份交易持倉的風險值	25	34	23	27

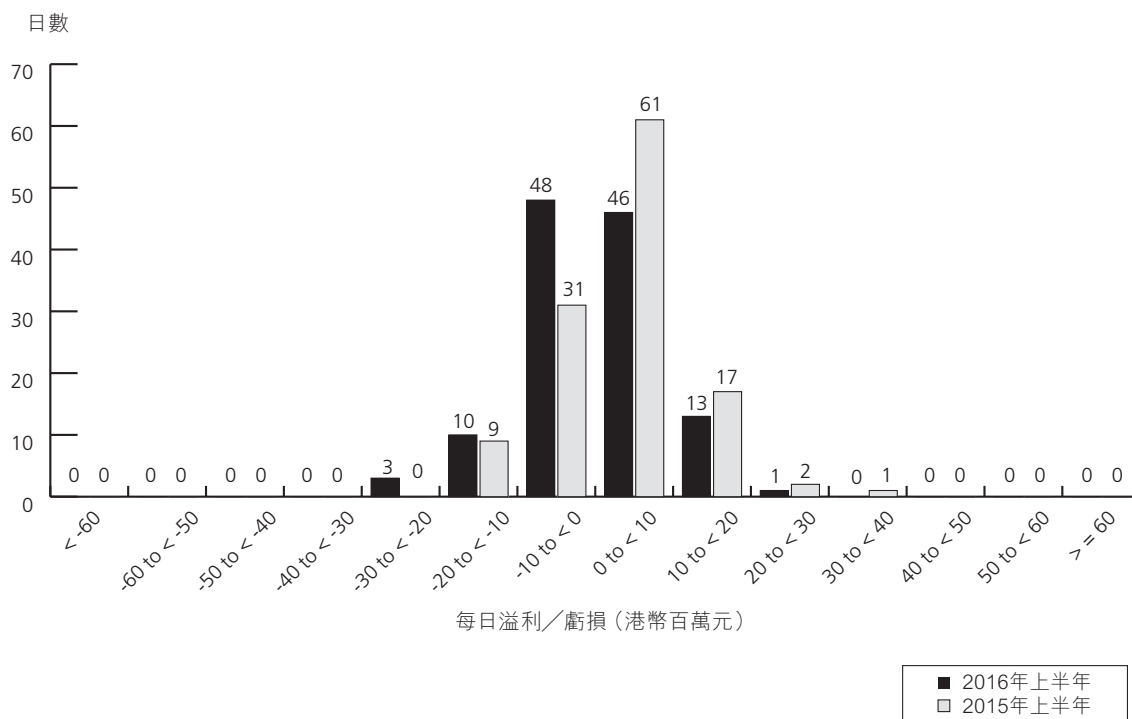
  

	2015年上半年			
	於6月30日 港幣百萬元	最高 港幣百萬元	最低 港幣百萬元	平均 港幣百萬元
交易活動的風險值總額	35	45	22	30
外匯交易持倉的風險值*	9	14	6	9
利率交易持倉的風險值	4	8	3	4
股份交易持倉的風險值	27	32	14	21

\* 包括所有外匯持倉但不包括結構性外匯持倉。

於2016年上半年，所有交易活動(包括貨幣、利率及股份交易活動)所得的每日平均收入為港幣59萬元(2015年上半年的每日平均收入為港幣282萬元)。每日溢利／虧損的標準差為港幣860萬元(2015年同期標準差為港幣918萬元)。以下為每日溢利／虧損的頻率分布情況：

與交易活動相關的溢利／虧損每日分布圖  
— 2016年上半年與2015年上半年



### (c) 營運風險管理

營運風險是指由於內部流程、人員和系統的不足或缺陷，或因外部事件而導致損失的風險。

營運風險管理的目的在於有系統地識別、評估、監控及匯報營運風險；減少營運虧損及對本集團的其他影響；以及遵守相關監管規定的要求。

營運風險管理委員會負責監督本集團的營運風險管理，而本集團風險管理處轄下的營運風險管理部則負責監察與營運風險有關的活動。

本集團所採用的營運風險管理工具包括營運風險事件匯報、自我風險評估監控、主要風險指標、營運手冊、保險政策、業務持續規劃等。

#### (d) 流動資金風險管理

流動資金與本集團履行到期責任的能力有關。融資流動風險管理關鍵在於是否能夠在不影響日常營運或財務狀況的情況下，滿足預期及未能預期、目前及未來的現金流量及抵押品需求。市場流動性風險管理著眼於是否能夠在市場深度不足或市場失序或以過高成本取得財務資源時，按市場價格平倉。

流動資金風險管理是為了確保本集團維持充足的現金流量以配合所有財務承擔，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，在借款期滿時能夠還款，符合法定的流動性覆蓋比率，以及掌握貸款和投資的機會。

資產負債管理委員會獲董事會授權，負責監察本集團的流動資金風險管理。資產負債管理委員會制定管理流動資金風險的策略、政策及限額，以及確保執行有關策略與政策的措施。委員會定期舉行會議，檢討各方面是否符合所設立的監管架構，以及是否有需要改變策略及政策。

流動資金狀況由本集團資金市場處轄下的資本市場及流動資金管理部每日按所訂限額範圍進行管理。本集團風險管理處轄下的資產負債管理部，負責監察與流動資金風險相關的活動。稽核處會定期作出檢討，確保流動資金風險管理功能得以有效執行。

流動性覆蓋比率於2015年1月1日生效，對本集團的流動資金風險管理施加更嚴格的監管制度。《銀行業(流動性)規則》要求本集團必須於2019年達致最低流動性覆蓋比率。過渡期間，有關百分比將由2015年的60%升至2019年的100%，自2016年起監管要求每年增加10%。為確保遵守不斷提升的監管要求，資產負債管理委員會會定期檢閱有關流動性覆蓋比率重大變動的報告和其建議補救措施以應對不利變動，其中來自(但不限於)存款基礎成分及其餘下期限、短期貸款活動以及本集團資產及負債組合策略。為將流動性覆蓋比率維持在合適範圍內，已訂立內部流動性覆蓋比率目標。在規劃資產及負債組合策略時，相關業務單位協助本集團評估資產增長及融資架構對流動性覆蓋比率的影響，以供資產負債管理委員會檢討和決策。

本集團在努力有效管理流動性覆蓋比率的過程中，著力留住忠實客戶及維持客戶關係，藉以增強存款基礎。本集團在零售、小企業和大額融資之間保持資金平衡，避免資金集中於任何一種資源。本集團透過發行存款證、中期票據、後償債項、貨幣市場拆借及借貸進入專業市場，獲取額外資金，並維持於當地金融市場的地位，以及優化資產及負債的期限。

至於內部，集團內公司間的融資交易乃按一般正常交易原則進行，處理方式與其他第三方交易一致，並接受定期監督及適當控制。

除緊守法定的流動性覆蓋比率外，本集團已設立不同的流動資金標準以衡量及分析流動資金風險，包括(但不限於)貸存比率、累積錯配比例、資金集中比率、集團內公司間風險限額及跨貨幣資金比率。



由於本集團大部分流動資金風險來自資產與負債組合之間的期限錯配差距，本集團會透過使用本行的管理資訊系統定期對一系列時間內的資產負債表內外資產及項目進行現金流量分析及預測，確定特定時間內的資金需要，從而管理流動資金風險。本集團維持充足的流動資產，作為能夠在資金受壓時取用的流動資金緩衝。實現流動性覆蓋比率所需的優質流動資產包括現金、短期資金、外匯基金票據和債券，其中大部分優質流動資產以港幣計值。本集團維持應急融資來源，能提供策略性的流動資金，以應付未能預計的大量資金需求。

本集團亦會定期進行壓力測試，以分析流動資金風險。透過運用適當的虛擬及歷史假設，本集團的壓力測試均已考慮資產負債表內外項目及其對現金流量造成的影響。市場流動資金風險的評估及檢討納入各個控制環節，包括投資／交易策略、市場風險監控、估值及組合檢討。三個壓力情景(即個別銀行危機、整體市場危機，以及結合上述兩種情況的綜合危機)均採用金管局監管政策手冊「穩健的流動資金風險管理系統及管控措施」界定的最短存活期。

本集團會參照壓力測試結果，確認集團內的潛在弱點，並制定應急融資政策及計劃，當中載列了本集團處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

應急融資政策及計劃旨在提供防患未然的積極措施，並訂明以下三個階段：

1. 本集團運用預早警報指標，當中包括質量性及數量性的措施，藉以監督內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知資產負債管理委員會。資產負債管理委員會將考慮適當的補救措施，並在合適情況下考慮採用危機管理措施。
2. 本集團已設立危機管理委員會，並由主席兼行政總裁擔任主席，專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。
3. 於最後階段，本集團會在危機結束後對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境中的任何轉變，本集團會每年進行演習測試，並會定期檢討應急融資政策及計劃。應急融資政策及計劃如有任何重大變動，均須分別取得董事會及資產負債管理委員會的批准。

#### 已發行存款證、債務證券及借貸資本

2016年上半年，本行發行了面值為2,000萬美元的浮息存款證及債務證券；面值為港幣27.2億元、6.9億美元、人民幣8億元、1.5億英鎊及5,000萬新加坡元的定息存款證及債務證券；以及面值為港幣19.63億元、13.37億美元、3,600萬英鎊及7,100萬歐元的零息存款證及債務證券。本集團於到期時贖回各類存款證及債務證券達等值港幣356.94億元。

於2016年6月底，已發行在外的存款證及債務證券面值相等於港幣398.08億元，賬面值則相等於港幣397.43億元。

### 已發行存款證及債務證券的年期

於2016年6月30日

(以百萬元位列示)

	總面值	到期年份			
		2016	2017	2018	2019
<b>浮息</b>					
港元	730	430	300		
美元	330	260	70		
<b>定息(附註)</b>					
港元	6,429	2,145	3,301	683	300
美元	1,595	285	1,275	35	
人民幣	750	550	200		
新加坡元	100		100		
<b>零息</b>					
港元	2,525	1,525	1,000		
美元	1,653	905	748		
人民幣	255		255		
歐元	71	71			
<b>所有已發行存款證及 債務證券(港元等值)</b>	<u>39,808</u>	<u>16,604</u>	<u>21,949</u>	<u>955</u>	<u>300</u>

附註：

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

於2016年6月底，已發行的借貸資本面值相等於港幣170.10億元，賬面值則相等於港幣174.76億元。

### 借貸資本的年期

於2016年6月30日

(以百萬元位列示)

	總面值	到期年份		
		2020	2022	2024
美元(附註1及2)	1,600	600	500	500
新加坡元(附註3)	800		800	
<b>所有已發行借貸資本(港元等值)</b>	<u>17,010</u>	<u>4,655</u>	<u>8,475</u>	<u>3,880</u>

附註：

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

### **(e) 利率風險管理**

利率風險是指由於不利的利率變動對本集團盈利或經濟價值帶來負面影響的風險。資產負債管理委員會獲董事會授權，負責監察本集團的利率風險管理，訂立管理利率風險的策略與政策，並制定相應措施，以確保執行有關策略與政策。利率風險由本集團資金市場處按董事會或資產負債管理委員會批核的限額範圍進行日常管理。本集團風險管理處轄下的資產負債管理部，負責監察利率風險相關的活動。稽核處會定期作出檢討，確保利率風險管理功能得以有效執行。

利率風險主要是由銀行賬冊內帶息資產、負債及資產負債表外項目在再定息時的時差所致，亦與無息負債持倉及若干定息貸款和負債有關。釐定利率風險水平時，對重訂息率風險、息率基準風險、期權風險及收益率曲線風險進行評估。本集團管理銀行賬冊利率風險的主要方法是集中於重訂息率的錯配。差距分析可讓本集團從靜態角度瞭解資產、負債和資產負債表外持倉的到期情況及重訂息特點。本行設有重訂息率差距限額以控制本集團的利率風險。

本集團每月進行敏感度分析，以估算利率變動對盈利和經濟價值的影響，當中假設本集團資產、負債和資產負債表外持倉的收益率曲線出現200個基點的利率衝擊。本集團設有敏感度限額，以控制本集團的盈利及經濟價值兩方面的利率風險承擔。有關結果定期向資產負債管理委員會匯報。

### **(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執行實施良好商業決定而引致對盈利或資本方面的風險。

本集團轄下的風險管理處監控本集團現行生息資產組合及融資策略下的活動，並定期向資產負債管理委員會、風險管理委員會、風險委員會及董事會匯報有關情況。

本集團定期編製投資組合預測以確保最佳資產配置，從而分散風險並獲取與所承擔風險相稱的回報。本集團亦會定期透過資本充足比率預測及內部資本充足評估程序進行資本管理，以評估本集團應對相關風險所需的資本水平。

### **(g) 法律風險管理**

法律風險是指出現合約未能執行、訴訟或不利判決的情況，因而對本集團的日常運作或財務狀況可能構成干擾或其他負面影響的潛在風險。

法律風險管理的目的，在於識別、評估、監控及匯報法律風險，以及遵守相關法律及監管規定的要求。

本集團提供由合資格內部人員及／或外聘律師／專業人士講解的適當培訓課程，並向員工發出定期提示。當處理法律事宜，本集團僱用合資格內部人士，並於必要及適當的情況下徵詢具備特定專長的外聘律師(包括大律師及資深大律師)的意見。

營運風險管理委員會負責監督本集團的法律風險管理。

## **(h) 信譽風險管理**

信譽風險源自有關本集團營商手法、行為或財務狀況等事件的負面報導。此等報導，不管真確與否，均有可能影響公眾對本集團的信心及可能導致高昂的訴訟費用，或令本集團客戶基礎、業務及收入減少。

信譽風險管理的目的，在於識別、評估、監控、匯報及降低有關風險，以及確保符合相關監管規定的要求。

本集團制定各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的信譽。

本集團制定並遵從信譽風險管理手冊。該手冊載錄對信譽風險實施系統化管理的方法，包括識別、評估、監管、減低及控制信譽風險的機制，藉此保護及提升本集團的信譽。本集團亦已制定事故應變及管理指引，以快速應對並管理未能預期的事件。

營運風險管理委員會負責監督本集團的信譽風險管理。

## **(i) 洗錢與恐怖分子資金籌集風險管理**

洗錢與恐怖分子資金籌集風險是指將本集團所提供的金融服務被用作下列活動所引致的風險：

- (i) 隱瞞或掩飾從事違法活動所得款項的性質或來源；或
- (ii) 隱藏或掩飾恐怖分子／恐怖組織與資金來源之間的連繫(不論有關資金來源是否合法)。

倘若未能預防或阻止上述活動，可能會被監管機構判處罰金及制裁、或損害本集團的信譽。

為管理洗錢與恐怖分子資金籌集風險，本集團針對打擊洗錢與恐怖分子資金籌集制定集團政策及相關指引，當中載有管治原則及最低標準，避免集團成員及其業務被利用於協助洗錢及為恐怖分子籌集資金。

針對洗錢與恐怖分子資金籌集，本集團已建立機構風險評估機制，並透過集團成員各自進行的評估，以識別、估算及了解本集團承受的洗錢與恐怖分子資金籌集風險。機構風險評估已考慮所識別的固有風險及現有控制措施的效能，從而釐定本集團所承受的殘留風險。

## (j) 科技風險管理

科技風險(包括網絡保安風險及電子銀行風險)是指因技術程序、人員或計算系統不足或出現故障；或因未經授權使用或破壞科技資源而導致損失的風險。

本集團已建立科技風險管理機制，包括全面的控制政策、標準、指引及程序。

與網絡系統及應用程式保安、客戶身份驗證、新產品及服務風險評估、以及資料保密及完整性相關的控制措施已被採納。

營運風險管理委員會負責監督本集團的科技風險相關事項。

## 企業社會責任

環境保護是東亞銀行集團2016年上半年企業社會責任計劃的工作重點。

東亞銀行於4月簽署香港特區政府環境局推出的《戶外燈光約章》，以支持減少光污染及能源浪費的措施。作為簽約成員，本行承諾旗下多個分行及辦公室每晚11時正關掉裝飾及廣告燈光裝置。東亞銀行集團已連續第8年參加世界自然基金會主辦的「地球一小時」活動，關掉所有非必要照明設備一小時，彰顯本行對氣候變化措施的支持。

於回顧期內，東亞銀行義工隊積極支持本港的環保工作。本行義工參加了世界自然基金會香港分會舉辦的3次海岸清潔運動，並協助清除米埔自然保護區的入侵植物薇甘菊。

業務經營方面，東亞銀行將環保理念融入翻新工程之中，在分行及顯卓理財中心安裝節能設備。

本集團於6月發表第四份根據全球報告倡議組織(GRI)指引撰寫的企業社會責任報告。為回應持份者意見及支持減少用紙措施，東亞銀行選擇刊發電子版本。有關報告可於本行網站[www.hkbea.com](http://www.hkbea.com)(關於東亞銀行／企業社會責任)查閱。

為支持政府在本港推廣金融常識的措施，本行在5月為參加「東亞培賢社」的小學生安排理財課程。是項活動由東亞銀行慈善基金及聖雅各福群會合辦。此外，本行參與由香港銀行公會及浸信會愛羣社會服務處合辦的活動，為低收入家庭舉辦理財教育工作坊。

為協助香港紅十字會提升收集血液能力以應付未來需要，本行自2011年至2013年合共捐款500萬港元，協助香港紅十字會於新總部設立先進的捐血站。西九龍捐血站已於2016年3月正式落成啟用。東亞銀行於3月及4月在東亞銀行中心及香港紅十字會各捐血站舉行捐血活動，以慶祝新捐血站開幕。

於回顧期內，東亞銀行繼續贊助救世軍港澳軍區、香港醫院管理局及其他機構舉辦的多項活動及計劃，以促進健康及社會福利。於2月，東亞銀行冠名贊助在粉嶺舉行的「公益金東亞慈善高爾夫球賽2016」。活動合共籌得善款逾230萬港元，全數用作支援精神健康服務。

2016年上半年，本行贊助多項教育及文化活動，包括香港小童群益會舉辦的「全港兒童故事演講比賽2016」，以及法國五月藝術節。

內地方面，東亞中國於2016年1月及2月在全國14個城市舉辦「猴年猴開心」慈善活動。近160名義工探訪老人院、「螢火蟲樂園」、社會福利中心及其他機構，服務超過780小時，義工向受助者派發食物及其他日常生活必需品，共同慶祝農曆新年。

2016年3月至5月，逾680名義工參加於全國21個城市舉辦的「一草一木 環保益起來」活動，以宣揚環保的重要性。多項活動包括參觀生態農場及森林公園，以及參與農耕灌溉講座。義工還種植了超過760棵樹苗。

東亞中國於4月發表第8份企業社會責任報告，回顧2015年的情況。報告闡述東亞中國在社區投資方面的進展及成就。在5月，15名來自東亞中國的員工為黑龍江省哈爾濱市建國小學學生開展為期3天的教學活動，提供了45小時的課程，內容廣泛，包括英語、環保、地理、剪紙及書法。

2016年1月，東亞銀行澳門分行參加由澳門民政總署及澳門免廢生活協會合辦的「新生利是封大行動」，從分行員工收集約3,300個廢棄利是封，並轉交民政總署轉送贈公眾。

2016年5月，澳門分行參加世界宣明會澳門分會舉辦的「澳門饑饉」活動。澳門分行員工連續第3年透過各項活動籌款，以支持世界宣明會在全球推行的糧食保障及發展項目。

2016年3月，紐約分行義工成員探訪位於布魯克林區#204小學的5年級學生，向他們講解銀行服務及儲蓄的美德。同年4月，東亞銀行紐約分行員工及其家屬參加KIDS WALK慈善步行活動，以支持Memorial Sloan Kettering癌症中心的癌症兒童。籌得的善款將用作支持相關研究，為癌症兒童尋找更有效而毒性較低的治療。

東亞銀行附屬公司方面，藍十字於1月參加香港傷健協會在景色優美的馬鞍山海濱長廊舉辦的「傷健共融步行日2015/2016」。這是該公司第4次支持有關活動，籌得的善款用於復康及長者和青少年服務，以及向公眾宣揚社會共融的理念。

藍十字連續第5年贊助香港傷健協會舉辦的「樂TEEN滿FUN計劃」。是項計劃為健全及傷殘青少年提供互動平台及自我提升的訓練課程，讓他們裝備自己，應付未來的挑戰。

香港卓佳專業商務有限公司於3月成立員工義工隊，首個義工活動為探訪明愛牛頭角長者中心的長者住客。香港卓佳在4月透過「錫錫媽媽曲奇義賣」籌集善款，以支持救世軍服務有特殊需要兒童的家庭。香港卓佳亦在農曆新年後收集逾18,000個利是封，並由「綠領行動」回收。

回顧期內，泰國卓佳代表探訪朱拉隆功醫院患病兒童，並向兒科病房捐款。此外，員工探訪泰國盲人基金會，並向中心捐助40台舊電腦。於3月，英國卓佳贊助多項慈善活動，包括腦瘤研究慈善機構舉辦的「2016戴帽子日」。

## 獎項

本行於2016年首6個月之表現卓越，先後獲頒發多個獎項，包括：

- 香港中小型企業總商會之「2016中小企業最佳拍檔獎」(連續第9年獲獎)；
- 華富財經(香港)有限公司之「華富財經傑出企業大獎2015－傑出中小企業服務機構(銀行)」(連續第3年獲獎)；
- 《文匯報》之「2015年度傑出企業銀行業務獎」(連續第3年獲獎)，及「傑出企業銀行人民幣服務獎」(連續第3年獲獎)；
- 2016香港資訊及通訊科技獎之「最佳金融科技大獎」，「最佳金融科技(銀行與保險)金獎」，及「最佳流動應用程式(消費方案)金獎」；
- 《彭博商業周刊／中文版》金融機構大獎2016之「電子理財－卓越大獎」，及「數碼創新服務－傑出大獎」；
- 萬事達卡國際組織之「2015年度香港區最佳旅遊信用卡－Flyer World萬事達卡」，「2015年度香港區最高增長開卡量－金獎」，「2015年度香港區感應式信用卡消費最高市場佔有率」，及「2015年度香港區尊貴信用卡消費最高市場佔有率－銅獎」；及
- 銀聯國際之「2015全年獨家信用卡推廣優惠平台」。

此外，東亞中國則榮獲：

- 中國互聯網協會、中國互聯網協會互聯網金融工作委員會、中國電子金融產業聯盟頒發「2015年度中國互聯網金融創新獎」(電子渠道理財業務)；
- 《東方早報》及《澎湃》之2015上海TOP金融榜－「年度最佳財富管理銀行」；
- 中國銀行業協會之2015年度中國銀行業消費者權益保護知識網絡競賽－「先進集體獎」；及
- 《亞洲銀行家》之2016年亞洲銀行家中國獎項計劃－「最佳社交媒體應用」。

領達財務於上半年內榮獲的獎項：

- 《資本壹週》頒發「2016《資本壹週》服務大獎－信貸財務服務」(連續第4年獲獎)。

東亞聯豐投資管理之基金業績表現卓越，先後獲頒發多個獎項。

頒予東亞聯豐亞洲債券及貨幣基金(連續第4年獲獎)：

- 「理柏基金香港年獎2016」之「最佳亞太區債券基金(本地貨幣)」(按其過往3年業績)；
- 亞洲資產管理之「2015最佳投資表現獎項－亞洲債券」(按其過往3年業績)；及
- Fundsupermart.com之「2016/17 FSM精選基金－債券基金」。

頒予東亞聯豐環宇資源基金：

- Fundsupermart.com之「2016/17 FSM精選基金－環球資源行業股票」(連續第3年獲獎)。

在回顧期內，本行積極履行企業社會責任，並獲頒發多個獎項以作表揚：

- 香港公益金頒發「公益榮譽獎」(連續第17年)，2015/2016年度商業及僱員募捐計劃「鑽石獎」(連續第22年)，2015公益金便服日「最高籌款機構第5名」，及2015/2016港島、九龍區百萬行「最高籌款機構第5名」；
- 榮獲香港社會服務聯會嘉許為「商界展關懷」機構(連續第13年)。藍十字、領達財務和卓佳分別為第8年、第6年及第1年榮獲該項嘉許；
- 長者安居協會頒發「社區參與二星獎」；
- 香港樂施會頒發2016年度香港樂施米「企業米檔最高籌款獎」；
- 社會福利署義務工作統籌課頒發2015年度義工服務金嘉許狀(連續第3年)；
- 政府資訊科技總監辦公室及平等機會委員會合辦的「無障礙網頁嘉許計劃」中榮獲「網站組別」及「流動應用程式組別」之「金獎」(連續第2年)；
- 榮獲僱員再培訓局嘉許為「人才企業」(2016–2018)；
- 香港政府環境保護署頒發室內空氣質素證書(總行大廈及德輔道中33號大廈獲頒發良好級、東亞銀行中心獲頒獎卓越級)；
- 獲頒發「香港環保卓越計劃」內之「卓越級別」節能標誌(中環總行大廈及觀塘東亞銀行中心)；
- 獲頒發「香港環保卓越計劃」內之「卓越級別」減廢標誌(中環總行大廈及觀塘東亞銀行中心)；及
- 香港政府水務署頒發「大廈優質供水認可計劃－食水(2.0版)」(基本級別)(中環總行大廈及德輔道中33號大廈)。

東亞中國獲上海宋慶齡基金會頒發優秀企業社會責任獎(螢火蟲項目)。

除獲社聯嘉許為「商界展關懷」機構，領達財務及卓佳於2016年上半年亦獲頒發以下獎項：

領達財務

- 社會福利署荃灣及葵青區安老服務協調委員會頒發「關愛長者機構嘉許計劃2015—一星級嘉許證書」(連續第3年)。

卓佳

- 政府資訊科技總監辦公室及平等機會委員會合辦的「無障礙網頁嘉許計劃」中榮獲「網站組別」之「銀獎」。

卓佳專業商務有限公司及卓佳大中華有限公司亦獲Association of Chartered Certified Accountants承認為其學員培訓發展計劃下的認可僱主。



## 董事資料的變動

根據《香港聯合交易所有限公司證券上市規則》(《上市規則》)第13.51B(1)條，自刊發本行2015年報起直至2016年8月19日(為通過本行2016中期報告當天)期間，董事按《上市規則》第13.51(2)條第(a)至(e)段及第(g)段規定披露資料的變動如下：

### 於本行及集團其他成員所擔當職位的變動

張建標先生退任本行全資附屬公司 — 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。

於2016股東周年常會結束後，董事於本行所擔當職位的變動，詳列如下：

<u>董事姓名</u>	<u>於本行職位之變動</u>
李國寶爵士	<b>新委任</b> 提名委員會委員
	<b>退任</b> 提名委員會主席 風險委員會主席 薪酬委員會委員
黃子欣博士	<b>新委任</b> 提名委員會主席 風險委員會主席 薪酬委員會委員
	<b>退任</b> 薪酬委員會主席
范徐麗泰博士	<b>新委任</b> 薪酬委員會主席
李家傑博士	<b>新委任</b> 薪酬委員會委員
駱錦明先生	<b>新委任</b> 風險委員會委員
黃永光博士	<b>新委任</b> 審核委員會委員 風險委員會委員
奧正之先生	<b>新委任</b> 提名委員會委員
李國星先生	<b>退任</b> 提名委員會委員
黃頌顯先生	<b>退任</b> 本行之獨立非執行董事(辭任) 審核委員會委員
李福全先生	<b>退任</b> 本行之非執行董事(辭任) 提名委員會副主席 風險委員會委員 薪酬委員會委員
丹斯里邱繼炳博士	<b>退任</b> 本行之獨立非執行董事(退任) 提名委員會委員 薪酬委員會委員

## 有關擔任其他公司董事職務及其他主要任命的變動

<u>董事姓名</u>	<u>其他公司董事職務及任命</u>
李國寶爵士	退任南潮控股有限公司(前稱南華早報集團有限公司)之獨立非執行董事
李民橋先生	退任香港公益金董事
范禮賢博士	辭任CaixaBank, S.A.之主席兼董事
張建標先生	辭任大昌行集團有限公司之獨立非執行董事
黃永光博士	獲委任為香港特別行政區政府中央政策組特邀顧問及退任海洋公園公司董事
范徐麗泰博士	當選為勵進教育中心理事會主席

## 有關董事酬金的變動

於2016年4月1日起，支付予本行行政總裁李國寶爵士的年度基本薪酬已由港幣1,060萬元增加至港幣1,070萬元。

范徐麗泰博士收取每年港幣30萬元的本行董事袍金，由2016年2月25日起生效。

於2016股東周年常會結束後，董事酬金的變動，詳情如下：

<u>董事姓名</u>	<u>委員會任命</u>	<u>每年酬金</u> 港幣(元)
李國寶爵士	提名委員會委員	50,000
黃子欣博士	提名委員會主席 風險委員會主席 薪酬委員會委員	80,000 160,000 50,000
范徐麗泰博士	薪酬委員會主席	80,000
李家傑博士	薪酬委員會委員	50,000
駱錦明先生	風險委員會委員	100,000
黃永光博士	審核委員會委員 風險委員會委員	120,000 100,000
奧正之先生	提名委員會委員	50,000

除以上所述外，本行董事並無其他資料需根據《上市規則》第13.51B (1)條而作出披露。

## 董事及行政總裁權益

於2016年6月30日，根據《證券及期貨條例》第352條須予備存的登記冊（「該登記冊」）所記錄，本行各董事及行政總裁於本行及其相聯法團的股份、相關股份及債權證中擁有的權益及淡倉如下：

### I. 本行普通股股份權益的好倉：

姓名	身分及性質	股份數目	總數	佔已發行 有投票權股份 的百分率
李國寶	實益擁有人 配偶的權益 法團的權益 遺產執行人	74,057,843 1,989,448 231,146 10,073,476	86,351,913 <sup>1</sup>	3.22
李國章	實益擁有人 法團的權益 遺產執行人	11,731,397 16,172,936 10,073,476	37,977,809 <sup>2</sup>	1.42
黃子欣	實益擁有人 配偶的權益 酌情信託的成立人及受益人	416,964 136 15,636,499	16,053,599 <sup>3</sup>	0.60
李國星	實益擁有人 配偶的權益 法團的權益	1,134,036 21,948 16,295,361	17,451,345 <sup>4</sup>	0.65
羅友禮	—	—	無	無
李澤楷	—	—	無	無
駱錦明	—	—	無	無
李國仕	實益擁有人 子女的權益 酌情信託的受益人 遺產管理人	10,143,660 613,418 2,632,695 1,206,600	14,596,373 <sup>5</sup>	0.54
杜惠愷	—	—	無	無
郭孔演	—	—	無	無
張建標	—	—	無	無
范禮賢	—	—	無	無
李家傑	法團的權益 酌情信託的受益人	679,000 1,100,000	1,779,000 <sup>6</sup>	0.07

姓名	身分及性質	股份數目	總數	佔已發行 有投票權股份 的百分率
李民橋	實益擁有人 子女的權益 酌情信託的財產授予人/ 成立人	807,206 6,969 <u>1,957,687</u>	2,771,862 <sup>7</sup>	0.10
李民斌	實益擁有人 法團的權益	2,119,916 772,535 <u>2,892,451<sup>8</sup></u>	2,892,451 <sup>8</sup>	0.11
黃永光	—	—	無	無
奧正之	—	—	無	無
范徐麗泰	—	—	無	無

附註：

- 1 李國寶為74,057,843股的實益擁有人。由於其配偶潘金翠擁有1,989,448股之權益，他亦被視為擁有該等股份。他亦被視為擁有由李國寶慈善基金有限公司持有的231,146股，李國寶為該慈善機構的董事兼唯一成員。李國寶作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的10,073,476股。李國章作為該遺產的其中一位執行人，亦被視為擁有同一批10,073,476股(請參閱下列附註2)。
- 2 李國章為11,731,397股的實益擁有人。他亦被視為擁有由Dapa Company Limited持有的16,172,936股，該公司為李國章全資擁有。李國章作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的10,073,476股。李國寶作為該遺產的其中一位執行人，亦被視為擁有同一批10,073,476股(請參閱上列附註1)。
- 3 黃子欣為416,964股的實益擁有人。由於其配偶郭志蕙(已歿)擁有136股之權益，黃子欣被視為擁有該等股份。而由於黃子欣為一個酌情信託Allan Wong 2011 Trust的成立人及一位合資格受益人，他亦被視為擁有該酌情信託所持有的15,636,499股。
- 4 李國星為1,134,036股的實益擁有人。由於其配偶吳伊莉擁有21,948股之權益，他亦被視為擁有該等股份。李國星因全資擁有Hope Lake Ltd.而被視為擁有該公司所持有的16,295,361股。
- 5 李國仕為10,143,660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613,418股。李國仕作為一個遺產的其中一位管理人，因而被視為擁有該遺產持有的1,206,600股。餘下的2,632,695股當中：(i) 2,410,000股由一個酌情信託 — Settlement of Dr. Simon F. S. Li持有，李國仕、其配偶及其子女皆為該酌情信託的受益人；及(ii) 222,695股由一個酌情信託 — Longevity Trust持有，而李國仕的子女為該酌情信託的受益人。
- 6 該1,779,000股中，679,000股由李家傑全資擁有的公司Golf Limited持有。他亦被視為擁有1,100,000股(「該等被視為擁有之股份」)。該等被視為擁有之股份乃由中華煤氣有限公司(「中華煤氣」)之一間附屬公司實益擁有，而李家傑為全權信託之可能受益人，而該等信託間接控制中華煤氣股東大會超過三份之一投票權。
- 7 李民橋為807,206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6,969股。李民橋自願披露其作為財產授予人/成立人的一個酌情信託所持有的1,957,687股，由於他不可以影響受託人如何行使其酌情權，有關披露純屬自願性質。
- 8 李民斌為2,119,916股的實益擁有人。他亦被視為擁有由Triple Kingdom Limited持有的772,535股，該公司為李民斌全資擁有。

## II. 本行相關股份(就股本衍生工具而言)的好倉：

根據本行的認可僱員認股計劃，李國寶、李民橋及李民斌獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交收的期權。有關此等認股權在截至2016年6月30日止6個月內的資料，見於下列「認股權資料」項下。

## III. 混合一級資本工具的權益：

黃子欣為下列資本工具的實益擁有人<sup>附註</sup>：

發行人	證券種類／類別	債權證數額	股份數目
東亞銀行有限公司	後償票據	7,000,000美元	-
Innovate Holdings Limited	優先股	-	7,000
東亞銀行有限公司	替代優先股(尚未發行)	-	7,000

附註：本行於2009年11月發行面值為5億美元的混合一級資本工具。該資本工具包括由本行發行並於2059年到期的步陞後償票據(票據息率為年利率8.5%)(「2059票據」)，以及由本行全資附屬公司Innovate Holdings Limited發行之無面值永久非累積步陞優先股(「Innovate優先股」)。2059票據連同Innovate優先股以不可分拆單位形式於新加坡股票交易所上市。替代優先股(永久非累積步陞優先股)由本行設立及將於發生替代事件(定義見日期為2009年11月11日本行發出之股東通函)時發行以作為發行2059票據及Innovate優先股的條款之一。

## IV. 本行新資本證券的權益：

姓名	身分及性質	債權證數額
李國寶	配偶的權益 <sup>附註</sup>	500,000美元

附註：由於其配偶潘金翠擁有上述由本行根據其6,000,000,000美元中期票據計劃發行以美元計值的固定利率無日期非累積後償債額外一級資本證券(「新資本證券」)之權益，李國寶被視為擁有該等權益。新資本證券(本金額為6.5億美元)於2015年發行並在聯交所上市。

除上述披露外，概無其他本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉載於該登記冊內。

## 認股權資料

根據《上市規則》所披露有關認股權的資料如下：

(1) 截至2016年6月30日止6個月內認股權的變動：

姓名	授予日期	認股權數目				於30/6/2016 尚未行使
		於01/1/2016 尚未行使	授出	行使	失效	
李國寶	05/5/2011 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	05/5/2011 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	05/5/2011 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	03/5/2013 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	03/5/2013 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	02/5/2014 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	04/5/2015 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	08/4/2016 <sup>b</sup>	-	666,000 <sup>T1</sup>	-	-	666,000
	08/4/2016 <sup>b</sup>	-	666,000 <sup>T2</sup>	-	-	666,000
	08/4/2016 <sup>b</sup>	-	668,000 <sup>T3</sup>	-	-	668,000
李民橋	05/5/2011 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	08/4/2016 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	216,000
08/4/2016 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	216,000	
08/4/2016 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	218,000	
李民斌	05/5/2011 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	08/4/2016 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	216,000
	08/4/2016 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	216,000
	08/4/2016 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	218,000

姓名	授予日期	認股權數目				於30/6/2016 尚未行使
		於01/1/2016 尚未行使	授出	行使	失效	
其他僱員的總數*	05/5/2011 <sup>a</sup>	732,000 <sup>T1</sup>	-	-	-	732,000
	05/5/2011 <sup>a</sup>	732,000 <sup>T2</sup>	-	-	-	732,000
	05/5/2011 <sup>a</sup>	736,000 <sup>T3</sup>	-	-	-	736,000
	10/5/2012 <sup>a</sup>	632,000 <sup>T1</sup>	-	-	-	632,000
	10/5/2012 <sup>a</sup>	632,000 <sup>T2</sup>	-	-	-	632,000
	10/5/2012 <sup>a</sup>	636,000 <sup>T3</sup>	-	-	-	636,000
	03/5/2013 <sup>a</sup>	732,000 <sup>T1</sup>	-	-	-	732,000
	03/5/2013 <sup>a</sup>	732,000 <sup>T2</sup>	-	-	-	732,000
	03/5/2013 <sup>a</sup>	736,000 <sup>T3</sup>	-	-	-	736,000
	02/5/2014 <sup>a</sup>	844,000 <sup>T1</sup>	-	-	-	844,000
	02/5/2014 <sup>a</sup>	894,000 <sup>T2</sup>	-	-	-	894,000
	02/5/2014 <sup>a</sup>	899,500 <sup>T3</sup>	-	-	-	899,500
	04/5/2015 <sup>a</sup>	932,000 <sup>T1</sup>	-	-	-	932,000
	04/5/2015 <sup>a</sup>	932,000 <sup>T2</sup>	-	-	-	932,000
	04/5/2015 <sup>a</sup>	936,000 <sup>T3</sup>	-	-	-	936,000
	08/4/2016 <sup>b</sup>	-	985,000 <sup>T1</sup>	-	-	985,000
	08/4/2016 <sup>b</sup>	-	985,000 <sup>T2</sup>	-	-	985,000
08/4/2016 <sup>b</sup>	-	992,500 <sup>T3</sup>	-	-	992,500	
其他參與人**	05/5/2011 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	05/5/2011 <sup>a</sup>	100,000 <sup>T2</sup>	-	-	-	100,000
	05/5/2011 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T1</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T2</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	-	100,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000

\* 按香港《僱傭條例》所指的「連續合約」工作的僱員。

\*\* 其他參與人指本行兩位於2013年終止為本行僱員的前僱員。在其終止為本行僱員前已獲授予該等認股權。

附註：

a 於2011年至2015年授予的認股權詳情：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
05/5/2011	T1	05/5/2011-04/5/2012	05/5/2012-05/5/2017	32.00
05/5/2011	T2	05/5/2011-04/5/2013	05/5/2013-05/5/2018	32.00
05/5/2011	T3	05/5/2011-04/5/2014	05/5/2014-05/5/2019	32.00
10/5/2012	T1	10/5/2012-09/5/2013	10/5/2013-10/5/2018	28.99
10/5/2012	T2	10/5/2012-09/5/2014	10/5/2014-10/5/2019	28.99
10/5/2012	T3	10/5/2012-09/5/2015	10/5/2015-10/5/2020	28.99
03/5/2013	T1	03/5/2013-02/5/2014	03/5/2014-03/5/2019	31.40
03/5/2013	T2	03/5/2013-02/5/2015	03/5/2015-03/5/2020	31.40
03/5/2013	T3	03/5/2013-02/5/2016	03/5/2016-03/5/2021	31.40
02/5/2014	T1	02/5/2014-01/5/2015	02/5/2015-02/5/2020	32.50
02/5/2014	T2	02/5/2014-01/5/2016	02/5/2016-02/5/2021	32.50
02/5/2014	T3	02/5/2014-01/5/2017	02/5/2017-02/5/2022	32.50
04/5/2015	T1	04/5/2015-03/5/2016	04/5/2016-04/5/2021	34.15
04/5/2015	T2	04/5/2015-03/5/2017	04/5/2017-04/5/2022	34.15
04/5/2015	T3	04/5/2015-03/5/2018	04/5/2018-04/5/2023	34.15

b 於2016年授予的認股權：

(i) 詳情：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
08/4/2016	T1	08/4/2016-07/4/2017	08/4/2017-08/4/2022	28.45
08/4/2016	T2	08/4/2016-07/4/2018	08/4/2018-08/4/2023	28.45
08/4/2016	T3	08/4/2016-07/4/2019	08/4/2019-08/4/2024	28.45

(ii) 本行股份在2016年4月7日(即2016年4月8日授出認股權當日之前一個營業日)的收市價為港幣28.05元。



(iii) 截至2016年6月30日止6個月內授出認股權的公平價值及假設如下：

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計量。認股權的合約年期為該定價模式的參數。

	<u>30/6/2016</u>
於計量日的公平價值	
— 部分1	港幣7.74元
— 部分2	港幣8.04元
— 部分3	港幣8.23元
股價	港幣28.00元
行使價	港幣28.45元
預計波幅(以三項式期權定價模式內採用的加權平均波幅)	38.48%
認股權年期	
— 部分1	6年
— 部分2	7年
— 部分3	8年
預計股息	4.54%-4.80%
無風險利率(根據外匯基金票據)	0.85%

預計波幅是根據過往之波幅(以認股權的加權剩餘年期計算)，再調整因公眾知悉的資訊影響未來波幅的預計變動。預計股息按過往的股息。主觀輸入假設的變動可能重大影響公平價值的估計。

認股權的授予須符合服務條件。該服務條件並未納入計算於授予日獲得服務的公平價值。授予認股權與市場情況並無關係。

(2) 截至2016年6月30日止6個月內並無認股權被行使。

(3) 截至2016年6月30日止6個月內並無認股權被註銷。

(4) 有關認股權的會計政策：

認股權的行使價為以下之較高者：

(a) 於授出認股權當日本行股份在聯交所日報表的收市價；及

(b) 相等於緊接授出有關認股權當日之前5個營業日，本行股份在聯交所日報表的平均收市價。

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

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

屬股東權益金額確認為在資本儲備內，直至當認股權被行使及分配新股時(轉入股本)，或當認股權之有效期屆滿時(轉入留存溢利)。

除上述所披露外，於2016年6月30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。

### 主要股東及其他人士的權益

於2016年6月30日，根據《證券及期貨條例》第336條須予備存的登記冊(「登記冊」)所記錄，主要股東及其他人士擁有本行的股份及相關股份的權益如下：

本行普通股股份權益的好倉：

姓名	身分及性質	股份數目	佔已發行 有投票權股份 的百分率
三井住友銀行	實益擁有人	510,003,673 <sup>1</sup>	19.01
三井住友金融集團	法團的權益	510,003,673 <sup>1</sup>	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	實益擁有人	464,287,319 <sup>2</sup>	17.30
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	法團的權益	464,287,319 <sup>2</sup>	17.30
國浩管理有限公司	實益擁有人	369,755,978 <sup>3,4</sup>	14.15 <sup>5</sup>
國浩集團有限公司	法團的權益	369,755,978 <sup>3</sup>	14.15
GuoLine Overseas Limited	法團的權益	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
GuoLine Capital Assets Limited	法團的權益	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
Hong Leong Company (Malaysia) Berhad	法團的權益	369,755,978 <sup>3,4</sup>	14.15
HL Holdings Sdn Bhd	法團的權益	369,755,978 <sup>3</sup>	14.15
郭令燦	法團的權益	369,755,978 <sup>3</sup>	14.15
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	369,755,978 <sup>4</sup>	14.15
Davos Investment Holdings Private Limited	法團的權益	369,755,978 <sup>4</sup>	14.15
KWEK Leng Kee	法團的權益	369,755,978 <sup>4</sup>	14.15
Elliott Capital Advisors, L.P.	法團的權益	184,876,693 <sup>6</sup>	7.00

附註：

1 三井住友金融集團全資擁有三井住友銀行。三井住友金融集團因此而被視為擁有三井住友銀行所持有的510,003,673股本行股份的權益。

2 於2016年6月30日，Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"("la Caixa")全資擁有Criteria Caixa, S.A., Sociedad Unipersonal("Criteria Caixa")。la Caixa因此而被視為擁有Criteria Caixa所持有的464,287,319股本行股份的權益。

3 附註3及4所指之369,755,978股本行股份為同一批股份。國浩管理有限公司為369,755,978股(相等於本行於2016年6月30日已發行股份約13.78%)之實益擁有人。由於Hong Leong Company (Malaysia) Berhad全資擁有GuoLine Capital Assets Limited、GuoLine Capital Assets Limited全資擁有GuoLine Overseas Limited、GuoLine Overseas Limited持有國浩集團有限公司的71.88%權益及國浩集團有限公司全資擁有國浩管理有限公司，Hong Leong Company (Malaysia) Berhad因此而被視為擁有國浩管理有限公司所持有的369,755,978股的權益。GuoLine Capital Assets Limited、GuoLine Overseas Limited和國浩集團有限公司均被視為擁有國浩管理有限公司所持有的369,755,978股的權益。

郭令燦擁有HL Holdings Sdn Bhd("HLH")的全部權益，而郭令燦分別以其個人名義及透過其全資擁有的HLH持有Hong Leong Company (Malaysia) Berhad的2.424%及46.534%權益，以及透過Newton (L) Limited持有0.311%(合共49.27%權益)，因此郭令燦被視為擁有國浩管理有限公司持有的369,755,978股股份的權益。

4 附註3及4所指之369,755,978股本行股份為同一批股份。Davos Investment Holdings Private Limited持有Hong Leong Investment Holdings Pte. Ltd.的33.59%權益，Hong Leong Investment Holdings Pte. Ltd.則持有Hong Leong Company (Malaysia) Berhad的34.69%權益。Davos Investment Holdings Private Limited和Hong Leong Investment Holdings Pte. Ltd.因持有Hong Leong Company (Malaysia) Berhad的權益而被視為擁有國浩集團有限公司所持有的369,755,978股(相等於本行於2016年6月30日已發行股份約13.78%)的權益。

KWEK Leng Kee因持有Davos Investment Holdings Private Limited的41.92%權益而被視為擁有國浩集團有限公司所持有之369,755,978股的權益。

5 GuoLine Overseas Limited及GuoLine Capital Assets Limited為Hong Leong Company (Malaysia) Berhad的全資附屬公司；而國浩管理有限公司則為國浩集團有限公司的全資附屬公司。由於Hong Leong Company (Malaysia) Berhad及國浩集團有限公司已將大股東權益的通知存檔，GuoLine Overseas Limited、GuoLine Capital Assets Limited及國浩集團有限公司根據《證券及期貨條例》中「全資集團豁免條文」毋須將其大股東權益通知存檔。

6 Elliott Capital Advisors, L.P.("ECALP")被視為擁有該批股份，其中包括Elliott International L.P.("EILP")持有的122,018,020股、The Liverpool Limited Partnership("Liverpool LP")持有的62,857,673股、Artan Investments Ltd持有的200股、Frasco Investments Ltd持有的200股、Milton Investments Ltd持有的200股、Parlan Investments Ltd持有的200股及Trevet Investments Ltd持有的200股。

Liverpool Associates, Ltd全資擁有Liverpool LP；Elliott Associates, L.P.全資擁有Liverpool Associates, Ltd、Artan Investments Ltd及Frasco Investments Ltd；而EILP則全資擁有Milton Investments Ltd、Parlan Investments Ltd及Trevet Investments Ltd。Hambledon, Inc.則全資擁有EILP。

ECALP全資擁有Elliott Associates, L.P.及Hambledon, Inc.。而ECALP則慣於按照Paul Singer的指令行事。

本行已收到通知上述股東的持股量已增加至187,935,493股(相等於本行於2016年6月30日已發行股份約7.00%)。其中包括Elliott International L.P.("EILP")持有的167,898,893股、The Liverpool Limited Partnership("Liverpool LP")持有的20,035,600股、Artan Investments Ltd持有的200股、Frasco Investments Ltd持有的200股、Milton Investments Ltd持有的200股、Parlan Investments Ltd持有的200股及Trevet Investments Ltd持有的200股。根據《證券及期貨條例》第XV部，彼等增持有關股份無須作出披露。

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。

## 購入、出售或贖回本行的上市證券

本行於2016年3月7日(票據到期日)贖回面值1億瑞士法郎，孳息率為0.78%的高級票據(「2016瑞士法郎高級票據」)。2016瑞士法郎高級票據在2014年根據本行的中期票據計劃發行並於新加坡交易所上市。

本行於2016年3月16日(票據到期日)贖回面值1,500萬美元，孳息率為1.20%的高級票據(「2016美元高級票據」)。2016美元高級票據在2015年根據本行的中期票據計劃發行並於新加坡交易所上市。

截至2016年6月30日止6個月的期間內，本行在新加坡交易所購回本金總額為600萬美元的未償還混合一級證券(包括由本行發行於2059年到期的500,000,000美元步升後償票據及由本行的全資附屬公司Innovate Holdings Limited發行的500,000,000美元無面值享有清算優先權金額1,000美元的永久非累積步升優先股)(「混合一級證券」)。本行購回該等混合一級證券所支付的價格總額為6,772,500美元。本行購回的所有混合一級證券已被註銷。所有獲本行購回的混合一級證券被註銷後，仍未償還的混合一級證券本金總額為318,345,000美元。混合一級證券在新加坡交易所上市。

除上述所披露獲本行贖回2016瑞士法郎高級票據及2016美元高級票據，以及註銷獲本行購回的該等混合一級證券外，截至2016年6月30日止6個月內，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。

## 遵守企業管治守則

東亞銀行有限公司及其附屬公司致力維持良好的企業管治標準，並認為此承諾對於平衡股東、客戶及員工的利益，以及保持問責及透明度，至為重要。

本行定期檢討並修訂企業管治架構的管治原則及實務，以確保符合相關規定及現行的企業管治實務。

除以下所述偏離守則條文A.2.1的行為外，本行在截至2016年6月30日止6個月期間內，已遵守《企業管治守則》的全部守則條文。本行亦已遵循CG-1及CG-5內各項要求。

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

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

李國寶爵士為本行的主席兼行政總裁。董事會認為此架構不會影響董事會與管理層兩者之間的權力和職權的平衡。主席及行政總裁之間的職責已清楚區分並以書面列載。本行董事會由極具經驗和才幹的成員組成並定期開會，以商討影響本行運作的事項。透過董事會的運作，足以確保權力和職權得到平衡。董事會的組合具有強大的獨立元素，於2016股東周年常會結束後，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。

本行已接獲所有董事(包括在2016年6月30日止6個月期間內獲委任、辭任或退任的董事)確認他們已付出足夠時間履行其身為本行董事責任，並付出足夠時間及精神以處理本行事務；亦確認不時參與持續專業發展，以發展並更新其知識及技能以履行彼等作為本行董事的職務及責任。

本行審核委員會已審閱本行截至2016年6月30日止之半年業績及2016年中期報告。

## 遵守標準守則

本行已採納自行制定的一套與《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」)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」)。

本行亦已採納一套**內幕交易政策－集團人士**以供本行僱員，或本行附屬公司的董事或僱員，遵照規定買賣本行證券。

經本行作出特定查詢後，所有董事(包括在2016年6月30日止6個月期間內獲委任、辭任或退任的董事)已確認在2016年6月30日止6個月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。

## 刊發中期報告

2016年中期報告備有中文及英文印刷本，以及載於本行網站(www.hkbea.com)及香港交易及結算有限公司之網站(www.hkexnews.hk)的網上電子版本。為減少企業通訊印刷本的數量從而減低對環境的影響，本行鼓勵各股東閱覽網上電子版本。無論股東之前曾否就收取企業通訊之方式(即收取印刷本或透過本行網站閱覽電子版本)作出任何選擇並將有關選擇通知本行，股東可隨時向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183號合和中心22樓，或以傳真(852) 2861 1465或電郵BEA0023-ecom@hk.tricorglobal.com發出合理的書面通知，以更改其選擇，費用全免。該通知應註明閣下更改選擇之要求，全名及聯絡電話。

承董事會命  
主席兼行政總裁  
**李國寶**  
謹啟

香港，2016年8月19日

於本報告日期，本行董事會成員為李國寶爵士#(主席兼行政總裁)、李國章教授\*(副主席)、黃子欣博士\*\* (副主席)、李國星先生\*、羅友禮先生\*\*、李澤楷先生\*\*、駱錦明先生\*\*、李國仕先生\*、杜惠愷先生\*\*、郭孔演先生\*\*、張建標先生\*\*、范禮賢博士\*、李家傑博士\*、李民橋先生#(副行政總裁)、李民斌先生#(副行政總裁)、黃永光博士\*\*、奧正之先生\*及范徐麗泰博士\*\*。

# 執行董事  
\* 非執行董事  
\*\* 獨立非執行董事

## GLOSSARY 詞彙

2016 AGM 「2016股東周年常會」	an AGM of the Bank held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Hong Kong on Friday, 8th April, 2016 at 11:30 a.m. or any adjournment thereof 本行於2016年4月8日星期五上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會，或其任何續會
AC 「審核委員會」	the Audit Committee of the Bank 本行的審核委員會
AGM 「股東周年常會」	an Annual General Meeting of the Bank 本行的股東周年常會
ATM 「自動櫃員機」	Automated Teller Machine 自動櫃員機
AUM 「管理資產」	Assets under management 管理資產
Bank Group or BEA Group or Group 「集團」或「本集團」	The Bank and its subsidiaries 東亞銀行及其附屬公司
Bank or BEA 「本行」或「東亞銀行」	The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong 東亞銀行有限公司，於香港註冊成立的有限公司
Banking Ordinance 《銀行業條例》	Banking Ordinance (Chapter 155 of the Laws of Hong Kong) 《銀行業條例》(香港法例第155章)
BEA China 「東亞中國」	The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank 東亞銀行(中國)有限公司，本行的全資附屬公司
BEA Macau or Macau Branch 「澳門分行」	the Bank's branch operations in Macau 本行的澳門分行
BEA Taiwan 「台灣分行」	the Bank's branch operations in Taiwan 本行的台灣分行
BEA Trustees 「東亞信託」	Bank of East Asia (Trustees) Limited, a wholly-owned subsidiary of the Bank 東亞銀行(信託)有限公司，本行的全資附屬公司
BEA Union Investment 「東亞聯豐投資」	BEA Union Investment Management Limited, a non-wholly-owned subsidiary of the Bank 東亞聯豐投資管理有限公司，本行的非全資附屬公司
BEAWMS 「東亞證券(台灣)」	BEA Wealth Management Services (Taiwan) Limited 東亞證券股份有限公司
Blue Cross 「藍十字」	Blue Cross (Asia-Pacific) Insurance Limited, a wholly-owned subsidiary of the Bank 藍十字(亞太)保險有限公司，本行的全資附屬公司
Board 「董事會」	Board of Directors of the Bank 本行的董事會
Capital Rules 「《資本規則》」	Banking (Capital) Rules issued by the HKMA 金管局頒布的《銀行業(資本規則)》
CG Code 「《企業管治守則》」	Corporate Governance Code and Corporate Governance Report, Appendix 14 of the Listing Rules 《上市規則》附錄14內所載的《企業管治守則及企業管治報告》
CG-1 「CG-1」	Supervisory Policy Manual CG-1 on Corporate Governance of Locally Incorporated Authorized Institutions, issued by the HKMA 金管局頒布之監管政策手冊CG-1內有關《本地註冊認可機構的企業管治》
CG-5 「CG-5」	Supervisory Policy Manual CG-5 on Guideline on a Sound Remuneration System, issued by the HKMA 金管局頒布之監管政策手冊CG-5內有關《穩健的薪酬制度指引》
CHF 「瑞士法郎」	Swiss franc, the lawful currency of Switzerland 瑞士法定貨幣
China, Mainland, Mainland China, or PRC 「中國」或「內地」	People's Republic of China 中華人民共和國

CNY or RMB 「人民幣」	Chinese yuan or Renminbi, the lawful currency of the PRC 中國法定貨幣
Companies Ordinance 「《公司條例》」	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 《公司條例》(香港法例第622章)
Credit Gain 「領達財務」	Credit Gain Finance Company Limited, a wholly-owned subsidiary of the Bank 領達財務有限公司，本行的全資附屬公司
CSR 「企業社會責任」	Corporate social responsibility 企業社會責任
Director(s) 「董事」	includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require 包括任何擔任本行董事職位的人士(無論該人是以何職稱擔任該職位)，或文義另有所指的人士
EAS 「東亞證券」	East Asia Securities Company Limited, a wholly-owned subsidiary of the Bank 東亞證券有限公司，本行的全資附屬公司
EUR 「歐羅」	Euro 歐羅
GBP 「英鎊」	Pound sterling, the lawful currency of the UK 英國法定貨幣
GDP 「本地生產總值」	Gross domestic product 本地生產總值
GRI 「全球報告倡議組織」	Global Reporting Initiative 全球報告倡議組織
HK\$ or HKD 「港幣」	Hong Kong dollar, the lawful currency of Hong Kong 香港法定貨幣
HKAS 「香港會計準則」	Hong Kong Accounting Standards 香港會計準則
HKEx 「香港交易所」	Hong Kong Exchanges and Clearing Limited 香港交易及結算所有限公司
HKFRS 「香港財務報告準則」	Hong Kong Financial Reporting Standards 香港財務報告準則
HKICPA 「香港會計師公會」	Hong Kong Institute of Certified Public Accountants 香港會計師公會
HKMA 「金管局」	Hong Kong Monetary Authority 香港金融管理局
HKRC 「香港紅十字會」	Hong Kong Red Cross 香港紅十字會
Hong Kong or HK 「香港」	Hong Kong Special Administrative Region of PRC 中華人民共和國香港特別行政區
HQLAs 「優質流動資產」	High quality liquid assets 優質流動資產
IACM 「澳門民政總署」	Civic and Municipal Affairs Bureau of Macau 澳門民政總署
JPY 「日圓」	Japanese yen, the lawful currency of Japan 日本法定貨幣
LCR 「流動性覆蓋比率」	Liquidity coverage ratio 流動性覆蓋比率
Listing Rules 「《上市規則》」	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, modified or otherwise supplemented from time to time) 聯交所《證券上市規則》，經不時修訂、修改或以其他方式補充
M&A 「併購」	Mergers and acquisitions 合併與收購

Mn 「百萬」	Million 百萬
MPF 「強積金」	Mandatory Provident Fund 強制性公積金
NC 「提名委員會」	the Nomination Committee of the Bank 本行的提名委員會
NPL 「不良貸款」	Non-performing loan 不良貸款
NWS Holdings 「新創建集團」	NWS Holdings Limited 新創建集團有限公司
OBS 「資產負債表外」	Off-balance sheet 資產負債表外
PHAB 「傷健」	Physically handicapped and able-bodied 傷殘與健全人士
RC 「薪酬委員會」	the Remuneration Committee of the Bank 本行的薪酬委員會
RIC 「風險委員會」	the Risk Committee of the Bank 本行的風險委員會
RQFII 「人民幣合格境外機構投資者」	Renminbi Qualified Foreign Institutional Investor 人民幣合格境外機構投資者
The Salvation Army 「救世軍」	The Salvation Army Hong Kong and Macau Command 救世軍港澳軍區
Senior Management 「高層管理人員」	the Deputy Chief Executives of the Bank 本行的副行政總裁
SFO 「《證券及期貨條例》」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 《證券及期貨條例》(香港法例第571章)
SGD 「新加坡元」	Singapore dollar, the lawful currency of Singapore 新加坡法定貨幣
SinoPac Securities 「永豐金證券」	SinoPac Securities Corporation 永豐金證券股份有限公司
SMEs 「中小企」	Small and medium-sized enterprises 中小型企業
SPSC 「永豐金證券(開曼)」	SinoPac Securities (Cayman) Holdings Limited 永豐金證券(開曼)控股有限公司
Stock Exchange 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Tricor or Tricor Holdings 「卓佳」或「卓佳集團」	Tricor Holdings Limited, a non-wholly-owned subsidiary of the Bank 卓佳集團有限公司，本行的非全資附屬公司
Tung Shing 「東盛」	Tung Shing Holdings Company Limited 東盛控股有限公司
TWD 「新台幣」	Taiwan dollar, the lawful currency of Taiwan 台灣法定貨幣
UK 「英國」	United Kingdom 英國
US 「美國」	United States of America 美利堅合眾國
US\$ or USD 「美元」	United States dollar, the lawful currency of the US 美國法定貨幣
VaR 「風險值」	value-at-risk 風險值
WWF 「世界自然基金會」	World Wide Fund for Nature 世界自然基金會



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