




(Stock Code 股份代號：23)

Annual Report **2010** 年報

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## CORPORATE PROFILE

### 本行簡介

## Our Mission 使命宣言

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

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

Incorporated in 1918, The Bank of East Asia ("BEA") is dedicated to helping its customers grow and prosper through the provision of quality banking and financial services. BEA is Hong Kong's largest independent local bank, with 87 branches, 57 SupremeGold Centres, and 3 i-Financial Centres throughout the city.

Total consolidated assets amounted to HK\$534.2 billion (US\$68.7 billion) as of 31st December, 2010. Listed on The Stock Exchange of Hong Kong, the Bank is one of the constituent stocks of the Hang Seng Index.

With more than 90 outlets on the Mainland, BEA and its wholly-owned subsidiary – The Bank of East Asia (China) Limited operate one of the most extensive networks of any foreign bank in China. Overseas, the Bank maintains an active presence in North America, the United Kingdom, and Southeast Asia, with more than 200 outlets and over 11,000 employees worldwide.

BEA delivers comprehensive commercial and retail banking, financial, and insurance services through its Corporate Banking, Personal Banking, Wealth Management, Insurance & Retirement Benefits, Treasury Markets, China, and International divisions. Products and services include syndication loans, trade finance, deposit-taking, foreign currency savings, remittances, mortgage loans, consumer loans, credit cards, Cyberbanking, retail investment and wealth management services, foreign exchange margin trading, Mandatory Provident Fund services, and general and life insurance.

The BEA Group's subsidiaries further enhance BEA's total offering, ensuring the delivery of customised, total solutions that meet the increasingly diverse and sophisticated needs of a burgeoning customer base. BEA's wholly-owned subsidiaries, BEA Life Limited and Blue Cross (Asia-Pacific) Insurance Limited, serve as the Bank's life insurance and general insurance arms respectively and provide a comprehensive range of insurance solutions for individual and corporate customers. A leading professional provider of integrated business, corporate, and investor services in Asia, Tricor Group helps clients build their businesses by offering outsourced expertise in business support functions.

Going forward, BEA will continue to strengthen its customer relationships and explore new business opportunities in Hong Kong, Mainland China, and around the world.

東亞銀行成立於1918年，一直竭誠為客戶提供優質的銀行和金融服務，全力支持客戶發展。本行現為香港最大的獨立本地銀行，目前在港設有87間分行、57間顯卓理財中心和3間i-理財中心。

於2010年12月31日，本行的綜合資產總額達港幣5,342億元（687億美元）。本行於香港聯合交易所上市，為恒生指數成份股之一。

本行連同其設於內地的全資附屬公司——東亞銀行（中國）有限公司，在內地共設有逾90個網點，為內地網絡最龐大的外資銀行之一。而在世界各地，本行共設有逾200個網點，遍布北美、英國和東南亞等地，同時聘用超過11,000名員工。

本行透過企業銀行、個人銀行、財富管理、保險及退休福利、資金市場、中國業務總部、國際業務等各分處，為客戶提供各類商業和零售銀行、金融和保險服務。產品和服務非常多元化，包括：銀團貸款、貿易融資、存款、外幣儲蓄、匯款、按揭貸款、私人貸款、信用卡、電子網絡銀行服務、零售投資和財富管理、外匯孖展交易、強制性公積金服務，以及一般保險和人壽保險等。

此外，本行也透過集團附屬公司進一步完善業務範圍，提供全面而適切的方案，配合日益壯大的客戶群之需要。東亞人壽保險有限公司及藍十字（亞太）保險有限公司為集團拓展保險業務，分別承保人壽保險和一般保險產品，讓個人和企業客戶享有周全的保障；而卓佳集團則在亞洲的商務、企業和投資者服務業界中居領導地位，以其外判支援服務，全力協助客戶開拓商機。

展望未來，本行將會繼續加強與香港、內地和海外客戶的聯繫，滿足客戶的需要，並致力拓展全新業務機遇。

# FINANCIAL HIGHLIGHTS

## 財務摘要

	2010 HK\$ Million 港幣百萬元	2009 HK\$ Million 港幣百萬元	Change 變動 % 百分率
<b>Profitability 盈利能力</b>			
Total operating income 經營收入總額	11,126	10,188	+9.2
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	4,224	2,604 *	+62.2
<b>Balance Sheet Strength 資產負債狀況</b>			
Advances to customers 客戶貸款	297,044	247,654	+19.9
Total consolidated assets 綜合資產總額	534,193	434,082	+23.1
Total deposits 存款總額	425,419	345,340	+23.2
Total equity 股東權益總額	48,643	39,735 *	+22.4
<b>Earnings Per Share and Dividends Per Share 每股盈利及每股股息</b>			
Basic earnings 基本盈利	HK\$1.92	HK\$1.39 *	+38.1
Dividends 股息	HK\$0.94	HK\$0.76	+23.7
<b>Key Ratios 主要比率</b>			
Loan to deposit ratio 貸款對存款比率	69.8%	71.7%	
Impaired loan ratio 減值貸款比率	0.5%	1.0%	
Average liquidity ratio 平均流動資金比率	44.9%	43.3%	
Capital adequacy ratio 資本充足比率	13.2%	13.3%	

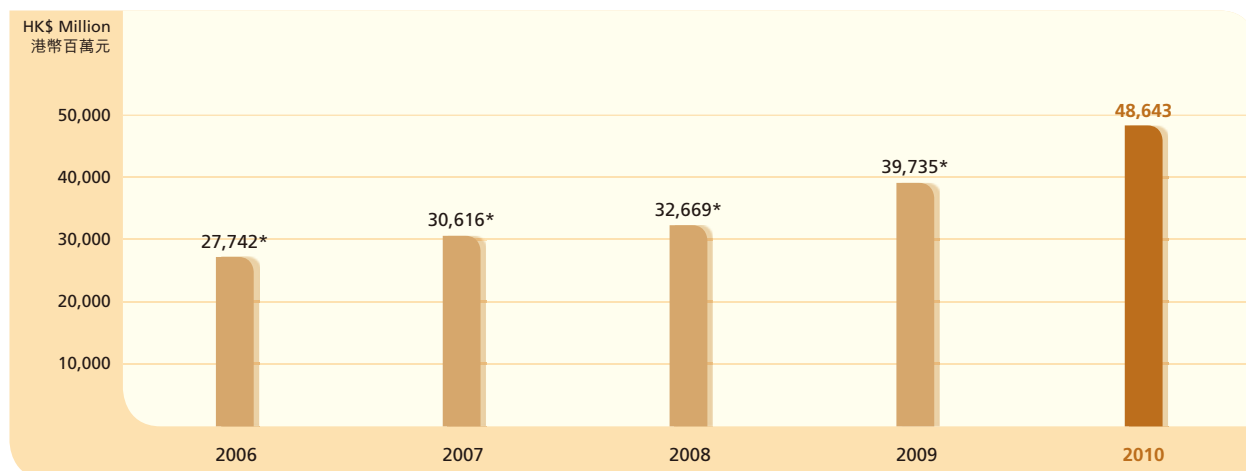
\* Restated due to changes in accounting policies.

\* 因會計政策變更而重報。

# FIVE-YEAR FINANCIAL SUMMARY

## 5 年財務概要

### TOTAL EQUITY 股東權益總額



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

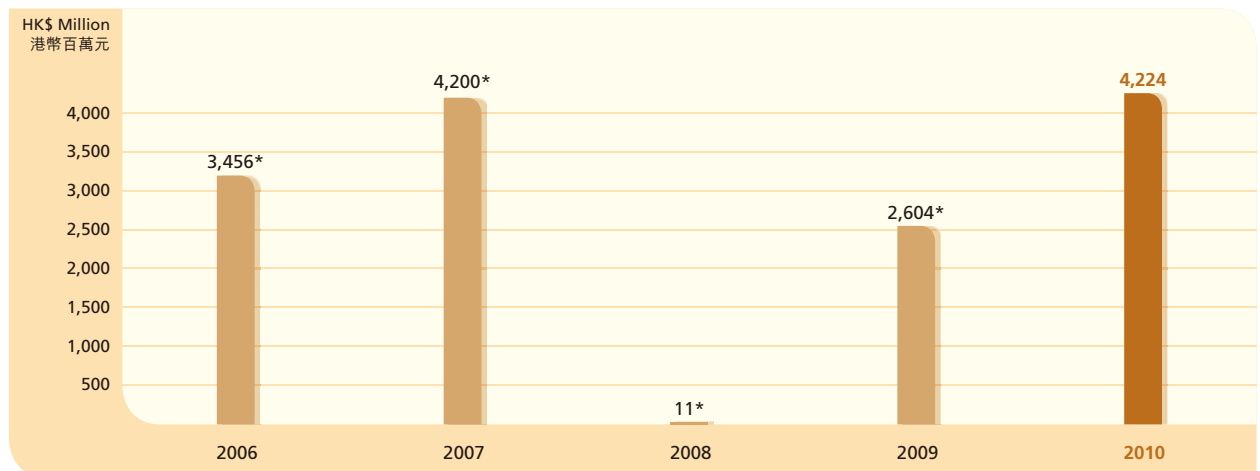


## FIVE-YEAR FINANCIAL SUMMARY (CONTINUED)

## 5年財務概要(續)

## PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

可歸屬於本集團股東溢利



## FIVE-YEAR COMPARISON 5年比較

	2006 HK\$ Million 港幣百萬元	2007 HK\$ Million 港幣百萬元	2008 HK\$ Million 港幣百萬元	2009 HK\$ Million 港幣百萬元	2010 HK\$ Million 港幣百萬元
Total equity 股東權益總額	27,742*	30,616*	32,669*	39,735*	48,643
Customer deposits 客戶存款	209,524	284,186	323,802	342,528	419,833
Certificate of deposit issued 已發行存款證	6,999	12,165	5,491	2,812	5,586
Advances to customers 客戶貸款	166,178	218,184	230,339	247,654	297,044
Total consolidated assets 綜合資產總額	294,202	393,979	415,368*	434,082	534,193
Loan to deposit ratio 貸款對存款比率	77%	74%	70%	72%	70%
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	3,456*	4,200*	11*	2,604*	4,224
Earnings per share* 每股盈利*	HK\$2.05*	HK\$2.44*	HK\$0.01*	HK\$1.39*	HK\$1.92
Dividends per share* 每股股息*	HK\$1.33	HK\$1.51	HK\$0.23	HK\$0.76	HK\$0.94

\* Restated due to changes in accounting policies.

\* 因會計政策變更而重報。

## CHAIRMAN'S STATEMENT

I am very pleased to report that The Bank of East Asia Group ("BEA Group") delivered a record-setting performance in 2010. The Bank earned a record profit after tax of HK\$4,303 million, HK\$1,626 million, or 60.8%, higher than the HK\$2,677 million earned in 2009. Basic earnings per share reached HK\$1.92. Return on average assets and return on average equity were 0.9% and 10.1%, respectively.

The Directors have proposed a final dividend of HK\$0.56 per share. Together with the interim dividend of HK\$0.38 per share paid in September 2010, the proposed dividend for the full year is HK\$0.94 per share. This is 23.7% more than the total dividend of HK\$0.76 per share for the year 2009.

The new profit record demonstrates the strength of the BEA Group's recovery following the financial crisis and marks a return to the record-setting pace that we delivered prior to 2008. The Bank also achieved new heights in total assets, total loans outstanding and total deposits.

Our record-setting performance has been built on our success in combining the twin strengths of our established Hong Kong base and our growing Mainland franchise. The Bank of East Asia (China) Limited, ("BEA China"), our wholly-owned subsidiary bank on the Mainland, is now a major source of business referrals for the rest of the Group, especially in the area of corporate lending, trade finance and wealth management. Ever-closer economic integration between Hong Kong and the Mainland will continue to be a source of new business opportunities for the BEA Group, as we are well-positioned to capture the growing demand from Mainland Chinese clients.

Both our lending and fee-based businesses registered strong growth in 2010. Net interest income rose by 11.8% to HK\$7,543 million, while net fee and commission income rose by 30.1% to HK\$2,942 million. Our Hong Kong lending business was particularly strong, with loans and advances increasing by 32.7% year on year. Good performance was recorded across the board, from personal finance to small and medium enterprise lending to corporate and syndicated loans. The rise in net fee and commission income was mainly due to increases in trade finance business, sale of treasury products and securities and brokerage turnover.

We held net interest margin stable – despite record-low market interest rates – by carefully managing our loan and debt portfolios to produce higher yields. Impaired loan ratio fell to 0.5% for the Group, as global economies stabilised and the prudent measures we employed to safeguard against bad and doubtful loans bore fruit.



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

*Chairman & Chief Executive*

主席兼行政總裁

李國寶爵士

# 主席報告書

本人十分榮幸宣布，東亞銀行集團（「本集團」）在2010年度的業績非常亮麗，創下歷史新高。年內，本行錄得除稅後溢利港幣43億300萬元，比較2009年度溢利港幣26億7,700萬元，增加港幣16億2,600萬元，或60.8%。每股基本盈利上升至港幣1.92元；平均資產回報率為0.9%，而平均股本回報率則為10.1%。

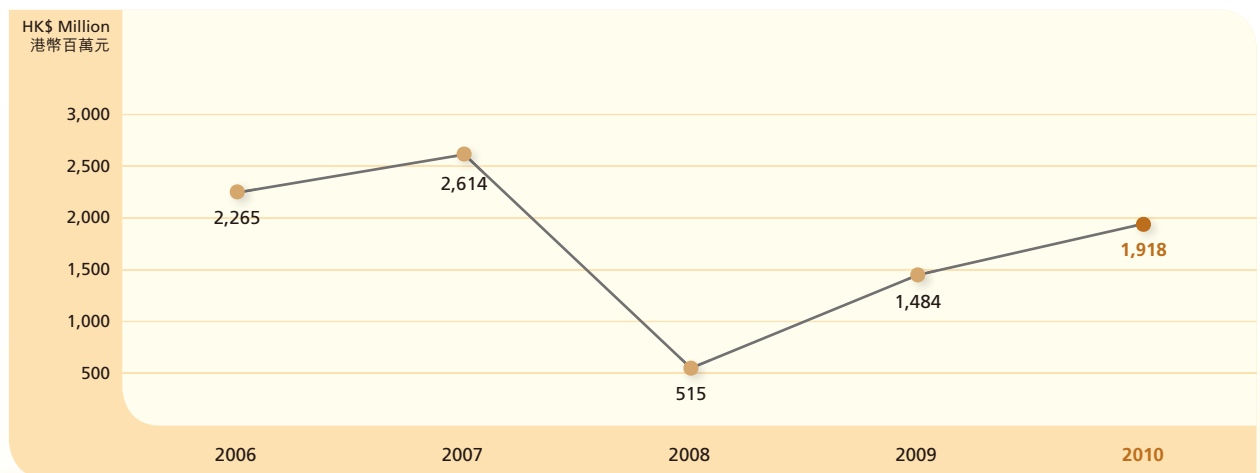
董事會建議派發末期股息每股港幣0.56元。連同2010年9月派發的中期股息每股港幣0.38元，全年擬派發股息合共每股港幣0.94元，相較2009年全年派發股息每股港幣0.76元，增加23.7%。

本集團的溢利創出新高，反映自金融危機後，集團已重返2008年以前業績屢試新高的軌道，足證本行優勢盡復。除溢利以外，本行的資產總額、貸款總額，以及存款總額均同時達至新的高峰。

本集團創下有紀錄以來的佳績，是因為我們成功掌握及結合了兩個獨有優勢：在香港的深厚根基，以及在內地不斷壯大的品牌地位。我們在內地所設的全資附屬銀行——東亞銀行（中國）有限公司（「東亞中國」）為整個集團內其他業務部門轉介新的業務機會，特別是企業借貸、貿易融資及財富管理業務。香港和內地更緊密的經濟融合，將繼續為本集團帶來更多的業務機遇。我們已經做好充足的準備和周詳的部署，以迎合內地客戶日益增多之需求。

2010年，本行的貸款及服務收費業務同時錄得強勁增長。淨利息收入增加11.8%至港幣75億4,300萬元；服務費及佣金收入淨額則增加30.1%至港幣29億4,200萬元。香港的貸款業務表現尤其強勁，貸款及墊款總額按年上升32.7%。整體貸款業務，包括私人貸款、中小企業貸款以至企業和銀團貸款等，均表現理想；而服務費及佣金收入淨額的增長，則主要是由於貿易融資業務、財資產品銷售，以及證券及經紀交易業務等收入所帶動。

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





## CHAIRMAN'S STATEMENT (CONTINUED)

During the past year, BEA China focused on attracting stable and low-cost deposits while steadily expanding its loan book in order to build a sustainable business for the long term. Total advances to customers and deposits increased by 10.9% and 40.4% respectively, year on year, resulting in a loan-to-deposit ratio of 77.9% as of the end of 2010. We are confident that we will achieve a loan to deposit ratio of below 75% by the end of 2011, the deadline set by the China Banking Regulatory Commission.

We continued to expand our Mainland network aggressively in 2010. BEA China opened two full branches, in Suzhou and Zhengzhou, and 16 sub-branches. In December, the parent bank, the Bank of East Asia ("BEA"), inaugurated the BEA Group's first rural bank, in Fuping County, Weinan City, Shaanxi Province. At the end of 2010, the Group operated a total of 94 outlets in 28 cities on the Mainland, one of the largest Mainland franchises held by any foreign bank.

Following the completion of our disposal of a 70% interest in The Bank of East Asia (Canada) in January 2010, on 23rd January, 2011, we further announced that we had entered into a share sale and purchase agreement with Industrial and Commercial Bank of China ("ICBC") regarding our wholly owned subsidiary in the United States, The Bank of East Asia (U.S.A.) N.A. ("BEA USA"). Under the latest agreement, BEA will sell an 80% stake in BEA USA to ICBC, conditional upon obtaining approval from the relevant regulatory authorities.

We believe that the above transactions are consistent with our strategy to concentrate our resources on developing our Greater China business, where we see the most potential. By retaining our two federal branches in New York and Los Angeles, as well as our minority interests in Industrial and Commercial Bank of China (Canada) and BEA USA, we will continue to participate in the wholesale market in the United States and benefit from the upside from our minority investments.

The solid performance of the Hong Kong and Mainland economies in 2010 has once again highlighted the value inherent in the Bank's long-term commitment to these markets. With the further liberalisation of the Renminbi and the growing diversity of Renminbi related products and services, the BEA Group is in a unique position to serve the growing needs of our customers through our extensive network and experience in Hong Kong and on the Mainland. We will continue to develop our unique advantage in this area in 2011 and beyond, and look forward to improving our services year after year.

I take the pleasure in thanking my Board of Directors at BEA and the directors of our subsidiaries and associated companies for their strong governance and invaluable advice during the past year, and for their guidance in establishing our strategic direction. I would also like to thank the management team and staff at BEA for their hard work, dedication and proficiency, as any success we achieve comes as a result of their ability and their effort. Lastly, I would like to thank our shareholders and customers for their long-standing loyalty and support.

Dr. William Mong Man-wai, a Director of this Bank since 1995, passed away on 21st July, 2010. The late Dr. Mong served the Board with distinction for more than 15 years, and the Directors, Management and staff of BEA are deeply saddened at his passing. He had been a great asset to the Board and to the Bank Group, and his wise counsel, guidance and valuable contributions will be sorely missed.

### **David LI Kwok-po**

*Chairman & Chief Executive*

Hong Kong, 15th February, 2011

儘管市場利率屢創新低，但由於集團審慎管理其貸款和所持債券的組合，以確保帶來較高的回報，因此我們仍能將淨息差維持於穩定的水平。隨著全球經濟回穩，加上集團就呆壞賬貸款採取謹慎措施且成效顯著，集團於2010年年底的減值貸款比率已下降至0.5%。

2010年內，東亞中國積極吸收穩定而成本較低的存款，同時穩步拓展貸款業務，為長遠發展建立更穩固的業務根基。客戶貸款及存款總額，較2009年年底分別增長10.9%和40.4%，而貸存比率亦因此下降至2010年12月31日之77.9%水平。我們有信心符合中國銀行業監督管理委員會的監管要求，於2011年年底限期時將貸存比率維持在75%以下的水平。

在2010年，我們繼續大力拓展內地分行網絡。東亞中國分別在蘇州及鄭州設立分行，為客戶提供全面服務；另外也開設了16家支行。12月，其母行——東亞銀行在陝西省渭南市富平縣成立首家村鎮銀行。2010年年底，本集團在內地28個城市共設立94個網點，為內地外資法人銀行中擁有最強大網絡的銀行之一。

集團於2010年1月完成出售其持有的加拿大東亞銀行70%的權益。於2011年1月23日，我們進一步宣布與中國工商銀行（「工商銀行」）簽訂股份買賣協議，向工商銀行出售在美國的附屬銀行——美國東亞銀行之80%權益。有關之出售交易現正待監管當局審批。

我們相信上述兩項交易，與我們集中資源拓展大中華區業務的策略是一致的，而大中華市場的發展潛力亦最為龐大。透過保留東亞銀行早年於紐約和洛杉磯所設的兩家分行，以及維持我們於中國工商銀行（加拿大）和美國東亞銀行的少數股權，我們將會繼續參與在美國的批發銀行業務，並能夠從持有該兩項少數權益的投資中，因業務產生盈利而受益。

2010年，香港和內地經濟表現穩健，再次凸顯本行投資於這兩個市場的長遠承諾所隱含之價值。隨著人民幣業務進一步放寬，人民幣的相關產品及服務更趨多元化，東亞銀行集團絕對處於獨特而有利的位置，憑藉於香港和內地廣泛的分行網絡，以及多年來累積的營運經驗，必能更好地切合客戶日益增多的需求。展望2011年及往後，我們將會繼續發展此獨特的市場優勢，並期望為客戶提供更完善的服務。

對於東亞銀行董事會各成員、附屬公司和聯營公司各位董事，在過去一年戮力推行的強大管治，和他們提出的寶貴意見，以至在確立業務策略方向時所給予的種種指導，本人謹在此深表謝意。本人並答謝管理團隊及全體員工的辛勤不懈、熱誠投入和高效的工作，他們的能力和所作的努力，對我們取得成功至為重要。最後，本人對各位股東和客戶長期的信任與支持，謹致謝忱。

最後，自1995年起擔任本行董事的蒙民偉博士，不幸於2010年7月21日遽然離世。已故蒙博士為董事會服務逾15載，期間表現卓越，本人和東亞銀行全體董事、管理層和員工對他的離世深感哀痛。他是董事會及本集團的重要資產，對於他生前的精闢見解、無私指導和寶貴貢獻，我們將永遠深切懷念。

主席兼行政總裁

**李國寶**

香港，2011年2月15日

# REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT

## FINANCIAL REVIEW

### Financial Performance

For the year 2010, the Group achieved a record high profit after tax of HK\$4,303 million, representing an increase of HK\$1,626 million or 60.8%, compared to the HK\$2,677 million earned in 2009. Basic earnings per share were HK\$1.92. Return on average assets and return on average equity were 0.9% and 10.1%, respectively.

As a result of strong growth in the loan and debt portfolios in 2010, the Group's net interest income increased by HK\$796 million, or 11.8%, to HK\$7,543 million. Net fee and commission income increased by HK\$680 million, or 30.1%, to HK\$2,942 million, while total non-interest income increased by HK\$142 million, or 4.1%.

Operating expenses were 12.6% higher than the previous year, as the Group continued to invest in support of future growth. The cost-to-income ratio rose slightly to 62.0% in 2010.

Operating profit before impairment losses was HK\$4,222 million, an increase of HK\$163 million, or 4.0%, as compared with 2009.

The charge for impairment losses on loans and advances decreased by HK\$820 million, or 74.2%, to HK\$285 million, reflecting the improving credit quality amid the stronger economic environment, as well as the Bank's effort to manage credit risk. Total impairment losses decreased by HK\$835 million, or 73.1%.

Operating profit after impairment losses was HK\$3,916 million, an increase of 34.2%, or HK\$998 million.

In January 2010, BEA completed the disposal of a 70% interest in a banking subsidiary in Canada and recorded a net profit of HK\$230 million.

Net profit on disposal of available-for-sale financial assets increased to HK\$234 million. Valuation gain on investment properties amounted to HK\$426 million as a result of the buoyant property market. Due to the strong performance of associates, the Group shared after-tax profits from associates of HK\$341 million.

After accounting for income taxes, profit after taxation rose sharply to HK\$4,303 million, 60.8% higher than the HK\$2,677 million recorded the previous year. Profit attributable to owners of the parent rose to HK\$4,224 million, an increase of 62.2%.

### Financial Position

Total consolidated assets of the Group stood at HK\$534,193 million at the end of 2010, an increase of 23.1% over the HK\$434,082 million at the end of 2009. Gross advances to customers increased by 19.9% to HK\$297,044 million. Total equity increased to HK\$48,643 million, up 22.4%.

Total deposits grew by 23.2% to HK\$425,419 million, while total deposits from customers rose by 22.6% to HK\$419,833 million. Demand deposits and current account balances increased by HK\$13,319 million, or 28.7%, compared to the balance at year-end 2009. Savings deposits increased to HK\$82,366 million, an increase of 0.8%, while time deposits increased to HK\$277,768 million, an increase of 29.5% when compared with the previous year-end position.

After taking into account all certificates of deposit issued, the loan-to-deposit ratio was 69.8% at the end of December 2010, 1.9 percentage points lower than the 71.7% reported at the end of 2009.

During 2010, BEA issued HKD and USD fixed rate certificates of deposit with a face value of HK\$1,096 million and US\$94.4 million respectively; HKD and USD floating rate certificates of deposit with a face value of HK\$50 million and US\$60 million respectively; and HKD and USD zero coupon certificates of deposit with a face value of HK\$1,520 million and US\$32.25 million respectively. The Bank redeemed a quantity of certificates of deposit amounting to HK\$1,408 million equivalent upon maturity.

At the end of December 2010, the face value of the outstanding certificates of deposit issued was HK\$5,705 million, with a carrying amount equal to HK\$5,586 million.

# 行政總裁及高層管理人員報告書

## 財務回顧

### 財務表現

在2010年度，集團業績錄得歷史性新高，除稅後溢利港幣為43億300萬元，較2009年度溢利港幣26億7,700萬元，增加港幣16億2,600萬元，或60.8%。每股基本溢利為港幣1.92元。平均資產回報率為0.9%，而平均股本回報率則為10.1%。

由於2010年度的貸款和所持債券組合增長強勁，本集團的淨利息收入增加港幣7億9,600萬元，達港幣75億4,300萬元，上升11.8%。服務費及佣金收入淨額則增加港幣6億8,000萬元，至港幣29億4,200萬元，增幅為30.1%；而非利息收入總額上升港幣1億4,200萬元，或4.1%。

由於集團持續須為未來業務增長作出投資，經營支出因而較對上年度增加12.6%。2010年度的成本對收入比率輕微上升至62.0%。

年內，未扣除減值損失之經營溢利為港幣42億2,200萬元，比較2009年增加港幣1億6,300萬元，或4.0%。

至於貸款減值損失減少港幣8億2,000萬元，或74.2%，至港幣2億8,500萬元，這反映經濟環境持續強勁之下，信貸素質不斷改善，而本行在管理信貸風險方面也卓見成效。年內，減值損失總額減少港幣8億3,500萬元，或73.1%。

已扣除減值損失之經營溢利達港幣39億1,600萬元，增加34.2%，或港幣9億9,800萬元。

2010年1月，東亞銀行完成了出售其於加拿大的附屬銀行機構之70%權益，就此項交易錄得淨溢利港幣2億3,000萬元。

至於出售可供出售金融資產錄得的淨溢利，則增加至港幣2億3,400萬元。由於物業市場活躍，投資物業重估盈利達港幣4億2,600萬元；而受惠於聯營公司業績理想，集團應佔聯營公司之除稅後溢利為港幣3億4,100萬元。

經計入稅項後，本集團的除稅後溢利急升至港幣43億300萬元，相較上年度溢利港幣26億7,700萬元，增加60.8%；而可歸屬於集團股東溢利則為港幣42億2,400萬元，升幅為62.2%。

### 財務狀況

在2010年年底，本集團綜合資產總額為港幣5,341億9,300萬元，較2009年年底總額港幣4,340億8,200萬元，上升23.1%。客戶貸款總額上升19.9%，至港幣2,970億4,400萬元。股東權益總額上升22.4%，至港幣486億4,300萬元。

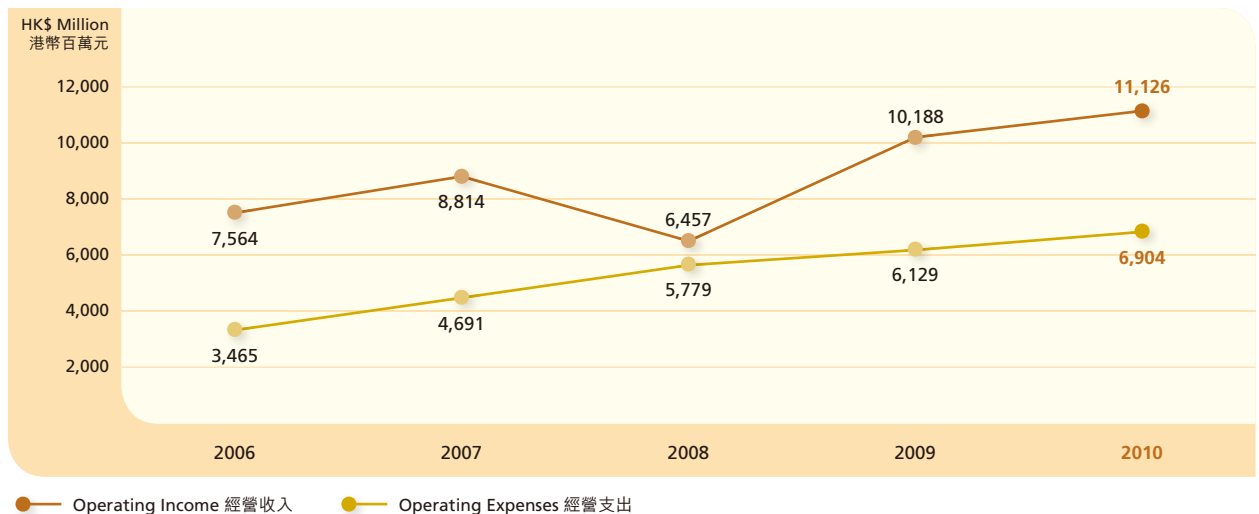
存款總額增加23.2%，達港幣4,254億1,900萬元，而客戶存款為港幣4,198億3,300萬元，升幅為22.6%。與2009年年底的結存數字比較，活期存款及往來存款賬戶結餘增加港幣133億1,900萬元，增幅為28.7%。比較上年度年底存款數字，本行的儲蓄賬戶存款上升0.8%至港幣823億6,600萬元；定期存款則上升29.5%，增至港幣2,777億6,800萬元。

在計及所有已發行的存款證後，本行於2010年年底的貸款對存款比率為69.8%，相較2009年年底的71.7%下降了1.9%。

在2010年度，東亞銀行發行了總面值分別為港幣10億9,600萬元和9,440萬美元的港元及美元定息存款證；總面值分別為港幣5,000萬元和6,000萬美元的港元及美元浮息存款證；以及總面值分別為港幣15億2,000萬元和3,225萬美元的港元和美元零息存款證。本行於到期日贖回的存款證達港幣14億800萬元。

於2010年年底，已發行存款證的總面值為港幣57億500萬元，賬面值達港幣55億8,600萬元。

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



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

**Maturity Profile of Certificates of Deposit Issued**

As at 31st December, 2010

*(All expressed in millions of dollars)*

	Currency	Total Face Value	Year of Maturity				
			2011	2012	2013	2014	2015
<b>Floating Rate Certificates of Deposit</b>							
Issued in 2009	HKD	150	150				
Issued in 2010	HKD	50	50				
Issued in 2008	USD	30	30				
Issued in 2010	USD	60		20	40		
<b>Fixed Rate Certificates of Deposit (Note)</b>							
Issued in 2010	HKD	1,096	130	535			431
Issued in 2008	USD	15	15				
Issued in 2010	USD	94	94				
<b>Zero Coupon Certificates of Deposit</b>							
Issued in 2010	HKD	1,520	1,520				
Issued in 2007	USD	140			40	50	50
Issued in 2010	USD	32	32				
<b>Total Certificates of Deposit issued in HKD equivalent</b>		5,705	3,184	690	622	389	820

Note:

*Associated interest rate swaps have been entered for long term Fixed Rate Certificates of Deposit*

During 2010, BEA issued USD loan capital with a face value of US\$600 million and redeemed a quantity of loan capital amounting to US\$550 million which was issued in 2005.

At the end of December 2010, the face value of the outstanding loan capital issued was HK\$12,937 million equivalent, with a carrying amount equal to HK\$12,693 million.

**Maturity Profile of Loan Capital**

As at 31st December, 2010

*(All expressed in millions of dollars)*

	Currency	Total Face Value	Year of Maturity		
			2017	2020	Perpetual
Issued in 2007	Note 1	GBP	300		300
Issued in 2007	Note 2	USD	600		
Issued in 2010		USD	600	600	
<b>Total Loan Capital issued in HKD equivalent</b>		12,937	4,664	4,664	3,609

Notes:

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

2. Callable on 22nd June, 2012

## 行政總裁及高層管理人員報告書（續）

已發行存款證的年期  
於2010年12月31日  
(以百萬元位列示)

	貨幣	總面值	到期年份					
			2011	2012	2013	2014	2015	
<b>浮息存款證</b>								
2009年發行	港元	150	150					
2010年發行	港元	50	50					
2008年發行	美元	30	30					
2010年發行	美元	60		20	40			
<b>定息存款證 (附註)</b>								
2010年發行	港元	1,096	130	535			431	
2008年發行	美元	15	15					
2010年發行	美元	94	94					
<b>零息存款證</b>								
2010年發行	港元	1,520	1,520					
2007年發行	美元	140			40	50	50	
2010年發行	美元	32	32					
<b>所有已發行存款證 (港元等值)</b>			5,705	3,184	690	622	389	820

附註：

長期定息存款證已進行相關之利率掉期

2010年內，東亞銀行發行了面值6億美元之美元借貸資本，並贖回於2005年所發行之借貸資本共5億5,000萬美元。

於2010年12月31日，已發行的借貸資本總面值為港幣129億3,700萬元，賬面值則為港幣126億9,300萬元。

借貸資本的年期  
於2010年12月31日  
(以百萬元位列示)

	貨幣	總面值	到期年份		
			2017	2020	無到期日
2007年發行	附註1	英鎊	300		300
2007年發行	附註2	美元	600	600	
2010年發行		美元	600	600	
<b>所有已發行借貸資本 (港元等值)</b>			12,937	4,664	3,609

附註：

1. 於2012年3月21日及其後各利息支付日期可贖回

2. 於2012年6月22日可贖回



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

### Risk Management

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

The risk management mechanisms are built around a centralised framework and incorporate Risk Management Committee, specialised risk management committees, namely: Credit Committee; Asset and Liability Management Committee; and Operational Risk Management Committee, and the Risk Management Division. These mechanisms capture the different risk-related management activities on a Group basis, including formulation of policies, risk assessment, setting up of procedures and control limits, ongoing monitoring for observance, etc., before the same are reported via the Risk Management Committee to the Board of Directors so as to ensure compliance with Bank policies, and legal and regulatory requirements in Hong Kong, China and overseas.

### OPERATIONS REVIEW

The Hong Kong economy rebounded quickly in 2010 on the back of healthy consumer demand and strong export growth. A low interest rate environment prevailed as advanced economies worldwide maintained accommodative monetary policies, stimulating the already heated Hong Kong asset market. Residential property prices surged by 20.1% in 2010. The total value of outstanding Hong Kong dollar loans had grown 17.6% in 2010. Capitalising on this strong recovery, BEA recorded solid growth in both advances and deposits for the year ended 31st December, 2010.

Driven by strong exports, Mainland China's economic growth accelerated to 10.3% in 2010. As exports rebounded and global financial market stabilised, the Renminbi ("RMB") has appreciated gradually from June 2010 onwards. Meanwhile, rising property prices and the re-emergence of inflation prompted the People's Bank of China ("PBOC") to tighten credit conditions by raising the deposit reserve ratio and interest rates.

Despite these tightening measures, The Bank of East Asia (China) Limited ("BEA China") – BEA's wholly-owned subsidiary bank on the Mainland – successfully maintained steady and balanced growth in both loans and deposits in 2010.

Leveraging business opportunities arising from the Mainland government's relaxation of cross-boundary RMB transactions, the BEA Group launched a series of new RMB banking services, including cross-boundary trade finance, deposits and loans, exchange and remittances to accommodate the diverse needs of its customers.

## 行政總裁及高層管理人員報告書（續）

## 風險管理

按照香港金融管理局發出的規定，本行已建立一套完善的風險管理制度，以識別、衡量、監察、控制及匯報本行所承受各類風險，當中涵蓋信貸風險、市場風險、流動性風險和營運風險，並於適當的情況下調配資本以抵禦該等風險。本行所有風險管理政策均由董事會批核，並於集團不同的層面設立風險管理機制。管理層的積極參與、有效的內部監控和全面的稽核均能完善風險管理制度。

本行的風險管理機制是建立在一個中央架構上，當中包括風險管理委員會、其轄下各個專責管理不同風險的委員會：即信貸委員會、資產負債管理委員會和營運風險管理委員會；以及風險管理處。這些管理機制可在集團層面上處理各重要的風險相關事項，包括制定政策、風險評估、設立程序和控制限額，以及持續監測遵守情況等，其後會經由風險管理委員會向董事會匯報，確保風險相關事項已全面符合本行政策，及於香港、中國和海外的相關法律和監管規定。

## 業務回顧

2010年，香港經濟受惠於強勁的消費需求及出口增長而迅速反彈。由於全球先進經濟體系維持寬鬆的貨幣政策，低息環境持續，令香港本已熾熱的資產市場進一步升溫。住宅物業價格於2010年急升20.1%，而港元貸款總額在2010年按年增長17.6%。受惠於強勁的經濟復蘇，截至2010年12月31日的年度，本行的貸款和存款總額均錄得了穩健的增長。

受強勁的出口帶動，2010年中國內地經濟增長加速至10.3%。而隨著出口反彈及環球金融市場回穩，人民幣的升值步伐自6月開始逐步加快。然而，內地房地產價格上升，通脹重現，促使中國人民銀行調高存款準備金率及利率，進一步收緊信貸。

儘管內地實施調控措施，年內本行設於內地的全資附屬銀行——東亞銀行（中國）有限公司（「東亞中國」），其貸款和存款業務均成功維持穩定而均衡的增長。

東亞銀行集團迅速掌握內地政府放寬人民幣跨境交易所帶來的商機，推出了一系列全新的人民幣相關之銀行服務，包括跨境貿易融資、存款和貸款、兌換和匯款等，以迎合客戶的不同需求。



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

### Recognition

In 2010, BEA and other Group members received numerous awards for product and service excellence. These included:

- “2010 Best SME’s Partner Award” organised by The Hong Kong Chamber of Small and Medium Business Limited (BEA has won this award for three consecutive years);
- Visa’s “Innovation Achievement Award” and “Silver Award” for the Largest Merchant Sales Volume Growth;
- MasterCard’s “Best Premium Card Programme Launched in 2009 Award” for BEA World MasterCard; and
- *East Week* magazine’s “Greater China Super Brands Award 2010” and “Banking: Hong Kong-China Best Connected Service Award” (as part of the Hong Kong Services Awards 2010).

Meanwhile, BEA China won the following awards:

- “Best Private Banking Brand among Foreign Banks in China” by the *21st Century Business Herald* in its 2009 Golden-Shell Award of Finance programme;

- “Most Promising Product/Service Brand” by the Internet Society of China at the 2010 China Internet Conference;
- “2010 Most Honourable Foreign Bank in China” by *Money Weekly*; and
- “Most Trustworthy Financial Management Services Brand Nominated by Internet Users in 2010” by SOHU.com during the SOHU 2010 Financial Management Network Festival.

Other subsidiaries that received recognition for their outstanding performance in 2010 include:

- Bank of East Asia (Trustees) Limited (“BEA Trustees”) – “CAPITAL Merit of MPF Achievement Award” as part of the CAPITAL Merits of Achievements in Banking and Finance 2010 award programme; and
- Blue Cross (Asia-Pacific) Insurance Limited (“Blue Cross”) – “The Most Favorite Travel Insurance Company Award 2010”, from *Weekend Weekly* magazine (for the sixth consecutive year) and “Pro Choice Award 2010 – Medical & General Insurance”, from *CAPITAL WEEKLY* magazine (for the second consecutive year).



BEA has won the “Best SME’s Partner Award” three years in a row.  
東亞銀行連續3年獲香港中小型企业商會有限公司頒發「2010年中小型企业最佳拍檔獎」。



The Bank received industry recognition from Visa and MasterCard for its card services.

本行優質的信用卡服務，獲業界Visa及萬事達國際組織嘉許。

BEA won *East Week*’s “Greater China Super Brands Award 2010” for its brand’s outperformance in the market. 本行榮獲《東周刊》頒發「大中華優秀品牌大獎 2010」，確認其在大中華區市場之品牌優勢。

行政總裁及高層管理人員報告書（續）

榮譽與獎項

2010年度，東亞銀行及其集團成員在提供產品及服務上表現卓越，榮獲多個獎項，其中包括：

- 香港中小型企業商會有限公司之「2010年中小企業最佳拍檔獎」（連續3年獲獎）；
- Visa之「年度產品創新獎」及「最高商戶簽賬額增長大獎—銀獎」；
- 萬事達國際組織之「2009年度香港區推出之最佳高端卡項目」—東亞銀行World萬事達卡；及
- 《東周刊》之「大中華優秀品牌大獎2010」，及「香港服務大獎2010」中之「銀行（中港互聯服務）獎項」。

內地方面，東亞中國屢獲嘉許，於年內獲得以下獎項：

- 《21世紀經濟報道》2009年度金融理財金貝獎中之「外資優秀私人銀行品牌」大獎；

- 於2010中國互聯網大會中，由中國互聯網協會頒發之「中國互聯網最具潛質產品/服務品牌獎」；
- 《理財周報》之「2010年中國最受尊敬外資銀行」；及
- 「搜狐網2010金融理財網絡盛典」中，由搜狐網頒發之「2010年網友最信賴銀行理財品牌獎」。

年內，集團附屬公司憑藉其卓越表現，獲取以下殊榮：

- 東亞銀行（信託）有限公司（「東亞信託」）—《資本雜誌》主辦的「資本卓越銀行及金融大獎2010」系列中之「資本卓越強積金大獎」；及
- 藍十字（亞太）保險有限公司（「藍十字」）—《新假期》周刊之「最受歡迎旅遊保險公司大獎2010」（連續6年獲獎）；以及《資本壹週》雜誌之「智選品牌大獎2010—醫療及一般保險」（連續2年獲獎）。

BEA China garnered awards for its outstanding performance and service quality on the Mainland:

東亞中國憑藉其在內地的卓越成就和優質服務，榮獲多個獎項：

Blue Cross was recognised by *Weekend Weekly* magazine and *Capital Weekly* magazine for its excellent brand equity and strong market position.

藍十字獲《新假期》及《資本壹週》頒發獎項，表彰其出色的品牌及市場地位。



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

### Business – Hong Kong

As of 31st December, 2010, BEA's total advances to customers increased by 32.7% while customer deposits grew by 15.7% compared to the figures reported at the end of 2009.

#### Corporate and Commercial Banking

BEA's corporate and commercial loan business continued to expand in the second half of 2010, and the loan balance finished the year up 36% compared to the end of 2009. This strong loan growth was delivered while maintaining both pricing and stringent control over credit risk. The impairment loss on the Bank's corporate and commercial loan portfolio fell compared to the previous year, and was at a very low level by the end of 2010.

Strong demand by Mainland enterprises for offshore financing was a key factor driving loan and trade finance growth. Business channelled via BEA China accounted for 24% of the Bank's corporate and commercial loan and trade finance portfolio at the end of 2010. This demand also facilitated sale of the Bank's treasury products, contributing to fee income.

Demand from corporate customers for syndication facilities to meet project financing and general funding requirements also saw a strong rise. This further strengthened the Bank's already active presence in this market, with the Bank's syndicated loan portfolio surging by 57% year on year.

BEA's customised credit packages designed for the specific needs of small and medium-sized enterprise ("SME") clients continued to be well-received in the market. BEA's equipment loan and vehicle loan portfolios both achieved healthy growth of about 18% in 2010. The Business Ready Cash programme also proved highly successful during the year, with the loan portfolio balance nearly doubling year on year on the back of strong demand from SMEs for clean loans.

BEA was also an active participant in the Special Loan Guarantee Scheme ("SpGS"). Backed by the Hong Kong Government, this programme proved very popular among SME customers. Following the expiry of the SpGS at the end of 2010, BEA will continue to assist SME customers by supporting the new SME Financing Guarantee Scheme, which was launched by the Hong Kong Mortgage Corporation on 1st January, 2011.

Riding on the vibrant local stock market in 2010, BEA continued to participate actively in the staggling loan business and acted as a receiving bank for 15 initial public offering projects during the year.

In January 2010, BEA rolled out its re-designed Corporate Cyberbanking website, introducing a wide range of new features and value-added services for customers. These included a Transaction Centre Calendar, which provides a convenient summary of all completed and scheduled transactions by date, and makes it simple to schedule future payments and transfers.



Strong demand by Mainland enterprises for offshore financing boosted BEA's loan and trade finance growth.

內地企業對離岸融資的強勁需求，帶動本行的貸款和貿易融資業務增長。



## 行政總裁及高層管理人員報告書（續）

## 香港業務

東亞銀行於2010年12月31日的客戶貸款總額和客戶存款總額，較2009年同日分別增加32.7%及15.7%。

## 企業及商業銀行

2010年下半年，本行的企業及商業貸款業務持續擴張，於2010年年底之貸款金額較對上年度年底數字上升36%。在貸款錄得強大增長的同時，本行仍能保持穩企的貸款息差，並維持有效的信貸風險管理。本行的企業及商業貸款減值損失與2009年比較有所減少，且在2010年年底時維持於極低水平。

內地企業對離岸融資的需求強勁，實為帶動本行貸款和貿易融資業務增長的主要因素。由東亞中國轉介的業務，佔本行於2010年年底企業和商業貸款及貿易融資組合的24%。上述的需求更推動本行其他財資產品的銷售，為服務費收入帶來貢獻。

年內，企業客戶為應付其在項目融資和一般資金的需要，促使本行在切合此等銀團貸款需求的業務量方面亦告大幅上升，因此更進一步加強本行在銀團貸款市場本已十分活躍的地位；銀團貸款業務組合按年計更錄得57%的強大增幅。

本行為切合中小型企業客戶特別需要而向其提供度身訂造的各式貸款方案，繼續深受市場的支持。2010年內，機器及設備融資，以及汽車貸款同時錄得約18%的健康升幅。另外，中小企對無抵押貸款需求強大，年內本行的「營商易」貸款業績非常理想，於年底之貸款金額，較2009年年底之數字急增近倍。

東亞銀行一直支持由香港政府推出的特別信貸保證計劃，且深得到中小企客戶的歡迎。隨著該計劃於2010年年底屆滿，本行繼續支持由香港按揭證券有限公司（「按揭證券公司」）於2011年1月1日推出之全新「中小企融資擔保計劃」，全力協助中小企業客戶。

2010年內，香港的股票市場非常暢旺，本行繼續積極參與新股貸款業務，年內擔任了共15個新股上市項目的收票銀行。

2010年1月，本行為企業客戶推出更新設計的企業電子網絡銀行服務網頁，包括一系列全新功能和增值服務，例如透過「交易中心日曆」功能，客戶可按日期查詢已完成及已設定的交易指示之摘要紀錄，同時也可設立日後繳款及轉賬的新指示，更加方便易用。

BEA offered a wide range of RMB banking services to its corporate clients to facilitate their business growth.

本行為企業客戶提供廣泛的人民幣服務，以助其業務拓展。



The re-designed Corporate Cyberbanking website gave the Bank's corporate clients enhanced financial flexibility.

更新設計的企業電子網絡銀行服務網頁，為企業客戶帶來更多的便利。

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

### Retail Banking

The Branch Rationalisation Programme remains a priority of the Personal Banking Division, and during 2010 the Bank opened five new SupremeGold Centres located at Whampoa Garden, Cheung Sha Wan Plaza, East Point City, Kowloon City, and Olympian City branches, and closed four branches and one SupremeGold Centre. To enhance its presence in the Tsim Sha Tsui district, Jordan Branch was relocated to the iSQUARE shopping complex and renamed iSQUARE Branch. As of the end of December 2010, BEA operated a total of 86 branches and 55 SupremeGold Centres in Hong Kong. To increase customer access to its services, BEA launched the i-Financial Centre, a new banking channel with extended service hours. The Bank opened its first three Centres on 6th January, 2011. Located at prominent locations in Hong Kong, these centres provide both manned and automated banking services, as well as a video link to an offsite representative. BEA plans to open more i-Financial Centres in the year ahead.

To acquire new retail banking customers and attract new Hong Kong dollar and RMB funds, BEA launched a number of marketing programmes in 2010 for integrated account and time deposit customers. The response to these programmes was overwhelming; the Bank achieved double-digit growth in both total deposits and the number of new integrated accounts opened in 2010.

To enable customers to benefit from its strength in Hong Kong and the Mainland, BEA implemented a variety of flexible marketing initiatives. For example, customers of Hong Kong-based SupremeGold Accounts were also allowed to enjoy banking services, SupremeGold Centre facilities, fee waivers, and preferential exchange rates on the Mainland, and vice versa for Mainland-based SupremeGold customers.

BEA met the growing demand for easy access to RMB cash in Hong Kong by introducing RMB cash withdrawal services at selected BEA ATM locations. Starting from October 2010, customers were also able to conveniently set up and enquire about RMB standing instructions including money exchange and remittances to the Mainland via Cyberbanking's internet channel.



BEA extended its reach to commercial and retail customers in Cheung Sha Wan with the opening of its Cheung Sha Wan Plaza Branch and SupremeGold Centre. 新開設之長沙灣廣場分行暨顯卓理財中心，為區內商業戶及零售客戶提供各種銀行服務。



i-Financial Centre's innovative "i-Teller" allows customers to connect with the Bank's customer service representatives via video call.

i-理財中心設有創新的“i-Teller”服務，讓客戶可利用視像設備，從容處理各項銀行交易。



行政總裁及高層管理人員報告書（續）

零售銀行

「分行優化計劃」繼續為個人銀行處的首要工作。年內，本行分別於黃埔花園、長沙灣廣場、東港城、九龍城及奧海城等分行新增5間顯卓理財中心，另關閉4家分行及1間顯卓理財中心。為加強尖沙咀區內的服務，本行將佐敦分行搬遷至國際廣場，並易名為國際廣場分行。於2010年12月底，本行在香港共設有86家分行和55間顯卓理財中心。而為了讓客戶更容易使用東亞銀行的服務，本行引入了全新的服務網絡概念 — i-理財中心，首3間i-理財中心於2011年1月6日同時落成啟用，營業時間更長，為客戶提供更大的方便。該3間理財中心皆位於人流密集的中心位置，並設有專人服務的服務枱，以及先進和自動化的設施，客戶可透過視像設備，與身處聯絡服務中心的客戶服務代表對話。本行將會在來年增設更多i-理財中心。

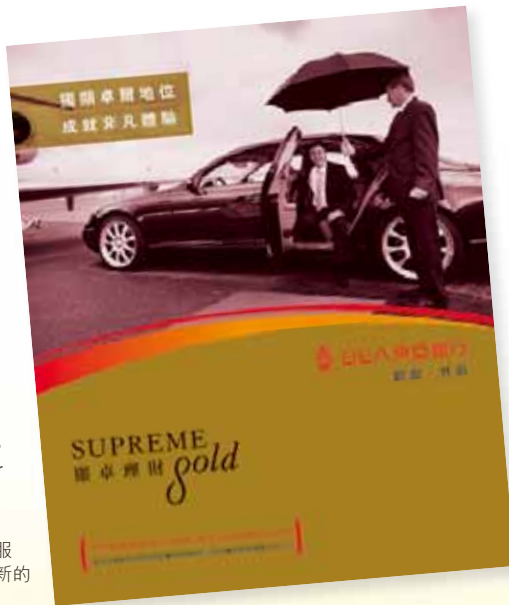
為了爭取更多的零售銀行客戶，和吸納全新港元和人民幣資金，東亞銀行於年內為綜合戶口及定期存款客戶推出一連串的推廣活動。由於市場反應熱烈，本行的存款總額及新開綜合戶口之數目同時錄得雙位數字的增長，成績令人滿意。

此外，東亞銀行推出一系列靈活的業務推廣活動，讓客戶可以從本行在香港和內地的優勢中得益更多。例如，本行在香港的顯卓理財客戶，其身處內地時，可以享用到本行內地附屬銀行 — 東亞中國所提供同樣便捷的顯卓理財服務、設施、費用減免和優惠的兌換率等。同樣地，當內地的顯卓理財客戶身處香港時亦然。

為滿足客戶對人民幣日益增加的需求，東亞銀行在香港指定的自動櫃員機提供人民幣現金提款服務，讓他們更容易取得人民幣現金。從2010年10月起，客戶更可透過本行電子網絡銀行服務的網站，方便地設立及查詢人民幣常設指示，包括貨幣兌換和匯款到內地。

The Bank launched flexible marketing programmes for a variety of retail banking products and services.

本行就不同的零售產品和服務，推出一系列靈活而創新的推廣活動。



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

SupremeGold customers in Hong Kong were also invited to a number of exclusive events throughout the year. Investment seminars gave customers an opportunity to learn from industry experts and representatives from world-class fund houses. To further strengthen its customer relationships, the Bank also hosted a wine-tasting event for SupremeGold customers.

Despite intensifying competition in the mortgage market, BEA achieved strong growth in its mortgage business in 2010. During the year, BEA's residential mortgage loan portfolio expanded by 14.7%. As a result of its strong performance, the Bank remained among the top five banks in Hong Kong in terms of new mortgage loan originations.

BEA's "\$1 Protection Plus" mortgage plan, which bundled mortgage loans with the Bank's insurance products and a "U Care" health check-up plan, was well received by customers following its launch in July 2010. The Bank also participated in the Mortgage Fair at Lok Fu Shopping Centre for property available under the Surplus Home Ownership Scheme Flat Phase 6 in August 2010, and the HKMC's Premium Loan Guarantee Scheme in September.

BEA's economic and market outlook seminar was well attended by customers in need of information to develop their business and investment plans.

本行客戶踴躍出席經濟及市場展望研討會，為其業務發展及個人投資作好準備。



Credit card receivables recorded a double-digit rise, as promotions to encourage card spending and frequent usage proved highly effective. A wide range of promotional programmes, particularly in regard to dining and entertainment, were conducted. These included year-round offers at restaurants and cinemas, dining promotions at renowned restaurant chains, and exclusive priority booking service for pop concerts. The Bank's merchant business achieved growth of more than 20% in sales volume year on year, which was well above the market average.

Improved economic conditions and consumer confidence enabled BEA to adopt a more aggressive marketing strategy to broaden its customer base and expand its market share in the consumer lending business. Competitive pricing and attractive rewards helped the Bank boost response rates. In particular, BEA's 2010 Tax Loan programme received overwhelming response from customers, and outperformed comparable programmes in the market. The Bank's consumer lending business recorded a 40% rise in the total loan balance compared to the previous year.



BEA's Tax Loan Programme for personal customers outperformed comparable programmes in the market.

「優悠稅悅」稅務貸款計劃成績突出，超越市場上其他同類型的稅貸計劃。



行政總裁及高層管理人員報告書（續）

2010年內，本行特別為客戶舉辦了多項活動。例如，本行邀請香港的顯卓理財客戶參加不同的投資講座，讓他們可以從投資業界的專家和世界知名的基金公司代表中，得悉有關投資的最新動態，分享投資心得。另外，本行又為顯卓理財客戶舉辦品酒講座，藉此加強與客戶的關係。

按揭業務方面，儘管市場競爭劇烈，本行於2010年的按揭貸款業務增幅強勁。年內，本行的住宅按揭貸款組合增加14.7%。由於表現強勁，本行在新做按揭貸款業務方面名列全港5大銀行位置之內。

東亞銀行推出的「\$1添保障」按揭計劃，將住宅物業按揭貸款服務，與銀行的保險產品和明康醫療身體檢查計劃結合起來。該計劃自2010年7月推出即深受客戶歡迎。2010年8月，本行參加了香港房屋委員會設於樂富中心的出售剩餘居屋單位第6期的按揭博覽會，並於9月參加了按揭證券公司的「補償貸款擔保計劃」，致力爭取更多業務機會。

年內，本行為鼓勵信用卡客戶簽賬和提升使用卡用量而推出的推廣優惠，成效卓著，信用卡應收賬款因此錄得雙位數字的增長。本行特別著重飲食和娛樂方面的業務推廣，這包括提供全年餐飲和戲院優惠、著名餐飲連鎖店優惠及流行音樂會優先訂票服務等。此外，本行信用卡的商戶銷售量較對上年度增加逾20%，超越市場的平均水平。

私人貸款業務方面，隨著經濟環境和消費信心好轉，令東亞銀行可以以進取的市場策略，積極擴大客戶群和市場份額。本行提供的私人貸款計劃具有競爭力的息率和豐富的獎賞，成功提升計劃的申請；當中尤以本行2010年「優悠稅悅」稅務貸款計劃最為成功，成績突出，超越市場上其他同類型的稅貸計劃，且深受本行客戶歡迎。與2009年比較，本行私人貸款業務的貸款總額上升達40%，升幅可觀。



Attractive, year-round promotional offers for BEA Credit Card customers contributed to double-digit growth in credit card receivables. 本行推出的全年信用卡推廣優惠成效卓越，令信用卡應收賬款取得雙位數字的增長。



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

To extend its reach into the market, BEA rolled out a number of innovative products and services, including an application for the growing iPhone user base in August 2010. In addition to providing customers with convenient access to banking and financial services, the application offers useful features such as a BEA branch and ATM locator and information on the latest BEA Credit Card offers. In November 2010, the mobile application was further extended to the Android platform.

Through the introduction of value-added services and enhancements, BEA recorded steady growth in the number of registered Cyberbanking users in 2010. The Bank will continue to focus on increasing adoption rates and usage, as well as on directing banking activity to electronic channels to improve service efficiency.

BEA's retail banking marketing activities in 2010 included the implementation of targeted e-marketing campaigns to help build brand awareness and encourage greater usage. These included an online game and a game for iPhone users, which were both well received by the market and enabled the Bank to project a more youth-oriented image.

### Insurance and MPF Services

In 2010, BEA Life Limited ("BEA Life") registered double-digit growth, year on year, in new premium income for its life insurance business. Capitalising on the strong consumer appetite for short-term savings products with guaranteed returns, BEA Life launched the second series of its 2-Year Fast Savings Insurance plan and a new RMB-denominated life insurance plan, SmartSaver RMB Insurance, in February and July 2010, respectively. To meet continued demand, the Bank re-introduced SmartSaver RMB Insurance for a second time in September 2010. Offered for limited sales periods, both plans were the most popular life insurance products sold at BEA branches in 2010, accounting for approximately 70% of the total new premium income during the year.



New applications and features enhanced the customer mobile banking experience.

本行為流動理財提供新的應用程式服務和增加新功能，帶給客戶更卓越的流動理財體驗。

## 行政總裁及高層管理人員報告書（續）

為進一步開拓市場新領域，東亞銀行在2010年內推出若干嶄新產品和服務，其中包括在8月推出的iPhone應用程式，以切合不斷增加的iPhone用戶群，讓客戶隨時隨地透過流動電話享用銀行及理財服務，同時，iPhone應用程式備有搜尋本行各分行和自動櫃員機位置的功能，以及提供東亞銀行信用卡的最新優惠資訊等，方便而實用。以上的流動理財服務並於2010年11月起延伸至Android的流動電話平台。

由於本行的電子網絡銀行服務加入了增值服務和增強功能，登記使用的客戶人數在年內穩步上升。本行會繼續專注於提高客戶的使用率，並逐步把更多的銀行服務轉移至由電子渠道提供，以進一步提升服務效率。

為了建立品牌知名度及加強使用率，本行於2010度推出了更多以電子媒體為主的零售銀行市場推廣活動，其中的網上遊戲和iPhone平台遊戲均深受市場歡迎，有助本行推廣更年青化的形象。

## 保險及強積金服務

2010年，東亞人壽保險有限公司（「東亞人壽」）的新造保單保費收入，較2009年錄得雙位數字的升幅。因應客戶對提供保證回報的短期儲蓄保險計劃之殷切需求，東亞人壽分別於2010年2月及7月推出第二期「2年智易達」儲蓄保險計劃，以及以人民幣為保單貨幣單位的全新人壽保險產品——「智尊寶」人民幣保險計劃。為回應市場的持續需求，本行於9月再度推出「智尊寶」人民幣保險計劃。這兩個於限定期內銷售的保險計劃，成為本行在年內最受分行客戶歡迎的人壽保險產品，約佔2010年新造保單保費收入總額之70%。



The Bank introduced a wide range of insurance products to meet the diverse needs of its customers.

本行提供一系列保險產品，以照顧客戶的不同需要。

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

Blue Cross recorded a 10% rise in premium income, year on year, supported by healthy growth in medical insurance business, which jumped by 15% compared to the end of 2009.

A pioneer in the medical and travel insurance industries, Blue Cross provides a wide array of innovative general insurance products to meet the diverse needs of its clients. In November 2010, the Company introduced Hong Kong's first short-term medical insurance plan, the Job Changer Medical Insurance plan. This 6-month medical insurance plan offers comprehensive in-patient coverage against illness and accident for individuals who are between jobs, or employed but under probation without medical coverage.

In December 2010, Blue Cross extended travel insurance coverage to include all levels of Outbound Travel Alerts issued by the Security Bureau of the Hong Kong SAR Government. The Company also introduced the Trauma Counselling Benefit to its travel insurance plan. This coverage offers psychological counselling to assist recovery from a serious accident or incident during a journey.

BEA Trustees enjoyed a highly successful year, with more than 74,000 new members joining the BEA MPF schemes managed by the Company. In 2010, the total number of members under the BEA MPF Schemes grew to more than 480,000, with total assets under management exceeding HK\$13 billion.

The BEA (MPF) Industry Scheme had a market share of more than 60% in terms of total assets among industry schemes in Hong Kong as of 30th September, 2010. In November 2010, the Mandatory Provident Fund Schemes Authority granted BEA Trustees approval to administer the BEA (MPF) Industry Scheme for a further ten years with effect from 1st December, 2010.

BEA Trustees launched two new constituent funds under each of its BEA (MPF) Master Trust Scheme and BEA (MPF) Industry Scheme in January 2010, bringing the total number of funds it offers to 18. These new funds will enhance BEA's competitive position in the market by offering MPF members a wider selection of funds.

BEA Trustees launched a Dual Rewards Promotional Programme in the fourth quarter of 2010, encouraging new and existing MPF customers to transfer accrued benefits from other MPF accounts they held with previous employers and other MPF service providers to the BEA (MPF) Master Trust Scheme. By consolidating MPF contributions under one account in BEA's MPF scheme, customers can manage their accrued benefits more effectively. A total of HK\$17 million assets were transferred into the Company's MPF scheme up to 31st December, 2010.

Blue Cross introduced the first-ever Job Changer Medical Insurance plan in Hong Kong to enable people during the transition between jobs and their families to enjoy protection during the "No-Medical-Cover Period".

藍十字推出全港首創的「轉工醫療保險計劃」，為正在轉職人士及其家人在「醫療保險真空期」也可受到保障。





## 行政總裁及高層管理人員報告書（續）

藍十字受惠於醫療保險業務方面的健康發展，其於年內的保費收入較2009年年底錄得10%的升幅，當中醫療保費收入按年增長高達15%。

藍十字在醫療及旅遊保險業界穩佔領導地位，按不同客戶的需要提供一系列創新的一般保險產品。2010年11月，藍十字推出全港首創的「轉工醫療保險計劃」，以6個月短期保單形式為未有醫療保障的轉工或處於試用期的人士，提供全面的疾病及意外住院保障。

2010年12月，藍十字伸延旅遊保險之保障，將其保障範圍涵蓋至香港特區政府保安局發出之「外遊警示」所有級別。此外，藍十字亦在其旅遊保險計劃中引入附加的「創傷輔導」保障，當中包括心理輔導，以協助客戶倘在旅遊期間不幸發生嚴重意外或事故，可以盡快回復身心健康。

東亞信託於2010年錄得佳績，共有超過74,000名新成員參加東亞強積金計劃。2010年，東亞強積金計劃的總成員人數高逾48萬名，而經東亞信託管理的強積金資產總額超過港幣130億元。

於2010年9月30日，以香港行業計劃的資產總額計，東亞（強積金）行業計劃在相關的市場中佔有逾60%的份額；而在2010年11月，東亞（強積金）行業計劃獲得強制性公積金計劃管理局獲准延續註冊，由2010年12月1日起生效，為期10年。

2010年1月，東亞信託為東亞（強積金）集成信託計劃和東亞（強積金）行業計劃分別新增2個成分基金，使兩個計劃下成分基金的選擇總數增至18個。新設的基金為本行強積金計劃的成員提供更多選擇，進一步提升本行在強積金市場的競爭力。

2010年第4季，東亞信託推出轉移強積金資產的「獎上獎」雙重優惠計劃，鼓勵全新或現有的強積金客戶，將其強積金累算權益，從以往僱主或其他強積金服務供應商轉移至東亞（強積金）集成信託計劃。透過整合其強積金供款在同一個東亞信託的強積金賬戶中，客戶可更有效地管理其強積金累算權益。截至2010年12月31日，以轉移資產方式新投入東亞強積金計劃的資產總額達港幣1,700萬元。

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

### Investment Services

Anticipating greater demand for RMB-denominated investment products following the liberalisation of RMB-related financial services in Hong Kong, BEA enhanced its investment product universe in 2010 by offering a variety of products that aimed to provide higher returns than could be anticipated through RMB appreciation alone.

The stronger macro-economic conditions in the second half of 2010 resulted in an improved climate for investment services, and structured products recorded growth of over 30% in terms of fee income year on year. BEA moved quickly to capture demand for RMB-denominated products, and introduced its first offshore structured RMB investment product, the RMB-denominated linked deposit series, in July 2010. Since then, the Bank has launched a total of nine series of RMB Capital-Protected deposits. In addition, BEA introduced a RMB Non-Capital Guaranteed interest and exchange rate linked deposit in late October, further broadening its product range. BEA also actively participated as a placing bank in all retail RMB bond offerings issued in Hong Kong during 2010.

The Bank's strong position in investment services was recognised with BEA being the first bank in Hong Kong to receive approval from the regulator to offer Equity Linked Deposit products under the newly issued "Code of Unlisted Structured Investment Product".

The mutual fund business revived in 2010 as investors sought out investments that would benefit from the economic recovery in the low deposit-interest-rate environment. As a result, BEA's mutual funds sales nearly doubled in 2010, with a 40% increase in terms of fund assets under custody.

The Bank also served as one of the sales channels for products launched by BEA Union Investment Management Limited ("BEA Union Investment"), including the BEA Union Investment China A-Share Equity Fund. This Fund was launched in April 2010, targeted at Private Banking customers, and became available to a larger segment of BEA's customer base in November 2010.

### Private Banking and Trust & Fiduciary Services

In response to customers' concerns about market uncertainty and their preference for more conservative investment products, BEA's Private Banking Department adopted a cautious stance in 2010 and offered a range of products that featured simpler structures and carried lower risk. The overall objectives remained risk management and asset diversification, the latter being of particular interest to Mainland clients holding assets and/or seeking residency status in Hong Kong. By following appropriate strategies, Private Banking exceeded expectations in 2010, with assets under management growing by 22%, year on year.

Growing affluence on the Mainland contributed to Private Banking's significant growth. Business generated by eligible Mainland customers has grown rapidly and accounted for roughly 20% of BEA's Private Banking business, and is expected to further increase. Riding on the Bank's extensive network on the Mainland, Private Banking continued to focus on delivering greater value services to clients, taking advantage of cross-boundary opportunities.

Private Banking invested in its risk management and internal control systems, to improve efficiency and further enhance services to customers. Staff education was also a priority, to ensure that staff members kept abreast of market developments and regulatory requirements.

## 行政總裁及高層管理人員報告書（續）

## 投資服務

隨著人民幣相關的金融服務逐步放寬，本行預計客戶對以人民幣為貨幣的投資產品之需求也不斷增加。本行因此於2010年提供更多元化的投資產品類別，為客戶爭取較人民幣幣值升幅所帶來的更佳回報。

2010年下半年外圍經濟轉強，投資氣候轉佳，本行的結構性產品服務費收入錄得逾30%的年度升幅。另外，為迅速切合市場對人民幣計價產品的需求，東亞銀行於2010年7月推出了其首個離岸人民幣結構性投資產品——以人民幣為投資貨幣的掛鈎存款系列。其後，本行相繼推出了9個人民幣保本存款系列。本行於10月下旬更推出了人民幣非保本的利率和匯率掛鈎存款，進一步擴大其產品範圍。此外，東亞銀行於年內積極參與有關零售人民幣債券的業務，成為所有於2010年在香港發行零售人民幣債券產品的分銷銀行之一。

自有關「非上市結構性投資產品守則」新實施以來，東亞銀行成為香港首家銀行，獲監管機構批准推出股票掛鈎存款產品，反映其在投資服務領域上的優勢。

隨著經濟復蘇，投資者於低息環境中尋找投資機遇，本行的互惠基金業務在2010年也見回升。年內，本行的互惠基金業務的銷售額比較2009年以近倍增長，而託管的基金資產增幅也達到40%。

本行為東亞聯豐投資管理有限公司（「東亞聯豐」）產品分銷商之一。由東亞聯豐在2010年4月推出的中國A股股票基金，於推出時以私人銀行客戶為目標對象，至2010年11月已推廣至東亞銀行更大範圍的客戶。

## 私人銀行和信託及資產保管服務

鑒於市場仍存有不明朗因素，而投資者也偏好較保守的投資產品，本行的私人銀行部於年內繼續採取審慎策略，推出結構較簡單而風險也較低的產品。本行的整體目標是作好風險管理及維持資產多元化，後者尤其是持有資產、及/或正於香港申請居留權的內地客戶所特別關注。由於採取的策略得宜，年內私人銀行的管理資產按年上升22%，超越預期的目標。

內地的富裕人士不斷增加，帶動私人銀行業務取得重大增長。源自內地合資格客戶所衍生的業務量迅速增長，佔整體私人銀行業務約20%，且預期此一趨勢將不斷上升。憑藉本行於內地的龐大分行網絡及跨境業務商機，本行會繼續專注為客戶帶來增值的服務。

2010年，為配合業務發展，私人銀行部繼續投資於風險管理和加強內部控制系統，以進一步提升效率和改善客戶服務。本行視員工培訓同樣重要，透過提供適切的培訓，確保員工不僅瞭解市場動態，同時亦須遵守監管當局的最新要求。



The BEA Union Investment China A-Share Equity Fund helps retail investors, professional investors, and institutional clients achieve potential capital growth.

東亞聯豐推出的中國A股股票基金，協助零售及專業投資者，以及機構客戶取得潛在的投資回報。



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

To effectively meet the trust and estate planning needs of the Bank's high net worth clients in Hong Kong and on the Mainland, the Trusts & Fiduciary Services Department was restructured and placed under the Wealth Management Division in July 2010. This reorganisation will enable BEA's high net worth customers to directly benefit from the expertise and solutions provided by the Trusts & Fiduciary Services team.

### Broking Operations

The broking operations of the Bank performed satisfactorily in 2010. The Bank achieved an increase of more than 40% in brokerage income derived from customer trades in the secondary market, which was one of the major contributors to the increase in fee and commission income. The number of accounts also increased on the back of the success of various promotional campaigns held throughout 2010 in Hong Kong and Macau.

To strengthen its foothold amidst a very competitive environment in Hong Kong, BEA will increase its investment in hardware and software to further improve the efficiency and security of its trading platform and channels. Among the planned improvements are a new call centre for taking stock trading orders, and the enhancement of the online trading platforms of East Asia Futures Limited and Tung Shing Securities (Brokers) Limited.

In January 2011, BEA became the first independent local bank in Hong Kong to issue derivative warrants on equities listed on the Stock Exchange of Hong Kong. Going forward, the Bank expects its broking operations to benefit from an increase in trading from the relevant hedging activities.

## Business – Greater China ex-Hong Kong

### Mainland China Operations

Despite the tighter monetary policies adopted by the Central Government in 2010, BEA China was successful in achieving steady and balanced business growth for the year.

To prepare for meeting the China Banking Regulatory Commission's 75% loan-to-deposit ratio requirement by the end of 2011, BEA China focussed on attracting deposits while steadily growing its loan base. Total advances to customers and deposits increased by 10.9% and 40.4%, respectively, year on year, resulting in a loan-to-deposit ratio of 77.9% as of the end of 2010. With a low impaired loan ratio of 0.07% at the end of 2010, BEA China's loan quality remains healthy.

BEA China's branch network expanded at an accelerated pace in 2010. In addition to two full-service branches in Suzhou and Zhengzhou, BEA China opened 16 sub-branches including 4 "cross-location" sub-branches in Foshan, Zhongshan, Huizhou, and Zhaoqing in Guangdong Province.

BEA China also increased its automated services by opening two additional 24-hour self-service banking centres in Beijing and Xi'an. As of the end of 2010, BEA China operated 21 branches, 68 sub-branches, 10 24-hour self-service banking centres, and over 400 Automatic Teller Machines ("ATMs"). Collectively, BEA and BEA China operated one of the most extensive networks of any foreign bank on the Mainland, with 94 outlets in 28 cities nationwide.



The Bank enhanced the efficiency and security of the trading platform and channels for its broking services.

本行進一步提升證券經紀服務的交易平台和交易渠道之營運效率及安全性。

## 行政總裁及高層管理人員報告書（續）

此外，為了更有效地配合香港及內地高端客戶對信託和遺產管理服務的需要，本行於2010年7月進行業務改組，將信託及資產保管服務部正式撥入財富管理處。透過是次重組，本行的高端客戶因而可以更直接而有效地享用本行信託及資產保管服務部所提供的專業服務和各項方案。

#### 證券經紀業務

本行的證券經紀業務於2010年度表現理想，令人滿意。本行源自客戶在交易市場買賣的經紀佣金收入，錄得逾40%的可觀升幅。有關的經紀佣金收入，實為本行在年內服務費及佣金收入增加的主要貢獻業務來源之一。年內，本行在香港及澳門推出的多個業務推廣計劃甚為成功，客戶開立的證券賬戶數目也有所上升。

本地市場環境競爭激烈，為了加強東亞銀行證券經紀業務的地位，本行將繼續投資於相關的硬件和軟件設備，以進一步提升交易平台和交易渠道之營運效率及安全性。此等改進計劃包括：設立全新的電話客戶服務中心，以處理客戶落盤買賣股票的指示，以及東亞期貨有限公司和東盛證券（經紀）有限公司提升其網上交易平台。

2011年1月，東亞銀行成為香港首家獨立本地銀行，發行於香港交易所上市股票的衍生認股權證。本行預期在未來，其證券業務將會從有關對沖活動而增加的交易量進一步受惠。

### 大中華地區業務（香港除外）

#### 中國內地業務

儘管中央政府於2010年實行緊縮貨幣政策，年內，東亞中國成功實現了穩健和均衡的業務增長。

為符合中國銀行業監督管理委員會規定，須於2011年年底前達至不高於75%貸存比率之監管要求，東亞中國在2010年積極吸收存款，同時保持穩定的貸款增長。客戶貸款及存款總額，較2009年年底分別增長了10.9%和40.4%，而貸存比率亦因此降低至2010年12月31日之77.9%水平。東亞中國貸款業務素質保持良好，減值貸款比率於2010年年底維持在0.07%的低水平。

2010年，東亞中國高速擴張其分行網絡。除增設了蘇州和鄭州2家分行外，東亞中國並開設了16家支行，當中包括在廣東省佛山、中山、惠州及肇慶開設的4家「異地支行」。

東亞中國亦致力拓展自助銀行服務，於年內分別在北京和西安市增設了2間24小時自助銀行中心。於2010年年底，東亞中國在內地共設有21家分行、68家支行、10間24小時自助銀行中心，以及逾400台自動櫃員機。總體而言，東亞銀行與東亞中國在全國28個城市共設有94個網點，為內地網絡最龐大的外資銀行之一。

BEA China opened its first branch in Suzhou City in Jiangsu Province.  
東亞中國在江蘇省蘇州市開設分行。





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

2010 was also a year of important milestones for BEA China. In January, BEA China became the first locally incorporated foreign bank to set up its own data centre on the Mainland. In May, the subsidiary bank inaugurated its new headquarters building, BEA Finance Tower, in the heart of Shanghai's Lujiazui Financial District in Pudong.

In support of the Central Government's initiative to improve the financial infrastructure of the rural sector, BEA opened its first rural bank, Shaanxi Fuping BEA Rural Bank Corporation, in December 2010. Through the provision of flexible lending and deposit-taking services, the rural bank will help meet the financial needs of rural households and agricultural enterprises while it also enables BEA to capitalise on business opportunities in the Mainland's fast-growing rural market.

In September 2010, Founder BEA Trust Company, Limited ("Founder BEA Trust") commenced business on the Mainland. Headquartered in Wuhan and 19.99% owned by BEA, Founder BEA Trust provides professional investment and financial services to corporate and retail customers, particularly those in high technology and other fast-growing industries such as information technology, new energy, and biomedicine, as well as for infrastructure and local construction projects.

In December 2010, BEA China obtained approval from the PBOC to issue RMB financial bonds worth up to RMB5 billion in China's interbank bond market. The issue of these bonds is beneficial to BEA China's long-term development, as they will enhance BEA China's liability composition, and improve its overall liquidity risk management. BEA China initially plans to issue RMB bonds worth RMB2 billion on the Mainland in 2011.

### Taiwan and Macau Operations

In Taiwan, BEA operates branches in Taipei and Kaohsiung and provides a full range of wealth management services through its wholly-owned subsidiary, BEA Wealth Management Services (Taiwan) Limited.

To meet the needs of its burgeoning customer base in Macau, BEA opened its fifth outlet, Areia Preta Sub-branch, in October 2010. BEA currently operates one full-service branch and four sub-branches in Macau.



BEA China's new flagship office in Shanghai, BEA Finance Tower, reflects BEA Group's long-standing commitment to the Mainland market.

東亞中國在內地的旗艦辦公大樓——東亞銀行金融大廈於上海落成啟用，印證了本集團致力發展內地市場的長遠承諾。

## 行政總裁及高層管理人員報告書（續）

2010年也是東亞中國重要發展里程的一年。1月，東亞中國成為首家在內地設立數據中心的外資法人銀行。5月，東亞中國位於上海浦東陸家嘴金融區核心的新總部大樓——東亞銀行金融大廈正式開幕。

為支持中央政府有關提升農村地區金融基礎設施的倡議，東亞銀行於12月開設了其在內地的第一家村鎮銀行——陝西富平東亞村鎮銀行有限責任公司。透過靈活的貸款和接受存款服務，村鎮銀行不僅滿足了當地農戶及農業企業的金融需求，也為東亞銀行開拓急速發展的農村市場提供了商機。

2010年9月，方正東亞信託有限責任公司（「方正東亞信託」）於內地正式開業。方正東亞信託之19.99%股權由東亞銀行持有，公司總部位於武漢市，為機構及個人投資者提供專業投資及融資服務，特別針對高科技及高增長行業如資訊科技、新能源、生物醫藥科技行業，以及基礎設施及地方重點建設等項目。

2010年12月，東亞中國獲中國人民銀行批准在中國銀行間債券市場發行不超過人民幣50億元額度的人民幣金融債券。有關債券的發行將有利於東亞中國的長遠發展，優化負債組合，並改善整體流動性風險管理。東亞中國計劃在2011年於內地初步發行人民幣20億元額度的金融債券。

## 台灣及澳門業務

本行分別於台灣的台北市和高雄市設有分行，並透過本行旗下全資附屬公司——東亞證券股份有限公司，向客戶提供廣泛的財富管理服務。

為滿足澳門迅速增長之客戶群的需求，本行於2010年10月在澳門黑沙灣開設第5個網點。現時，本行於澳門設有1家提供全面服務的分行，以及4家支行。



Shaanxi Fuping BEA Rural Bank Corporation, the Bank's first rural bank on the Mainland, enables BEA to capitalise on the business opportunities in the country's fast-growing rural market.

本行在內地設立首間村鎮銀行——陝西富平東亞村鎮銀行有限責任公司，緊握農村市場經濟迅速發展所帶來的機遇。



Strategically located near the Border Gate between Macau and Mainland China, BEA's fifth outlet in Macau serves both Macau residents and Mainland visitors.

澳門第5個網點——黑沙灣支行鄰近澳門及內地之間的關閘邊境口岸，全面服務該區居民及內地旅客。

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

### Business – International

In 2010, BEA's international operations returned to profit, thanks in large part to the Bank's strong performance in Southeast Asia and the United Kingdom. Operations in Singapore, Malaysia, and the UK all reported record after-tax profit for the year.

BEA's operations in Singapore and Malaysia achieved a notable rebound in after-tax profit in 2010, underpinned by a double-digit surge in non-interest income and a significant drop in impairment losses. Leveraging the increasing trade and investment flow between Singapore and China, the Singapore Branch began offering RMB trade finance and deposit services to its corporate and retail clients, and successfully built a foundation for future growth. Fuelled by Southeast Asia's robust economic growth, BEA's investments in Malaysia and Indonesia, namely AFFIN Holdings Berhad and PT Bank Resona Perdanania, continued to deliver healthy results.

BEA's London Branch recorded the highest profit since its establishment in 1990, achieving strong growth in both residential and commercial mortgages during the year under review. These results were attributable to increasing interest among Hong Kong and other Asian investors in UK properties. In the current low interest rate environment and in view of the relatively weak exchange rate of the pound sterling, corporate and individual investors from Hong Kong, the Mainland and other Asian markets are expected to continue looking for investments in the British property market. Based on this favourable trend, BEA is confident that the growth momentum of its London Branch's mortgage business will remain robust in the year ahead.

Despite the challenging environment, BEA's operations in the United States achieved satisfactory results, with approximately 10% growth in loans and deposits, and operating profits increasing at a steady pace. The Bank also successfully managed its impaired assets during the year.

### Other Subsidiaries

#### Blue Care Group

Blue Care Group ("Blue Care"), a joint collaboration between BEA and The University of Hong Kong, continued to expand its network of medical clinics through which it provides top-quality medical check-up and consultation services to the community. Due to greater market exposure and emerging business opportunities, Blue Care recorded solid growth in medical services fee income year on year.

#### Credit Gain Finance Company Limited

During the year under review, Credit Gain Finance Company Limited ("Credit Gain") opened four new branches, increasing its network to 18. Integrated marketing campaigns and flexible business strategies enabled Credit Gain to grow its total loan portfolio by 44% and its customer base by 12% year on year.

Credit Gain has been very successful in carving out a niche in Hong Kong's mature and highly competitive personal loan market by developing innovative products and marketing campaigns. The Company will continue to focus on increasing its market share and building its brand in the sub-prime loan market.



BEA formed a strategic partnership with AFFIN Holdings Berhad in Malaysia.

本行與馬來西亞的艾芬控股建立策略性商業聯盟。

Blue Care recorded solid growth in medical services fee income.

寶康的醫療服務費收入錄得穩健增長。





## 行政總裁及高層管理人員報告書（續）

## 國際業務

2010年，東亞銀行的國際業務回復盈利，這主要受惠於東南亞和英國地區業務的強勁表現。年內，新加坡、馬來西亞和英國業務的稅後利潤均創下了新高的紀錄。

由於新加坡和馬來西亞業務的非利息收入錄得雙位數字增長，加上減值損失大幅下降，2010年度兩地業務的稅後利潤均顯著反彈。隨著新加坡與中國之間的貿易和投資交往增加，新加坡分行開始為企業和零售客戶提供人民幣貿易融資和人民幣存款服務，成功為未來業務增長奠定堅實的基礎。受東南亞之強勁經濟增長所帶動，本行分別於馬來西亞和印尼投資的公司——即艾芬控股有限公司和PT Bank Resona Perdania，均繼續錄得健康的業績。

年內，本行倫敦分行錄得自1990年開設以來的最高利潤，住宅及商業按揭貸款均取得強勁增長。這主要由於香港和亞洲其他投資者對英國房地產投資興趣漸增。在目前低息環境和英鎊匯率較弱勢的情況下，本行預期來自香港、內地及其他亞洲市場的企業和個人投資者將繼續在英國房地產市場物色投資機會。在此利好趨勢下，本行有信心倫敦分行的按揭業務於未來一年繼續表現理想。

Credit Gain expanded its branch network and launched integrated marketing campaigns in 2010.

領達財務於2010年擴充分行網絡，並積極推行業務推廣。

美國業務方面，雖然經營環境仍然嚴峻，本行仍取得了令人滿意的成績，年內貸款及存款均錄得了約10%的增幅，經營溢利也在穩步增長。此外，本行在2010年內亦成功控制減值資產。

## 其他附屬公司

## 寶康醫療集團

寶康醫療集團（「寶康」）為本行與香港大學成立的合營機構，透過持續擴展其醫療網絡診所，為社區提供優質的醫療檢查及診症服務。受惠於擴大的市場空間和湧現的商機，寶康的醫療服務費收入，按年計錄得穩健的增長。

## 領達財務有限公司

年內，領達財務有限公司（「領達財務」）新設4家分行，使分行總數達至18間。有賴其整合的業務推廣和靈活的業務策略，領達財務的貸款總額按年計上升44%，而客戶人數則增加12%。

領達財務以其創新產品及市場推廣計劃，成功於香港已發展成熟及競爭劇烈的個人貸款市場中脫穎而出，佔一席位。領達財務將會繼續致力增加此私人貸款市場的份額，提升其品牌地位。

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

### Tricor Holdings Limited

A leading provider of business, corporate, and investor services in the Asia Pacific region, Tricor Holdings Limited ("Tricor") reported record-high revenue of HK\$866 million for 2010. However, this was partly offset by fee pressure from multinational enterprise clients. Furthermore, hefty increases in rental costs in Hong Kong slightly diluted Tricor's net profit for the year. With the Asia Pacific economy rapidly recovering, there has been a strong demand for experienced accountants, company secretaries, and other corporate service professionals since late 2010. Retention and recruitment of quality professionals will thus be a challenge for Tricor in 2011.

To extend its reach and diversify its service offering, Tricor completed a number of major business agreements in 2010. In July, Tricor Malaysia and Sure-Reach Records Management Sdn Bhd set up a joint venture called Sure-Reach Tricor Records Management Sdn Bhd to provide professional record management and information management services in Malaysia. In December 2010, Tricor Aldbridge LLP acquired ATC Solutions Limited, a London-based accounting and corporate services firm. The acquisition significantly enhances Tricor Aldbridge's existing service offering in the UK.

During the second half of 2010, Tricor also entered into a joint venture agreement with Praesidium LLP, a professional services firm in Dubai, to set up a corporate service practice. The joint venture company commenced full operation in Dubai in January 2011. Including the new Dubai office, Tricor provides corporate services in 22 cities worldwide and employs over 1,450 employees.

### BEA Union Investment Management Limited

BEA Union Investment recorded a 20.6% increase in assets under management, year on year. The Company continued to offer diversified solutions in the areas of equity, fixed income, and multi-asset investment for retail and institutional investors.

In 2010, the Company successfully rolled out the BEA Union Investment China A-Share Equity Fund for retail investors, professional investors, and institutional clients.

BEA Union Investment also diversified its retail distribution channels in Hong Kong by partnering with a leading insurance company and an independent financial adviser. In addition, the Company expanded its institutional client base by securing a mandate from a top-tier financial institution in Greater China.

In recognition of its strong business development, investment performance, and operation management, the Company won the "The Best Fund Manager" award in *CAPITAL* magazine's Best of the Best for Executives programme in 2010.

### Operations Support

#### Loan Management System

In the fourth quarter of 2010, BEA successfully introduced a new software system for the management of its Bank-wide loan operations. With the launch of this system, BEA is now able to further enhance its operational efficiency.

#### Property Redevelopment

Redevelopment of the site formerly occupied by the 13-storey United Chinese Bank Building is progressing well. Strategically located at 31-37 Des Voeux Road Central adjacent to the MTR's Central and Airport Express stations, the old building is currently being demolished, and the new foundation works will commence in the second quarter of 2011.



Tricor diversified its professional business offering by setting up the Sure-Reach Tricor Records Management Sdn Bhd in Malaysia.

卓佳於馬來西亞組成合資公司 Sure-Reach Tricor Records Management Sdn Bhd，提供更多元化的專業服務。

## 行政總裁及高層管理人員報告書（續）

## 卓佳集團有限公司

卓佳集團有限公司（「卓佳」）是亞太區內具領導地位的商務、企業和投資者服務供應商，於2010年年度的收入錄得近港幣8億6,600萬元的新高。然而，由於部分跨國企業客戶對卓佳的收費施壓，加上香港租金大幅上升，卓佳本年度的純利因此被稍為攤薄。隨著亞太區經濟迅速復蘇，自2010年年底起，市場對會計、公司秘書和其他企業服務專業人才的需求大增。挽留及聘用優秀的專業人才，將會是卓佳在2011年度所面對的挑戰。

為擴展業務版圖和提供更多元化服務，卓佳於2010年達成了數項重大商業協議。7月，卓佳馬來西亞與Sure-Reach Records Management Sdn Bhd組成合資公司，名為Sure-Reach Tricor Records Management Sdn Bhd，在馬來西亞提供專業的檔案管理和信息管理服務。12月，卓佳Aldbridge LLP完成收購位於英國倫敦的會計及企業服務公司ATC Solutions Limited，是項收購顯著提升了卓佳Aldbridge現時於英國提供的服務範圍。

2010年下半年，卓佳與杜拜專業服務公司Praesidium LLP簽訂合資協議，成立提供企業支援服務的合資公司。該公司已於2011年1月在杜拜全面運作。連同在杜拜新成立的公司內，現時卓佳業務據點遍布全球22個城市，聘用逾1,450名僱員。

For the second consecutive year, BEA Union won "The Best Fund Manager" award in CAPITAL magazine's Best of the Best for Executives programme.

東亞聯豐連續第2年榮獲《資本雜誌》「資本傑出行政品牌」之「傑出基金經理」獎項。



## 東亞聯豐投資管理有限公司

2010年12月31日，東亞聯豐所管理的資產，較對上年度錄得20.6%的增長。年內，東亞聯豐繼續為零售及機構客戶提供多元化的投資產品，包括股票、定息產品及多元資產等。

東亞聯豐於年內成功推出東亞聯豐中國A股股票基金，以滿足零售客戶、專業和機構投資者對不同投資產品的需求。

同時，東亞聯豐與一家在市場處於領導地位的保險公司和一獨立財務顧問公司合作，拓展香港的零售分銷渠道；另一方面，東亞聯豐於年內獲得大中華區一家高端金融機構委託管理其資產，進一步拓展機構投資客戶的基礎。

東亞聯豐在業務拓展、投資表現和營運管理方面均有傑出成就，因而於2010年連續第2年榮獲《資本雜誌》「資本傑出行政品牌」之「傑出基金經理」獎項。

## 營運支援

## 貸款管理系統

2010年第4季，東亞銀行採用了全新的軟件系統，管理全行的貸款業務，本行的營運效率也因此進一步提高。

## 物業重建

有關重建原址為13層高的中國聯合銀行大廈之計劃進度良好，該大廈位於中環德輔道中31至37號的優越地段，毗鄰港鐵中環站和機場快線站。舊有的大廈現正進行拆卸工程，新的地基工程將於2011年第2季開展。





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

Comprising 27 storeys of office space and a ground floor branch, the new building will be completed in the first quarter of 2013. In view of the site's prime location and the scarcity of office space in the vicinity, both the capital and rental value of the property are expected to increase after redevelopment.

### Our People

As of 31st December, 2010, the BEA Group was supported by 11,412 employees:

Hong Kong	5,497
Greater China ex-Hong Kong	4,778
Overseas	1,137
<hr/>	
Total	11,412

Improving economic conditions in 2010 presented challenges to the Bank in securing and retaining high calibre professionals. To attract quality candidates and motivate existing employees, the Bank regularly reviewed its human resources policies and compensation benefits during the year to ensure that its employment terms and benefits were competitive in the marketplace.

In response to the recent promulgation by the Hong Kong Monetary Authority in its Supervisory Policy Manual, "Guideline on a Sound Remuneration System" (the "Guideline") issued in March 2010, BEA conducted a thorough review of its existing remuneration system and took prompt action to achieve compliance with the Guideline. The Bank will continue to ensure full compliance with regulatory requirements while offering competitive terms to its staff members on one hand, and controlling costs to enhance the Bank's overall performance on the other.

Throughout the year, the Bank stepped up its long-term investment in human resources. This included the implementation of training programmes that were designed to help managers further develop their skill sets to more effectively perform their job functions.

In anticipation of future staffing needs, the Bank continued to recruit university graduates to join its management trainee programme, which provides trainees with classroom training and hands-on experience through job rotation among the Bank's business and operations units. BEA also rolled out a retail management trainee programme to fortify its frontline operations. In addition, business student interns from The Hong Kong Polytechnic University ("PolyU") were stationed at designated branches in Hong Kong as part of PolyU's Work Integrated Education Programme.

### Corporate Branding

In May 2010, BEA launched a new branding campaign based on the brand platform, "Extending Your Reach" via a variety of communication channels. The campaign message ties together BEA's traditional values and strong identity, projecting a customer-centric, progressive image. As part of the Bank's effort to communicate this message, a new Chinese-language brand slogan entitled "同根·共創" was developed. This new slogan reflects the shared heritage between BEA and its customers, as well as the Bank's commitment to helping customers grow and prosper.

### David LI Kwok-po

*Chairman & Chief Executive*

Hong Kong, 15th February, 2011



Tailored training programmes were designed to develop employees' specific skill sets.

各項精心設計的培訓課程，有助提升員工的知識和技能。

## 行政總裁及高層管理人員報告書（續）

本行預計全新的辦公大樓將於2013年首季落成，屆時新大樓將提供27個樓層的辦公室空間，地下將設有分行。由於新大廈位於中環的核心地段，加上附近全新的辦公室供應短缺，本行相信物業在重建後的資本價值和租值均會上升。

### 人力資源

東亞銀行集團於2010年12月31日的僱員人數為11,412人，分布如下：

香港	5,497
大中華地區（香港除外）	4,778
海外	1,137
<hr/>	
合計	11,412

由於2010年經濟環境好轉，本行在聘用和挽留優秀的專業人才方面也面對挑戰。為吸引人才加入本行服務，並激勵現有員工，年內本行定期檢討人力資源和員工福利及補償政策，確保本行的聘用和福利條件在市場上具有競爭力。

為應對香港金融管理局於2010年3月發出其《監管政策手冊》中最新之「穩健的薪酬制度指引」（「指引」），本行已全面檢討現行薪酬制度，並迅速採取行動以確保本行遵守相關指引。本行一方面為員工提供具競爭力的聘用條件，另一方面則必須控制成本，提升銀行的整體表現，同時會持續確保人力資源政策全面符合監管要求。

年內，本行為人力資源加強了長遠的投資，包括按需要舉辦各項經理培訓課程，提升受訓者的知識和技能，務使他們能更有效地履行職務。

預期到未來的人手所需，本行繼續聘請大學畢業生加入「見習管理生計劃」，透過課堂培訓，以及調派到不同業務和支援部門工作的機會，讓其吸收實際工作體驗。本行並推出了「零售見習管理生計劃」，以鞏固前線部門的運作。此外，本行與香港理工大學合作推行「校企協作教育計劃」，安排其商業學系的實習學生在本行指定的分行服務。

### 企業品牌

2010年5月，東亞銀行以“Extending Your Reach”為品牌平台，透過不同媒體渠道，推出全新企業品牌計劃。該計劃揉合本行一直以來的傳統價值和獨特形象，傳遞出以客為本及積極進取的精神。作為企業品牌計劃的一部分，東亞銀行特別設計全新中文品牌標語「同根 • 共創」，凸顯本行與客戶「同根」、「同源」，以及本行致力協助客戶邁步向前，力爭成就的承諾。

主席兼行政總裁

**李國寶**

香港，2011年2月15日

BEA launched a highly successful branding campaign based on the brand platform, “Extending Your Reach” in 2010.

2010年，本行成功推出「跨越新領域」的全新企業品牌計劃。





## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT



### DIRECTORS

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

*GBM, GBS, OBE, MA Cantab. (Economics & Law), Hon. DSc. (Imperial), Hon. DBA (Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCIArb, JP, Officier de L'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Officier de la Légion d'Honneur*  
 Chairman & Chief Executive and Member of the Nomination Committee

Sir David, aged 71, joined the Bank in 1969. He was appointed a Director in 1977, Chief Executive in 1981, Deputy Chairman in 1995 and Chairman in 1997. Sir David is the chairman or a director of various members of the Bank Group, and he is also the chairman or a member of various committees appointed by the Board.

Sir David is a Member of the Legislative Council of Hong Kong. He is a Member of the Banking Advisory Committee and a Member of the Council of the Treasury Markets Association. Sir David is the Pro-Chancellor of the University of Hong Kong, an Honorary Adviser of the Business and Economics Association of HKUSU, an Advisory Committee Member of the Chinese University of Hong Kong S.H. Ho College, an Honorary Fellow of the School of Accountancy, Central University of Finance and Economics and a Companion of the Chartered Management Institute.

Sir David is the Chairman of The Chinese Banks' Association, Limited and The Hong Kong Management Association. He is the Honorary Advisor of the International Chamber of Commerce – Hong Kong, China, the First Honorary Chairman of the Hong Kong Chamber of Commerce in China and a Senior Professional Advisor of Hong Kong China Chamber of Commerce. He is also the Honorary Chairman of The Chamber of Hong Kong Listed Companies and The Chi Tung Association Limited. Sir David is Vice President of the Council of the Hong Kong Institute of Bankers, Chairman of the Saint Joseph's College Foundation Limited, a member of the Advisory Board of the Judge Business School at the University of Cambridge and a founder member of the International Advisory Council of the Cambridge Commonwealth Trust and Cambridge Overseas Trust. He is also an Emeritus Trustee of the Cambridge Foundation and a Trustee Emeritus of the Institute for Advanced Study in Princeton. Sir David is Chairman of the Advisory Board of The Salvation Army Hong Kong and Macau Command, Chairman of the Executive Committee of St. James' Settlement and he also serves on Hong Kong Red Cross Advisory Board. He is a Council Member of the Employers' Federation of Hong Kong, a Director of the David Li Kwok-po Charitable Foundation Limited, a Founder Member and an Executive Committee Member of the Heung Yee Kuk Foundation Limited and Chairman and President of The Légion d'Honneur Club Hong Kong Chapter Association Limited.

Sir David is a Director of AFFIN Holdings Berhad (listed in Malaysia), Criteria CaixaCorp, S.A.<sup>Note</sup> (listed in Spain), China Overseas Land & Investment Limited, COSCO Pacific Limited, Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, PCCW Limited, San Miguel

# 董事及高層管理人員的個人資料

## Back row from left to right 後排左起

Mr. KUOK Khoon-ean  
郭孔演先生

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

Mr. Richard LI Tzar-kai  
李澤楷先生

Mr. Aubrey LI Kwok-sing  
李國星先生

Mr. Thomas KWOK Ping-kwong  
郭炳江先生

Mr. Kenneth LO Chin-ming  
駱錦明先生

Mr. William DOO Wai-hoi  
杜惠愷先生

Mr. Valiant CHEUNG Kin-piu  
張建標先生

## Front row from left to right 前排左起

Dr. Isidro FAINÉ CASAS  
范禮賢博士

Mr. Eric LI Fook-chuen  
李福全先生

Mr. WONG Chung-hin  
黃頌顯先生

Professor Arthur LI Kwok-cheung  
李國章教授

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

Dr. Allan WONG Chi-yun  
黃子欣博士

Dr. LEE Shau-kee  
李兆基博士

Mr. Winston LO Yau-lai  
羅友禮先生

Tan Sri Dr. KHOO Kay-peng  
丹斯里邱繼炳博士

## 董事

### 李國寶爵士

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

主席兼行政總裁及提名委員會委員

李爵士，現年71歲，在1969年加入本行，1977年任董事，1981年任行政總裁，1995年任副主席，繼而於1997年獲委任為主席。李爵士亦出任本集團系內其他公司的主席或董事，以及多個由董事會委任的委員會之主席或委員。

李爵士是香港立法會議員。他是銀行業務諮詢委員會的委員及財資市場公會的議會成員。李爵士是香港大學副校監、香港大學學生會經濟及工商管理學會名譽顧問、香港中文大學善衡學院諮議委員會成員、中央財經大學會計學院榮譽顧問及特許管理學會最高級別會員。

李爵士是香港華商銀行公會有限公司及香港管理專業協會的主席。他是國際商會 — 中國香港區會名譽顧問、中國香港（地區）商會第一名譽主席及香港中國商會高級專業顧問。他亦是香港上市公司商會及志同會有限公司名譽會長。李爵士是香港銀行學會議會副會長、聖約瑟書院基金有限公司主席、劍橋大學賈吉商學院諮議委員會成員及Cambridge Commonwealth Trust和Cambridge Overseas Trust之國際諮議會創會會員。他亦為Cambridge Foundation之名譽信託人及位於普林斯頓的Institute for Advanced Study之名譽信託人。李爵士是救世軍港澳軍區顧問委員會主席、聖雅各福群會執行委員會主席及香港紅十字會顧問團成員。他亦為香港僱主聯合會諮議委員會成員、李國寶慈善基金有限公司董事、鄉議局基金有限公司創會會員和執行委員會成員及Légion d'Honneur Club香港分會主席及會長。

李爵士亦出任其他機構董事，計有：AFFIN Holdings Berhad（在馬來西亞上市）、Criteria CaixaCorp, S.A.註（在西班牙上市）、中國海外發展有限公司、中遠太平洋有限公司、粵海投資有限公司、香港中華煤氣有限公司、香港上海大酒

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

Brewery Hong Kong Limited, SCMP Group Limited and Vitasoy International Holdings Limited. He is also a Director of Hong Kong Interbank Clearing Limited and The Hong Kong Mortgage Corporation Limited. He was a director of China Merchants China Direct Investments Limited.

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

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

### Professor Arthur Li Kwok-cheung

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

Professor Li, aged 65, was a Director of the Bank (1995-2002) and was re-appointed a Director in January 2008. He is a director of AFFIN Holdings Berhad (listed in Malaysia) and a non-executive director of BioDiem Ltd. (listed in Australia). He is also a member of the National Committee of the Chinese People's Political Consultative Conference.

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

Professor Li had held many important positions in various social service organisations, medical associations, and educational bodies, including the Education Commission, Committee on Science and Technology, the Hospital Authority, the Hong Kong Medical Council, the University

Grants Committee, the College of Surgeons of Hong Kong, and the United Christian Medical Services Board. He was a member of the Board of Directors of the Hong Kong Science and Technology Parks Corporation and the Hong Kong Applied Science and Technology Research Institute, and Vice President of the Association of University Presidents of China. He was a Hong Kong Affairs Adviser to China.

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

### Dr. Allan WONG Chi-yun

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

Dr. Wong, aged 60, was appointed a Director in 1995. He is the Chairman and Group Chief Executive Officer of VTech Holdings Limited. Dr. Wong is an independent non-executive director of China-Hongkong Photo Products Holdings Ltd. and Li & Fung Ltd.

Dr. Wong is a member of the Commission on Strategic Development, a member of the Greater Pearl River Delta Business Council and a council member of the University of Hong Kong. He is also a member of the Board of the Airport Authority Hong Kong.

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

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

### Mr. WONG Chung-hin

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

Mr. Wong, aged 77, is a solicitor. He was appointed a Director in 1977. Mr. Wong is the Consultant of P.C. Woo & Co. He is also a Director of Power Assets Holdings Limited (formerly known as Hongkong Electric Holdings Limited) and Hutchison Whampoa Limited.

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

## 董事及高層管理人員的個人資料 (續)

店有限公司、電訊盈科有限公司、香港生力啤酒廠有限公司、南華早報集團有限公司及維他奶國際集團有限公司。他亦為香港銀行同業結算有限公司及香港按揭證券有限公司之董事。他曾出任招商局中國基金有限公司之董事。

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

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

### 李國章教授

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

副主席、非執行董事

李教授，現年65歲，曾任本行董事（1995–2002）及在2008年1月再獲委任為本行董事。他現為AFFIN Holdings Berhad（在馬來西亞上市）董事及BioDiem Ltd.（在澳洲上市）非執行董事。他亦是中國人民政治協商會議全國委員會委員。

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

李教授曾於多個社會服務機構、醫務及教育組織擔任重要職位，其中包括教育統籌委員會、科技委員會、香港醫院管理局、香港醫務委員會、大學教育資助委員會、香港外

科醫學院，以及基督教聯合醫院醫務協會董事會。他亦曾任香港科技園及香港應用科技研究有限公司董事、中國大學校長聯誼會副會長，以及港事顧問。

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

### 黃子欣博士

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

副主席、獨立非執行董事、薪酬委員會主席、審核委員會委員及提名委員會委員

黃博士，現年60歲，在1995年獲委任為本行董事。他是偉易達集團主席兼集團行政總裁。黃博士為中港照相器材集團有限公司及利豐有限公司之獨立非執行董事。

黃博士現為策略發展委員會委員、大珠三角商務委員會委員及香港大學諮議會成員。他亦是香港機場管理局董事會成員。

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

黃博士為黃頌顯先生之姪兒。

### 黃頌顯先生

*CBE · JP*

獨立非執行董事及審核委員會委員

黃先生，現年77歲，是律師。他在1977年獲委任為本行董事。黃先生為胡百全律師事務所顧問。他亦是電能實業有限公司（前稱香港電燈集團有限公司）及和記黃埔有限公司之董事。

黃先生是黃子欣博士之叔父。



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

### Dr. LEE Shau-kee

*GBM, Hon. DBA, Hon. DSSc, Hon. LLD  
Independent Non-executive Director and Member of the  
Nomination Committee*

Dr. Lee, aged 82, was appointed a Director in 1987. He is the Chairman and Managing Director of Henderson Land Development Company Limited and Henderson Investment Limited. Dr. Lee is also the Chairman of The Hong Kong and China Gas Company Limited and Miramar Hotel and Investment Company, Limited. He is the Vice Chairman of Sun Hung Kai Properties Limited and a Director of Hong Kong Ferry (Holdings) Company Limited.

### Mr. Aubrey LI Kwok-sing

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

Mr. Li, aged 61, was appointed a Director in 1995. He is Chairman of MCL Partners Limited. Mr. Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. He is also a Director of Cafe de Coral Holdings Limited, China Everbright International Limited, Kunlun Energy Company Limited, Kowloon Development Co. Ltd, Pokfulam Development Company Limited, Tai Ping Carpets International Limited and AFFIN Bank Berhad. He was the chairman of Atlantis Asian Recovery Fund plc (listed in Ireland), and a director of ABC Communications (Holdings) Limited and Value Partners China Greenchip Fund Limited.

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

### Mr. Winston LO Yau-lai

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

Mr. Lo, aged 69, was appointed a Director in 2000. He is the Executive Chairman of Vitasoy International Holdings Limited.

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

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

### Tan Sri Dr. KHOO Kay-peng

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

Tan Sri Dr. Khoo, aged 72, was appointed a Director in 2001. Dr. Khoo is the Chairman and Chief Executive of The MUI Group, a Malaysia-based corporation with diversified business operations in the Asia Pacific, the United States of America ("USA") and the United Kingdom ("UK"). He is the Chairman and Chief Executive of Malayan United Industries Berhad and MUI Properties Berhad (both listed in Malaysia). Dr. Khoo is also the Chairman of Laura Ashley Holdings plc (listed in London) and Corus Hotels Limited in UK and Pan Malaysian Industries Berhad (listed in Malaysia). He is also a director of SCMP Group Limited.

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

### Mr. Thomas KWOK Ping-kwong

*SBS, MSc (Bus Adm), BSc (Eng), Hon DBA, Hon DEng,  
FCPA (Aust.), JP  
Independent Non-executive Director and Member of the  
Remuneration Committee*

Mr. Kwok, aged 59, was appointed a Director in 2001. Mr. Kwok is the Vice Chairman and Managing Director of Sun Hung Kai Properties Limited, Chairman of Route 3 (CPS) Company Limited, Joint Chairman of IFC Development Limited. He was an Executive Director of SUNeVision Holdings Ltd. and was re-designated as a Non-Executive Director thereof with effect from 14th September, 2010. Mr. Kwok holds a Master's degree in Business Administration from The London Business School, University of London and a Bachelor's degree in Civil Engineering from Imperial College, University of London. He also holds an Honorary Doctorate in Engineering from The Hong Kong Polytechnic University and an Honorary Doctorate in Business Administration from The Open University of Hong Kong. He is a Fellow of The Hong Kong Management Association and also a Fellow of The Australia Certified Public Accountants.

Mr. Kwok is the Chairman of the Board of Directors of the Faculty of Business and Economics, The University of Hong Kong. He is also an Executive Vice President and a member of the Executive Committee of The Real Estate

## 董事及高層管理人員的個人資料 (續)

## 李兆基博士

GBM · Hon. DBA · Hon. DSSc · Hon. LLD

獨立非執行董事及提名委員會委員

李博士，現年82歲，在1987年獲委任為本行董事。他是恒基兆業地產有限公司及恒基兆業發展有限公司之主席兼總經理、香港中華煤氣有限公司之主席、美麗華酒店企業有限公司董事長、新鴻基地產發展有限公司副主席及香港小輪(集團)有限公司之董事。

## 李國星先生

BSc · MBA

非執行董事、提名委員會委員及薪酬委員會委員

李先生，現年61歲，在1995年獲委任為本行董事。他是偉業資本有限公司主席。李先生於投資銀行、商人銀行及資本市場界具廣泛經驗。他又為大家樂集團有限公司、中國光大國際有限公司、昆侖能源有限公司、九龍建業有限公司、博富臨置業有限公司、太平地氈國際有限公司及AFFIN Bank Berhad之董事。他曾出任Atlantis Asian Recovery Fund plc. (在愛爾蘭上市)之主席，以及佳訊(控股)有限公司及Value Partners China Greenchip Fund Limited之董事。

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

## 羅友禮先生

SBS · BSc · MSc

獨立非執行董事、審核委員會主席及薪酬委員會委員

羅先生，現年69歲，在2000年獲委任為本行董事。他是維他奶國際集團有限公司執行主席。

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

羅先生為中國人民政治協商會議全國委員會委員。他為平置業有限公司董事。

## 丹斯里邱繼炳博士

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

非執行董事

丹斯里邱博士，現年72歲，在2001年獲委任為本行董事。邱博士為MUI集團的董事主席兼行政總裁。MUI集團是一間業務多元化以馬來西亞為基地的企業集團，業務遍及亞太區、美國及英國。他亦是馬來西亞上市公司Malayan United Industries Berhad及MUI Properties Berhad之董事主席兼行政總裁。邱博士亦是英國羅拉雅斯里公共上市公司(Laura Ashley，在倫敦上市)、英國Corus Hotels Limited及馬來西亞上市公司Pan Malaysian Industries Berhad之董事會主席。他亦是南華早報集團有限公司之董事。

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

## 郭炳江先生

SBS · MSc (Bus Adm) · BSc (Eng) · Hon DBA · Hon DEng · FCPA (Aust.) · JP

獨立非執行董事及薪酬委員會委員

郭先生，現年59歲，在2001年獲委任為本行董事。郭先生現為新鴻基地產發展有限公司副主席兼董事總經理，三號幹線(郊野公園段)有限公司主席、IFC Development Limited聯席主席。他曾任新意網集團有限公司執行董事及於2010年9月14日起調任為其之非執行董事。郭先生持有英國倫敦大學倫敦商學院工商管理碩士學位及倫敦大學帝國學院土木工程系學士學位。他亦持有香港理工大學榮譽工程學博士學位及香港公開大學榮譽工商管理博士學位。他是香港管理專業協會會士及澳洲會計師公會資深會士。

郭先生是香港大學經濟及工商管理學院理事會主席，亦是香港地產建設商會第一副會長及其執行委員會成員，並獲政府委任為策略發展委員會委員及臨時最低工資委員會非

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

Developers Association of Hong Kong. He also serves as a government appointed Member of the Commission on Strategic Development and a non-official member of the Provisional Minimum Wage Commission. In July 2007, the Government of the Hong Kong Special Administrative Region awarded Mr. Kwok the Silver Bauhinia Star for his distinguished community service. He is an Honorary Citizen of Guangzhou and a Standing Committee Member of the Ninth Chinese People's Political Consultative Conference Shanghai Committee.

In the past, Mr. Kwok served as a member of the Exchange Fund Advisory Committee, the Construction Industry Council, as well as the Council for Sustainable Development and Business Facilitation Advisory Committee. He also previously served as a board member of the Community Chest of Hong Kong and as a council member of the Hong Kong Construction Association.

### Mr. Richard LI Tzar-kai

*Non-executive Director*

Mr. Li, aged 44, was appointed a Director in 2001. Mr. Li is an executive director and the Chairman of PCCW Limited, one of Asia's leading companies in Information and Communications Technologies (ICT). He is also the Chairman and Chief Executive of the Pacific Century Group, an executive director and the Chairman of Pacific Century Premium Developments Limited and Singapore-based Pacific Century Regional Developments Limited (listed in Singapore). He is a representative of Hong Kong, China to the Asia Pacific Economic Co-operation (APEC) Business Advisory Council, a member of the Center for Strategic and International Studies' International Councillors' Group in Washington, D.C. and a member of the Global Information Infrastructure Commission.

### Mr. Kenneth LO Chin-ming

*MA, BA*

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

Mr. Lo, aged 68, was appointed a Director in 2005. Mr. Lo is the Chairman and Chief Executive Officer of the Industrial Bank of Taiwan and the Chairman of EverTrust Bank (USA) and the Honourable Chairman of the Chailease Group. He is also a Director of Boston Life Science Venture Corp., a Director of Taiwan Cement Corp. and a Director of Gainwell Securities Co., Ltd. (Hong Kong). He has been with the banking and finance industry for over 40 years and had abundant experience in securities, trust, leasing, commercial banking, investment banking and venture capital. He was the President of Chinatrust Commercial Bank, the President of Chailease Group, the Chairman of IBT Venture Co., the Vice Chairman of China Trust Bank (USA), the Managing

Director of International Bank of Taipei, and a Director of Hua Nan Commercial Bank.

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

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

### Mr. Eric LI Fook-chuen

*BscEE, MscEE, MBA, FIM*

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

Mr. Li, aged 81, was appointed a Director in 2006. Mr. Li is a non-executive director of BEA Life Limited and Blue Cross (Asia-Pacific) Insurance Limited, both are wholly-owned subsidiaries of the Bank. Mr. Li is currently the Chairman and Chief Executive Officer of the Kowloon Dairy Limited. He is a director of Joyce Boutique Holdings Limited.

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

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

### Mr. Stephen Charles LI Kwok-sze

*BSc (Hons.), ACA*

*Non-executive Director*

Mr. Li, aged 51, was appointed a Director in 2006. He is a member of the Institute of Chartered Accountants in England and Wales. Mr. Li holds a Bachelor of Science (Hons.) Degree in Mathematics from King's College, University of London, U.K. He is a director of hedge funds based in the UK and the EU. He is also a director of AFFIN

## 董事及高層管理人員的個人資料 (續)

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

郭先生曾任外匯基金諮詢委員會委員、建造業議會成員、持續發展委員會及方便營商諮詢委員會之委員。他亦曾出任香港公益金董事及香港建造商會幹事。

**李澤楷先生**

非執行董事

李先生，現年44歲，在2001年獲委任為本行董事。李先生現為電訊盈科有限公司執行董事兼主席（該公司為亞洲領先的資訊及通訊科技公司之一）、盈科拓展集團主席兼行政總裁、盈科大衍地產發展有限公司執行董事兼主席，以及新加坡上市公司盈科亞洲拓展有限公司主席。他是亞太區經濟合作組織商貿諮詢理事會中國香港的代表，美國華盛頓策略及國際研究中心國際委員會的成員，以及環球資訊基建委員會的成員。

**駱錦明先生**

MA, BA

獨立非執行董事及審核委員會委員

駱先生，現年68歲，在2005年獲委任為本行董事。他現為台灣工業銀行及美國華信銀行董事長和中租企業集團榮譽董事長，並擔任波士頓生物科技創投公司董事、台灣水泥公司董事和香港敬威證券公司董事。他在金融業的資歷超過40年以上，在證券、信託金融、租賃、商業銀行、投資銀行及創業投資領域具備豐富之經驗。駱先生曾任中國信託商業銀行總經理、中租企業集團總經理、台灣工銀創投公司的董事長、美國中信銀行副董事長、台北國際商業銀行常務董事、華南商業銀行董事，為深受業界敬重之資深金融家。

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

駱先生為台灣大學經濟學士、美國阿拉巴馬州立大學商學碩士。

**李福全先生**

BscEE, MscEE, MBA, FIM

非執行董事、提名委員會主席及薪酬委員會委員

李先生，現年81歲，在2006年獲委任為本行董事。李先生亦是本行全資附屬公司——東亞人壽保險有限公司及藍十字（亞太）保險有限公司非執行董事。他現為九龍維記牛奶有限公司主席兼行政總裁。他是Joyce Boutique Holdings Limited的董事。

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

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

**李國仕先生**

BSc (Hons.), ACA

非執行董事

李先生，現年51歲，在2006年獲委任為本行董事。他是英國及威爾斯特許會計師公會會員。李先生持有英國倫敦大學King's College數學（榮譽）理學士學位。他出任以



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

Bank Berhad and AFFIN Investment Bank Berhad. He has extensive experience in investment banking, having held senior capital markets positions with international investment banks in London and Hong Kong.

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

### Mr. William DOO Wai-hoi

*BSc, MSc, G.G., Chevalier de la Légion d'Honneur, JP  
Independent Non-executive Director and Member of the Audit Committee*

Mr. Doo, aged 66, was appointed a Director in 2008. He is currently the vice-chairman of New World China Land Limited and the deputy chairman of NWS Holdings Limited. He is an executive director of Lifestyle International Holdings Limited, also an independent non-executive director of Shanghai Industrial Urban Development Group Limited (formerly known as Neo-China Land Group (Holdings) Limited), a director of New World Hotels (Holdings) Limited and Fung Seng Diamond Company Limited. Mr. Doo was a deputy chairman of Taifook Securities Group Limited (now known as Haitong International Securities Group Limited).

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

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

### Mr. KUOK Khoon-ean

*Independent Non-executive Director*

Mr. Kuok, aged 55, was appointed a Director in 2008. He is currently the chairman and executive director of Shangri-La Asia Limited, a non-executive director of SCMP Group Limited, a director of Kerry Group Limited and Kerry Holdings Limited. Mr. Kuok is also a director of Wilmar International Limited (listed in Singapore) and a director of Shangri-La Hotel Public Company Limited and The Post Publishing Public Company Limited (both listed in Thailand).

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

### Mr. Valiant CHEUNG Kin-piu

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

Mr. Cheung, aged 65, was appointed a Director in 2008. He was a partner at KPMG, a leading international accounting firm in Hong Kong, until his retirement in 2001. He has extensive experience in assurance and corporate finance work, particularly in trading and manufacturing corporations in Hong Kong and the PRC. Mr. Cheung is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

Mr. Cheung is an independent non-executive director of Vitasoy International Holdings Limited, Pacific Century Premium Developments Limited and Dah Chong Hong Holdings Limited. He was an independent non-executive director of Dream International Limited and Wing Shan International Limited (now known as Winteam Pharmaceutical Group Limited).

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

### Dr. Isidro FAINÉ CASAS

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

Dr. Fainé, aged 68, was appointed a Director in June 2009. Dr. Fainé is the Chairman of the following companies:

- (i) Criteria CaixaCorp, S.A.<sup>Note</sup>, the holding company of the largest industrial and financial investment group in Spain (listed on the Spanish Stock Exchange since 2007)
- (ii) Caja de Ahorros y Pensiones de Barcelona "la Caixa"<sup>Note</sup>, the first Spanish and European savings bank and controlling shareholder of Criteria CaixaCorp, S.A.
- (iii) "la Caixa" Foundation

## 董事及高層管理人員的個人資料 (續)

英國和歐盟為基地的對沖基金的董事。李先生亦為AFFIN Bank Berhad及AFFIN Investment Bank Berhad之董事。他在投資銀行方面擁有豐富經驗，並曾出任倫敦及香港國際投資銀行資本市場要職。

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

**杜惠愷先生**

*BSc · MSc · G.G. · Chevalier de la Légion d'Honneur · JP*  
獨立非執行董事及審核委員會委員

杜先生，現年66歲，在2008年獲委任為本行董事。他現為新世界中國地產有限公司及新創建集團有限公司副主席，他亦為利福國際集團有限公司執行董事，上海實業城市開發集團有限公司(原名中新地產集團(控股)有限公司)獨立非執行董事以及新世界酒店(集團)有限公司和豐盛珠寶有限公司董事。杜先生曾擔任大福證券集團有限公司(現名為海通國際證券集團有限公司)副主席。

杜先生現為第十一屆中國人民政治協商會議上海市委員會常務委員及港澳委員召集人。他現為香港加拿大商會總監，並獲摩洛哥王國委任為香港名譽領事。

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

**郭孔演先生**

獨立非執行董事

郭先生，現年55歲，在2008年獲委任為本行董事。他現為香格里拉(亞洲)有限公司主席及執行董事，以及南華早報集團有限公司非執行董事、Kerry Group Limited和Kerry Holdings Limited的董事。郭先生亦為新加坡上市公司Wilmar International Limited的董事以及泰國上市公司Shangri-La Hotel Public Company Limited和The Post Publishing Public Company Limited的董事。

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

**張建標先生**

*FCPA · FCA*

獨立非執行董事及審核委員會委員

張先生，65歲，在2008年獲委任為本行董事。他於2001年退休前，為香港著名國際會計師事務所畢馬威會計師事務所之合夥人。張先生在審計及企業財務工作方面具備豐富經驗，尤其擅長處理香港及中國內地的貿易及生產公司的事項。張先生是英格蘭及威爾斯特許會計師公會及香港會計師公會的資深會員。

張先生現任維他奶國際集團有限公司、盈科大衍地產發展有限公司及大昌行集團有限公司之獨立非執行董事。他曾出任德林國際有限公司及榮山國際有限公司(現名為盈天醫藥集團有限公司)之獨立非執行董事。

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

**范禮賢博士**

非執行董事及提名委員會委員

范博士，68歲，在2009年6月獲委任為本行董事。范博士現時為以下公司的主席：

- (i) Criteria CaixaCorp, S.A.<sup>註</sup>，為西班牙最大之工業及金融投資集團的控股公司(自2007年起在西班牙證券交易所上市)
- (ii) 西班牙巴塞羅那儲蓄銀行<sup>註</sup>(Caja de Ahorros y Pensiones de Barcelona "la Caixa")，為西班牙及歐洲首家儲蓄銀行，並且是Criteria CaixaCorp, S.A.的控股股東
- (iii) "la Caixa" 基金

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

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

- (i) First Vice Chairman of Abertis Infraestructuras, S.A. (infrastructure manager, listed in Spain)
- (ii) Vice Chairman of Telefónica, S.A. (integrated operator in the telecommunication sector, listed in Spain)
- (iii) Second Vice Chairman of Repsol YPF, S.A. (oil company, listed in Spain)
- (iv) Director of Banco BPI, S.A. (financial and multi-specialist group focusing on the banking business, listed in Portugal)
- (v) Director of Grupo Financiero Inbursa, S.A.B. de C.V. (financial and banking group, listed in Mexico)

Dr. Fainé is Second Vice Chairman of Sociedad General de Aguas de Barcelona, S.A. He was a Director of Brisa Auto-Estradas de Portugal, S.A. from 2003 to 2008 (listed in Portugal).

Dr. Fainé is a member of the Royal Academy of Economics and Finance and of the Royal Academy of Doctors, Chairman of the Association of Spanish Savings Banks (CECA), Vice-Chairman of the European Savings Bank Group (ESBG) and Chairman of the Association of Catalan Savings Banks. He is also Chairman of the Spanish Confederation of Directors and Executives (CEDE) and the Spanish Chapter of the Club of Rome. He has been a member of the Executive Committee of the Deposit Guarantee Fund for Savings Bank since 2007. In July 2010, he has been appointed member of The Governing Committee of the Fund for Orderly Bank Restructuring (FROB) and in February 2011, he was appointed as a member of the Executive Committee of the Business Council for Competitiveness (CEC).

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

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

*Note “la Caixa” is the controlling shareholder of Criteria CaixaCorp, S.A. which is the sole shareholder of Negocio de Finanzas e Inversiones I, S.L.U. Each of “la Caixa”, Criteria CaixaCorp, S.A. and Negocio de Finanzas e Inversiones I, S.L.U. is a substantial shareholder of the Bank as defined under the Listing Rules and within the meaning of Part XV of the Securities and Futures Ordinance, the details of which are disclosed in the “Interest*

*of Substantial Shareholders and Other Persons” section of the Report of the Directors. Dr. the Hon. Sir David LI Kwok-po is a director of Criteria CaixaCorp, S.A. and Dr. Isidro FAINÉ CASAS is the Chairman of Criteria CaixaCorp, S.A. and “la Caixa”. Dr. FAINÉ owns 0.017% interest in Criteria CaixaCorp, S.A. while he is not aware of any of his associates owning any interest in Criteria CaixaCorp, S.A. or any of its subsidiaries.*

## SENIOR MANAGEMENT

### Mr. Adrian David LI Man-kiu

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

Mr. Li, aged 37, joined the Bank in 2000 as General Manager & Head of Corporate Banking Division. In April 2009, he was promoted to Deputy Chief Executive for Hong Kong Business, and in his current capacity, he is responsible for the overall management of the Bank's business activities in Hong Kong, including corporate banking, personal banking, wealth management, and insurance and retirement benefits. He is also a director of various members of the Bank Group and a member of various committees appointed by the Board.

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

Mr. Li is a member of the Tenth Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (“CPPCC”) and was formerly a member of the Ninth and Tenth Guangzhou Committees of the CPPCC. He is also a member of the Eleventh Committee of the All-China Youth Federation, the Deputy Chairman of the Tenth Committee of the Beijing Youth Federation and a Counsellor of the Hong Kong United Youth Association. In addition, he is a Council Member of the Vocational Training Council and the Chairman of its Banking and Finance Industry Training Board, a member of the Board of Directors of The Community Chest of Hong Kong, and a member of the Mandatory Provident Fund Industry Schemes Committee of the Mandatory

## 董事及高層管理人員的個人資料 (續)

范博士目前還在其他上市公司擔任主席及董事職務，詳情如下：

- (i) Abertis Infraestructuras, S.A. 第一副主席，該公司在西班牙上市，專營基建項目管理
- (ii) Telefónica, S.A. 副主席，該公司在西班牙上市，為電訊業之一家綜合經營公司
- (iii) Repsol YPF, S.A. 第二副主席，該公司在西班牙上市，為一家石油公司
- (iv) Banco BPI, S.A. 董事，該公司在葡萄牙上市，為主要從事銀行業務之金融及多元化專項集團
- (v) Grupo Financiero Inbursa, S.A.B. de C.V. 董事，該公司在墨西哥上市，為一家金融及銀行集團

范博士是 Sociedad General de Aguas de Barcelona, S.A. 第二副主席。於2003至2008年期間，他曾在葡萄牙上市公司 Brisa Auto-Estradas de Portugal, S.A. 擔任董事。

范博士是皇家經濟及金融學院以及皇家醫生學院的會員、西班牙儲蓄銀行協會主席 (CECA)、歐洲儲蓄銀行集團副主席 (ESBG)、加泰羅尼亞儲蓄銀行協會主席、西班牙董事及行政人員聯合會主席 (CEDE)、羅馬俱樂部西班牙分會主席，以及自2007年起出任儲蓄銀行存款保證金執行委員會委員。於2010年7月，他獲委任為有序銀行重組基金 (FROB) 管治委員會委員並於2011年2月獲委任為競爭力商會委員會 (CEC) 執行委員會委員。

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

范博士於1982年加入西班牙巴塞羅那儲蓄銀行，並獲委任為副執行總經理。於1999年，他獲委任該公司行政總裁一職，並且於2007年進一步獲委任為主席。

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

## 高層管理人員

## 李民橋先生

MA (Cantab) · MBA · LPC · JP  
副行政總裁

李先生，現年37歲，在2000年加入本行為總經理兼企業銀行主管。其後於2009年4月獲擢升為副行政總裁。李先生主要負責本行香港業務之整體運作、管理及監督，當中包括企業銀行、個人銀行、財富管理、保險及退休福利等業務。他同時亦出任本集團系內多間公司之董事及多個由董事會委任之委員會委員。

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

李先生現為中國人民政治協商會議第十屆廣東省委員會委員及曾任中國人民政治協商會議第九屆及第十屆廣州市委員會委員。現時，他亦是中華全國青年聯合會第十一屆委員會港區特邀委員、北京青年聯合會第十屆委員會副主席及香港青年聯會參事。此外，李先生是香港職業訓練局理事會委員及其銀行及金融業訓練委員會主席，香港公益金董事局成員，以及香港強制性公積金計劃管理局強制性公積金行業計劃委員會委員。李先生亦曾任海洋公園公司董事及香港出口信用保險局諮詢委員會委員。

註 西班牙巴塞羅那儲蓄銀行為 Criteria CaixaCorp, S.A. 的控股股東，Criteria 則為 Negocio de Finanzas e Inversiones I. S.L.U. 的唯一股東。根據《上市規則》及《證券及期貨條例》第 XV 部之定義，西班牙巴塞羅那儲蓄銀行、Criteria CaixaCorp, S.A. 及 Negocio de Finanzas e Inversiones I. S.L.U. 均為本行的主要股

東，詳情在董事會報告書內大股東及其他人士的權益項下披露。李國寶爵士為 Criteria CaixaCorp, S.A. 的董事，而范禮賢博士則是 Criteria CaixaCorp, S.A. 及西班牙巴塞羅那儲蓄銀行的主席。范博士擁有 Criteria CaixaCorp, S.A. 0.017% 的權益，他並不知悉其任何聯繫人士擁有 Criteria CaixaCorp, S.A. 或其任何附屬公司的任何權益。



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

Provident Fund Schemes Authority. Mr. Li was formerly a board member of Ocean Park Corporation and an advisory board member of the Hong Kong Export Credit Insurance Corporation.

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

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

### Mr. Brian David LI Man-bun

*MA (Cantab), MBA, FCA*  
*Deputy Chief Executive*

Mr. Li, aged 36, joined the Bank Group in 2002. He was General Manager & Head of Wealth Management Division of the Bank from July 2004 to March 2009. He was promoted to Deputy Chief Executive for China and International Business in April 2009. Mr. Li is primarily responsible for the Bank's China and international businesses, as well as the management of BEA Union Investment Management Limited. He is also a director of various members of the Bank Group and a member of various committees appointed by the Board.

Mr. Li is currently an Independent Non-executive Director of Towngas China Company Limited and Xinjiang Goldwind Science & Technology Company Limited.

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

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

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

### Mr. Samson LI Kai-cheong

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

Mr. Li, aged 50, joined the Bank in 1987 as Chief Internal Auditor. He was promoted to Deputy Chief Executive & Chief Investment Officer in April 2009. Mr. Li is primarily responsible for the Bank's investment activities and treasury & broking operations including treasury markets. He is also a director of various members of the Bank Group and a member of various committees appointed by the Board.

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

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

### Mr. TONG Hon-shing

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

Mr. Tong, aged 51, joined the Bank in 1975. He was promoted to Assistant General Manager in 1995 and to General Manager in 2000. He was General Manager & Head of Personal Banking Division from 2001 to March 2009. He was further promoted to Deputy Chief Executive and Chief Operating Officer in April 2009. Mr. Tong is primarily responsible for strategic planning and control, operations support, compliance, human resources, and corporate communications of the Bank. He is also a director of various members of the Bank Group and a member of various committees appointed by the Board. Mr. Tong is a Fellow of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries & Administrators as well as an Associate of The Hong Kong Institute of Bankers and The Chartered Institute of Bankers. He holds a BSc from the University of Manchester.

## 董事及高層管理人員的個人資料 (續)

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

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

### 李民斌先生

MA (Cantab) · MBA · FCA

副行政總裁

李先生，現年36歲，在2002年加入本集團，2004年7月至2009年3月期間出任本行總經理兼財富管理處主管，並於2009年4月獲擢升為副行政總裁，負責中國與國際業務。李先生主要負責本行的中國及國際業務，以及東亞聯豐投資管理有限公司之管理。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。

李先生現任港華燃氣有限公司及新疆金風科技股份有限公司的獨立非執行董事。

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

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

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

### 李繼昌先生

FCCA · CPA · FCIS · FCS · HKSI

副行政總裁兼投資總監

李先生，現年50歲，在1987年加入本行為總內部稽核，於2009年4月獲擢升為副行政總裁兼投資總監。李先生主要負責本行的投資活動、資金及經紀業務的運作，包括資金市場。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。

他是招商局中國基金有限公司的獨立非執行董事及審計委員會主席。

李先生為香港特許秘書公會、英國特許秘書及行政人員公會和英國特許公認會計師公會資深會士、香港會計師公會會士、香港證券學院會員和香港聯合交易所有限公司上市委員會成員，並獲香港理工大學會計學專業文憑。

### 唐漢城先生

BSc · ACIB · AHKIB · FCIS · FCS

副行政總裁兼營運總監

唐先生，現年51歲，在1975年加入本行。於1995年獲擢升為助理總經理及2000年獲擢升為總經理，2001年至2009年3月期間出任總經理兼個人銀行處主管，並於2009年4月獲擢升為副行政總裁兼營運總監。唐先生主要負責本行的策劃及調控、營運支援、法規監管、人力資源，以及企業傳訊。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。唐先生為香港特許秘書公會和英國特許秘書及行政人員公會資深會士，及香港銀行學會和英國特許銀行學會會士，並獲英國曼徹斯特大學理學士學位。

# CORPORATE INFORMATION 公司資料

## BOARD OF DIRECTORS

### Executive Director

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

### Non-executive Directors

Professor Arthur LI Kwok-cheung  
(Deputy Chairman)

Mr. Aubrey LI Kwok-sing

Tan Sri Dr. KHOO Kay-peng

Mr. Richard LI Tzar-kai

Mr. Eric LI Fook-chuen

Mr. Stephen Charles LI Kwok-sze

Dr. Isidro FAINÉ CASAS

### Independent Non-executive Directors

Dr. Allan WONG Chi-yun  
(Deputy Chairman)

Mr. WONG Chung-hin

Dr. LEE Shau-kee

Mr. Winston LO Yau-lai

Mr. Thomas KWOK Ping-kwong

Mr. Kenneth LO Chin-ming

Mr. William DOO Wai-hoi

Mr. KUOK Khoon-ean

Mr. Valiant CHEUNG Kin-piu

## SENIOR MANAGEMENT

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

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

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

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

## SENIOR ADVISORS

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

Mr. CHAN Kay-cheung  
FHKIB

Mr. CHAN Tze-ching  
FCCA, FCPA, ACIS, ACS

## COMPANY SECRETARY

Mr. Alson LAW Chun-tak  
FCCA, FCPA, FCIS, FCS

## AUDITORS

KPMG  
Certified Public Accountants

## 董事會

### 執行董事

李國寶爵士  
(主席兼行政總裁)

### 非執行董事

李國章教授  
(副主席)

李國星先生

丹斯里邱繼炳博士

李澤楷先生

李福全先生

李國仕先生

范禮賢博士

### 獨立非執行董事

黃子欣博士  
(副主席)

黃頌顯先生

李兆基博士

羅友禮先生

郭炳江先生

駱錦明先生

杜惠愷先生

郭孔演先生

張建標先生

## 高層管理人員

李民橋先生  
MA (Cantab), MBA, LPC, JP  
副行政總裁

李民斌先生  
MA (Cantab), MBA, FCA  
副行政總裁

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

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

## 高級顧問

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

陳棋昌先生  
FHKIB

陳子政先生  
FCCA, FCPA, ACIS, ACS

## 公司秘書

羅春德先生  
FCCA, FCPA, FCIS, FCS

## 核數師

畢馬威會計師事務所  
執業會計師

**CHIEF EXECUTIVE AND SENIOR MANAGEMENT**  
行政總裁及高層管理人員



Mr. Samson LI  
Kai-cheong  
李繼昌先生

Mr. Adrian David LI  
Man-kiu  
李民橋先生

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

Mr. Brian David LI  
Man-bun  
李民斌先生

Mr. TONG Hon-shing  
唐漢城先生



## LIST OF OUTLETS



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

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

2	Beijing	北京	13	Fuping County	富平縣	24	Huizhou	惠州
3	Urumqi	烏魯木齊	14	Zhengzhou	鄭州	25	Dongguan	東莞
4	Shenyang	瀋陽	15	Nanjing	南京	26	Shenzhen	深圳
5	Dalian	大連	16	Hefei	合肥	27	Zhuhai	珠海
6	Tianjin	天津	17	Wuhan	武漢	28	Zhongshan	中山
7	Shijiazhuang	石家莊	18	Chengdu	成都	29	Jiangmen	江門
8	Qingdao	青島	19	Chongqing	重慶	30	Zhaoqing	肇慶
9	Suzhou	蘇州	20	Fuzhou	福州	31	Macau	澳門
10	Shanghai	上海	21	Xiamen	廈門	32	Taipei	台北
11	Hangzhou	杭州	22	Guangzhou	廣州	33	Kaohsiung	高雄
12	Xi'an	西安	23	Foshan	佛山			

#### Overseas 海外

##### Singapore 新加坡

Singapore 新加坡

##### Malaysia 馬來西亞

Labuan 納閩  
Kuala Lumpur 吉隆坡

##### United Kingdom 英國

London 倫敦  
Birmingham 伯明翰

##### United States 美國

New York 紐約  
Los Angeles 洛杉磯  
San Francisco 三藩市

# 網絡一覽

With more than 200 outlets worldwide, BEA operates an extensive international network covering Hong Kong and the rest of Greater China, North America, the United Kingdom, and Southeast Asia.

東亞銀行現於全球設有逾 200 個網點，龐大的國際網絡覆蓋香港、大中華其他地區、北美洲、英國和東南亞等地。

## HONG KONG BRANCH NETWORK 香港分行網絡

S	Main Branch	總行						
<b>Hong Kong Island 香港</b>								
S	Aberdeen	香港仔		Cheung Sha Wan Road	長沙灣道	S	Ha Kwai Chung	下葵涌
S	Admiralty	金鐘	S	Chuk Yuen	竹園		Lingnan University	嶺南大學
S	BEA Harbour View Centre	東亞銀行 港灣中心	S	East Tsim Sha Tsui Festival Walk	尖東 又一城	S	Ma On Shan Plaza	馬鞍山廣場
	Bonham Road	般含道	S	Hoi Yuen Road	開源道	S	Maritime Square	青衣城
	Caine Road	堅道	S	Hong Kong Baptist University	香港浸會 大學	S	Metro City Plaza	新都城中心
S	Causeway Bay	銅鑼灣	S	iSQUARE	國際廣場		Park Central	將軍澳中心
	Chai Wan	柴灣	S	Kowloon City	九龍城	S	Sai Kung	西貢
	88 Des Voeux Road West	德輔道西 88號	S	Kowloon Station	九龍站	S	Shatin Plaza	沙田廣場
S	Happy Valley	跑馬地	S	Kwun Tong	觀塘		Sheung Kwai Chung	上葵涌
S	399 Hennessy Road	軒尼詩道 399號	S	Laguna City	麗港城	S	Sheung Shui	上水
	Kennedy Town Centre	堅城中心	S	Lok Fu	樂富		Sun Chui Estate	新翠邨
S	King's Road	英皇道	S	Ma Tau Wei Road	馬頭圍道		Tai Po	大埔
S	North Point	北角	S	Mei Foo Sun Chuen	美孚新邨	S	Tai Po Plaza	大埔廣場
	Quarry Bay	鯉魚涌	S	Millennium City 5	創紀之城五期	S	Tai Wai	大圍
S	Queen's Road Central	皇后大道中	S	Mongkok	旺角	S	Tai Wo	太和
S	Queen's Road East	皇后大道東	S	Mongkok North	旺角北		The Chinese University of Hong Kong	香港中文 大學
S	Shaukiwan	筲箕灣	S	Olympian City	奧海城	S	Tin Shui Wai	天水圍
S	Sheung Wan	上環	S	One Peking	北京道一號		Tiu Keng Leng	調景嶺
S	Shun Tak Centre	信德中心	S	Pau Chung Street	炮仗街	S	The Hong Kong Institute of Education	香港教育 學院
	Siu Sai Wan	小西灣	S	Prince Edward	太子	S	The Hong Kong University of Science and Technology	香港科技 大學
S	Taikoo Shing	太古城	S	San Po Kong	新蒲崗	S	Tsuen Wan	荃灣
S	The University of Hong Kong	香港大學	S	Tai Hang Tung	大坑東		Tuen Mun	屯門
S	Wanchai	灣仔		The Hong Kong Polytechnic University	香港理工 大學	S	Tuen Mun Town Plaza	屯門市廣場
S	Revenue Tower SupremeGold Centre	稅務大樓顯卓 理財中心	S	Tsim Sha Tsui	尖沙咀	S	Yuen Long	元朗
				Tsz Wan Shan	慈雲山	<b>Outlying Islands 離島</b>		
				Waterloo Road	窩打老道		Cheung Chau	長洲
			S	Whampoa Garden	黃埔花園		Tung Chung	東涌
			S	Wong Tai Sin	黃大仙		Silvermine Bay	梅窩
			S	Yaumatei	油麻地		Tai O	大澳
<b>New Territories 新界</b>								
S	With SupremeGold Centre 設有顯卓理財中心		S	East Point City	東港城			
①	With i-Financial Centre 設有i-理財中心		S	Fanling	粉嶺			

## LIST OF OUTLETS (CONTINUED)

## GREATER CHINA NETWORK EX-HONG KONG 大中華地區網絡 (香港除外)

## Telephone 電話

## Mainland China 中國內地

The Bank of East Asia (China) Limited	東亞銀行(中國)有限公司	(86 21) 3866 3866
• Shanghai Branch	• 上海分行	(86 21) 3867 5033
• Shanghai Puxi Sub-Branch	• 上海浦西支行	(86 21) 6329 7338
• Shanghai Gubei Sub-Branch	• 上海古北支行	(86 21) 6208 0333
• Shanghai Xintiandi Sub-Branch	• 上海新天地支行	(86 21) 5382 0333
• Shanghai Xujiahui Sub-Branch	• 上海徐家匯支行	(86 21) 6469 0333
• Shanghai Jing'an Sub-Branch	• 上海靜安支行	(86 21) 6258 0333
• Shanghai Changning Sub-Branch	• 上海長寧支行	(86 21) 5241 8333
• Shanghai Dongfang Road Sub-Branch	• 上海東方路支行	(86 21) 5873 8333
• Shanghai Lianyang Sub-Branch	• 上海聯洋支行	(86 21) 3392 7333
• Shanghai Hongqiao Sub-Branch	• 上海虹橋支行	(86 21) 3252 8833
• Shanghai Lujiazui Sub-Branch	• 上海陸家嘴支行	(86 21) 3883 4567
• Shanghai New Gubei Sub-Branch	• 上海新古北支行	(86 21) 6278 0333
• Beijing Branch	• 北京分行	(86 10) 6589 1000
• Beijing Yabaolu Sub-Branch	• 北京雅寶路支行	(86 10) 8563 6566
• Beijing Wangjing Sub-Branch	• 北京望京支行	(86 10) 8472 0036
• Beijing Zhongguancun Sub-Branch	• 北京中關村支行	(86 10) 6268 2151
• Beijing Fuhua Sub-Branch	• 北京富華支行	(86 10) 6554 3110
• Dalian Branch	• 大連分行	(86 411) 8280 8222
• Dalian Huaifu Sub-Branch	• 大連華府支行	(86 411) 8370 8333
• Dalian ETDZ Sub-Branch	• 大連開發區支行	(86 411) 3920 3920
• Dalian Xing Hai Bay Sub-Branch	• 大連星海灣支行	(86 411) 3960 3960
• Dalian Wusi Square Sub-Branch	• 大連五四廣場支行	(86 411) 8411 9888
• Dalian Xigang Sub-Branch	• 大連西崗支行	(86 411) 8250 9666
• Xi'an Branch	• 西安分行	(86 29) 8765 1188
• Xi'an Beidajie Sub-Branch	• 西安北大街支行	(86 29) 8720 1608
• Xi'an Xidajie Sub-Branch	• 西安西大街支行	(86 29) 8725 6969
• Xi'an Hi-Tech District Sub-Branch	• 西安高新區支行	(86 29) 8833 9955
• Xi'an Economic and Technological Development Zone Sub-Branch	• 西安經濟技術開發區支行	(86 29) 8655 1188
• Xi'an Changle Road Sub-Branch	• 西安長樂路支行	(86 29) 8258 9955
• Xiamen Branch	• 廈門分行	(86 592) 299 1999
• Xiamen Jiahe Sub-Branch	• 廈門嘉禾支行	(86 592) 507 8383
• Xiamen Hexiang Sub-Branch	• 廈門禾祥支行	(86 592) 296 6565
• Xiamen Xiada Sub-Branch	• 廈門廈大支行	(86 592) 257 5353
• Xiamen Lianqian Sub-Branch	• 廈門蓮前支行	(86 592) 598 7171

## GREATER CHINA NETWORK EX-HONG KONG 大中華地區網絡 (香港除外)

## Telephone 電話

• Xiamen Wenzao Sub-Branch	• 廈門文灶支行	(86 592) 585 0512
• Guangzhou Branch	• 廣州分行	(86 20) 8755 1138
• Guangzhou Huanshilu Sub-Branch	• 廣州環市路支行	(86 20) 8386 0338
• Guangzhou Panyu Sub-Branch	• 廣州番禺支行	(86 20) 8482 8100
• Guangzhou Huadu Sub-Branch	• 廣州花都支行	(86 20) 3680 8800
• Guangzhou Haizhu Sub-Branch	• 廣州海珠支行	(86 20) 8910 5380
• Guangzhou Development District Sub-Branch	• 廣州開發區支行	(86 20) 6225 7100
• Guangzhou Bin Jiang Dong Sub-Branch	• 廣州濱江東支行	(86 20) 8932 2330
• Guangzhou Jiangnanxi Sub-Branch	• 廣州江南西支行	(86 20) 8441 1998
• Guangzhou Bei Jing Road Sub-Branch	• 廣州北京路支行	(86 20) 8330 4388
• Foshan Sub-Branch	• 佛山支行	(86 757) 8185 8088
• Zhaoqing Sub-Branch	• 肇慶支行	(86 758) 2321 858
• Shenzhen Branch	• 深圳分行	(86 755) 8203 2313
• Shenzhen Luohu Sub-Branch	• 深圳羅湖支行	(86 755) 8228 0182
• Shenzhen Nanshan Sub-Branch	• 深圳南山支行	(86 755) 8621 1882
• Shenzhen BaoAn Sub-Branch	• 深圳寶安支行	(86 755) 2966 3133
• Shenzhen Longgang Sub-Branch	• 深圳龍崗支行	(86 755) 8481 5111
• Shenzhen Longhua Sub-Branch	• 深圳龍華支行	(86 755) 2811 3000
• Shenzhen Huaqiangbei Sub-Branch	• 深圳華強北支行	(86 755) 8376 3299
• Shenzhen Futian Sub-Branch	• 深圳福田支行	(86 755) 2533 4488
• Shenzhen Zhongxinqu Sub-Branch	• 深圳中心區支行	(86 755) 8899 6899
• Huizhou Sub-Branch	• 惠州支行	(86 752) 783 9188
• Zhuhai Branch	• 珠海分行	(86 756) 889 6883
• Zhuhai Jida Sub-Branch	• 珠海吉大支行	(86 756) 321 0928
• Zhuhai Ningxi Sub-Branch	• 珠海檸溪支行	(86 756) 231 9522
• Zhuhai Xin Xiangzhou Sub-Branch	• 珠海新香洲支行	(86 756) 260 1600
• Zhongshan Sub-Branch	• 中山支行	(86 760) 8998 3838
• Jiangmen Sub-Branch	• 江門支行	(86 750) 3876 288
• Chengdu Branch	• 成都分行	(86 28) 8620 2020
• Chengdu Jincheng Sub-Branch	• 成都錦城支行	(86 28) 8626 5050
• Chengdu Yulin Sub-Branch	• 成都玉林支行	(86 28) 8513 2000
• Chengdu Wuhou Sub-Branch	• 成都武侯支行	(86 28) 8595 6060
• Chongqing Branch	• 重慶分行	(86 23) 6388 6388
• Chongqing Shapingba Sub-Branch	• 重慶沙坪壩支行	(86 23) 6530 0288
• Chongqing Jiangbei Sub-Branch	• 重慶江北支行	(86 23) 6771 0788
• Chongqing Jiefangbei Sub-Branch	• 重慶解放碑支行	(86 23) 6310 7929
• Chongqing New North Zone Sub-Branch	• 重慶北部新區支行	(86 23) 6800 9000



## LIST OF OUTLETS (CONTINUED)

## GREATER CHINA NETWORK EX-HONG KONG 大中華地區網絡 (香港除外) Telephone 電話

• Hangzhou Branch	• 杭州分行	(86 571) 8981 2288
• Hangzhou Wenhuilu Sub-Branch	• 杭州文暉路支行	(86 571) 8835 1131
• Hangzhou Wener Road Sub-Branch	• 杭州文二路支行	(86 571) 8981 2488
• Qingdao Branch	• 青島分行	(86 532) 8197 8888
• Qingdao Xiang Gang Zhong Road Sub-Branch	• 青島香港中路支行	(86 532) 6688 7888
• Qingdao Qin Ling Road Sub-Branch	• 青島秦嶺路支行	(86 532) 8099 7188
• Shenyang Branch	• 瀋陽分行	(86 24) 3128 0300
• Shenyang Wu'ai Sub-Branch	• 瀋陽五愛支行	(86 24) 3129 0300
• Shenyang Nanhu Technology Development Zone Sub-Branch	• 瀋陽南湖科技開發區支行	(86 24) 6278 6100
• Shenyang Heping Sub-Branch	• 瀋陽和平支行	(86 24) 3107 9300
• Wuhan Branch	• 武漢分行	(86 27) 8226 1668
• Wuhan Optics Valley Sub-Branch	• 武漢光谷支行	(86 27) 8720 0488
• Nanjing Branch	• 南京分行	(86 25) 8689 9988
• Nanjing East Zhongshan Road Sub-Branch	• 南京中山東路支行	(86 25) 8464 6657
• Tianjin Branch	• 天津分行	(86 22) 2836 2288
• Urumqi Branch	• 烏魯木齊分行	(86 991) 236 4888
• Hefei Branch	• 合肥分行	(86 551) 566 3888
• Shijiazhuang Branch	• 石家莊分行	(86 311) 6678 8000
• Suzhou Branch	• 蘇州分行	(86 512) 6873 5088
• Zhengzhou Branch	• 鄭州分行	(86 371) 8996 6888
<b>The Bank of East Asia, Limited</b>	<b>東亞銀行有限公司</b>	
• Shanghai Branch	• 上海分行	(86 21) 3866 3508
• Fuzhou Representative Office	• 福州代表處	(86 591) 8780 9306
• Dongguan Representative Office	• 東莞代表處	(86 769) 2280 8186
• Shaanxi Fuping BEA Rural Bank Corporation	• 陝西富平東亞村鎮銀行有限責任公司	(86 913) 830 9988

## Macau 澳門

Macau Branch	澳門分行	(853) 2833 5511
Macau Horta e Costa Sub-Branch	澳門高士德支行	(853) 2821 0858
Macau Praia Grande Sub-Branch	澳門南灣支行	(853) 2837 0661
Macau Taipa Sub-Branch	澳門氹仔支行	(853) 2883 0166
Macau Areia Preta Sub-Branch	澳門黑沙環支行	(853) 2875 0036

## Taiwan 台灣

Taipei Branch	台北分行	(886 2) 8161 2851
Kaohsiung Branch	高雄分行	(886 7) 225 2238

## OVERSEAS NETWORK 海外網絡

## Telephone 電話

**Singapore 新加坡**

Singapore Branch	新加坡分行	(65) 6602 7702
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**Malaysia 馬來西亞**

Labuan Branch	納閩分行	(60 87) 451 145
Kuala Lumpur Representative Office	吉隆坡代表處	(60 3) 2161 6210

**United Kingdom 英國**

London Branch	倫敦分行	(44 20) 7734 3434
Birmingham Branch	伯明翰分行	(44 121) 326 3030

**United States 美國****The Bank of East Asia, Limited**

- New York Branch
- New York Wholesale Branch
- Los Angeles Branch

**東亞銀行有限公司**

- 紐約分行 (1 212) 238 8200
- 紐約企業分行 (1 212) 238 8200
- 洛杉磯分行 (1 626) 656 8818

**The Bank of East Asia (U.S.A.) N.A.**

- Canal Street Main Branch
- Alhambra Branch
- Brooklyn Branch
- Clement Branch
- Flushing Branch
- Hacienda Heights Branch
- Noriega Branch
- Oakland Branch
- San Francisco Chinatown Branch
- San Gabriel Branch
- South San Francisco Branch
- Temple City Branch
- Torrance Branch

**美國東亞銀行**

- 堅尼路總行 (1 212) 238 8208
- 亞罕布拉市分行 (1 626) 300 8888
- 布碌崙分行 (1 718) 210 0508
- 三藩市企李文分行 (1 415) 668 8877
- 法拉盛分行 (1 347) 905 9772
- 哈仙達崗分行 (1 626) 965 3938
- 三藩市諾利加分行 (1 415) 665 8877
- 屋崙分行 (1 510) 208 2140
- 三藩市華埠分行 (1 415) 352 6900
- 聖蓋博分行 (1 626) 656 0880
- 南三藩市分行 (1 650) 872 9700
- 天普市分行 (1 626) 656 8888
- 托倫斯市分行 (1 310) 802 7388

## CORPORATE GOVERNANCE REPORT

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

The Bank has complied with all the Code Provisions set out in Appendix 14 Code on Corporate Governance Practices (the "Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the accounting year ended 31st December, 2010, except for a deviation from Code Provision A.2.1 which is explained in section A below.

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

### A. DIRECTORS

#### The Board

The Bank is headed by an effective Board which assumes responsibility for leadership and control of the Bank and is collectively responsible for promoting the success of the Bank by directing and supervising the Bank's affairs.

Board meetings are held at least 4 times a year at approximately quarterly intervals. In addition, special Board meetings are held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors.

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

Dates of regular Board meetings are scheduled in the prior year to provide sufficient notice to give all Directors an opportunity to attend. For special Board meetings, reasonable notice is given.

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

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

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

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

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

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

## 企業管治報告

本行作為本港最大的獨立本地銀行，致力維持最高的企業管治標準。董事會認為此承諾對於平衡股東、客戶及員工的利益，以及保持問責及透明度，至為重要。

除偏離守則條文A.2.1外（該等偏離行為已在下列A項下作出解釋），本行在截至2010年12月31日止會計年度內，已遵守載於《香港聯合交易所有限公司證券上市規則》（「上市規則」）附錄14「企業管治常規守則」（「守則」）中的全部守則條文。

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

### A. 董事

#### 董事會

本行以一個行之有效的董事會為首；董事會負有領導及監控本行的責任，並集體負責統管並監督本行事務以促使本行成功。

董事會會議每年召開最少4次，大約每季一次。此外，會在有需要時召開董事會特別會議。此等董事會會議均有大部分董事親身出席，或透過其他電子通訊方法積極參與。

董事會定期會議議程之事項，經諮詢董事後釐定。

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

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

董事會、審核委員會、薪酬委員會及提名委員會的會議記錄由公司秘書備存。其他董事會轄下委員會（列於D段董事會轄下的委員會項下）的會議記錄則由各個委員會正式委任的秘書備存。若董事發出合理通知，會公開有關會議記錄供其在任何合理時段查閱。

董事會及其轄下委員會的會議記錄，對會議上各董事所考慮事項及達致的決定作足夠詳細的記錄，其中包括董事提出的任何疑慮或表達的反對意見。董事會會議記錄的初稿及最終定稿會發送全體董事或委員會成員，初稿供其表達意見，最後定稿則作其記錄之用。董事會、審核委員會、薪酬委員會及提名委員會的會議記錄通常在會議後的合理期間內發出。

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

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

本行已購買董事和職員責任及公司償還保險，以保障本行及其附屬公司的董事及員工，因其以本行董事或職員身分觸犯或被指控觸犯行為失當，以集體或個別形式被索償。



## CORPORATE GOVERNANCE REPORT (CONTINUED)

## Directors' attendance records

Attendance records of the Directors at Board Meetings (BM), Audit Committee Meetings (ACM), Remuneration Committee Meetings (RCM), Nomination Committee Meeting (NCM) and Annual General Meeting (AGM) held in 2010 are as follows:

	Number of meetings attended/held during the Directors' terms of office in 2010				
	BM	ACM	RCM	NCM	AGM
<i>Executive Director:</i>					
David LI Kwok-po (Chairman & Chief Executive)	4/4	N/A	N/A	1/1	1/1
<i>Non-executive Directors:</i>					
Arthur LI Kwok-cheung (Deputy Chairman)	4/4	N/A	N/A	N/A	1/1
Aubrey LI Kwok-sing	4/4	N/A	3/3	1/1	1/1
William MONG Man-wai (passed away on 21st July, 2010)	0/2	N/A	N/A	N/A	0/1
KHOO Kay-peng	3/4	N/A	N/A	N/A	0/1
Richard LI Tzar-kai	4/4	N/A	N/A	N/A	0/1
Eric LI Fook-chuen	4/4	N/A	3/3	1/1	1/1
Stephen Charles LI Kwok-sze	4/4	N/A	N/A	N/A	1/1
Isidro FAINÉ CASAS	3/4	N/A	N/A	1/1	0/1
<i>Independent Non-executive Directors:</i>					
Allan WONG Chi-yun (Deputy Chairman)	4/4	3/3	3/3	1/1	1/1
WONG Chung-hin	3/4	2/3	N/A	N/A	1/1
LEE Shau-kee	2/4	N/A	N/A	0/1	0/1
Winston LO Yau-lai	4/4	3/3	3/3	N/A	1/1
Thomas KWOK Ping-kwong	2/4	N/A	1/3	N/A	0/1
Kenneth LO Chin-ming	4/4	2/3	N/A	N/A	0/1
William DOO Wai-hoi	3/4	2/3	N/A	N/A	0/1
KUOK Khoon-ean	3/4	1/3	N/A	N/A	0/1
Valiant CHEUNG Kin-piu	4/4	3/3	N/A	N/A	1/1
Average attendance rate	82%	76%	87%	83%	50%

## Chairman and Chief Executive Officer

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

Dr. the Hon. Sir David LI Kwok-po is the Chairman & Chief Executive of the Bank. The Board considers that this structure will not impair the balance of power and authority between the Board and the Management of the Bank. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting operations of the Bank. There is a strong independent element in the composition of the Board.

Out of the 17 Board members, 9 are Independent Non-executive Directors. The Board believes that the current structure is conducive to strong and consistent leadership, enabling the Bank to make and implement decisions promptly and efficiently. The Board believes that Sir David's appointment to the posts of Chairman and Chief Executive is beneficial to the business prospects and management of the Bank.

The Chairman ensures that all Directors are properly briefed on issues arising at Board meetings.

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

## 董事會議出席記錄

各董事於2010年內舉行的董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東周年常會的出席記錄如下：

	董事於2010年在任期間 會議出席次數/舉行次數				
	董事會 會議	審核 委員會 會議	薪酬 委員會 會議	提名 委員會 會議	股東周年 常會
<b>執行董事：</b>					
李國寶 (主席兼行政總裁)	4/4	不適用	不適用	1/1	1/1
<b>非執行董事：</b>					
李國章 (副主席)	4/4	不適用	不適用	不適用	1/1
李國星	4/4	不適用	3/3	1/1	1/1
蒙民偉 (於2010年7月21日離世)	0/2	不適用	不適用	不適用	0/1
邱繼炳	3/4	不適用	不適用	不適用	0/1
李澤楷	4/4	不適用	不適用	不適用	0/1
李福全	4/4	不適用	3/3	1/1	1/1
李國仕	4/4	不適用	不適用	不適用	1/1
范禮賢	3/4	不適用	不適用	1/1	0/1
<b>獨立非執行董事：</b>					
黃子欣 (副主席)	4/4	3/3	3/3	1/1	1/1
黃頌顯	3/4	2/3	不適用	不適用	1/1
李兆基	2/4	不適用	不適用	0/1	0/1
羅友禮	4/4	3/3	3/3	不適用	1/1
郭炳江	2/4	不適用	1/3	不適用	0/1
駱錦明	4/4	2/3	不適用	不適用	0/1
杜惠愷	3/4	2/3	不適用	不適用	0/1
郭孔演	3/4	1/3	不適用	不適用	0/1
張建標	4/4	3/3	不適用	不適用	1/1
平均出席率	82%	76%	87%	83%	50%

## 主席及行政總裁

守則條文A.2.1規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。

李國寶爵士為本行的主席兼行政總裁。董事會認為此架構不會影響董事會與管理層兩者之間的權力和職權的平衡。本行董事會由極具經驗和才幹的成員組成並定期開會，以商討影響本行運作的事項。透過董事會的運作，足以確保權力和職權得到平衡。董事會的組合具有強大的獨立元

素，在17位董事會成員當中，9位是獨立非執行董事。董事會相信現時的架構有助於建立穩健而一致的領導權，使本行能夠迅速及有效地作出及實施各項決定。董事會相信委任李爵士出任主席兼行政總裁之職，會有利於本行的業務發展及管理。

主席確保董事會會議上所有董事均適當知悉當前的事項。

主席負責確保董事及時收到充分、完備及可靠的資訊。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Board composition

The current Board is composed of 1 Executive Director, 7 Non-executive Directors and 9 Independent Non-executive Directors. It has a balance of skills and experience appropriate for the requirements of the business of the Bank. Changes to its composition can be managed without undue disruption. There is a strong independent element on the Board, which can effectively exercise independent judgement.

The composition of the Board is shown on page 54 under the subject Corporate Information. All Directors are expressly identified by categories of Executive Director, Non-executive Directors and Independent Non-executive Directors in all corporate communications that disclose the names of Directors of the Bank.

Biographies which include relationships with members of the Board, Senior Management and substantial shareholders (as defined in the Listing Rules) of the Bank are shown on page 40 under the subject Biographical Details of Directors and Senior Management.

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

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

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

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

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

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

Attendance of individual members at Nomination Committee meetings in 2010 is recorded on page 64.

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

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

- New organisational structure;
- Annual review on Terms of Reference of the Nomination Committee;
- Size, structure and composition of the Board;
- Management Succession Policy;
- Management Succession Plans;
- Assessment of the independence of Independent Non-executive Directors; and
- Re-election of Arthur LI Kwok-cheung, Thomas KWOK Ping-kwong, Richard LI Tzar-kai, William DOO Wai-hoi and KUOK Khooon-ean as Directors of the Bank to be proposed for shareholders' approval at the 2011 Annual General Meeting.

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

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

### Responsibilities of Directors

Every Director is required to keep abreast of his responsibilities as a Director of the Bank and of the conduct, business activities and development of the Bank. In-house briefings will be given by qualified professionals at Board meetings on regulatory requirements.

Every newly appointed Director of the Bank shall receive an Information Package from the Company Secretary on the first occasion of his appointment. This Information Package is a comprehensive, formal and tailored induction on the responsibilities and ongoing obligations to be observed by a director. In addition, the Package includes materials on the operations and business of the Bank. The Executive Directors, Senior Management and the Company Secretary will subsequently conduct such

## 董事會組成

現時的董事會由1位執行董事，7位非執行董事及9位獨立非執行董事組成。董事會已具備本行業務適當所需的技巧和經驗，其組成人員的變動不會帶來不適當的阻擾。董事會有強大的獨立元素，能夠有效地作出獨立判斷。

董事會的成員刊載於第54頁公司資料內。所有載有董事姓名的公司通訊中，已按董事類別，包括執行董事、非執行董事及獨立非執行董事，明確說明各董事身分。

各董事的簡介，包括其與其他董事會成員、高層管理人員和主要股東（根據《上市規則》之定義）的關係，刊載於第41頁董事及高層管理人員的個人資料項下。

## 委任及重選董事－提名委員會

本行已制定一套新董事委任程序，並設定董事繼任計劃。

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

本行已設立一個提名委員會，並以書面訂明具體的職權範圍，清楚說明委員會的職權和責任。提名委員會的職權範圍已包括載於守則第A.4.5(a)至(d)段所指明的責任，惟因應需要而作出適當修改。

提名委員會負責就本行委任及重選董事、委任高層管理人員和處級主管，以及審議本行執行董事、高層管理人員及處級主管的繼任安排。

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

2010年提名委員會會議個別成員的出席率載於第65頁。

委任新董事的建議會由提名委員會考慮及審議。獲甄選及獲推薦的候選人皆為具有豐富經驗及有才幹的人士。所有候選人必須符合《上市規則》所載的標準。此外，他們亦須經香港金融管理局評核，以符合作為一間認可機構董事的標準。如候選人會獲委任為獨立非執行董事，亦須符合《上市規則》第3.13條所列的獨立性準則。

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

- 新組織架構；
- 就提名委員會的職權範圍進行年度檢討；
- 董事會的人數、架構及組合；
- 管理層繼任政策；
- 管理層繼任安排；
- 評核本行獨立非執行董事的獨立性；及
- 在2011股東周年常會上向股東提呈批准重選李國章，郭炳江，李澤楷，杜惠愷及郭孔演為本行董事。

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

提名委員會獲供給充足資源以履行其職責。

## 董事責任

每名董事須不時瞭解其作為本行董事的職責，以及本行的經營方式、業務活動及發展。本行安排合資格的專業人士於董事會舉行期間提供有關監管要求的講解。

每名新任的董事均會在首次接受委任時獲得由公司秘書準備的一份資料套件。此資料套件為一份全面、正式兼特為其而設的董事責任及持續職責須知。此外，該套件亦包括本行的運作及業務資料。其後，執行董事、高層管理人員



## CORPORATE GOVERNANCE REPORT (CONTINUED)

briefing as is necessary, to ensure that the Directors have a proper understanding of the operations and business of the Bank and that they are aware of their responsibilities under the laws and applicable regulations.

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

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

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

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

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

Specific enquiries have been made on all Directors of the Bank. All Directors confirmed that they had complied with the required standard set out in the Model Code and the Bank's Policy at all the applicable times during the year ended 31st December, 2010.

### Supply of and access to information

Directors are provided in a timely manner with appropriate information that enables them to make an informed decision and to discharge their duties and responsibilities as Directors of the Bank.

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

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

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

## B. REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

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

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

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

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

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

Attendance of individual members at Remuneration Committee meeting in 2010 is recorded on page 64.

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

- Directors' fees and fees for members of Audit Committee, Remuneration Committee and Nomination Committee;
- Annual Salary Review 2010;
- Remuneration for Senior Executives 2010;
- Offer and grant of share options under the Staff Share Option Scheme 2007 to eligible employees including Executive Director, members of Senior Management, and Division Heads;
- Annual review on Terms of Reference of the Remuneration Committee;

及公司秘書會向董事提供所需介紹，以確保各董事對本行的運作及業務均有適當的理解，以及知道本身在法律及適用的規定下的職責。

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

每名董事知悉其應付出足夠時間及精神以處理本行的事務。

董事在董事會會議及委員會會議的出席率均令人滿意。

本行已自行訂立一套與《上市規則》附錄10「上市發行人董事進行證券交易的標準守則」（「標準守則」）所訂標準同樣嚴格的董事及行政總裁證券交易政策，即內幕交易政策 – 董事及行政總裁（「本行政策」）。

本行亦已訂立一份內幕交易政策 – 集團人士以供本行僱員，或本行附屬公司的董事或僱員，遵照規定買賣本行證券。

本行經向所有董事明確查詢，彼等已確認於截至2010年12月31日止年度內之所有適用時期，均已遵守標準守則及本行政策中所要求的標準。

### 資料提供及使用

董事獲提供適時的適當資料，使其能夠在掌握有關資料的情況下作出決定，並能履行其作為本行董事的職務及責任。

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

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

所有董事均有權查閱董事會文件、會議記錄及相關資料。

## B. 董事及高級行政人員的薪酬

### 薪酬及披露的水平及組成 – 薪酬委員會

本行已設立一個薪酬委員會，並以書面訂明具體的職權範圍，清楚說明委員會的職權和責任。薪酬委員會的權責範圍已包括守則條文第B.1.3(a)至(f)段所載的特定職責，惟因應需要而作出適當修改。

薪酬委員會負責就本行的薪酬政策，以及就訂立及審議本行的行政總裁、高層管理人員及處級主管的特定薪酬待遇，向董事會提出建議。

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

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

2010年薪酬委員會會議個別成員的出席率載於第65頁。

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

- 董事袍金，以及審核委員會、提名委員會和薪酬委員會成員的酬金檢討；
- 2010年度薪酬檢討；
- 2010年高級行政人員薪酬；
- 根據本行的僱員認股計劃2007，給予及授出認股權予合資格僱員，包括執行董事及高層管理人員；
- 就薪酬委員會職權範圍進行年度檢討；

## CORPORATE GOVERNANCE REPORT (CONTINUED)

- Annual review on Remuneration Policy;
- Termination of the operation of the Staff Share Option Scheme 2007; and
- Adoption of the Staff Share Option Scheme 2011 to be proposed at the 2011 AGM.

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

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

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

	Amount per annum
<i>Board of Directors:</i>	
Chairman	HK\$350,000
Other Directors	HK\$230,000
<i>Audit Committee:</i>	
Chairman	HK\$120,000
Other members	HK\$70,000
<i>Nomination Committee:</i>	
Chairman	HK\$60,000
Other members	HK\$35,000
<i>Remuneration Committee:</i>	
Chairman	HK\$60,000
Other members	HK\$35,000

Information relating to the remuneration of each Director for 2010 is set out in Note 17 on the accounts.

### Disclosure of Remuneration Policy

In accordance with the "Guideline on a Sound Remuneration System" (the "Guideline") issued by the Hong Kong Monetary Authority in March 2010, BEA has reviewed and revised its remuneration policy for employees of the Bank and its subsidiaries (collectively called "Employees" of the "Bank Group"). The remuneration policy covers all categories of Employees, including the four as described in paragraph 2.1.1 of the Guideline. BEA's annual review of its remuneration policy includes a reassessment of the principles applied in determining remuneration packages, as well as the structure and amount of compensation ultimately awarded.

### General Principles

The remuneration policy of the Bank Group promotes effective risk management, and is designed to encourage Employee behaviour that supports the Bank Group's business objectives, long-term financial soundness, risk tolerance, and risk management framework.

### Remuneration Structure

The remuneration packages of Employees may be composed of a combination of fixed and variable remuneration. The appropriate proportion of fixed and variable remuneration shall vary according to an Employee's seniority, role, responsibilities, and activities within the Bank Group, among other things.

Fixed remuneration refers to an Employee's annual salary (including double pay), while variable remuneration – comprising both cash bonus payments and/or share options – is awarded based on the Employee's performance in order to better align incentives with risk and longer-term value creation. Variable remuneration is directly related to performance, and poor performance (either financial or non-financial) will result in a reduction or elimination of variable remuneration.

The award of variable remuneration in the form of either cash bonus payments or share options is determined according to existing industry standards and takes into account an Employee's seniority, role and responsibilities, and the actual or potential risks that the Employee's activities may create for the Bank Group and the extent to which they may affect its overall performance.

### Employees' Performance Measurements and the Award of Variable Remuneration

Score-cards comprised of a set of pre-defined and assessable criteria are used to assess the performance of individual employees. The criteria are determined according to the key areas of responsibility, as well as relevant financial and non-financial factors, and a series of compliance and risk management ratings to help ensure a balanced evaluation. The overall quality of an Employee's performance – as opposed to solely his/her financial performance – can therefore be accurately determined as an integral part of the assessment. This ultimately facilitates the effective deployment of human capital across the organisation.

### Senior Executive Compensation

The Remuneration Committee annually reviews the remuneration packages of the Chief Executive, members of the Senior Management, and Key Personnel. The aggregate payouts for these 19 senior executives for 2010 are shown in the table below in accordance with the disclosure requirement of 3.2.3 of the Guideline.

- 就薪酬政策進行年度檢討；
- 終止僱員認股計劃2007的運作；及
- 在2011股東周年常會上提呈採納僱員認股計劃2011。

薪酬委員會職權範圍登載於本行的網站上，解釋其角色及董事會轉授予其的權力。

薪酬委員會獲供給充足資源，包括專業公司的意見（如需要），以履行其職責。

董事袍金，以及審核委員會、提名委員會和薪酬委員會委員的酬金摘錄如下：

	年度金額
<b>董事會：</b>	
主席	港幣 35 萬元
其他董事	港幣 23 萬元
<b>審核委員會：</b>	
主席	港幣 12 萬元
其他成員	港幣 7 萬元
<b>提名委員會：</b>	
主席	港幣 6 萬元
其他成員	港幣 3 萬 5 千元
<b>薪酬委員會：</b>	
主席	港幣 6 萬元
其他成員	港幣 3 萬 5 千元

有關各董事 2010 年的薪酬資料載於賬項附註 17。

### 薪酬政策的披露

按照香港金融管理局於 2010 年 3 月發出的《穩健的薪酬制度指引》（「《指引》」），東亞銀行已檢討並修訂對銀行及其附屬公司僱員（統稱「集團」「僱員」）的薪酬政策。薪酬政策適用於集團僱員，並包括依據《指引》第 2.1.1 段所述而劃分的 4 類員工。東亞銀行每年檢討薪酬政策，當中包括重新評估應用於薪酬組合、績效薪酬機制和最終所發放報酬的釐定原則。

### 一般原則

集團的薪酬政策以促進有效的風險管理為原則，旨在鼓勵僱員支持集團達致業務目標，維持長期財政穩健，以及集團在風險承擔、風險管理架構等方面的工作。

### 薪酬架構

僱員的薪酬組合包含固定薪酬和浮動薪酬，兩者之間的合適比例因應僱員的職級、職務、職責，以及其在集團內所進行的業務等而有所不同。

固定薪酬乃指僱員的年薪（包括雙糧），而浮動薪酬（包含現金花紅及/或認股權）則根據僱員的工作表現而發放，使其所獲得的報酬更能配合風險和較長期的價值創造。浮動薪酬直接與工作表現掛鉤，所以若在量化或其他工作績效指標的表現欠佳時，均會導致浮動薪酬的減少或取消。

浮動薪酬發放的形式包括現金花紅或認股權是以業內現行標準為釐定準則，而其中亦考慮到僱員的職級、職務、職責，以及他們所進行的業務對集團可能帶來的實質或潛在風險，和該等風險對集團整體表現的影響程度。

### 僱員表現的衡量和浮動薪酬的發放

集團使用計分卡來評核個別僱員的工作表現，當中包含一套預設和可供評核的準則。這些準則乃依照僱員的主要職責範圍、相關量化和其他工作績效指標，以及一系列合規和風險管理評級而釐定，確保僱員的工作表現得以平衡的考量，使其整體表現（而非僅僅考核其在量化指標的表現）能準確地反映於一次完整的考核之中。通過這個方法，集團能在整體層面上更有效地調配人力資源。

### 高級行政人員的薪酬

薪酬委員會每年檢討行政總裁、高級管理層成員和主要管理人員的薪酬組合。根據《指引》第 3.2.3 項的披露規定，此等合共 19 名高級行政人員於 2010 年獲得的薪酬總額載於下表：



## CORPORATE GOVERNANCE REPORT (CONTINUED)

Fixed Remuneration	Variable Remuneration			Award of Deferred Variable Remuneration				
Salaries	Cash Bonus	Share Options <sup>1</sup>		Vested Share Options <sup>3</sup>		Unvested Share Options <sup>4</sup>		Unvested Cash Bonus
HK\$ Million	HK\$ Million	No. of Shares	HK\$ Million <sup>2</sup>	No. of Shares	HK\$ Million	No. of Shares	HK\$ Million	HK\$ Million
47.8	40.8	5,950,000	40.0	6,600,000	63.75	11,900,000	56.1	6.56

- <sup>1</sup> Using the Trinomial Option Pricing Model, the fair value of the share options at measurement date takes into consideration various factors, including the share price, Option Price, expected volatility (based on historical volatility), option life, expected dividends (based on historical dividends), and risk-free interest rate.
- <sup>2</sup> As defined in the Staff Share Option Scheme 2011, the fixing of the Option Price is determined by the Board and notified to each concerned employee and shall not be less than the highest of:
  - the closing price of a Share as stated in The Stock Exchange of Hong Kong Limited's daily quotations sheet on the Date of Grant of the relevant Option, which must be a Business Day;
  - an amount equivalent to the average closing price of a Share as stated in The Stock Exchange of Hong Kong Limited's daily quotations sheets for the five Business Days immediately preceding the Date of Grant of the relevant Option; and
  - the nominal value of a Share.

The fixing of the Option Price for the first grant of Options under the Staff Share Option Scheme 2011 will take place on 5th May, 2011 and actual grant will take place on the same date. The amount indicated here is based on a simulation using the closing price of the Bank's share on 28th February, 2011, which is for indicative purposes only. The actual Option Price will be disclosed in the Bank's 2011 Annual Report.
- <sup>3</sup> The vested Share Options relate to the 2008 variable remuneration award granted in 2009 and vested in 2010.
- <sup>4</sup> Of the 11,900,000 unvested Share Options, 5,950,000 relate to the 2009 variable remuneration granted in July 2010 but which are not yet vested. The total fair value of this particular grant was HK\$16.1 million. The remaining 5,950,000 unvested Share options relate to the 2010 variable remuneration to be granted in 2011. The fixing of the Option Price for this grant will take place on 5th May, 2011. The amount indicated here is based on a simulation using the closing price of the Bank's share on 28th February, 2011 which is for indicative purposes only. The actual Option Price will be disclosed in the Bank's 2011 Annual Report.
- <sup>5</sup> No performance adjustments were made to the unvested deferred remuneration for the Chief Executive, Senior Management, and Key Personnel of the Bank Group in 2010.
- <sup>6</sup> No sign-on or severance payments were made to the Chief Executive, Senior Management, and Key Personnel of the Bank Group in 2010.

In determining the remuneration packages of the Chief Executive, Senior Management, and Key Personnel, the Remuneration Committee takes into account individual performances, performances of respective divisions and departments, and the Bank Group's overall business goals and objectives.

### Deferral Arrangements

The award of variable remuneration to the Chief Executive, members of Senior Management, and Key Personnel is subject to deferment in such a manner as determined by the Remuneration Committee. In general, the proportion of variable remuneration, which is subject to deferment, will increase in line with the seniority, scope of responsibilities, and other relevant factors pertinent to the Chief Executive, and relevant members of the Senior Management and Key Personnel.

The award of deferred remuneration is subject to a minimum vesting period and pre-defined vesting conditions as determined by the Remuneration Committee and communicated to all relevant Employees. Deferred remuneration is awarded in such a manner so as to align Employees' incentive awards with long-term value creation and the time horizons of risk. The future performance (both financial and non-financial) of the Bank Group, relevant business units, and individual Employees in question, as well as the creation of value for our Shareholders, is taken into consideration when determining vesting conditions. Vesting and payment of deferred remuneration will be

made gradually over a period of three years and no faster than on a pro-rata basis.

In circumstances where it is later established that any performance measurement for a particular year was based on data that is later proven to have been manifestly misstated, or it is later established that the relevant Employee has committed fraud, malfeasance, or a violation of internal control policies, any unvested portions (i.e. both cash bonuses and/or Share option tranches that have yet to be vested) of deferred variable remuneration (relating to that particular year in question) should be forgone, either in part or in whole, as determined by the Bank Group's Remuneration Committee. In certain circumstances, claw back of vested deferred variable remuneration of that particular year may apply.

### Future Review

As a major financial institution in the Hong Kong community, the Bank Group not only takes extensive measures to ensure that it complies with all the relevant guidelines, rules, and regulations, but also adopts positive steps to ensure that ethical, social, and environmental aspects are taken into account when determining remuneration policies and packages.

The Bank Group will keep abreast of the latest developments in the labour market, especially in the financial services sector, and will review and refine its compensation and remuneration policies whenever necessary to enable the provision of competitive remuneration packages to ensure the retention of talent.

固定薪酬		浮動薪酬		遞延浮動薪酬的發放				
薪金	現金花紅	認股權 <sup>1</sup>		已歸屬認股權 <sup>3</sup>		未歸屬認股權 <sup>4</sup>		未歸屬現金花紅
港幣百萬元	港幣百萬元	股份數目	港幣百萬元 <sup>2</sup>	股份數目	港幣百萬元	股份數目	港幣百萬元	港幣百萬元
47.8	40.8	5,950,000	40.0	6,600,000	63.75	11,900,000	56.1	6.56

- 1 本行以三項式期權定價模式計算認股權於計量日的公平價值，所涉及的考慮因素包括股價、認股權價格、預計波幅（基於歷史波幅率）、認股權年期、估計股息（基於歷史股息）和無風險利率。
- 2 按照僱員認股計劃2011中的定義，認股權價格是由董事會釐定並通知各有關僱員，該價格不少於以下所列的最高價：
  - (a) 於有關認股權的授予日（該日必須為營業日），本行股份於香港聯合交易所有限公司日報表的收市價；
  - (b) 相等於緊接有關認股權的授予日之前5個營業日，本行股份於香港聯合交易所有限公司日報表的平均收市價；及
  - (c) 本行股份的面值。
 在僱員認股計劃2011下首次授予的認股權將於2011年5月5日定價及授予有關僱員。在此顯示的金額乃參照本行股份於2011年2月28日的收市價作模擬計算，僅供參考用途。實際認股權價格將於本行2011年報中披露。
- 3 已歸屬認股權為2009年授予並於2010年歸屬的2008年浮動薪酬。
- 4 於11,900,000股未歸屬認股權中，5,950,000股為2010年7月授予但仍未歸屬的2009年浮動薪酬。該次授予的認股權的公平價值總額為港幣1,610萬元。餘下的5,950,000股未歸屬認股權為將於2011年授予的2010年浮動薪酬。是次授予的認股權將於2011年5月5日定價。在此顯示的金額乃參照本行股份於2011年2月28日的收市價作模擬計算，僅供參考用途。實際認股權價格將於本行2011年報中披露。
- 5 行政總裁、高級管理層和主要管理人員的未歸屬遞延薪酬於2010年並無作出工作表現方面的調整。
- 6 集團於2010年並無向行政總裁、高級管理層和主要管理人員支付上任或遣散費。

薪酬委員會在釐定行政總裁、高級管理層和主要管理人員的薪酬組合時所考慮的因素，包括個人工作表現、相關分處和部門的業績表現以及集團整體的業務目的和目標。

#### 遞延安排

行政總裁、高級管理層成員和主要管理人員的浮動薪酬依照薪酬委員會所定的遞延安排發放。一般而言，行政總裁及有關高級管理層成員和主要管理人員可予遞延的浮動薪酬的比例，會按其本身的職級、職責範圍和其他相關因素而增加。

遞延薪酬的發放受限於薪酬委員會所定並通知各有關僱員的最短歸屬期限和預設的歸屬條件。遞延薪酬的發放應能確保僱員所獲的報酬與長期的價值創造和風險的存在時間相配合。在釐定歸屬條件時，會考慮到集團、相關業務部門和僱員本身在量化及其他工作績效指標的日後表現，以及為股東所創造的價值。遞延薪酬的歸屬和支付將會在3個年度內分階段及按比例地進行。

若日後確定用以衡量某年度工作表現的數據被證實為明顯地錯誤陳述，或有關僱員曾作欺詐、違法或違反內部管政策等行為，其於該年度內所獲得的遞延浮動薪酬中的全部或部分未歸屬的現金花紅及/或認股權將會按照集團薪酬委員會的決定予以取消。在某些特定情況下，該特定年度之已歸屬遞延浮動薪酬可予收回。

#### 未來檢討

集團作為香港主要的金融機構，在釐定薪酬政策和組合時不但採取廣泛措施確保符合所有相關原則、規則和規例，還推行正面步驟確保顧及道德、社會和環境各方面。

集團將會密切留意勞工市場，尤其是金融服務界別的最新發展，並在必要時檢討及改善薪酬及績效報酬政策，藉此提供具競爭力的薪酬組合以保留人才。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### C. ACCOUNTABILITY AND AUDIT

#### Financial reporting

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

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

The Directors are responsible for keeping proper accounting records and preparing accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st December, 2010, the Directors have:

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

The Bank has announced its annual and interim results within two months after the end of the relevant periods, which is earlier than the limit of three months (for annual results) and within the limit of two months (for interim results) as required by Rule 13.49(1) and (6) of the Listing Rules respectively.

A statement by the auditors about their reporting responsibilities is included in the Independent Auditor's Report on page 116.

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

#### Internal controls

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

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

The key procedures that the Board established to provide effective internal controls are as follows:

- A distinct organisation structure exists with defined lines of authority and control responsibilities.
- A comprehensive management accounting system is in place to provide financial and operational performance indicators to the management and the relevant financial information for reporting and disclosure purpose.
- Policies and procedures are designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information used within the business or for publication. The procedures provide reasonable but not absolute assurance against material errors, losses or fraud.
- Systems and procedures are also in place to identify, measure, manage and control risks including reputation, strategic, legal, credit, market, liquidity, interest rate and operational risks. Exposure to these risks is monitored by Risk Management Committee, together with Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee. In addition, procedures are designed to ensure compliance with applicable laws, rules and regulations.
- Audit Committee reviews reports (including management letter) submitted by external auditors to the Group's management in connection with the annual audit and internal audit reports submitted by the Group Chief Auditor.
- A *Policy on Handling and Dissemination of Price-Sensitive Information* is established, setting out the guiding principles, procedures and internal controls for the handling and dissemination of price-sensitive information in a timely manner in such a way that it does not place any person in a privileged dealing position and allows time for the market to price the shares of the Bank to reflect the latest available information.

## C. 問責及稽核

### 財務匯報

董事會有責任對本行的表現、狀況及前景作出一個平衡、清晰及全面的評核。

管理層須向董事會提供解釋及資料，讓董事會可以就提交予他們批核的財務及其他資料，作出有根據的評審。

董事負責備存適當的會計記錄及編製每個財政期間的賬項，使這些賬項能真實和公平地反映本集團在該段期間的財政狀況、業績及現金流量表現。在編製截至2010年12月31日止年度的賬項時，董事已：

- 貫徹地應用適當的會計政策；
- 作出審慎及合理的判斷及估計；及
- 按持續經營基準編製賬項。

本行一向在有關於財政期間結束後2個月內公佈年度及中期業績，較《上市規則》第13.49(1)條所規定3個月(年度業績)的期限為早及符合《上市規則》第13.49(6)條所規定2個月(中期業績)的期限。

核數師的申報責任聲明載於第117頁的獨立核數師報告內。

董事會在各方面將作出平衡、清晰及可理解的評審，包括：年度報告及中期報告、其他涉及股價敏感資料的通告及根據《上市規則》規定須予披露的其他財務資料，以及向監管者提交的報告書，以至根據法例規定須予披露的資料。

### 內部監控

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

本行的內部監控系統包含一個完善的公司架構以及全面的政策及標準。各業務及營運單位的職責範圍清晰劃分，以確保有效監察和制衡。

以下為董事會為提供有效的內部監控而建立的主要程序：

- 組織架構權責清晰，監控層次分明。
- 設立一個全面的管理會計系統，為管理層提供財務及營運表現的指標，以及用作匯報和披露的財務資料。
- 政策及程序的設計為保障資產不致被非授權挪用或處置；保存恰當的會計記錄；以及確保用作業務及公告上的財務資料的可靠性。有關程序提供合理(而非絕對)的保證，以防出現嚴重的錯誤、損失或舞弊。
- 設有系統及程序去辨別、量度、處理及控制風險，包括商譽、策略、法律、信貸、市場、流動資金、利率以及營運風險。風險管理委員會，聯同信貸委員會、資產及負債管理委員會和營運及其他風險管理委員會，負責監察本集團面對風險的程度。此外，程序的設計均為確保遵守適用法例、規則及規例。
- 審核委員會審閱由外聘核數師提交予本集團管理層涉及年度核數的報告(包括致管理層的審核情況說明函件)，及由集團總稽核呈交的內部稽核報告。
- 建立一套處理及發佈股價敏感資料政策，列出指導性原則、程序及內部監控，使股價敏感資料得以適時處理及發佈，而不會導致任何人士在證券買賣上處於有利地位；讓市場有時間消化最新資料，使市場定出能反映實況的本行股份價格。



## CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board, through the Audit Committee, assesses the effectiveness of the Group's internal control system which covers all material controls, including financial, operational and compliance controls as well as risk management functions, on an annual basis. Pursuant to a risk-based approach, the Group's Internal Audit Department conducts independent reviews of risks associated with and controls over various operations and activities. Significant findings on internal controls are reported to the Audit Committee twice each year. During the year 2010, no major issue but areas for improvement have been identified and appropriate measures taken. The Audit Committee reports its work to the Board on a semi-annual basis.

### Audit Committee

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

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

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

All the members of the Audit Committee are Independent Non-executive Directors. This Committee is chaired by Winston LO Yau-lai. The other members are Allan WONG Chi-yun, WONG Chung-hin, Kenneth LO Chin-ming, William DOO Wai-hoi, KUOK Khoon-ean (resigned as a member of Audit Committee on 15th February, 2011) and Valiant CHEUNG Kin-piu.

Attendance of individual members at Audit Committee meetings in 2010 is recorded on page 64.

The following is a summary of the work performed by the Audit Committee during and for the year 2010:

- Met with the external auditors to discuss the general scope of their audit work;
- Reviewed external auditor's management letter and management's response;

- Reviewed and approved the appointment of external auditors for providing non-audit services to the Group;
- Reviewed the Auditors' Independent Assurance Reports in respect of the Bank's financial disclosures under the Banking (Disclosure) Rules for 2009 and six months ended 30th June, 2010;
- Reviewed and recommended to the Board for approval of the audit fee proposal for the Bank Group for 2010;
- Recommended to the Board to re-appoint KPMG as the Bank Group's external auditors for 2010;
- Reviewed the Group Internal Audit Policy;
- Reviewed the internal audit reports covering the evaluation of internal controls, including the adequacy of resources, qualifications and experience of the staff of the Bank's accounting and financial reporting function, and their training programmes and budget;
- Reviewed the Auditor's Report regarding the internal control systems for 2009 prepared under section 63(3A) of the Banking Ordinance;
- Reviewed the Interim Report and the interim results announcement for the six months ended 30th June, 2010;
- Reviewed the audited accounts and final results announcement for 2010;
- Reviewed the Terms of Reference of the Audit Committee; and
- Reviewed and approved Group internal audit plan for 2011.

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

The Board agrees with the Audit Committee's proposal for the re-appointment of KPMG as the Bank Group's external auditor for 2011. The recommendation will be presented for the approval of shareholders at the Annual General Meeting to be held on 19th April, 2011.

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

董事會透過審核委員會每年一次評核本集團內部監控系統的效能。該系統涵蓋所有重要監控，包括財務、營運及遵守法規的監控，以及風險管理的功能。本集團稽核部採用風險為本的評估方法，針對與各項運作和活動有關的風險及監控進行獨立審閱。有關內部監控的重要審閱結果，每年兩次向審核委員會匯報。2010年內並無發現重大事項，惟需要改進的地方已予確認並已作出相應措施。審核委員會每半年向董事會匯報其工作。

### 審核委員會

董事會負責就如何應用財務匯報及內部監控原則，及如何維持與本行核數師適當的關係，作出正規及具透明度的安排。

本行已設立一個審核委員會，並以書面訂明具體的職權範圍，清楚說明委員會的職權及責任。審核委員會的職權範圍已包括守則條文第C.3.3 (a)至(n)段所載的職責，惟因應需要而作適當修改。

根據其職權範圍，審核委員會負責檢討財務監控、內部監控及風險管理系統、會計及財務匯報職能員工的資源、資歷和經驗，以及審閱年度報告、賬目和半年中期報告。

審核委員會的所有成員均為獨立非執行董事。委員會主席為羅友禮，其他成員包括黃子欣、黃頌顯、駱錦明、杜惠愷、郭孔演（於2011年2月15日辭任審核委員會委員）及張建標。

2010年審核委員會會議個別成員的出席率載於第65頁。

審核委員會在年內及為2010年度所做的工作，摘要如下：

- 會見外聘核數師以商討其核數工作的一般範圍；
- 審閱外聘核數師致管理層的審核情況說明函件及管理層的回應；

- 審議及批准聘用外聘核數師提供非核數服務；
- 審議外聘核數師就本行根據《銀行業（披露規則）》作出有關2009年度及截至2010年6月30日止6個月的財務披露的獨立確認報告；
- 審議及向董事會推薦批准2010年集團的核數費用建議；
- 向董事會建議向股東提呈續聘畢馬威會計師事務所為本集團2010年度的外聘核數師；
- 審核集團內部稽核政策；
- 審核涵蓋內部監控分析的內部稽核計劃，包括檢討本行財務匯報職能員工的資源、資歷和經驗，以及有關職能的培訓計劃和預算是否充裕；
- 審閱《銀行條例》下2009年度內部監控系統核數師報告；
- 審閱截至2010年6月30日止6個月的中期報告及中期業績公告；
- 審閱2010年度經審核賬目及全年業績公告；
- 檢討審核委員會的職權範圍；及
- 審核及批准2011年度集團的內部稽核計劃。

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

董事會同意審核委員會續聘畢馬威會計師事務所為本集團2011年度外聘核數師的建議。推薦建議將在2011年4月19日舉行的股東周年常會上提呈予股東批准。

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

## CORPORATE GOVERNANCE REPORT (CONTINUED)

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

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

During 2010, the fees paid or payable to KPMG, the Bank's external auditor, and its associates for providing non-audit services amounted to approximately HK\$3.9 million, which included the following items:

- Review and consultancy services: HK\$1.3 million;
- Services made at the request of regulators: HK\$1.0 million;
- Taxation services: HK\$0.7 million;
- Ad hoc projects: HK\$0.3 million; and
- Other services: HK\$0.6 million.

The fee paid or payable to KPMG for providing audit service of the Group is HK\$11 million. In addition, the fee paid or payable to KPMG in relation to local audit of other entities is HK\$2 million.

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

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

### D. DELEGATION BY THE BOARD

#### Management functions

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

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

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

Matters reserved to be decided by the Board include:

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

#### Board Committees

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

Apart from the Audit Committee (particulars are disclosed under section C), the Remuneration Committee (particulars are disclosed under section B) and the Nomination Committee (particulars are disclosed under section A), the Board has also established the following 9 specialised committees which comprise Directors and where appropriate, other senior executives from relevant areas:

1. Sealing Committee, which is responsible for directing the usage and custody of the Bank's common seal;
2. Executive Committee, which is responsible for reviewing all major functions and critical issues relating to the businesses and operations of the Group;
3. Policy Committee, which is responsible for discussing and formulating various strategies and policies for managing businesses and operations of the Group;

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

本行已訂立委任外聘核數師提供非核數服務政策，訂明委任外聘核數師提供非核數服務的原則，以確保外聘核數師的獨立性。

2010年內支付或需支付予本行的外聘核數師——畢馬威會計師事務所——及其聯營公司提供非核數服務的費用為港幣390萬元，其中包括以下事項：

- 審查及顧問服務：港幣130萬元；
- 按監管機構要求所作的服務：港幣100萬元；
- 稅務服務：港幣70萬元；
- 非經常性項目：港幣30萬元；及
- 其他服務：港幣60萬元。

為集團提供核數服務的已支付或須支付予畢馬威會計師事務所的費用為港幣1,100萬元。此外，就有關其他實體的當地審核已支付予畢馬威會計師事務所的費用為港幣200萬元。

審核委員會的職權範圍登載於本行的網站上，解釋其角色及董事會轉授予其的權力。

審核委員會獲供給充足資源，包括外聘核數師及稽核部的意見，以履行其職責。

## D. 董事會權力的轉授

### 管理功能

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

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

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

保留予董事會決定的事項包括：

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

### 董事會轄下的委員會

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

除審核委員會（詳情在C項下披露）、薪酬委員會（詳情在B項下披露）及提名委員會（詳情在A項下披露）外，董事會亦設立以下9個專責委員會，該等委員會的成員包括董事及（在適當的情況下）其他有關方面的高級行政人員：

1. 印章委員會負責監督本行之法定印章的使用及保管；
2. 執行委員會負責檢討集團各項有關業務及運作的主要功能和重大事宜；
3. 政策委員會負責商討及制訂策略和政策以管理集團各類業務及運作；



## CORPORATE GOVERNANCE REPORT (CONTINUED)

4. Risk Management Committee, which is responsible for dealing with risk management related issues of the Group;
5. Credit Committee, which is responsible for dealing with all credit risk related issues of the Group;
6. Operational Risk Management Committee, which is responsible for dealing with all issues related to operational, legal and reputation risks of the Group;
7. Asset and Liability Management Committee, which is responsible for dealing with all issues related to market, interest rate, liquidity, strategic risks and capital management of the Group;
8. Crisis Management Committee, which is responsible for developing and reviewing the Group's strategy for managing crisis scenarios and taking charge of crisis situations which jeopardise or have the potential to jeopardise the Group in its reputation, liquidity/financial position and business continuity; and
9. Investment Committee, which is responsible for reviewing and formulating investment strategies as well as making investment decisions in respect of fixed income, equity and equity related investments for the Bank, East Asia Investment Holdings Limited, The Bank of East Asia, Limited Employees' Provident Fund and The Bank of East Asia, Limited Employees Provident Fund (UCB).

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

### E. COMMUNICATION WITH SHAREHOLDERS

#### General Meetings

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

At the 2010 Annual General Meeting held on 22nd April, 2010:

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

The 2011 Annual General Meeting will be held on 19th April, 2011, the notice of which will be sent to shareholders at least 20 clear business days before the Meeting. Please refer to the 2011 Annual General Meeting Circular which will be despatched to the shareholders on or around 18th March, 2011 for further details.

#### Shareholders' rights and investor relations

The Articles of Association of the Bank provide that a resolution put to the vote of the general meeting shall be decided on a poll. The poll results will be posted on the websites of the Stock Exchange and the Bank on the same day following the shareholders' meeting.

It is the policy of the Bank to maintain an open and regular dialogue with institutional and individual shareholders, fund managers, analysts and the media through an effective corporate communication system which provides transparent, regular and timely public disclosures on the Group's latest developments and strategies through different means. Apart from annual general meetings as mentioned above, other communication channels include:

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

4. 風險管理委員會負責處理集團各項有關風險管理的事宜；
5. 信貸委員會負責處理集團所有與信貸風險有關的事宜；
6. 營運風險管理委員會負責處理集團所有與營運、法律及信譽風險有關的事宜；
7. 資產及負債管理委員會負責處理集團所有與市場、利率、流動資金、策略風險及資本管理有關的事宜；
8. 危機管理委員會負責建立和檢討集團監控各類危機事故的策略，以及當發生或有可能發生危害集團聲譽、流動資金/財政狀況及持續業務運作之事故時負責危機處理；及
9. 投資委員會負責檢討及制訂本行、東亞投資控股有限公司、以及東亞銀行有限公司僱員公積金及UCB僱員公積金就有關定息債券、股票及其他股票相關投資工具的投資策略。

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

## E. 與股東的溝通

### 股東常會

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

於2010年4月22日舉行的股東周年常會上：

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

召開2011年4月19日股東周年常會的通告於會議前最少足20個營業日寄出，詳情請參閱約於2011年3月18日寄發予股東之2011股東周年常會通函。

### 股東權利及投資者關係

本行組織章程細則訂明於股東大會上提呈的決議案以投票方式表決。投票結果會於股東大會後即在聯交所網站和本行網站刊登。

本行的政策是透過一個有效的企業傳訊系統與機構及個人股東、基金經理、分析員及傳媒維持開放及定期對話；利用不同渠道提供透明、定期及適時的集團最新發展及策略的公開披露。除上述的股東周年常會外，其他傳訊渠道包括：

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

# CORPORATE SOCIAL RESPONSIBILITY REPORT

A strong sense of identity with the community and a positive, enabling spirit is at the heart of the corporate culture at The Bank of East Asia ("BEA"). The Bank's Senior Management ensures that this culture is deeply inculcated within the operating philosophy of the Bank, and actively promotes a wide range of initiatives to promote this philosophy both within the Bank and in the Bank's relations with our customers, partners, and the larger communities in which we serve.

## HONG KONG

### Employees

#### Healthy Working Environment & Attractive Benefits

We view our employees as our most important asset, and ensure that our staff of over 11,000 enjoys a healthy and positive environment in which to work, and to interact with others.

We constantly benchmark staff compensation and benefits against the market, so as to ensure that our employees are rewarded fairly for their efforts. Staff members enjoy comprehensive hospitalisation and outpatient medical benefits as well as flexible maternity leave and compassionate leave. We also provide financial relief and personal assistance in cases of genuine need.

The Bank takes a proactive stand against potential health risks. Prior to the flu season, an Influenza Vaccination Assistance Programme was launched to enable staff members to obtain vaccination on a voluntary basis at a discounted rate.

#### Personal and Professional Development

BEA supports life-long learning and encourages staff members to attain relevant professional qualifications. We provide our colleagues with training opportunities throughout the year including in-house programmes (both conventional and e-learning) as well as sponsored external seminars, workshops, and conferences.

#### Staff Relations Programmes

In the event that an employee has difficulty coping with work or outside pressures, the Bank offers timely and discreet assistance. Services include a hotline, email consultation, counselling and psychological consultation, management consultation, advice on stress management, and other wellness programmes.

BEA encourages staff members to lead healthy, active lives. In 2010, the Bank's Staff Sports and Recreational Club ("SSRC") offered a wide range of health seminars and special-interest classes, such as a Latin aerobic class, Yeung's *Tai Chi*, yoga, and kickboxing. The SSRC also regularly organises sports and leisure activities for staff members and their families.

Among the facilities at BEA Tower, BEA's operations centre located in Kwun Tong, is a gymnasium that is open to staff members throughout the day and evening. Employees who prefer to relax outdoors can take advantage of BEA Tower's landscaped roof-top garden, which features a breathtaking panoramic view of Hong Kong harbour. The garden is also equipped with barbeque facilities, and is often used by staff members and their families to socialise with colleagues after work or on weekends.



BEA provides its staff with a positive and healthy working environment.

本行為員工提供正面而健康的工作環境。

## 企業責任報告

東亞銀行的企業文化中蘊含強烈的社會責任感和積極向上的精神。本行的高層管理人員致力將此企業文化融會貫通於經營理念之中，透過積極舉辦一系列的活動，不僅將此理念灌輸予本行員工，更廣泛傳揚至與我們息息相關的客戶、業務夥伴，乃至我們服務的廣大社群。

### 香港

#### 僱員

##### 健康的工作環境和完善福利

本行視員工為最重要的資產，努力為現時聘用的逾11,000名僱員，提供一個健康及正面的工作環境，確保他們在安心工作之餘亦經常能互動交流。

我們定期參考市場的僱員薪酬及福利方案，以確保僱員得到合理的待遇。僱員享有全面的住院及門診醫療福利；同時，本行也為僱員提供彈性的分娩假期及喪假。如員工有確切需要，本行也會為他們提供財務及個人支援。

本行採取積極的措施，以防範可能危害員工健康之潛在疾病的爆發。在流感高峰期前，本行推出了「流行感冒疫苗協助計劃」，為有意注射流行感冒疫苗的員工提供折扣優惠。

The Bank hones employees' skills and assists in their career development.  
本行致力提升員工的工作技能，協助他們在事業上作進一步的發展。



#### 個人及專業發展

本行提倡終身學習，鼓勵員工考取工作相關的專業資格。過去一年，我們為員工舉辦了傳統及網上學習的內部培訓課程，同時也贊助員工參加外界舉辦的研討會、工作坊和不同會議等。

#### 員工關係活動

本行為在工作或外間遭受壓力而感困擾的員工，給予適時及周全的協助，包括提供熱線服務、電郵諮詢、專業心理輔導、管理人員諮詢、壓力處理諮詢及其他康健訓練計劃等。

東亞銀行鼓勵員工建立健康和積極的生活。在2010年，本行的員工康體會提供一連串的健康講座及興趣班，例如拉丁健體舞、楊家太極、瑜珈和拳擊班等，同時定期組織不同的運動和優閒活動，供員工及其家屬參加，務求身心健康。

本行位於觀塘的營運中心——東亞銀行中心設有不同設施，當中包括日夜開放予員工使用的健身室。如欲在戶外休憩，員工也可以到東亞銀行中心頂層的空中花園，於該處欣賞精心設計的綠化園藝，更可飽覽醉人的維港景致。空中花園附設燒烤設施，可供員工及家屬在工餘和周末享用。



A broad range of recreational activities helps the staff achieve a healthy work-life balance.  
本行舉辦不同的康體活動，協助員工取得良好的工作與生活平衡。





## CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

### Recruitment & Outreach Programmes

BEA is an equal-opportunity employer. We have strict policies in place to ensure that all job applicants are considered fairly, and that our employees are given equal opportunity to pursue their careers within our organisation regardless of gender, religion, or ethnic background.

The Bank helps local and overseas university and secondary school students gain work experience by promoting a range of internship programmes, work attachment programmes, work-integrated education schemes, and company visits.

To help students choose their career path and prepare to join the workforce – particularly in the banking industry – we conduct recruitment talks at the majority of universities in Hong Kong and a number of secondary school throughout the year. In addition, we provide career advice to recent graduates and hold mock interviews to help them hone their interviewing skills.

### Community Involvement

The Bank is committed to supporting the communities in which we are active through donation, sponsorship, and many other forms of support.

In recognition of their exemplary corporate citizenship, BEA and its wholly-owned subsidiary Blue Cross (Asia-Pacific) Insurance Limited (“Blue Cross”) were both named a “Caring Company” by The Hong Kong Council of Social Service (“HKCSS”) for the seventh and second consecutive years, respectively.

### Education

A long-term supporter of higher education in Hong Kong, BEA awards scholarships to students who exhibit academic excellence and show professional promise in our community.

BEA also sponsors the Li Fook Shu Memorial Prize, which is awarded to the students with the highest marks in the Final Professional Examination administered by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

### Social Welfare

BEA is a long-standing supporter of The Community Chest of Hong Kong (the “Chest”), and has received the President’s Award every year since 1995. In 2010, the Bank and its staff participated in many of the Chest’s programmes, such as the “Corporate and Employee Contribution Programme”, “Walk for Millions”, and “Dress Special Day”.



The Bank regularly holds recruitment days to identify suitable candidates.

本行定期舉行招聘日，以吸納合適人才加入本行工作。

BEA and its subsidiary Blue Cross were both named a “Caring Company” by The Hong Kong Council of Social Service for the seventh and second consecutive years, respectively.

本行及其附屬公司藍十字，已分別連續第7年及第2年獲香港社會服務聯會嘉許為「商界展關懷」機構。



### 招聘及延伸計劃

本行致力提倡平等機會。我們制定有嚴格的政策，確保所有應徵人士在求職過程中均獲得公平的考慮；而且所有員工無論性別、宗教或種族為何，本行均會給予其在機構內平等發展事業的機會。

此外，本行為本地及海外大學或高中學生提供一系列的實習機會，包括在職培訓、「校企協作教育」和安排公司探訪等活動，讓學生們盡量吸取工作經驗，加深對銀行業的認識。

為協助學生選擇其未來的職業路向，以及讓他們作好心理準備投入受僱行列——特別是銀行業，本行在年內於香港絕大部分的大學及個別中學舉辦職業講座。同時，本行為新近畢業的同學提供職業指導，以及安排模擬面試，以磨練他們面試的技巧。

### 參與社區

本行透過捐贈、贊助及不同的參與形式，積極支持及投入社區事務。

東亞銀行履行企業公民責任的表現屢獲嘉許，連同其全資附屬公司——藍十字（亞太）保險有限公司（「藍十字」），已分別連續第7年及第2年獲香港社會服務聯會嘉許為「商界展關懷」機構。

### 教育

長期以來，東亞銀行積極支持香港高等教育的發展。本行設有獎學金，嘉許學業成績優異和對社會專業發展具有承擔的學生。

東亞銀行並贊助「李福樹紀念獎金」，該獎金是頒發予在香港會計師公會期終考試中獲取最佳成績的學生。

### 社會福利

東亞銀行在過去多年一直熱心支持香港公益金（「公益金」），自2005年起每年均獲頒「公益榮譽獎」。2010年，本行及員工積極參與公益金的慈善活動，例如「商業及僱員募捐計劃」、「公益金百萬行」和「公益服飾日」。



A responsible corporate citizen, BEA actively supports programmes and events organised by The Community Chest of Hong Kong. 本行熱心支持公益金的慈善活動，履行良好企業公民的職責。

The Bank sponsored the Haven of Hope Fundraising Golf Tournament, which raised funds to promote harmonious family relationships. 本行贊助靈實高爾夫球慈善賽，為社區健康及家庭服務籌募經費。





## CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

In 2010, BEA was a major sponsor of the People's Food Bank and other charity projects run by St. James' Settlement. In addition, the Bank supported "Hike for Hospice 2010", organised by The Society for the Promotion of Hospice Care; "The 7th FHS Charity Walkathon", held by the Fu Hong Society; and many more charity activities.

The Bank continues to support the annual fundraising campaigns of Yan Chai Hospital, Po Leung Kuk, Tung Wah Group of Hospitals, Hong Kong Red Cross, Senior Citizen Home Safety Association, and many other organisations.

### Arts & Culture

BEA was a major sponsor of various arts and cultural events in 2010, including "Le French May 2010" organised by the Association Culturelle France – Hong Kong Limited, and the Hong Kong Arts Festival, a highlight of the cultural calendar each year. BEA has served as sponsor of the Festival's Finale since 2008.

An active supporter of artistic and cultural events, BEA sponsors the Hong Kong Arts Festival's Finale programme.

本行積極支持藝術和文化活動，贊助香港藝術節的閉幕演出。

### Health

The Bank supports important health-related charity programmes on an ongoing basis. In 2010, we sponsored the Chi Heng Foundation's Gala Dinner, which was held in support of children affected by AIDS in Mainland China. BEA also committed HK\$5 million in support of the Hong Kong Red Cross' planned blood donation centre at its new West Kowloon headquarters.

In addition, we supported the establishment of the Hong Kong Cancer Fund's CancerLink Centre in Tin Shui Wai, New Territories, which extended the Fund's free cancer support services to people in relatively underserved areas including Yuen Long and Tuen Mun. BEA also sponsored the Hospital Authority's Annual Convention and The Spastics Association of Hong Kong's 7th World Congress on Conductive Education.

### Humanitarian Aid

BEA responds quickly whenever tragedy strikes. In August 2010, BEA donated HK\$100,000 to the Hong Kong Committee for the United Nations Children's Fund ("UNICEF") in support of emergency relief aid to the victims of the mudslide in Zhouqu County, Gansu Province. Funds donated by the Bank were used to purchase medical supplies and life-saving equipment needed for temporary medical stations in this remote area in western China.



在2010年，東亞銀行成為聖雅各福群會主辦的「眾膳坊」及其他慈善計劃的主要贊助機構。年內，本行另捐款贊助多個慈善和社會服務團體所舉辦的公益活動，當中包括善寧會的「登山善行2010」，以及扶康會的「第七屆甜蜜心連心」步行籌款活動等。

另外，我們繼續支持仁濟醫院、保良局、東華三院、香港紅十字會、長者家居服務協會及其他多個慈善團體每年舉辦的籌募經費活動。

**文化藝術**

2010年，本行是多個文化藝術節目的主要贊助機構，包括The Association Culturelle France – Hong Kong Limited 舉辦的「法國五月」，以及每年一度的本地文化盛事 — 香港藝術節。東亞銀行自2008年起，已是香港藝術節閉幕演出的贊助機構。

**健康**

多年來，本行持續支持與健康相關的慈善活動。在2010年，我們贊助了為內地愛滋病患者遺孤籌款的「智行基金會」慈善晚會。此外，本行撥款港幣500萬元，支持香港紅十字會在其西九龍新總部計劃興建的全新捐血中心。

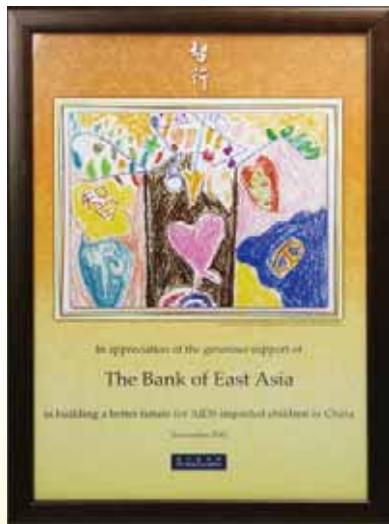
此外，我們支持香港癌症基金會在天水圍建立的癌協服務中心，從而把免費癌症支援服務延伸至新界西 — 包括元朗及屯門的偏遠地區。東亞銀行並贊助醫院管理局每年舉辦的研討會，及香港耀能協會主辦的「第七屆世界引導式教育會議」。

**人道支援**

東亞銀行對賑災活動一向反應積極，如遇不幸災難事件發生，我們即毫不猶豫，迅速施予援手。2010年8月內地甘肅省舟曲縣發生泥石流災難，本行即捐贈港幣10萬元予聯合國兒童基金會，支持緊急救援工作，協助內地西部偏遠災區的臨時醫療中心，購買醫療用品和維持生命的儀器和生活用品。

The Bank supported the Chi Heng Foundation's efforts to help children affected by AIDS in Mainland China.

本行贊助「智行基金會」的活動，為內地愛滋病患者遺孤籌款。



BEA gave immediate humanitarian aid to the victims of the mudslide in Gansu Province through its donation to UNICEF in August 2010.

2010年8月，本行透過向聯合國兒童基金會捐款，協助甘肅省泥石流災區的救援工作。



## CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

### Support for Professional Organisations

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

### Staff Volunteering

#### *New Year’s Party for SMA Patients*

The Bank enables our staff to offer their time and care to disadvantaged members of our community. In co-operation with the Families of SMA Charitable Trust, we organised a special New Year’s Party for people suffering from spinal muscular atrophy (“SMA”) and their families. The event was held at the Hong Kong Academy of Medicine in Aberdeen on 1st January, 2011.

### Other Activities

BEA’s staff members were actively involved in a wide range of other community programmes. These included “Bank Cup of the 17th Green Power Hike”, organised by Green Power to raise funds for environmental protection, awareness, and education; “The 5th Hong Kong & Macau O! Day”, organised by The Salvation Army, Hong Kong and Macau Command (“The Salvation Army”) for underprivileged members of our society; “the UNICEF Charity Run 2010” in support of the prevention of the transmission of HIV/AIDS from mother to child; and many more.

### Other Forms of Support

In addition to providing financial assistance, BEA supports non-governmental organisations (“NGOs”) through payment in kind.

To help NGOs reach a larger audience, the Bank included charitable material from NGOs such as the Chest and The Salvation Army in its statement mailings to customers.

Staff members participated in various charity events, including “the UNICEF Charity Run 2010”.

本行員工熱心參與慈善活動，包括由聯合國兒童基金會主辦之「聯合國兒童基金會慈善跑2010」，以積極行動回饋社會。



BEA’s staff members volunteered to organise a fun-filled party for SMA patients and their families.

本行員工組成義工大使，為脊髓肌肉萎縮症患者及其家人舉辦了一個歡愉的元旦聯歡會。



### 贊助專業團體

我們贊助本地多個專業團體，並積極參與其活動，例如香港銀行學會、香港管理專業協會，以及香港會計師公會等。本行多名高層人員更參與各個專業學會和政府機構的委員會及工作小組的工作，以向業界及社會提供意見及建議。

### 員工義工活動

#### 與脊髓肌肉萎縮症的患者歡度元旦

本行組織義工隊，讓員工透過親身參與，奉獻一己時間和關愛之心，協助弱勢社群，服務社會。2011年1月1日，我們與脊髓肌肉萎縮症慈善基金合作，假香港仔香港醫學專科學院賽馬會大樓，攜手為脊髓肌肉萎縮症的患者及其家人送上元旦聯歡會，共享新年喜悅。

### 其他活動

東亞銀行回饋社會，不遺餘力，經常鼓勵和支持員工積極參與各項社區活動，年內舉行的活動包括：由綠色力量主辦、為環境保護工作籌款的「第17屆綠色力量環島行慈善行山比賽(銀行盃)」；由救世軍港澳軍區(「救世軍」)主辦、為貧困家庭籌款的「第5屆港澳定向追蹤日」；以及由聯合國兒童基金會主辦、為支持防止母體傳染愛滋病毒予嬰兒的計劃之「聯合國兒童基金會慈善跑2010」等。

### 其他支持方法

除提供金錢上的贊助外，東亞銀行也透過服務或其他形式支持多個非政府組織的志願機構。

為協助慈善和志願機構將募捐的訊息傳達予更廣大的社群，本行協助將慈善機構如公益金及救世軍的宣傳單張，隨本行之月結單寄付予本行客戶。



BEA sponsored a number of charitable programmes and organised teams to participate in events such as the "Bank Cup of the 17th Green Power Hike" and "The 5th Hong Kong & Macau O! Day".

本行贊助及組成員工隊伍參與慈善活動，包括「第17屆綠色力量環島行慈善行山比賽(銀行盃)」及「第5屆港澳定向追蹤日」。





## CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

BEA also helped NGOs collect donations by assigning branches to serve as collection depots, and by offering Online Donation Service to NGOs through the Bank's Payment Gateway Service. BEA's Cyberbanking customers are able to make donations easily and conveniently via the Bank's CyberDonation service.

In 2010, BEA also promoted the HKCSS' "WiseGiving" charity information platform on Cyberbanking. "WiseGiving" helps donors make informed decisions by providing them with a comprehensive range of useful information on NGOs registered in Hong Kong.

### Environment

BEA is committed to conducting business in an environmentally responsible manner. In 2010, we reduced our carbon footprint, as well as our consumption of natural resources, through active involvement in a number of important environmental initiatives.

#### Environmental Protection

BEA is a Gold Member of the Business Environment Council's Climate Change Business Forum. At meetings held throughout 2010, BEA joined other Forum members in policy discussions regarding the impact of climate change, and regulations to be implemented to promote more responsible and sustainable development.

For the second consecutive year, in March 2010 the Bank participated in Earth Hour – an annual global event organised by the World Wide Fund for Nature to switch off indoor and display lighting to raise awareness about global warming.

The Bank supports energy conservation, as well as initiatives to improve air and water quality.  
本行一向支持節能環保，並積極參與改善空氣和水質的計劃。

### Energy Conservation

In 2010, BEA became an "Earth Partner" of the Friends of the Earth (HK) ("FoEHK") and participated in a variety of environmental initiatives and energy saving campaigns. The Bank's efforts to reduce its energy consumption were recognised by the FoEHK in 2010 when BEA was named company champion of the FoEHK's "Power Smart" Energy Saving Contest in the "Biggest Percentage Saver" category.

In addition, our Head Office Building and BEA Tower qualified for the "Energywi\$e Label" Scheme under the Hong Kong Awards for Environmental Excellence. Upon verification by the Hong Kong Productivity Council, BEA received Good Energywi\$e Label Awards for both buildings.

In January 2011, we received a Good Class certificate from the Indoor Air Quality Information Centre as part of its "Indoor Air Quality Certificate Awards 2010" in recognition of the excellent air quality in the common areas of our Head Office Building.

### Waste Management

In 2010, the Bank joined the "Wastewi\$e Label" Scheme under the Hong Kong Awards for Environmental Excellence. In recognition of its achievements in waste reduction, BEA received the Good Wastewi\$e Label Award. In line with this scheme, we have adopted eco-friendly measures to raise the recovery rate of solid waste such as fluorescent lamps, plastic bottles, aluminium cans, toner cartridges, etc.



此外，我們也選定個別分行，作為慈善機構賣旗籌款的收集站。本行又透過電子付款閘門服務，為慈善機構設置網上捐款系統，協助該等機構收集市民的捐款。東亞銀行的電子網絡銀行客戶也可隨時隨地透過電子捐款的方式作出捐獻。

在2010年，東亞銀行通過電子網絡銀行渠道，為香港社會服務聯會的「惠施網」提供慈善推廣的平台。「惠施網」提供全面而實用的香港註冊慈善機構資料，以供有意捐款人士瀏覽，從而協助他們作出捐款的決定。

## 環境

本行關注環境保護，致力以負責任的態度經營其日常業務。2010年，我們積極採取一系列重要措施，力求減低碳排放量及天然資源的耗損。

### 環境保護

本行為商界環保協會的「氣候變化商界論壇」金級成員。在2010年舉行的會議中，本行與其他論壇成員共同探討氣候轉變帶來的影響，及為推動更負責任和持續發展而需要制訂的政策及規例等議題。

2010年3月，本行連續第2年參加由世界自然基金會每年一度舉辦的「地球一小時」行動，透過關閉室內及陳列燈光，喚起人們對全球暖化的關注。

## 節約能源

在2010年，本行成為香港地球之友（「地球之友」）的「Earth Partner」，積極參與各項環保和節能行動。本行在節能方面取得的成績獲得認同，在地球之友舉辦的「知慳惜電」節能比賽中獲頒「勁減百分比大獎（公司組）」之冠軍。

此外，東亞銀行之總行大廈及觀塘東亞銀行中心均符合「香港環保卓越計劃」中的「節能標誌計劃」參選資格，經香港生產力促進局確認，該兩幢大廈均獲頒發「良好級別節能標誌」。

本行總行大廈之公用地方空氣素質良好，於2011年1月得到室內空氣質素資訊中心嘉許，獲發「2010室內空氣質素檢定證書」中的「良好級別證書」。

### 廢物處理

2010年，本行參加了「香港環保卓越計劃」中的「明智減廢計劃」，並憑藉減廢方面的成就獲取「良好級別減廢標誌」。根據該計劃的建議，我們採取不損耗生態環境的措施，鼓勵各類物品循環再造，例如熒光燈、塑膠瓶、鋁罐，以及破粉盒等。



BEA was named Company Champion in the FoEHK's "Power Smart" Energy Saving Contest in the "Biggest Percentage Saver" category.

本行參與地球之友舉辦的「知慳惜電」節能比賽，在節能工作上有良好表現而獲頒「勁減百分比大獎（公司組）」之冠軍。



## CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

### BEA-led Initiatives

The Bank has taken steps to reduce the consumption of natural resources in our customer communications and to encourage our customers and employees to do their part in protecting the environment. These initiatives include encouraging customers to adopt electronic channels (when applying for various products and services, conducting transactions, etc.) as well as the Bank's e-statement and e-advice services.

We offer our shareholders the option of receiving corporate communications such as Interim Reports, Annual Reports, and circulars via electronic means. To date, more than 13% of our shareholders have chosen to receive electronic material.

Starting from February 2010, and in line with the new notification arrangements announced by The Stock Exchange of Hong Kong, the Bank began informing non-registered holders of BEA's ordinary shares in the Central Clearing and Settlement System that corporate communications were available in electronic format via the Bank's homepage. Furthermore, the Bank informed these investors that hard copies would only be sent to them upon request in the future. This paper conservation initiative was supported by the majority of the non-registered holders, with less than 15% of approximately 4,500 non-registered holders requesting hard copies.

### The Bank of East Asia Charitable Foundation

In February 2010, The Bank of East Asia Charitable Foundation ("BEA Foundation") and "la Caixa" Foundation signed a tripartite agreement with The Salvation Army to provide funding of HK\$11 million to launch a new palliative care programme, "Palliative Care in Residential Care Homes for the Elderly". In January 2011, the first two palliative care wards were opened in the Kam Tin Residence for Senior Citizens and the Bradbury Home of Loving Kindness in Tai Wai.

In support of higher education in Hong Kong, the BEA Foundation also gave out a number of scholarships and prizes to students and incumbent banking professionals who excelled in their studies at The University of Hong Kong, The Chinese University of Hong Kong, The Hong Kong Polytechnic University, The Hong Kong Institute of Education, and the HKIB.

### MAINLAND CHINA

#### Shanghai Soong Ching Ling Foundation – BEA Charity Fund

Established by BEA's wholly-owned subsidiary on the Mainland, The Bank of East Asia (China) Limited ("BEA China"), and the Shanghai Soong Ching Ling Foundation in 2009, the Shanghai Soong Ching Ling Foundation

The BEA Foundation and "la Caixa" Foundation donated HK\$11 million in support of The Salvation Army's efforts to operate the "Palliative Care in Residential Care Homes for the Elderly" programme.

東亞銀行慈善基金及"la Caixa"基金會共捐出港幣1,100萬元予救世軍，為其「安老院舍完善人生關顧計劃」提供經費。



The BEA Foundation donated HK\$1 million to the Hong Kong Red Cross and The Salvation Army to provide warm clothing, emergency supplies, and rehabilitation support to the victims of the earthquake in Qinghai Province.

東亞銀行慈善基金捐贈善款港幣100萬元予香港紅十字會和救世軍，為青海地震災民提供禦寒衣物、緊急用品和協助災後重建。

### 東亞銀行推出的減耗措施

本行採取多項措施，以減低由客戶通訊所帶來的自然資源的耗損，並鼓勵客戶及僱員肩負保護環境的責任。這些措施包括鼓勵客戶在申請各項產品及服務，或進行各項交易時，盡量選用電子渠道，以及收取銀行電子結單及電子通知書等，從而減少耗紙量。

本行也為股東提供選擇，讓他們可透過電子方式收取企業通訊，包括中期報告、年報及股東通函等。目前，已有13%以上的股東選擇此種方式閱覽本行的企業通訊。

由2010年2月起，為符合香港聯合交易所公布的最新通告安排，本行已向在中央結算及交收系統內的非註冊普通股股東發出通知，可透過本行網頁以電子方式閱覽本行的企業通訊。此外，本行已通知該等投資者，日後我們僅會在收到他們提出正式要求時，方會寄發企業通訊的印刷本。是項節約紙張措施獲得大多數非註冊股東支持，僅不足15%、即約4,500名非註冊股東要求收取印刷本的企業通訊。

### 東亞銀行慈善基金有限公司

2010年2月，東亞銀行慈善基金有限公司、「la Caixa」基金會及救世軍三方簽訂協議，攜手為末期病患長者推出全新的綜合關顧計劃——「香港安老院舍完善人生關顧計劃」，資助總額達港幣1,100萬元。2011年1月，首兩間供臨終長者專用的「完善人生關顧房間」已經啟用，分別位於錦田的救世軍錦田長者之家，以及位於大圍的白普理慈愛長者之家。

而為支持香港高等教育，東亞銀行慈善基金為就讀於香港大學、香港中文大學、香港理工大學、香港教育學院的學生，以及修讀香港銀行學會課程的現職銀行服務人員而成績優異者，向他們提供獎學金和獎品，以茲鼓勵。

### 中國內地

#### 上海宋慶齡基金會 — 東亞銀行公益基金

由東亞銀行於內地的全資附屬公司——東亞銀行（中國）有限公司（「東亞中國」），與上海宋慶齡基金會於2009年共同成立的「上海宋慶齡基金會 — 東亞銀行公益基金」（「基金」），致力在內地推行公益事業。自成立以來，該



Combining medical, social, emotional, and spiritual care, the "Palliative Care in Residential Care Homes for the Elderly" programme aims to create a new model of treatment for elderly people who are suffering from terminal illnesses.

「安老院舍完善人生關顧計劃」旨在為安老院舍的末期病患長者提供一站式服務，以一個嶄新的模式照顧他們及其家屬在醫療、社會、情緒和心靈上的各種需要。

## CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

– BEA Charity Fund (the “Fund”) is actively involved in a wide range of charitable causes in China. Since its establishment, the Fund has raised more than RMB10 million. In 2010, it organised a number of highly successful charitable programmes including:

### Firefly Project

Developed to improve educational opportunities for children in rural areas in China, the Firefly Project was the Fund's first and still its most important fundraising activity.

On 15th December, 2010, an annual charity dinner banquet – “Firefly Charity Night” – was held in Shanghai. The event was attended by more than 250 distinguished guests whose generous donations helped the Fund raise a total of approximately RMB4 million.

### BEA University Students Scholarship Programme

The BEA University Students Scholarship programme was launched in October 2010, providing education grants and subsidies to students of Fudan University, Sun Yat-Sen University, and Shenzhen Polytechnic.

### Relief Initiatives for Victims of Natural Disasters

In support of the relief efforts for victims of the devastating earthquake in Qinghai Province in April

2010, BEA China donated RMB1 million (including a RMB300,000 donation from the Fund) to the Red Cross Society of China.

BEA China's Xi'an Branch made a donation of RMB200,000 in support of reconstruction efforts following the severe damage caused by the mudslide in Shaanxi Province in August 2010.

In recognition of its steadfast dedication to society, BEA China was given the “Good Practices in Social Responsibility for Chinese Enterprises Award” by the China Business Network and the “Best Corporate Social Responsibility Award 2010” in the banking category by SOHU.com during the SOHU 2010 Financial Management Network Festival.

## OTHER SUBSIDIARIES

### Credit Gain Finance Company Limited

In November 2010, Credit Gain Finance Company Limited (“Credit Gain”) helped less fortunate members of the community by serving as the Gold Sponsor of one of the Hong Kong Red Cross' largest annual fundraising events, the “Pass-it-On” Charity Sales Fundraising Campaign.



The Shanghai Soong Ching Ling Foundation – BEA Charity Fund launched the Firefly Project to improve children's educational opportunities and to enhance the quality of teaching in rural areas in China.

「上海宋慶齡基金會—東亞銀行公益基金」推出「螢火蟲計劃」，以改善內地偏遠地區兒童的教育條件及培訓優秀老師。





## 企業責任報告 (續)

基金已籌募善款逾人民幣 1,000 萬元，並積極參與內地多項慈善活動。該基金於 2010 年成功舉辦了一系列公益活動，包括：

**螢火蟲計劃**

「螢火蟲計劃」是基金首個、亦是目前最重要的籌款項目，所籌善款主要用作改善內地偏遠地區兒童的教育條件。

2010 年 12 月 15 日，基金在上海舉辦了年度慈善晚宴——「螢火蟲慈善之夜」。當晚逾 250 位嘉賓參加晚宴，並且慷慨解囊，為基金籌得超過人民幣 400 萬元的善款。

**東亞銀行大學生助學金計劃**

「東亞銀行大學生助學金計劃」於 2010 年 10 月正式推出，為來自復旦大學、中山大學以及深圳職業技術學院的學生提供助學金。

**提供支援予天災災民**

2010 年 4 月，為支援青海地震災區的災後重建工作，東亞中國向中國紅十字總會捐贈合共人民幣 100 萬元（含基金捐贈的人民幣 30 萬元）。

2010 年 8 月，東亞中國西安分行捐贈人民幣 20 萬元，以支援陝西省泥石流災區的災後重建工作。

東亞中國致力履行其社會責任，並獲得廣泛認同，先後獲得第一財經頒發的「2010 年第一財經中國企業社會責任榜之優秀實踐獎」，以及由搜狐網舉辦的搜狐網 2010 金融理財網絡盛典中之「2010 年最佳履行社會責任銀行獎」。

**其他附屬公司****領達財務有限公司**

領達財務有限公司（「領達財務」）致力協助弱勢社群，於 2010 年 11 月成為香港紅十字會其中一項最大型的年度籌款活動——「愛心相連大行動」之金贊助商。



BEA China received the “Good Practices in Social Responsibility for Chinese Enterprises Award” and the “Best Corporate Social Responsibility Award 2010” in the banking category from SOHU.com.

東亞中國獲頒「2010 年第一財經中國企業社會責任榜之優秀實踐獎」，以及搜狐網 2010 金融理財網絡盛典中之「2010 年最佳履行社會責任銀行獎」。

Credit Gain served as the Gold Sponsor of the Hong Kong Red Cross' “Pass-it-On” Charity Sales Fundraising Campaign.

領達財務是香港紅十字會「愛心相連大行動」之金贊助商。





## CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

### Blue Cross (Asia-Pacific) Insurance Limited

Blue Cross supported a series of charitable activities in 2010 including the Hong Kong Physically Handicapped and Able-Bodied Association's "Barrier-free Visit to Historic Sites" programme for the second consecutive year. The programme introduced barrier-free heritage spots in Hong Kong to the disabled, promoting and encouraging people of varied abilities to come together on equal terms.

In October 2010, Blue Cross sponsored the Wai Yin Association's Shanghai Expo Charity Tour, which was established to provide underprivileged students in Hong Kong with the opportunity to attend the World Expo 2010 in Shanghai.

### Tricor Holdings Limited

#### Employees

##### Staff Relations

In March 2010, Tricor Holdings Limited ("Tricor") held a Regional Executive Seminar to foster communication among executives in the Group's local and overseas offices. In celebration of its 10th Anniversary, Tricor Hong Kong organised its first Firm-wide dinner in October 2010, which was attended by over 600 staff members.

##### Staff Training and Education

Tricor encourages its employees to continue their education and attain relevant professional qualifications. In addition to providing regular in-house training, the Company sponsors staff members who wish to enrol in external job-related courses and seminars and also grants study leave and examination leave.

#### Community

##### Internships and Scholarships for Students

Tricor provides summer and winter internships to qualified college and university students, giving them a better understanding of professional practices and the business environment. In 2010, Tricor Hong Kong participated in the Yuen Long District Secondary School Student Internship Programme organised by the Hong Kong Coalition of Professional Services, offering summer internships to Form 5 students from Tin Shui Wai. Tricor also awards needs-based scholarships to university students.

##### Pro Bono Services and Charitable Sponsorship

Tricor provides pro bono corporate services to a number of charitable bodies and NGOs. Since 2009, Tricor Singapore has sponsored all of the secretarial, administrative, and accounting requirements of Lions Savesight Centre Singapore. In 2010, Tricor Hong Kong sponsored staff members of the Firm who participated in the UNICEF Charity Run 2010 and the "5th Hong Kong & Macau O! Day" organised by The Salvation Army.

##### Sponsorship of Professional Seminars

Tricor is keen to promote professionalism in related service industries. In 2010, Tricor Hong Kong continued to sponsor professional seminars organised by such professional institutes as The Hong Kong Institute of Chartered Secretaries, the HKICPA, and CPA Australia.

##### Blood and Organ Donation

In 2010, Tricor Malaysia organised a 2-day blood and organ donation drive with the support of the Ministry of Health and the National Organ & Cell Transplant Centre.



Blue Cross supported the "Barrier-free Visit to Historic Sites" programme, which brought people of different abilities together on equal terms.

藉著贊助「傷健無障礙古蹟之旅」活動，藍十字協助宣揚社會間「傷健共融」的精神。

Blue Cross sponsored the Wai Yin Association's Shanghai Expo Charity Tour.

藍十字贊助由慧妍雅集主辦的「上海世博慈善之旅」。



## 藍十字 (亞太) 保險有限公司

2010年，藍十字支持一系列慈善活動，包括連續第2年贊助由香港傷健協會舉辦的「傷健無障礙古蹟之旅」活動，藉此將香港無障礙的古蹟景點介紹給傷殘人士，以宣揚及鼓勵具備不同能力的人士發揮「傷健共融」的精神。

2010年10月，藍十字贊助由慧妍雅集主辦的「上海世博慈善之旅」，讓香港低收入家庭的學生有機會參觀於上海舉行的2010年世界博覽會。

## 卓佳集團有限公司

### 僱員

#### 員工關係

在2010年3月，卓佳集團有限公司(「卓佳」)舉辦區域行政人員研討會，藉以促進卓佳於本港和海外辦事處人員的互相溝通。此外，卓佳香港辦事處於2010年10月舉行其成立10周年晚宴，共有逾600名員工參與慶祝。

#### 員工培訓及教育

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

### 社會

#### 學生實習計劃及獎學金

卓佳為合資格的大學及高中學生，在暑假及寒假期間提供實習機會，讓他們進一步瞭解企業服務的實務及營商環境。在2010年，卓佳香港辦事處參與由香港專業聯盟舉辦的元朗區中五學生暑期專業實習計劃，為天水圍的中學生提供實習機會。此外，卓佳亦提供獎學金，支持財政上有需要的大學生。

#### 免費服務及慈善贊助

卓佳為多個慈善團體及非政府組織提供免費的企業服務。自2009年起，卓佳新加坡辦事處贊助當地Lions Savesight Centre的所有秘書、行政管理及會計工作。在2010年，卓佳香港辦事處贊助其員工參與「聯合國兒童基金會慈善跑2010」，以及救世軍主辦的「第5屆港澳定向追蹤日」。

#### 贊助專業研討會

卓佳致力在相關業界提升專業服務精神。2010年，卓佳香港辦事處繼續贊助多個專業會議，包括香港特許秘書公會、香港會計師公會，以及澳洲會計師公會所舉辦的研討會。

#### 捐血及捐贈器官

在2010年，卓佳馬來西亞辦事處舉辦為期兩天的捐血及捐贈器官推廣宣傳活動，是項活動獲得馬來西亞政府衛生部及國家器官及細胞移植中心的支持。



Tricolor's corporate governance seminar in Hong Kong was attended by over 700 people.

逾700名人士出席卓佳舉辦的公司管治研討會。



Tricolor staff members participated in "the UNICEF Charity Run 2010" and "The 5th Hong Kong & Macau O! Day".

卓佳員工積極參與「聯合國兒童基金會慈善跑2010」，以及救世軍主辦的「第5屆港澳定向追蹤日」。



## REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their annual report together with the audited accounts for the year ended 31st December, 2010.

### PRINCIPAL PLACE OF BUSINESS

The Bank of East Asia, Limited (the "Bank") is a licensed bank incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 10 Des Voeux Road Central, Hong Kong.

### PRINCIPAL ACTIVITIES

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

### ACCOUNTS

The profit attributable to equity holders of the Group for the year ended 31st December, 2010 and the state of the Bank's and the Group's affairs as at that date are set out in the accounts on pages 118 to 259.

### TRANSFER TO RESERVES

Profit attributable to equity holders of the Group, before dividends, of HK\$4,224 million (2009 (restated): HK\$2,604 million) has been transferred to reserves. Other movements in reserves are set out in Note 38 on the accounts.

An interim dividend of HK\$0.38 per share (2009: HK\$0.28 per share) was paid on 27th September, 2010. The Directors now recommend the payment of a final dividend of HK\$0.56 per share (2009: HK\$0.48 per share) in respect of the financial year ended 31st December, 2010.

### MAJOR CUSTOMERS

The Directors believe that the five largest customers of the Group accounted for less than 30% of the total of interest income and other operating income of the Group for the year.

### DONATIONS

Donations made by the Group during the year for charitable and community purposes amounted to approximately HK\$8 million (2009: HK\$13 million).

### FIXED ASSETS

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

### SHARE CAPITAL

During the year, a sum of HK\$46,523,117.50 standing to the credit of the share premium account was capitalised and applied in paying up in full at par 18,609,247 shares of HK\$2.50 each that were allotted and issued to shareholders who had elected to receive new shares in lieu of the 2009 final dividend and the 2010 interim dividend.

During the year, 6,967,000 shares of HK\$2.50 each were issued for cash of HK\$147,168,220 on the exercise of options granted under the approved Staff Share Option Schemes.

As approved at the Annual General Meeting of the Bank held on 22nd April, 2010, the authorised capital of the Bank was increased from HK\$6,500,000,000 divided into 2,600,000,000 ordinary shares of HK\$2.50 each and US\$500,000,000 divided into 500,000 Substitute Preference Shares of US\$1,000 each to HK\$10,000,000,000 divided into 4,000,000,000 ordinary shares of HK\$2.50 each and US\$500,000,000 divided into 500,000 Substitute Preference Shares of US\$1,000 each by the creation of an additional 1,400,000,000 ordinary shares of HK\$2.50 each.

### SUBORDINATED NOTES

The Bank issued 6.125% subordinated notes qualifying as tier 2 capital with face value of US\$450 million and US\$150 million on 16th July, 2010 and 23rd July, 2010 respectively (the "2020 Notes"). The 2020 Notes are listed on Singapore Exchange Securities Trading Limited and will mature on 16th July, 2020. The net proceeds from the issue of the 2020 Notes were used for refinancing the Bank's debt obligation under its outstanding 2015 Notes (as defined below) and for general working capital purposes.



# 董事會報告書

董事會全寅現謹向各股東發表年度報告書及截至2010年12月31日止年度的已審核賬項。

## 主要營業地點

東亞銀行有限公司（「本行」）乃一間在香港成立及註冊的持牌銀行，其註冊辦事處和主要營業地點為香港德輔道中10號。

## 主要業務

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

## 賬項

本集團截至2010年12月31日止年度的股東應佔溢利，及本行和本集團於當日的財政狀況，載列於第118頁至259頁的賬項內。

## 撥入儲備

本集團除股息前的股東應佔溢利中的港幣42億2,400萬元（2009年（重報）：港幣26億400萬元）已予撥入儲備。至於儲備的其他變動，則載於賬項附註38。

中期股息每股港幣0.38元（2009年：每股港幣0.28元）已於2010年9月27日派發。董事會現建議派發截至2010年12月31日止年度的末期股息每股港幣0.56元（2009年：每股港幣0.48元）。

## 主要客戶

董事會認為，本集團5位最大客戶所佔是年度本集團總利息收入及其他經營收入少於30%。

## 捐款

本集團本年內所作出的慈善及公益捐款約為港幣800萬元（2009年：港幣1,300萬元）。

## 固定資產

固定資產的變動詳情載於賬項附註31。

## 股本

年內，本行由股份溢價賬項中撥出港幣46,523,117.50元作為資本，以發行及繳足18,609,247股每股面值港幣2.50元的股份，派發予各選擇以新股份代替2009年度末期股息及2010年度中期股息的股東。

本年內，在認可僱員認股計劃認股權方面，以溢價發行6,967,000股每股面值港幣2.50元的股份，所得現金為港幣147,168,220元。

在2010年4月22日舉行之股東周年常會上，本行獲股東通過將本行的法定股本由港幣6,500,000,000元（分為2,600,000,000股每股面值港幣2.50元的普通股）及500,000,000美元（分為500,000股每股面值1,000美元的替代優先股），增加至港幣10,000,000,000元（分為4,000,000,000股每股面值港幣2.50元的普通股）及500,000,000美元（分為500,000股每股面值1,000美元的替代優先股），即額外增加1,400,000,000股每股面值港幣2.50元的普通股。

## 後償票據

本行於2010年7月16日及7月23日分別發行面值4億5,000萬美元及面值1億5,000萬美元評定為2級資本的後償票據（「2020票據」），其孳息率為6.125%。2020票據於新加坡證券交易所上市，並將於2020年7月16日到期。發行2020票據的淨得款項作本行為贖回已發行之2015票據（定義見下文）的債務承擔及一般營運資金用途。



## REPORT OF THE DIRECTORS (CONTINUED)

### DEALINGS IN LISTED SECURITIES OF THE BANK

On 22nd July, 2010, the Bank repurchased US\$74.69 million face value of the 5.625% subordinated notes qualifying as tier 2 capital, which were issued on 13th December, 2005 ("2015 Notes"). On 14th December, 2010, the Bank redeemed all the remaining 2015 Notes with face value of US\$475.31 million. The 2015 Notes were delisted from The Stock Exchange of Hong Kong Limited on 21st December, 2010. Save for the repurchase and redemption of the 2015 Notes, there was no purchase, sale or redemption by the Bank or any of its subsidiaries, of listed securities of the Bank during the year ended 31st December, 2010.

### DIRECTORS

The present Directors of the Bank are shown on page 54.

It is with deep sadness that the Board of Directors records that William MONG Man-wai (Non-executive Director) passed away on 21st July, 2010.

In accordance with the Articles of Association, any Director elected by the Bank by ordinary resolution shall be elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment and on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment. Accordingly, Arthur LI Kwok-cheung, Thomas KWOK Ping-kwong, Richard LI Tzar-kai, William DOO Wai-hoi and KUOK Khoon-ean will retire, and, being eligible, offer themselves for re-election at the Annual General Meeting to be held on 19th April, 2011 ("2011 AGM").

Details of the Directors to be re-elected at the 2011 AGM are set out in the circular to the shareholders sent together with this Annual Report.

No Director proposed for re-election at the 2011 AGM has an unexpired service contract that is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

David LI Kwok-po is employed as the Chief Executive of the Bank. His existing three-year term service contract commenced in April 2009 and will expire in March 2012.

No contracts of significance to which the Bank or any of its subsidiaries was a party and in which a Director of the Bank had a material interest subsisted at the end of the year or at any time during the year.

None of the Directors of the Bank is interested in any business apart from the Bank's business that competes or is likely to compete, either directly or indirectly, with the Bank's business.

At no time during the year was the Bank or any of its subsidiaries a party to any arrangement to enable the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate with the exception of the Staff Share Option Schemes, details of which are set out in the following section under the heading "Information on Share Options", and Notes 2(q)(iv) and 36 on the accounts.

The Bank has received independence confirmations from the Independent Non-executive Directors, namely: Allan WONG Chi-yun, WONG Chung-hin, LEE Shau-kee, Winston LO Yau-lai, Thomas KWOK Ping-kwong, Kenneth LO Chin-ming, William DOO Wai-hoi, KUOK Khoon-ean and Valiant CHEUNG Kin-piu and considers them to be independent.

The Chairman received HK\$350,000 and each of the other Directors, including the Independent Non-executive Directors, received HK\$230,000, as director's fees for the year ended 31st December, 2010.

The fee to the Director who ceased to be a Director during 2010 was paid in accordance with his length of service.

### CORPORATE GOVERNANCE

Being the largest independent local bank in Hong Kong, the Bank is committed to maintaining the highest corporate governance standards. Information on the corporate governance practices adopted by the Bank is set out in the Corporate Governance Report.

## 買賣本行上市證券

本行於2010年7月22日購回面值7,469萬美元在2005年12月13日發行評定為2級資本，孳息率為5.625%的後償票據（「2015票據」）。並於2010年12月14日贖回所有餘下面值4億7,531萬美元的2015票據。2015票據已於2010年12月21日在香港聯合交易所有限公司撤銷上市地位。除購回及贖回2015票據外，截至2010年12月31日止的年度內，本行或其任何附屬公司並無購入、出售或贖回本行的上市證券。

## 董事會

本行現任董事的名單載於第54頁。

本行董事蒙民偉（非執行董事）痛於2010年7月21日逝世，仝寅深感惋惜，謹誌哀悼。

根據章程細則規定，任何在普通決議案獲選的董事，其任期不得超過約3年，並於其獲委任後的第3年的股東周年常會結束時屆滿；其任期屆滿時，將被視為一位卸任董事而有資格重選。根據此規定，李國章、郭炳江、李澤楷、杜惠愷和郭孔演將於2011年4月19日舉行的股東周年常會（「2011股東周年常會」）上卸任，並願膺選連任。

所有在2011股東周年常會重選的董事的資料，載於連同本年報寄發予股東的股東通函內。

所有擬在2011股東周年常會上膺選連任的董事，並沒有尚未屆滿且屬本行或其附屬公司在一年內不可在不予賠償（法定賠償除外）的情況下終止的服務合約。

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

本年內凡與本行或其任何附屬公司業務有重大關係的合約，本行各董事均無佔有任何實質上的權益。

除本行業務外，本行各董事並無在其他直接或間接與本行的業務構成競爭或可能構成競爭的業務中佔有權益。

除於下列「認股權資料」項下及賬項附註2(q)(iv)及36所詳載的僱員認股計劃外，本年內本行或其任何附屬公司並無作任何安排，以致本行各董事或行政總裁或他們的配偶或18歲以下子女從中取得本行或其他法人團體的股份或債券而獲益。

本行已收到獨立非執行董事：黃子欣、黃頌顯、李兆基、羅友禮、郭炳江、駱錦明、杜惠愷、郭孔演及張建標的獨立性確認函。本行對他們的獨立性表示認同。

本行主席獲港幣35萬元；而其他董事包括獨立非執行董事各獲得港幣23萬元，作為截至2010年12月31日止財政年度的董事袍金。

在年內離任的董事之袍金則按其服務期支付。

## 企業管治

作為本港最大的獨立本地銀行，本行致力維持最高的企業管治標準。有關本行所採納的企業管治常規的資料，載列於企業管治報告內。

## REPORT OF THE DIRECTORS (CONTINUED)

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31st December, 2010, the interests and short positions of the Directors and Chief Executive of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations as recorded in the Register required to be kept under section 352 of the Securities and Futures Ordinance (the "SFO") were as follows:

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

Name	Capacity and nature	No. of shares	Total	% of issued share capital
David LI Kwok-po	Beneficial owner	49,346,265	50,879,009 <sup>1</sup>	2.49
	Interest of spouse	1,532,744		
Arthur LI Kwok-cheung	Beneficial owner	9,669,685	23,177,678 <sup>2</sup>	1.14
	Founder of discretionary trust	13,507,993		
Allan WONG Chi-yun	Beneficial owner	343,345	13,219,031 <sup>3</sup>	0.65
	Interest of spouse	136		
	Founder of discretionary trust	12,875,550		
WONG Chung-hin	Beneficial owner	51,491	430,035 <sup>4</sup>	0.02
	Interest of spouse	378,544		
LEE Shau-kee	Beneficial owner	2,092,183	3,192,183 <sup>5</sup>	0.16
	Interest of corporation	1,100,000		
Aubrey LI Kwok-sing	Beneficial owner	25,730	34,020,973 <sup>6</sup>	1.67
	Interest of spouse	18,727		
	Beneficiary of discretionary trust	33,976,516		
Winston LO Yau-lai	–	–	Nil	Nil
KHOO Kay-peng	Interest of corporation	5,351,566	5,351,566 <sup>7</sup>	0.26
Thomas KWOK Ping-kwong	–	–	Nil	Nil
Richard LI Tzar-kai	Interest of corporation	5,568,860	5,568,860 <sup>8</sup>	0.27
Kenneth LO Chin-ming	–	–	Nil	Nil
Eric LI Fook-chuen	Beneficial owner	4,473,870	35,113,675 <sup>9</sup>	1.72
	Founder and beneficiary of discretionary trust	21,712,656		
	Interest of corporation	8,927,149		
Stephen Charles LI Kwok-sze	Beneficial owner	11,743,781	14,526,168 <sup>10</sup>	0.71
	Interest of children	537,183		
	Beneficiary of discretionary trusts	2,245,204		
William DOO Wai-hoi	–	–	Nil	Nil
KUOK Khoon-ean	–	–	Nil	Nil
Valiant CHEUNG Kin-piu	–	–	Nil	Nil
Isidro FAINÉ CASAS	–	–	Nil	Nil

## 董事及行政總裁權益

於2010年12月31日，根據《證券及期貨條例》第352條須予備存的登記冊所記錄，本行各董事及行政總裁於本行及其相聯法團的股份、相關股份及債權證中擁有的權益及淡倉如下：

### I. 本行普通股股份權益的好倉：

姓名	身分及性質	股份數目	總數	佔已發行股本的百分率
李國寶	實益擁有人 配偶的權益	49,346,265 1,532,744	50,879,009 <sup>1</sup>	2.49
李國章	實益擁有人 酌情信託的成立人	9,669,685 13,507,993	23,177,678 <sup>2</sup>	1.14
黃子欣	實益擁有人 配偶的權益 酌情信託的成立人	343,345 136 12,875,550	13,219,031 <sup>3</sup>	0.65
黃頌顯	實益擁有人 配偶的權益	51,491 378,544	430,035 <sup>4</sup>	0.02
李兆基	實益擁有人 法團的權益	2,092,183 1,100,000	3,192,183 <sup>5</sup>	0.16
李國星	實益擁有人 配偶的權益 酌情信託的受益人	25,730 18,727 33,976,516	34,020,973 <sup>6</sup>	1.67
羅友禮	—	—	無	無
邱繼炳	法團的權益	5,351,566	5,351,566 <sup>7</sup>	0.26
郭炳江	—	—	無	無
李澤楷	法團的權益	5,568,860	5,568,860 <sup>8</sup>	0.27
駱錦明	—	—	無	無
李福全	實益擁有人 酌情信託的成立人及受益人 法團的權益	4,473,870 21,712,656 8,927,149	35,113,675 <sup>9</sup>	1.72
李國仕	實益擁有人 子女的權益 酌情信託的受益人	11,743,781 537,183 2,245,204	14,526,168 <sup>10</sup>	0.71
杜惠愷	—	—	無	無
郭孔演	—	—	無	無
張建標	—	—	無	無
范禮賢	—	—	無	無



## REPORT OF THE DIRECTORS (CONTINUED)

### Notes:

- 1 David LI Kwok-po was the beneficial owner of 49,346,265 shares and he was deemed to be interested in 1,532,744 shares through the interests of his spouse, Penny POON Kam-chui.
- 2 Arthur LI Kwok-cheung was the beneficial owner of 9,669,685 shares. Arthur LI Kwok-cheung made a voluntary disclosure of 13,507,993 shares held by a discretionary trust of which he is the founder but has no influence on how the trustee exercises his discretion.
- 3 Allan WONG Chi-yun was the beneficial owner of 343,345 shares and he was deemed to be interested in 136 shares through the interests of his spouse, Margaret KWOK Chi-wai. He was also deemed to be interested in 12,875,550 shares held by a discretionary trust, The Wong Chung Man 1984 Trust, of which Allan WONG Chi-yun was a founder.
- 4 WONG Chung-hin was the beneficial owner of 51,491 shares and he was deemed to be interested in 378,544 shares through the interests of his spouse, LAM Mei-lin.
- 5 LEE Shau-kee was the beneficial owner of 2,092,183 shares.  
  
LEE Shau-kee was deemed to be interested in 1,100,000 shares held through Superfun Enterprises Limited ("Superfun"). Superfun was wholly owned by The Hong Kong and China Gas Company Limited which was 39.88% held by Henderson Land Development Company Limited ("Henderson Land").  
  
Henderson Land was deemed to be 64.86% held by Henderson Development Limited ("Henderson Development"). Hopkins (Cayman) Limited ("Hopkins") as trustee of a unit trust (the "Unit Trust") owned all the issued ordinary shares of Henderson Development. Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"), as trustees of respective discretionary trusts, held units in the Unit Trust. The entire issued share capital of Hopkins, Rimmer and Riddick were owned by LEE Shau-kee.
- 6 Aubrey LI Kwok-sing was the beneficial owner of 25,730 shares and he was deemed to be interested in 18,727 shares through the interests of his spouse, Elizabeth WOO. The remaining 33,976,516 shares were held by The Fook Wo Trust, a discretionary trust in which Aubrey LI Kwok-sing was one of the discretionary beneficiaries.
- 7 KHOO Kay-peng was deemed to be interested in 5,351,566 shares out of which (i) 1,193,265 shares were held through Bonham Industries Limited, a company in which he (and his spouse) held 100% of the issued capital; and (ii) 4,158,301 shares were held through the Malaysian United Industries Berhad Group of which he is the Chairman and Chief Executive and a deemed substantial shareholder.
- 8 Richard LI Tzar-kai was deemed to be interested in 5,568,860 shares held by certain corporations in their capacity as investment managers, out of which (i) 5,390,120 shares were held by PineBridge Investments Asia Limited ("PBIA"), and (ii) 178,740 shares were held by PineBridge Investments LLC ("PBI LLC"). PBIA and PBI LLC are indirect subsidiaries of Chiltonlink Limited which is 100% owned by Richard LI Tzar-kai.
- 9 Eric LI Fook-chuen was the beneficial owner of 4,473,870 shares, and 21,712,656 shares were held by New Jerico (PTC) Limited in the capacity of trustee of The Jerico Unit Trust. Eric LI Fook-chuen is the sole director of New Jerico (PTC) Limited. All the units in The Jerico Unit Trust are held by The New Elico Trust, of which Eric LI Fook-chuen is the founder and a discretionary beneficiary. Eric LI Fook-chuen was also deemed to be interested in 8,927,149 shares held by The Kowloon Dairy Limited of which he is the Chairman and Chief Executive Officer.
- 10 Stephen Charles LI Kwok-sze was the beneficial owner of 11,743,781 shares, and he was deemed to be interested in 537,183 shares through the interests of his children under the age of 18. Of the remaining 2,245,204 shares, (i) 2,059,200 shares were held by a discretionary trust, Settlement of Dr. Simon F. S. Li, of which Stephen LI Kwok-sze, his spouse and his children under the age of 18 were beneficiaries and (ii) 186,004 shares were held by a discretionary trust, Longevity Trust, of which his children under the age of 18 were beneficiaries.

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

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po pursuant to the approved Staff Share Option Schemes. Information in relation to these shares options during the year ended 31st December, 2010 was shown in the following section under the heading "Information on Share Options".

附註：

- 1 李國寶為49,346,265股的實益擁有人。由於其配偶潘金翠擁有1,532,744股之權益，他亦被視為擁有該等股份。
- 2 李國章為9,669,685股的實益擁有人。李國章自願披露其作為成立人的一個酌情信託所持有的13,507,993股，由於他不可以影響受託人如何行使其酌情權，有關披露純屬自願性質。
- 3 黃子欣為343,345股的實益擁有人。由於其配偶郭志蕙擁有136股之權益，黃子欣被視為擁有該等股份。而由於黃子欣為一個酌情信託The Wong Chung Man 1984 Trust的成立人，他亦被視為擁有該酌情信託所持有的12,875,550股。
- 4 黃頌顯為51,491股的實益擁有人。由於其配偶林美蓮擁有378,544股之權益，他亦被視為擁有該等股份。
- 5 李兆基為2,092,183股的實益擁有人。  
 李兆基被視為擁有由Superfun Enterprises Limited（「Superfun」）持有之1,100,000股。Superfun由香港中華煤氣有限公司（「中華煤氣」）全資擁有。而恒基兆業地產有限公司（「恒基地產」）持有中華煤氣39.88%股權。  
 恒基兆業有限公司（「恒基兆業」）被視為持有恒基地產64.86%股權。Hopkins (Cayman) Limited（「Hopkins」），作為一個單位信託（「該單位信託」）的受託人，擁有恒基兆業的全部已發行普通股股份。Rimmer (Cayman) Limited（「Rimmer」）及Riddick (Cayman) Limited（「Riddick」），分別為不同全權信託的受託人，持有該單位信託的單位。李兆基擁有Hopkins、Rimmer及Riddick的全部已發行股份。
- 6 李國星為25,730股的實益擁有人。由於其配偶吳伊莉擁有18,727股之權益，他亦被視為擁有該等股份。餘下之33,976,516股由一個酌情信託The Fook Wo Trust持有，李國星為該信託的其中一位酌情受益人。
- 7 邱繼炳被視為擁有5,351,566股，其中(i)1,193,265股由邱繼炳（包括其配偶）持有100%已發行股份的Bonham Industries Limited持有，(ii)而另外的4,158,301股則由Malayan United Industries Berhad Group持有，邱繼炳為該法團的主席兼行政總裁，並被視為該法團的主要股東。
- 8 李澤楷被視為擁有由若干法團以投資經理身分所持有的5,568,860股，其中(a)5,390,120股由PineBridge Investments Asia Limited（「PBIA」）持有；而(b)178,740股則由PineBridge Investments LLC（「PBI LLC」）持有。PBIA及PBI LLC是李澤楷全資擁有的Chiltonlink Limited的間接附屬公司。
- 9 李福全為4,473,870股的實益擁有人。而21,712,656股由New Jerico (PTC) Limited以The Jerico Unit Trust的受託人身分持有，李福全是New Jerico (PTC) Limited的唯一董事。The New Elico Trust持有The Jerico Unit Trust的全部單位，而李福全為The New Elico Trust的成立人及一位酌情受益人。他亦被視為擁有由九龍維記牛奶有限公司持有的8,927,149股，李福全為該公司的主席兼行政總裁。
- 10 李國仕為11,743,781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537,183股。餘下的2,245,204股當中：(i) 2,059,200股由一個酌情信託—Settlement of Dr. Simon F. S. Li持有，李國仕、其配偶及其18歲以下子女皆為該酌情信託的受益人；及(ii) 186,004股由一個酌情信託—Longevity Trust持有，而李國仕的18歲以下子女為該酌情信託的受益人。

## II. 本行相關股份（就股本衍生工具而言）的好倉：

根據本行的認可僱員認股計劃，李國寶獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交收的期權。有關此等認股權在截至2010年12月31日止年度內的資料，見於下列「認股權資料」項下。

## REPORT OF THE DIRECTORS (CONTINUED)

### III. Interests in debentures of the Associated Corporation of the Bank:

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

Notes:

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

### IV. 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 "Notes") stapled with perpetual non-cumulative step-up preference shares issued by Innovate Holdings Limited, a wholly-owned subsidiary of the Bank (the "Innovate Preference Shares"). The Notes and the Innovate Preference Shares are listed as stapled units on Singapore Exchange Securities Trading Limited. The Substitute Preference Shares (being perpetual non-cumulative step-up preference shares having a par value of US\$1,000 each) 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 Notes and the Innovate Preference Shares.*

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.

## 董事會報告書（續）

## III. 本行相聯法團債權證權益：

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

附註：

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

## IV. 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500,000,000美元的混合一級資本工具。該資本工具包括由本行發行並於2059年到期的步陸後償票據（票據初期息率為年利率8.5%）（「票據」），以及由本行全資附屬公司Innovate Holdings Limited發行之無面值永久非累積步陸優先股（「Innovate 優先股」）。票據連同Innovate 優先股以不可分拆單位形式於新加坡證券交易所上市。替代優先股（每股面值1,000美元之永久非累積步陸優先股）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）時發行以作為發行票據及Innovate 優先股的條款之一。

除上述披露外，概無其他本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉載於該登記冊內。



## REPORT OF THE DIRECTORS (CONTINUED)

## INFORMATION ON SHARE OPTIONS

Information in relation to share options disclosed in accordance with the Listing Rules was as follows:

(1) Movement of share options during the year ended 31st December, 2010:

Name	Date of Grant <sup>a</sup>	Number of Share Options				Outstanding at 31/12/2010
		Outstanding at 1/1/2010	Granted	Exercised	Lapsed	
David Li Kwok-po	03/5/2005	1,100,000	-	1,100,000 <sup>c</sup>	-	Nil
	03/5/2006	1,100,000	-	-	-	1,100,000
	10/5/2007	1,100,000	-	-	-	1,100,000
	05/5/2008	2,200,000	-	-	-	2,200,000
	05/5/2009	2,000,000	-	2,000,000 <sup>c</sup>	-	Nil
	06/7/2010	-	2,000,000 <sup>b</sup>	-	-	2,000,000
Aggregate of other Employees*	03/5/2005	3,087,000	-	3,087,000 <sup>c</sup>	-	Nil
	03/5/2006	880,000	-	110,000 <sup>c</sup>	-	770,000
	10/5/2007	935,000	-	-	-	935,000
	05/5/2008	1,870,000	-	-	-	1,870,000
	05/5/2009	4,100,000	-	120,000 <sup>c</sup>	-	3,980,000
	06/7/2010	-	3,950,000 <sup>b</sup>	-	-	3,950,000
Other Participants**	03/5/2005	550,000	-	550,000 <sup>c</sup>	-	Nil
	03/5/2006	715,000	-	-	165,000	550,000
	10/5/2007	715,000	-	-	165,000	550,000
	05/5/2008	1,430,000	-	-	330,000	1,100,000
	05/5/2009	500,000	-	-	-	500,000

\* 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 2009 and 2010. The share options were granted to them prior to their cessation as employees of the Bank.

Notes:

a Particulars of share options:

Date of Grant	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	20.86 <sup>d</sup>
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	30.04 <sup>d</sup>
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	42.84 <sup>d</sup>
05/5/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	40.09 <sup>d</sup>
05/5/2009	05/5/2009 – 04/5/2010	05/5/2010 – 05/5/2014	21.25
06/7/2010	06/7/2010 – 05/7/2011	06/7/2011 – 06/7/2015	28.49

b (i) The closing price of the shares of the Bank immediately before 6th July, 2010 on which the options were granted was HK\$28.45.

(ii) Fair value of share options granted during the year ended 31st December, 2010 and the assumptions are set out in Note 36 on the accounts.

## 認股權資料

根據《上市規則》所披露有關認股權的資料如下：

(1) 截至2010年12月31日止年度內認股權的變動：

姓名	授予日期 <sup>a</sup>	認股權數目				
		於1/1/2010 尚未行使	授出	行使	失效	於31/12/2010 尚未行使
李國寶	03/5/2005	1,100,000	-	1,100,000 <sup>c</sup>	-	無
	03/5/2006	1,100,000	-	-	-	1,100,000
	10/5/2007	1,100,000	-	-	-	1,100,000
	05/5/2008	2,200,000	-	-	-	2,200,000
	05/5/2009	2,000,000	-	2,000,000 <sup>c</sup>	-	無
	06/7/2010	-	2,000,000 <sup>b</sup>	-	-	2,000,000
其他僱員的總數*	03/5/2005	3,087,000	-	3,087,000 <sup>c</sup>	-	無
	03/5/2006	880,000	-	110,000 <sup>c</sup>	-	770,000
	10/5/2007	935,000	-	-	-	935,000
	05/5/2008	1,870,000	-	-	-	1,870,000
	05/5/2009	4,100,000	-	120,000 <sup>c</sup>	-	3,980,000
	06/7/2010	-	3,950,000 <sup>b</sup>	-	-	3,950,000
其他參與人**	03/5/2005	550,000	-	550,000 <sup>c</sup>	-	無
	03/5/2006	715,000	-	-	165,000	550,000
	10/5/2007	715,000	-	-	165,000	550,000
	05/5/2008	1,430,000	-	-	330,000	1,100,000
	05/5/2009	500,000	-	-	-	500,000

\* 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2009年及2010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 認股權詳情：

授予日期	有效期	行使期	每股行使價 港幣(元)
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	20.86 <sup>d</sup>
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	30.04 <sup>d</sup>
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	42.84 <sup>d</sup>
05/5/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	40.09 <sup>d</sup>
05/5/2009	05/5/2009 – 04/5/2010	05/5/2010 – 05/5/2014	21.25
06/7/2010	06/7/2010 – 05/7/2011	06/7/2011 – 06/7/2015	28.49

b (i) 本行股份在緊接2010年7月6日授出認股權當日之前的收市價為港幣28.45元。

(ii) 在截至2010年12月31日止年度內授出的認股權的公平價值及假設載於賬項附註36。

## REPORT OF THE DIRECTORS (CONTINUED)

c Annual weighted average ("AWA") closing price of the shares of the Bank immediately before the date on which the Options were exercised during the year ended 31st December, 2010:

Date of Grant	No. of Options Exercised	Exercise Price Per Share HK\$	AWA Closing Price HK\$
03/5/2005	4,737,000	20.86	28.78
03/5/2006	110,000	30.04	34.20
05/5/2009	2,120,000	21.25	32.05

d After adjusting for the one for ten bonus issue of shares in 2009 ("Bonus Issue").

(2) No share options were cancelled during the year ended 31st December, 2010.

(3) The accounting policy adopted for share options is set out in Note 2(q)(iv) on the accounts.

Save as disclosed above, as at 31st December, 2010, none of the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

### INFORMATION ON SHARE OPTION SCHEME

The following is a summary of the Staff Share Option Scheme 2007 that was adopted on 12th April, 2007 (the "2007 Scheme") disclosed in accordance with the Listing Rules:

#### 1. Purpose of the Scheme:

- The Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible persons had made or may make to the Group.
- The Scheme will provide the eligible persons with an opportunity to have a personal stake in the Bank with the view to motivating the eligible persons to optimise their performance and efficiency for the benefit of the Group.

#### 2. Participants of the Scheme:

The Board may at its discretion grant options to any employees including Executive Directors and Chief Executive of the Group.

#### 3. Total number of shares available for issue under the Scheme and % of issued share capital at 31st December, 2010:

The total number of shares available for issue under the Scheme is 85,418,687 ordinary shares (after adjusting for the Bonus Issue) representing 4.18% of the issued share capital at 31st December, 2010.

#### 4. Maximum entitlement of each participant under the Scheme:

No options may be granted to any eligible persons, which if exercised in full would result in the total number of shares issued and to be issued upon exercise of the share options already granted or to be granted to such eligible person under the Scheme or any other schemes of the Bank (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such new grant exceeding 1% of the issued share capital as at the date of such new grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the Scheme.

#### 5. The period within which the shares must be taken up under an option:

Beginning on the first anniversary of the Date of Grant of such options and ending on the fifth anniversary thereof.

#### 6. The minimum period for which an option must be held before it can be exercised:

From the Date of Grant of such options up to the day immediately before the first anniversary thereof.

## 董事會報告書（續）

c 在截至2010年12月31日止年度內本行股份在緊接有關認股權行使日期之前的全年加權平均收市價：

授予日期	行使認股權數目	每股行使價 港幣(元)	全年加權平均收市價 港幣(元)
03/5/2005	4,737,000	20.86	28.78
03/5/2006	110,000	30.04	34.20
05/5/2009	2,120,000	21.25	32.05

d 已根據2009年每10股送1股比率派發之紅股（「派發紅股」）予以調整。

(2) 截至2010年12月31日止年度內並無認股權被註銷。

(3) 有關認股權的會計政策載於賬項附註2(q)(iv)。

除上述所披露外，於2010年12月31日，本行的董事或行政總裁或他們的配偶或18歲以下子女概無獲授或行使任何權利以認購本行或其任何相聯法團的股本或債務證券。

## 認股權計劃資料

根據《上市規則》披露的有關於2007年4月12日採納的僱員認股計劃2007（「2007計劃」）的摘要如下：

### 1. 計劃的目的：

- (a) 本計劃屬於一項股份獎勵計劃，設立的目的是在於肯定合資格人士對本集團作出或可能作出的貢獻。
- (b) 本計劃為合資格人士提供機會持有本行的股權，藉此鼓勵僱員努力工作，提高效率，為本集團賺取更多利益。

### 2. 計劃的參與人：

董事會可按其酌情權，向本集團任何僱員，包括執行董事和行政總裁，授予認股權。

### 3. 計劃中可予發行的股份數目及其於2010年12月31日佔已發行股本的百分率：

計劃中可予發行的股份數目為85,418,687股普通股（已按派發紅股作出調整），佔本行於2010年12月31日已發行股本的4.18%。

### 4. 計劃中每名參與人可獲授權益上限：

凡合資格人士在行使全部認股權後，會導致該位合資格人士在截至獲授新認股權之日（包括當日）止十二個月內，因行使已經根據或將會根據本計劃及本行任何其他計劃獲授的認股權（包括已行使、已註銷及尚未行使的認股權）時，所獲發行及將予發行的股份總數超出新認股權授出當日的已發行股份的1%，則不得向該位合資格人士再授出新認股權。再度授出超出該上限的認股權，須受載於該計劃的規則內的若干規定所約束。

### 5. 可根據認股權認購股份的期限：

由該認股權授予日的第1周年開始截至授予日的第5周年止。

### 6. 認股權行使之前必須持有的最短期限：

由認股權授出之日起直至授予日的第一周年之前一日。



## REPORT OF THE DIRECTORS (CONTINUED)

### 7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid:

N/A

### 8. The basis of determining the exercise price:

The exercise price is determined by the Directors and being not less than the highest of:

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

### 9. The remaining life of the Scheme:

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

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31st December, 2010, the interests and short positions of Substantial Shareholders and Other Persons of the Bank in the shares and underlying shares of the Bank as recorded in the Register required to be kept under section 336 of the SFO were as follows:

Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of shares	% of issued share capital
Negocio de Finanzas e Inversiones I, S.L.U.	Beneficial owner	306,508,907 <sup>1</sup>	15.01
Criteria CaixaCorp, S.A.	Interest of corporation	306,508,907 <sup>1</sup>	15.01
Caja de Ahorros y Pensiones de Barcelona	Interest of corporation	306,508,907 <sup>1</sup>	15.01
Guoco Management Company Limited	Beneficial owner	185,278,726 <sup>2,3</sup>	9.12 <sup>4</sup>
Guoco Group Limited	Interest of corporation	185,278,726 <sup>2</sup>	9.12
GuoLine Overseas Limited	Interest of corporation	185,278,726 <sup>2,3</sup>	9.12 <sup>4</sup>
GuoLine Capital Assets Limited	Interest of corporation	185,278,726 <sup>2</sup>	9.12 <sup>4</sup>
Hong Leong Company (Malaysia) Berhad	Interest of corporation	185,278,726 <sup>2,3</sup>	9.12
HL Holdings Sdn Bhd	Interest of corporation	185,278,726 <sup>2</sup>	9.12
QUEK Leng Chan	Interest of corporation	185,278,726 <sup>2</sup>	9.12
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	185,278,726 <sup>3</sup>	9.12
Davos Investment Holdings Private Limited	Interest of corporation	185,278,726 <sup>3</sup>	9.12
KWEK Leng Kee	Interest of corporation	185,278,726 <sup>3</sup>	9.12

7. 申請或接受認股權須付金額以及付款或通知付款的期限或償還申請期權貸款的期限：

不適用

8. 行使價的釐定基準：

行使價由董事會釐定，但不少於下列的較高價：

- (a) 於授出有關認股權當日，本行普通股股份於聯交所日報表的收市價；
- (b) 相等於緊接授出有關認股權當日之前5個營業日，本行普通股股份於聯交所日報表的平均收市價；及
- (c) 本行普通股股份的面值。

9. 計劃尚餘的有效期：

計劃期間於2012年4月11日終止。

## 主要股東及其他人士的權益

於2010年12月31日，根據《證券及期貨條例》第336條須予備存的登記冊所記錄，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	佔已發行股本的百分率
Negocio de Finanzas e Inversiones I, S.L.U.	實益擁有人	306,508,907 <sup>1</sup>	15.01
Criteria CaixaCorp, S.A.	法團的權益	306,508,907 <sup>1</sup>	15.01
Caja de Ahorros y Pensiones de Barcelona	法團的權益	306,508,907 <sup>1</sup>	15.01
Guoco Management Company Limited	實益擁有人	185,278,726 <sup>2,3</sup>	9.12 <sup>4</sup>
Guoco Group Limited	法團的權益	185,278,726 <sup>2</sup>	9.12
GuoLine Overseas Limited	法團的權益	185,278,726 <sup>2,3</sup>	9.12 <sup>4</sup>
GuoLine Capital Assets Limited	法團的權益	185,278,726 <sup>2</sup>	9.12 <sup>4</sup>
Hong Leong Company (Malaysia) Berhad	法團的權益	185,278,726 <sup>2,3</sup>	9.12
HL Holdings Sdn Bhd	法團的權益	185,278,726 <sup>2</sup>	9.12
郭令燦	法團的權益	185,278,726 <sup>2</sup>	9.12
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	185,278,726 <sup>3</sup>	9.12
Davos Investment Holdings Private Limited	法團的權益	185,278,726 <sup>3</sup>	9.12
KWEK Leng Kee	法團的權益	185,278,726 <sup>3</sup>	9.12

## REPORT OF THE DIRECTORS (CONTINUED)

### Notes:

- 1 As at 31st December, 2010, Caja de Ahorros y Pensiones de Barcelona was holding a 79.45% interest in Criteria CaixaCorp, S.A. which was the sole shareholder of Negocio de Finanzas e Inversiones I, S.L.U. Caja de Ahorros y Pensiones de Barcelona and Criteria CaixaCorp, S.A. were deemed to be interested in the 306,508,907 shares held by Negocio de Finanzas e Inversiones I, S.L.U.

The Bank was notified that the shareholdings of the above three corporations had been increased to 310,312,707 shares (equivalent to approximately 15.20% of the issued share capital of the Bank as at 31st December, 2010). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- 2 The references to 185,278,726 shares of the Bank in Notes 2 and 3 relate to the same block of shares. Guoco Management Company Limited was the beneficial owner of 185,278,726 shares (equivalent to approximately 9.12% of the issued share capital of the Bank at the time of disclosure pursuant to Part XV of the SFO and 9.07% of the issued share capital of the Bank as at 31st December, 2010). Hong Leong Company (Malaysia) Berhad was deemed to be interested in the 185,278,726 shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Capital Assets Limited which owned a 100% interest in GuoLine Overseas Limited. GuoLine Overseas Limited held a 71.48% interest in Guoco Group Limited which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Capital Assets Limited, GuoLine Overseas Limited and Guoco Group Limited were all deemed to be interested in the 185,278,726 shares held by Guoco Management Company Limited.

QUEK Leng Chan was deemed to be interested in the 185,278,726 shares held by Guoco Management Company Limited by virtue of his 100% interest in HL Holdings Sdn Bhd ("HLH"). Hong Leong Company (Malaysia) Berhad was held as to 46.68% and 2.43% by HLH and QUEK Leng Chan respectively.

- 3 The references to 185,278,726 shares of the Bank in Notes 2 and 3 relate to the same block of shares. Hong Leong Company (Malaysia) Berhad was 34.49% held by Hong Leong Investment Holdings Pte. Ltd. which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 185,278,726 shares (equivalent to approximately 9.12% of the issued share capital of the Bank at the time of disclosure pursuant to XV of the SFO and 9.07% of the issued share capital of the Bank as at 31st December, 2010) 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 185,278,726 shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.

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

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

## PUBLIC FLOAT

As at the date of this Report, the Bank has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Bank and within the knowledge of the Directors.

## COMPLIANCE

The financial statements for the financial year ended 31st December, 2010 comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules.

## AUDITORS

A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

**David Li Kwok-po**

Chairman & Chief Executive

Hong Kong, 15th February, 2011

附註：

- 1 於2010年12月31日，Caja de Ahorros y Pensiones de Barcelona持有Criteria CaixaCorp, S.A. 79.45%權益，而Criteria CaixaCorp, S.A.則是Negocio de Finanzas e Inversiones I, S.L.U.的單一股東。Caja de Ahorros y Pensiones de Barcelona及Criteria CaixaCorp, S.A.被視為擁有Negocio de Finanzas e Inversiones I, S.L.U.持有的306,508,907股。

本行收到通知上述3個法團的持股量增加至310,312,707股（佔本行於2010年12月31日已發行股本約15.20%）。根據《證券及期貨條例》第XV部，彼等增持有關股份無須作出披露。

- 2 附註2及3所指之185,278,726股本行股份為同一批股份。Guoco Management Company Limited為185,278,726股之實益擁有人（該等股份約佔根據《證券及期貨條例》第XV部作出披露時本行已發行股本的9.12%及佔本行於2010年12月31日已發行股本約9.07%）。由於Hong Leong Company (Malaysia) Berhad全資擁有GuoLine Capital Assets Limited、GuoLine Capital Assets Limited全資擁有GuoLine Overseas Limited、GuoLine Overseas Limited持有Guoco Group Limited的71.48%權益及Guoco Group Limited全資擁有Guoco Management Company Limited，Hong Leong Company (Malaysia) Berhad因此而被視為擁有Guoco Management Company Limited所持有的185,278,726股的權益。GuoLine Capital Assets Limited、GuoLine Overseas Limited和Guoco Group Limited均被視為擁有Guoco Management Company Limited所持有的185,278,726股的權益。

郭令燦因全資擁有HL Holdings Sdn Bhd（“HLH”）及HLH和郭令燦分別持有Hong Leong Company (Malaysia) Berhad的46.68%及2.43%權益，郭令燦因此而被視為擁有Guoco Management Company Limited持有的185,278,726股的權益。

- 3 附註2及3所指之185,278,726股本行股份為同一批股份。Davos Investment Holdings Private Limited持有Hong Leong Investment Holdings Pte. Ltd.的33.59%權益，Hong Leong Investment Holdings Pte. Ltd.則持有Hong Leong Company (Malaysia) Berhad的34.49%權益。Davos Investment Holdings Private Limited和Hong Leong Investment Holdings Pte. Ltd.因持有Hong Leong Company (Malaysia) Berhad的權益而被視為擁有Guoco Management Company Limited所持有的185,278,726股的權益（約佔根據《證券及期貨條例》第XV部作出披露時本行已發行股本之9.12%及佔本行於2010年12月31日已發行股本約9.07%）。

KWEK Leng Kee因持有Davos Investment Holdings Private Limited的41.92%權益而被視為擁有Guoco Management Company Limited所持有之185,278,726股的權益。

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

除上述所披露外，概無其他本行股份或相關股份的權益或淡倉載於該登記冊內。

## 公眾持股量

基於公開予本行查閱之資料及據董事所知悉，截至本報告日期為止，本行一直維持《上市規則》所訂明之公眾持股量。

## 符合指引

截至2010年12月31日止年度賬項已完全符合《銀行業（披露）規則》中所適用的披露規定。

## 核數師

在即將召開的股東周年常會中，將提請通過續聘畢馬威會計師事務所為本行核數師的議案。

主席兼行政總裁

**李國寶**

香港，2011年2月15日



# INDEPENDENT AUDITOR'S REPORT



## TO THE SHAREHOLDERS OF THE BANK OF EAST ASIA, LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of The Bank of East Asia, Limited ("the Bank") and its subsidiaries (together "the Group") set out on pages 118 to 259, which comprise the consolidated and the Bank's statements of financial position as at 31st December 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

## AUDITOR'S RESPONSIBILITY

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

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

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

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

## OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Bank and of the Group as at 31st December, 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

### KPMG

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

Hong Kong, 15th February, 2011

# 獨立核數師報告



## 致東亞銀行有限公司各股東：

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第118頁至第259頁東亞銀行有限公司(以下簡稱「貴銀行」)及其附屬公司(以下統稱「集團」)的綜合財務報表，此綜合財務報表包括於2010年12月31日的綜合財務狀況表及 貴銀行的財務狀況表，截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表以及主要會計政策概要及其他附註解釋資料。

## 董事就綜合財務報表須承擔的責任

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

## 核數師的責任

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

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

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

## 意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實而公平地反映 貴銀行及 貴集團於2010年12月31日的事務狀況及截至該日止年度的集團利潤及現金流量，並已按照香港《公司條例》妥為編製。

## 畢馬威會計師事務所

執業會計師

香港中環

遮打道10號

太子大廈8樓

香港，2011年2月15日

# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

For the year ended 31st December, 2010 截至2010年12月31日止年度

			2010	2009
		Notes 附註	HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Interest income	利息收入	4	13,626	12,121
Interest expense	利息支出	5	(6,083)	(5,374)
Net interest income	淨利息收入		7,543	6,747
Fee and commission income	服務費及佣金收入	6	3,649	2,799
Fee and commission expense	服務費及佣金支出		(707)	(537)
Net fee and commission income	服務費及佣金淨額		2,942	2,262
Net trading (losses)/profits	交易(虧損)/溢利淨額	7	(146)	941
Net result from financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值金融工具的淨表現	8	263	(267)
Net hedging loss	對沖虧損淨額		(5)	-
Other operating income	其他經營收入	9	529	505
Non-interest income	非利息收入		3,583	3,441
Operating income	經營收入		11,126	10,188
Operating expenses	經營支出	10	(6,904)	(6,129)
Operating profit before impairment losses	未扣除減值損失之經營溢利		4,222	4,059
Impairment losses on loans and advances	貸款及墊款減值損失	11	(285)	(1,105)
Impairment losses on held-to-maturity investments	持至到期投資減值損失	27	-	(9)
Impairment losses on available-for-sale financial assets	可供出售金融資產減值損失		(24)	(14)
Write back of impairment losses on associates	聯營公司減值損失回撥		1	-
Write back of/(charge for) impairment losses on bank premises	行址減值損失回撥/(支銷)	31	2	(13)
Impairment losses	減值損失		(306)	(1,141)
Operating profit after impairment losses	已扣除減值損失後之經營溢利		3,916	2,918
Net loss on sale of held-to-maturity investments	出售持至到期投資之淨虧損		-	(12)
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利	12	234	102
Net profit on sale of loans and receivables	出售貸款及應收賬項之淨溢利		1	2
Net profit on sale of subsidiaries/associates	出售附屬公司/聯營公司之淨溢利		238	-
Net (loss)/profit on sale of fixed assets	出售固定資產之淨(虧損)/溢利		(6)	16
Valuation gains on investment properties	重估投資物業盈利	31	426	206
Share of profits less losses of associates	應佔聯營公司溢利減虧損		341	264
Profit for the year before taxation	年度內除稅前溢利		5,150	3,496
Income tax	所得稅	13	(847)	(819)
Profit for the year after taxation	年度內除稅後溢利		4,303	2,677
Attributable to:	可歸屬於:			
Owners of the parent	本集團股東		4,224	2,604
Non-controlling interests	非控股權益	39	79	73
Profit after taxation	除稅後溢利		4,303	2,677
Earnings per share	每股盈利		HK\$港幣	HK\$港幣
Basic	基本	16	1.92	1.39
Diluted	攤薄	16	1.92	1.38

The notes on pages 126 to 259 form part of these accounts. Details of dividends payable to equity shareholders of the Bank attributable to the profit for the year are set out in Note 15.

第126至259頁之附註屬本賬項之一部分。有關屬年度內溢利應付予本行股東股息之詳情已詳載於附註15。

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

For the year ended 31st December, 2010 截至2010年12月31日止年度

		2010	2009
		Notes 附註 HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Net Profit	淨溢利	<b>4,303</b>	
– As previously reported	– 如前報告		2,638
– Adjustment arising from changes in accounting policies	– 因會計政策變動引致的調整		39
– As restated	– 重報		2,677
Other comprehensive income for the year (after taxation and reclassification adjustments):	年內其他全面收益(經除稅及分類調整後):		
Premises:	行址:		
– unrealised surplus on revaluation of premises	– 重估行址所產生的未實現盈餘 38(c)	<b>40</b>	97
– deferred taxes	– 遞延稅項 38(c)	<b>(2)</b>	(37)
– exchange differences	– 匯兌差額	<b>3</b>	–
Available-for-sale investment revaluation reserve:	可供出售投資的儲備:		
– fair value changes taken to equity	– 存入股東權益的公平價值變動 38(h)	<b>91</b>	575
– fair value changes transferred from/(to) income statement:	– 轉自/(轉入)收益表的公平價值變動:		
– on impairment and amortisation	– 減值及攤銷 38(h)	<b>24</b>	11
– on disposal	– 出售 38(h)	<b>(200)</b>	(29)
– deferred taxes	– 遞延稅項 38(h)	<b>57</b>	(43)
Share of changes in equity of associates	應佔聯營公司權益的變動 38(i)	<b>36</b>	17
Exchange differences on other reserves	其他儲備所產生的匯兌差額 38(d)	<b>50</b>	–
Exchange differences on translation of:	因折算產生的匯兌差額:		
– accounts of overseas branches, subsidiaries and associates	– 海外分行、附屬公司及聯營公司的賬項 38(f)	<b>769</b>	163
Other comprehensive income	其他全面收益	<b>868</b>	754
Total comprehensive income	全面收益總額	<b>5,171</b>	3,431
Total comprehensive income attributable to:	全面收益總額可歸屬於:		
Owners of the parent	本集團股東	<b>5,092</b>	3,358
Non-controlling interests	非控股權益 39	<b>79</b>	73
		<b>5,171</b>	3,431

The notes on pages 126 to 259 form part of these accounts.

第126至259頁之附註屬本賬項之一部分。



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31st December, 2010 2010年12月31日

		2010		2009		1st January, 2009	
		Notes 附註		Restated 重報		Restated 重報	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
ASSETS	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	20	48,293	29,712	28,105		
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	21	58,197	67,945	96,574		
Trade bills	貿易票據	22	18,548	1,847	1,164		
Trading assets	交易用途資產	23	5,845	5,722	3,437		
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	24	16,192	10,392	4,130		
Advances to customers and other accounts	客戶貸款及其他賬項	25	320,040	261,803	243,725		
Available-for-sale financial assets	可供出售金融資產	26	40,779	30,883	18,560		
Held-to-maturity investments	持至到期投資	27	5,714	7,239	5,006		
Investments in associates	聯營公司投資	29	3,573	2,615	2,486		
Fixed assets	固定資產	31	12,414	11,467	9,146		
– Investment properties	– 投資物業		2,574	2,095	1,839		
– Other property and equipment	– 其他物業及設備		9,840	9,372	7,307		
Goodwill and intangible assets	商譽及無形資產	30	4,188	4,135	2,734		
Deferred tax assets	遞延稅項資產	33(b)	410	322	301		
Total Assets	資產總額		534,193	434,082	415,368		
EQUITY AND LIABILITIES	股東權益及負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘		9,994	11,886	27,045		
Deposits from customers	客戶存款		419,833	342,528	323,802		
Trading liabilities	交易用途負債	34(a)	3,101	1,455	2,846		
Certificates of deposit issued	已發行存款證		5,586	2,812	5,491		
– At fair value through profit or loss	– 通過損益以反映公平價值		2,754	2,442	3,777		
– At amortised cost	– 攤銷成本		2,832	370	1,714		
Current taxation	本期稅項	33(a)	618	147	333		
Debt securities issued	已發行債務證券		4,950	4,346	–		
Deferred tax liabilities	遞延稅項負債	33(b)	214	308	7		
Other accounts and provisions	其他賬項及準備	34(b)	28,561	18,506	12,139		
Loan capital	借貸資本	35	12,693	12,359	11,036		
– At fair value through profit or loss	– 通過損益以反映公平價值		3,548	7,712	6,395		
– At amortised cost	– 攤銷成本		9,145	4,647	4,641		
Total Liabilities	負債總額		485,550	394,347	382,699		
Share capital	股本	37	5,105	4,623	4,183		
Reserves	儲備	38	39,138	30,754	28,147		
Total equity attributable to owners of the parent	歸屬於本集團股東權益總額		44,243	35,377	32,330		
Non-controlling interests	非控股權益	39	4,400	4,358	339		
Total Equity	股東權益總額		48,643	39,735	32,669		
Total Equity and Liabilities	股東權益及負債總額		534,193	434,082	415,368		

Approved and authorised for issue by the Board of Directors on 15th February, 2011.

董事會於2011年2月15日核准及授權發佈。

Chairman and Chief Executive Directors

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

主席兼行政總裁  
董事

李國寶  
黃子欣  
黃頌顯  
羅友禮

The notes on pages 126 to 259 form part of these accounts.

第126至259頁之附註屬本賬項之一部分。

# STATEMENT OF FINANCIAL POSITION

## 財務狀況表

As at 31st December, 2010 2010年12月31日

		2010	2009	1st January, 2009
	Notes 附註	HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元	2009年1月1日 Restated 重報 HK\$ Mn 港幣百萬元
ASSETS	資產			
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存 20	17,808	12,527	4,852
Placements with banks and other financial institutions	在銀行及其他金融機構的存款 21	39,974	61,894	92,735
Trade bills	貿易票據 22	4,166	861	521
Trading assets	交易用途資產 23	4,196	3,324	2,914
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產 24	16,192	10,384	4,114
Advances to customers and other accounts	客戶貸款及其他賬項 25	191,063	148,596	138,640
Amounts due from subsidiaries	附屬公司欠款 32(a)	30,794	12,719	16,398
Available-for-sale financial assets	可供出售金融資產 26	21,162	18,935	10,985
Held-to-maturity investments	持至到期投資 27	3,766	4,802	3,318
Investments in subsidiaries	附屬公司投資 28	13,719	13,457	11,673
Investments in associates	聯營公司投資 29	2,390	1,946	1,984
Fixed assets	固定資產 31	6,691	6,220	5,587
– Investment properties	– 投資物業	2,173	1,798	1,819
– Other property and equipment	– 其他物業及設備	4,518	4,422	3,768
Goodwill and intangible assets	商譽及無形資產 30	1,460	1,460	1,460
Deferred tax assets	遞延稅項資產 33(b)	208	168	152
<b>Total Assets</b>	<b>資產總額</b>	<b>353,589</b>	<b>297,293</b>	<b>295,333</b>
EQUITY AND LIABILITIES	股東權益及負債			
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	3,233	3,521	1,093
Deposits from customers	客戶存款	276,706	237,517	240,029
Trading liabilities	交易用途負債 34(a)	2,432	1,235	2,549
Certificates of deposit issued	已發行存款證	7,786	5,012	7,691
– At fair value through profit or loss	– 通過損益以反映公平價值	2,754	2,442	3,777
– At amortised cost	– 攤銷成本	5,032	2,570	3,914
Amounts due to subsidiaries	欠附屬公司款項 32(b)	2,722	1,642	1,994
Current taxation	本期稅項 33(a)	441	18	60
Debt securities issued	已發行債務證券	241	–	–
Deferred tax liabilities	遞延稅項負債 33(b)	210	133	–
Other accounts and provisions	其他賬項及準備 34(b)	8,343	3,548	3,479
Loan capital	借貸資本 35	17,006	16,275	11,036
– At fair value through profit or loss	– 通過損益以反映公平價值	7,861	11,628	6,395
– At amortised cost	– 攤銷成本	9,145	4,647	4,641
<b>Total Liabilities</b>	<b>負債總額</b>	<b>319,120</b>	<b>268,901</b>	<b>267,931</b>
Share capital	股本 37	5,105	4,623	4,183
Reserves	儲備 38	29,364	23,769	23,219
<b>Total equity attributable to owners of the Bank</b>	<b>歸屬於本行股東權益總額</b>	<b>34,469</b>	<b>28,392</b>	<b>27,402</b>
<b>Total Equity and Liabilities</b>	<b>股東權益及負債總額</b>	<b>353,589</b>	<b>297,293</b>	<b>295,333</b>

Approved and authorised for issue by the Board of Directors on 15th February, 2011.

董事會於2011年2月15日核准及授權發佈。

Chairman and Chief Executive  
DirectorsDavid LI Kwok-po  
Allan WONG Chi-yun  
WONG Chung-hin  
Winston LO Yau-lai主席兼行政總裁  
董事李國寶  
黃子欣  
黃頌顯  
羅友禮

The notes on pages 126 to 259 form part of these accounts.

第126至259頁之附註屬本賬項之一部分。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

	Share capital	Share premium	Capital reserve – staff share options issued	Exchange revaluation reserve	Investment revaluation reserve	Revaluation reserve of bank premises	Capital reserve	General reserve	Other reserves	Retained profits	Total	Non-controlling interests	Total equity	
	股本	股份溢價	資本儲備—已發行僱員認股權	匯兌重估儲備	投資重估儲備	行址重估儲備	資本儲備	一般儲備	其他儲備	留存溢利	總額	非控股權益	權益總額	
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
At 1st January, 2010	於2010年1月1日													
– As previously reported	– 如前報告	4,623	4,526	170	1,169	286	928	86	14,866	1,518	6,993	35,165	4,358	39,523
– Adjustment arising from changes in accounting policies	– 因會計政策變動引致的調整	-	-	-	-	-	54	-	-	-	158	212	-	212
– As restated	– 重報	4,623	4,526	170	1,169	286	982	86	14,866	1,518	7,151	35,377	4,358	39,735
Changes in equity	權益變動													
Shares issued in lieu of dividend	以股代息發行的股份	47	(47)	-	-	-	-	-	557	-	-	557	-	557
Subscription of new shares	認購新股	418	4,695	-	-	-	-	-	-	-	-	5,113	-	5,113
Shares issued under Staff Shares Option Schemes	根據僱員認股計劃發行的股份	17	130	-	-	-	-	-	-	-	-	147	-	147
Equity settled share-based transaction	以股份為基礎作支付之交易	-	-	29	-	-	-	-	-	-	-	29	-	29
Transfer	轉賬	-	27	(34)	-	-	-	-	30	439	(462)	-	-	-
Dividends declared or approved during the year	年度內已宣佈或核准派發股息	-	-	-	-	-	-	-	-	-	(2,072)	(2,072)	(56)	(2,128)
Sale of interests in businesses to non-controlling interests investors	出售商業權益予非控股權益投資者	-	-	-	-	-	-	-	-	-	-	-	4	4
Exchange adjustments	匯兌調整	-	-	-	-	-	-	-	-	-	-	-	15	15
Total comprehensive income/(expense) for the year	年內全面收益/(支出)總額	-	-	-	769	(28)	41	-	-	86	4,224	5,092	79	5,171
At 31st December, 2010	於2010年12月31日	5,105	9,331	165	1,938	258	1,023	86	15,453	2,043	8,841	44,243	4,400	48,643

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### 綜合權益變動表 (續)

		Share capital	Share premium	Capital reserve – staff share options issued	Exchange revaluation reserve	Investment revaluation reserve	Revaluation reserve of bank premises	Capital reserve	General reserve	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備 – 已發行僱員認股權	匯兌重估儲備	投資重估儲備	行址重估儲備	資本儲備	一般儲備	其他儲備	留存溢利	總額	非控股權益	權益總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2009		於2009年1月1日												
- As previously reported	一如前報告	4,183	4,922	125	1,006	(228)	863	86	14,634	1,216	5,339	32,146	339	32,485
- Adjustment arising from changes in accounting policies	一因會計政策變動引致的調整	-	-	-	-	-	65	-	-	-	119	184	-	184
- As restated	一重報	4,183	4,922	125	1,006	(228)	928	86	14,634	1,216	5,458	32,330	339	32,669
Changes in equity		權益變動												
Shares issued in lieu of dividend	以股代息發行的股份	17	(17)	-	-	-	-	-	177	-	-	177	-	177
Capitalisation issue	資本化發行	418	(418)	-	-	-	-	-	-	-	-	-	-	-
Shares issued under Staff Shares Option Schemes	根據僱員認股計劃發行的股份	5	36	-	-	-	-	-	-	-	-	41	-	41
Equity settled share-based transaction	以股份為基礎作支付之交易	-	-	71	-	-	-	-	-	-	-	71	-	71
Transfer	轉賬	-	3	(26)	-	-	(6)	-	55	285	(311)	-	-	-
Dividends declared or approved during the year	年度內已宣佈或核准派發股息	-	-	-	-	-	-	-	-	-	(600)	(600)	(55)	(655)
Sale of interests in businesses to non-controlling interests investors	出售商業權益予非控股權益投資者	-	-	-	-	-	-	-	-	-	-	-	132	132
Purchase of interests in businesses from non-controlling interests investors	向非控股權益投資者購入商業權益	-	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Hybrid Tier 1 note issue	發行混合一級資本工具	-	-	-	-	-	-	-	-	-	-	-	3,877	3,877
Exchange adjustments	匯兌調整	-	-	-	-	-	-	-	-	-	-	-	2	2
Total comprehensive income for the year		年內全面收益總額												
- As previously reported	一如前報告	-	-	-	163	514	71	-	-	17	2,565	3,330	73	3,403
- Adjustments arising from changes in accounting policies	一因會計政策變動引致的調整	-	-	-	-	-	(11)	-	-	-	39	28	-	28
- As restated	一重報	-	-	-	163	514	60	-	-	17	2,604	3,358	73	3,431
At 31st December, 2009 (as restated)		於2009年12月31日 (重報)												
		4,623	4,526	170	1,169	286	982	86	14,866	1,518	7,151	35,377	4,358	39,735

The notes on pages 126 to 259 form part of these accounts.

第126至259頁之附註屬本賬項之一部份。



# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31st December, 2010 截至2010年12月31日止年度

		2010	2009
		Notes 附註 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>OPERATING ACTIVITIES</b>	<b>經營業務活動</b>		
Profit for the year before taxation	年度內除稅前溢利	5,150	3,496
Adjustments for:	調整：		
Charge for impairment losses on loans and advances	貸款及墊款減值損失支銷	11	1,105
(Write back of)/charge for impairment allowances on held-to-maturity investments, available-for-sale financial assets and associates	持至到期投資、可供出售金融資產和聯營公司的減值準備(回撥)/支銷	23	23
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(341)	(264)
Net loss on sale of held-to-maturity investments	出售持至到期投資淨虧損	-	12
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產淨溢利	(234)	(102)
Net profit on sale of subsidiaries and associates	出售附屬公司及聯營公司淨溢利	(238)	-
Net loss/(profit) on sale of fixed assets	出售固定資產之淨虧損/(溢利)	6	(16)
Interest expense on loan capital and certificates of deposit	已發行借貸資本及存款證利息支出	679	641
Depreciation on fixed assets	固定資產折舊	10, 31	512
(Write back of)/charge for impairment loss on bank premises	行址減值損失(回撥)/支銷	(2)	13
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入	(66)	(46)
Amortisation of intangible assets	無形資產攤銷	10	13
Amortisation of premium/discount on certificates of deposit and loan capital issued	已發行存款證及借貸資本的溢價/折扣攤銷	68	68
Revaluation losses on certificates of deposit and loan capital issued	重估已發行存款證及已發行借貸資本虧損	140	1,236
Valuation gains on investment properties	重估投資物業盈利	31	(206)
Equity-settled share-based payment expenses	以股份為基礎作支付費用	29	71
<b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>	<b>營運資金變動前的經營溢利</b>	<b>5,688</b>	<b>6,556</b>
(Increase)/decrease in operating assets:	經營資產(增)/減額：		
Cash and balances with banks with original maturity beyond three months	原本期限為3個月以上的現金及其他銀行存款的結存	(8,176)	(2,405)
Placements with banks and other financial institutions with original maturity beyond three months	原本期限為3個月以上的銀行及其他金融機構存款	21,616	(3,875)
Trade bills	貿易票據	(16,701)	(683)
Trading assets	交易用途資產	(191)	(2,617)
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	(5,800)	(6,262)
Advances to customers	客戶貸款	(52,025)	(18,095)
Advances to banks and other financial institutions	銀行及其他金融機構貸款	(642)	172
Held-to-maturity debt securities	持至到期債務證券	1,467	(2,056)
Available-for-sale financial assets	可供出售金融資產	(7,112)	(11,489)
Other accounts and accrued interest	其他賬項及應計利息	(7,809)	(1,219)
Increase/(decrease) in operating liabilities:	經營負債增/(減)額：		
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	(1,671)	(15,159)
Deposits from customers	客戶存款	79,030	18,726
Trading liabilities	交易用途負債	1,655	(1,391)
Other accounts and provisions	其他賬項及準備	10,150	6,328
Exchange adjustments	匯兌調整	551	(114)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS</b>	<b>經營活動現金流入/(流出)淨額</b>	<b>20,030</b>	<b>(33,583)</b>
Income tax paid	已付所得稅		
Hong Kong profits tax paid	已付香港利得稅	(39)	(53)
Overseas profits tax paid	已付海外利得稅	(524)	(527)
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>源自/(用於)經營業務活動之現金淨額</b>	<b>19,467</b>	<b>(34,163)</b>

## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

### 綜合現金流量表 (續)

For the year ended 31st December, 2010 截至2010年12月31日止年度

		2010	2009
		Notes 附註 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Dividends received from associates	收取聯營公司股息	78	190
Dividends received from available-for-sale equity securities	收取可供出售股份證券股息	66	46
Purchase of equity securities	購入股份證券	(937)	(851)
Proceeds from sale of equity securities	出售股份證券所得款項	433	483
Purchase of intangible assets	購入無形資產	-	(1,380)
Purchase of fixed assets	購入固定資產 31	(873)	(2,561)
Purchase of investment properties	購入投資物業	(16)	-
Proceeds from disposal of fixed assets	出售固定資產所得款項	56	50
(Purchase)/disposal of shareholding in associates	(購入)/出售聯營公司權益	(513)	36
Purchase of subsidiaries	購入附屬公司 43(a)	(54)	(43)
Proceeds from sale of interest in a subsidiary	出售一間附屬公司權益所得款項 43(b)	521	1
Sale of interests in business to non-controlling interests investors	出售商業權益予非控股權益投資者	4	132
Purchase of interests in business from non-controlling interests investors	向非控股權益投資者購入商業權益	-	(10)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>用於投資活動之現金淨額</b>	<b>(1,235)</b>	<b>(3,907)</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Ordinary dividends paid	支付普通股股息	(1,241)	(427)
Distribution to Hybrid Tier 1 issue holders	派發予混合一級資本工具持有人	(330)	(51)
Issue of ordinary share capital	發行普通股股本 37	147	41
Issue of Hybrid Tier 1 note	發行混合一級資本工具	-	3,877
Subscription for new shares	認購新股	5,113	-
Issue of certificates of deposit	發行存款證	4,111	594
Issue of debt securities	發行債務證券	411	4,334
Issue of loan capital	發行借貸資本	4,615	-
Redemption of certificates of deposit issued	贖回已發行存款證	(1,409)	(3,260)
Redemption of loan capital	贖回已發行借貸資本	(4,290)	-
Interest paid on loan capital	支付借貸資本利息	(435)	(535)
Interest paid on certificates of deposit issued	支付已發行存款證利息	(88)	(79)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>源自融資活動之現金淨額</b>	<b>6,604</b>	<b>4,494</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>現金及等同現金項目淨增/(減)額</b>	<b>24,836</b>	<b>(33,576)</b>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	<b>於1月1日之現金及等同現金項目 43(c)</b>	<b>60,530</b>	<b>94,106</b>
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER</b>	<b>於12月31日之現金及等同現金項目 43(c)</b>	<b>85,366</b>	<b>60,530</b>
Cash flows from operating activities included:	源自經營業務活動的現金流量包括:		
Interest received	利息收入	12,733	12,671
Interest paid	利息支出	5,162	6,238
Dividend received	股息收入	97	78

The notes on pages 126 to 259 form part of these accounts.

第126至259頁之附註屬本賬項之一部分。

# NOTES ON THE ACCOUNTS

## 賬項附註

### 1. PRINCIPAL ACTIVITIES 主要業務

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

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

### 2. SIGNIFICANT ACCOUNTING POLICIES 主要會計政策

#### (a) Statement of Compliance

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

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

#### (b) Basis of Preparation of the Accounts

The accounts for the year ended 31st December, 2010 comprise the Group and the Group's interest in associates.

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

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

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

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

#### (a) 符合指引聲明

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

香港會計師公會已頒佈數項新增及經修訂的《香港財務報告準則》，並於本年度本集團及本行的會計期首次生效或可被提早採納。附註3提供因首次應用該等準則而引致會計政策變動的資料，而該等資料只包括與本集團有關而需反映在本期及去年會計期的賬項。

#### (b) 賬項編製基準

截至2010年12月31日止年度的賬項包括本集團及其應佔聯營公司之權益。

除以下資產及負債是以公平價值列賬外，本賬項是以原值成本作為計量基準。有關詳情載列於下列會計政策：

- 分類作交易用途、指定通過損益以反映公平價值及可供出售的金融工具(附註2(f)(ii))；及
- 投資物業(附註2(h)(ii))。

按《香港財務報告準則》之要求，在編製賬項時，管理層須作判斷、估計及假設從而影響政策實施及資產和負債、及收入與支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計不盡相同。

有關估計及假設須持續檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來會計期，則於修訂期及未來會計期內確認。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

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

#### (c) Basis of Consolidation

##### (i) Subsidiaries and non-controlling interests

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

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

Non-controlling interests (previously known as “minority interests”) represent the equity in a subsidiary not attributable directly or indirectly to the company, and in respect of which the Group has not agreed any additional terms with the holders of these interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary’s net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to equity shareholders of the Group. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the net profit and total comprehensive income for the year between non-controlling interests and equity shareholders of the Bank.

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

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

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

#### (c) 綜合基準

##### (i) 附屬公司及非控股權益

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

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

非控股權益(以往稱為「少數權益」)指無論是直接或間接並不歸屬於公司之附屬公司的權益部份，及本集團並未與該等權益持有者達成附加協議，致令本集團整體上對該等權益產生符合金融負債定義的法定義務。就每一業務合併而言，本集團可選擇按公平價值或應佔該附屬公司的可辨別淨資產以計量非控股權益。

非控股權益在綜合財務狀況表及綜合股東權益轉變表內的股東權益列示，但與可歸屬於本集團股東權益分開。非控股權益佔本集團之業績，在綜合收益表內以分配年度溢利之形式列示，而在綜合全面收益表則以分配年度全面收益總額予非控股權益與及可歸屬於本集團股東權益之形式列示。

本集團將不導致喪失控股權之附屬公司權益的變動按權益交易方式入賬，即只調整在綜合權益內之控股及非控股權益的金額以反映其相關權益的變動，但不調整商譽及確認盈虧。

當本集團喪失對一附屬公司之控股權，將按出售該附屬公司之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失控股權日仍保留該前度附屬公司之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(f))的公平價值，或(如適用)按成本初始確認一聯營公司投資(附註2(c)(ii))。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

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

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

## (ii) Associates

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

An investment in an associate is accounted for in the consolidated accounts under the equity method and is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the associate's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the associate's net assets and any impairment loss relating to the investment (Note 2(j) and 2(k)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the associates and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the associate's other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associates, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For these purposes, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, except when unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

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

The Bank accounts for the results of associates to the extent of dividends received. Investments in associates are stated at cost less any impairment losses (Note 2(k)).

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

## (ii) 聯營公司

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

聯營公司投資是以權益會計法在綜合賬內入賬。入賬方法是先以成本另調整本集團於購入後應佔該聯營公司的可辨別淨資產所超出成本之任何金額。往後，需調整在收購後本集團應佔聯營公司淨資產之變動及在附註2(j)和附註2(k)所載有關投資的減值損失。任何超出收購日之成本、本集團應佔聯營公司收購後和已除稅的業績及年度內的任何減值損失均在綜合收益表內確認，而本集團應佔聯營公司收購後和已除稅之其他全面收益項目則在綜合全面收益表內確認。

除不超出本集團對該聯營公司所作具法律或推定義務或替該公司償付的承擔外，當本集團應佔該聯營公司的虧損超出本集團應佔該聯營公司之權益時，超出的虧損將不被確認，而本集團應佔該聯營公司之權益將被減值至零。因此，本集團應佔該聯營公司權益即按權益會計法計算投資賬面值，及實質上構成本集團應佔該聯營公司淨資產的長期權益。

本集團與聯營公司交易而產生之未實現溢利及虧損，以本集團應佔該聯營公司之權益為限作沖銷。除非有證據顯示未實現虧損屬資產轉讓的減值損失，則須立即於損益賬內確認。

當本集團喪失對一聯營公司之重大影響力，將按出售該聯營公司之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失控股權日仍保留該前度聯營公司之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(f))的公平價值，或(如適用)按成本初始確認一聯營公司投資。

本行按照已收取股息計算應佔聯營公司業績。聯營公司投資是以成本減除任何減值損失(附註2(k))列賬。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### (d) Translation of Foreign Currencies

Transactions in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollars using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains less losses from trading securities or financial instruments designated at fair value through profit or loss. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in the income statement. Differences arising on translation of available-for-sale equity instruments are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1st January, 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1st January, 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign enterprise, the cumulative amount of the exchange differences which relate to that foreign enterprise is included in the calculation of the profit or loss on disposal.

#### (e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

Interest income for all interest-bearing financial instruments, except those classified as held for trading or designated at fair value through profit or loss, is recognised as interest income in the income statement on an accruals basis using the effective interest method.

#### (d) 外幣換算

外幣交易按交易日的匯率折算為港幣。以外幣為單位的貨幣性資產及負債按結算日的匯率折算為港幣。匯兌差額則計入收益表內。

以原值成本列賬但以外幣為單位的非貨幣性資產及負債按交易日的匯率折算為港幣。以外幣為單位及按公平價值列賬的非貨幣性資產及負債按釐定其公平價值日的匯率折算。

有關通過損益以反映公平價值投資及衍生金融工具的匯兌差額分別包括於交易用途證券淨盈虧或指定通過損益以反映公平價值投資淨盈虧。其他有關貨幣性資產及負債的匯兌差額則於收益表之外幣買賣溢利項下列示。因折算可供出售股份證券而產生的差額則於其他全面收益內確認，並分別累計在股東權益之匯兌儲備內。

海外業務之業績按交易日相約的匯率折算為港幣。資產負債表項目，包括於2005年1月1日或以後因收購海外業務而在綜合時所產生的商譽，按結算日的匯率折算為港幣。產生的匯兌差額直接在其他全面收益內確認，並分別累計在股東權益之匯兌儲備內。因於2005年1月1日以前收購海外業務而在綜合時所產生的商譽按收購海外業務日的匯率折算。

計算出售海外企業的損益包括截至出售日因該海外企業產生的累計匯兌差額。

#### (e) 收入確認

收入按已收或應收價款的公平價值釐定。假設經濟利益有可能流向本集團及收入和支出(如適用)屬可靠計量的，在收益表內確認收入的方法如下：

除分類為持有作交易或指定通過損益以反映公平價值外，所有帶息金融工具的利息收入按有效利率方法於收益表內以應計基準列作利息收入。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

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

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

For impaired loans, the accrual of interest income based on the original terms of the loan is discontinued, but any increase in the present value of impaired loans due to the passage of time is reported as interest income.

Net income from financial instruments designated at fair value through profit or loss and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with dividend income attributable to those financial instruments.

Fee and commission income is recognised in the income statement when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the costs or risk is incurred and is accounted for as interest income.

Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. If the commitment expires without the Group making a loan, the fee is recognised as revenue on a straight-line basis over the commitment period.

Finance income implicit in finance leases is recognised as interest income over the period of the lease so as to produce an approximately constant periodic rate of return of the outstanding net investment in the leases for each accounting period.

Rental income received under operating leases is recognised as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment is quoted ex-dividend.

有效利率方法是一種計算攤銷成本及分配利息收入於相關期間的方法。有效利率是可準確將金融工具在預計年期內產生之未來現金支出或收入折算為現值，或在較短期內折算為該金融工具賬面值的利率(如適用)。當計算有效利率時，本集團在估計現金流須考慮金融工具的所有合約條款，但不包括未來信貸損失。有效利率組成部分的計算包括所有合約對手之間的費用及基點支出或收入、交易成本及其他所有溢價或折扣。

就減值貸款而言，根據貸款原本條款計算的應計利息收入終止，但因隨時間過去令致減值貸款之現值增加則列作利息收入。

指定通過損益以反映公平價值金融工具的淨收入及淨交易收入包括所有金融資產及金融負債之公平價值變動產生的盈虧(減除應計利息)，以及應歸屬於該等金融工具的股息收入。

服務費及佣金收入在有關服務提供時確認在收益表內，但如服務費是為彌補持續為客戶提供一項服務的成本或承受風險而收取或費用性質為利息則除外。在此情況下，服務費在成本或風險產生的會計期內列作收入，並按利息收入入賬。

因本集團開展或購入金融資產而產生之開立或承擔服務費收入／支出須遞延及確認為有效利率之調整。如承擔期滿而本集團毋須貸款，該服務費按承擔期限以直線法列作收入。

融資租賃隱含財務收入按租賃年期確認為利息收入，以令每個會計年度期間剩餘的淨租賃投資回報大致相同。

除非有更具代表性的基準衡量從租賃資產獲取利益的模式，其經營租賃之租金收入按該租期所涵蓋的年期以等額分期確認為其他經營收入。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨收款總額的組成部分。或有租金以該收入產生的會計期間列作收入。

非上市投資股息收入在股東收取權被確立時才予以確認。上市投資股息收入則在該投資的股價除息時才被確認。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## (f) Financial Instruments

## (i) Initial recognition

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

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

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets is recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded.

## (ii) Categorisation

*Fair value through profit or loss*

This category comprises financial assets and financial liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition, but excludes those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Trading financial instruments are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Non-hedging derivatives are accounted for as trading instruments.

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

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

## (f) 金融工具

## (i) 初始確認

根據購入資產或導致負債之目的，本集團於初始期分類其金融工具為不同種類。種類包括通過損益以反映公平價值、貸款和應收賬款、持至到期投資、可供出售金融資產及其他金融負債。

金融工具於初始期按公平價值計量，而公平價值大致與交易價相同。如金融資產或金融負債不屬於通過損益以反映公平價值，則包括直接歸屬於購入之金融資產或發行金融負債的交易成本。通過損益以反映公平價值的金融資產或金融負債的交易成本立即作費用支銷。

當本集團成為金融工具合約其中一方時確認金融資產和金融負債。以有規律方式購買或出售金融資產按交易日會計法計算。該等按通過損益以反映公平價值列賬的金融資產及金融負債因公平價值變動而產生的盈利及虧損由該日起計算。

## (ii) 分類

*通過損益以反映公平價值*

此類別包括持有作交易用途和初始被指定為通過損益以反映公平價值的金融資產及金融負債，但不包括沒有報價的股份證券投資，及其公平價值是不能夠可靠計量的。

作交易用途的金融工具包括購入金融資產或發行金融負債，主要是作短期出售或屬可辨別金融工具組合的一部分，該組合是整體管理的，及有證據顯示近期有短期出售以賺取利潤的模式。非對沖衍生工具視作交易工具。

在以下情況於初始確認為指定為通過損益以反映公平價值的金融工具：

- 該資產或負債是按內部公平價值管理、評估及呈報；
- 該指定可抵銷或重大地減低可能產生的會計錯配；
- 該資產或負債包含嵌入衍生工具，而該嵌入衍生工具可重大地改變按合約產生的現金流；或
- 將嵌入衍生工具從金融工具內分開是不被禁止的。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

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

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

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than (a) those that the Group intends to sell immediately or in the near term, which will be classified as held for trading; (b) those that the Group, upon initial recognition, designates as at fair value through profit or loss or as available-for-sale; or (c) those where the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which will be classified as available-for-sale. Loans and receivables mainly comprise placements with banks and other financial institutions, trade bills and loans and advances to customers.

Securities classified as loans and receivables typically comprise securities issued by the same customers with whom the Group has a lending relationship in its wholesale banking business. Investment decisions for credit substitute securities are subject to the same credit approval processes as loans, and the Group bears the same customer risk as it does for loans extended to those customers. Additionally the yield and maturity terms are generally directly negotiated by the Group with the issuer. These securities include commercial paper, short term debentures and preference shares issued by the borrower.

Loans and receivables and securities classified as loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any (Note 2(k)).

*Held-to-maturity investments*

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

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

*Available-for-sale financial assets*

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

屬於此類別的金融資產及金融負債按公平價值入賬。因公平價值變動產生之未實現盈利和虧損計入在期內發生的收益表。於出售或重購時，出售所得或淨支付款項與賬面值的差額計入收益表。

*貸款和應收賬款*

貸款和應收賬款為固定或可確定付款金額及沒有活躍市場報價的非衍生金融資產，但不包括(a)本集團有計劃於短期內出售而被區分為持有作交易用途；(b)本集團於初始期已指定為通過損益以反映公平價值或可供出售；或(c)本集團可能不能收回大部分初始投資，但不包括因信貸變壞的原因，將會分類為可供出售。貸款和應收賬款主要包括在銀行及其他金融機構的存款、貿易票據及客戶貸款及墊款。

分類為貸款和應收賬款的證券中，較具代表性的包括由客戶發行的證券，而該客戶是本集團在其批發銀行業務中有借貸關係的相同客戶。作出代替信貸之證券的投資決定與貸款的信貸審批程序相同，尤如本集團須承擔等同借款予同一客戶的風險。另外，回報及到期日條款普遍是透過本集團與客戶直接磋商。此類證券包括商業票據、短期債券及由借款人發行的優先股份。

貸款和應收賬款及分類為貸款和應收賬款的證券按有效利率方法計算攤銷成本並減除任何減值損失入賬(附註2(k))。

*持至到期投資*

持至到期投資包括有固定或可確定付款金額及有固定期限的非衍生金融資產而本集團有明確意向和能力持至到期日，但不包括(a)本集團於初始期已指定為通過損益以反映公平價值或可供出售，及(b)符合貸款和應收賬款之定義。

持至到期投資採用有效利率方法計算攤銷成本並減除任何減值損失入賬(附註2(k))。

*可供出售金融資產*

可供出售金融資產是被指定為可供出售的非衍生金融資產，或並非分類為以上三種類別的金融資產。它包括計劃作不定期限持有的金融資產，但可能因應流動資金之需要或市場環境轉變而出售。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

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

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

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

#### Other financial liabilities

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

#### (iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

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

#### (iv) Derecognition

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

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

The Group uses the weighted average method to determine realised gains and losses to be recognised in the income statement on derecognition.

可供出售金融資產按公平價值列賬。除減值損失和貨幣性資產之外匯盈虧(如債務證券)在收益表內確認外，因公平價值的變動所產生的未實現盈虧於其他全面收益內確認，並在股東權益內分開累計。

在活躍市場中沒有市場報價而其公平價值是不能夠可靠計量的股份證券投資，及與之掛勾及在結算時須交出該無報價股份證券的衍生工具，按成本減除任何減值損失(附註2(k))列賬。

當出售可供出售金融資產時，出售盈虧包括出售所得款項淨額與賬面值的差額，以及曾經確認為其他全面收益之累計公平價值調整須由股東權益重新分類而轉入收益表。

#### 其他金融負債

除作交易用途及通過損益以反映公平價值的金融負債外，金融負債按有效利率方法計算攤銷成本入賬。

#### (iii) 計量公平價值之原則

金融工具的公平價值是於結算日根據其市場報價但未減除將來的估計出售成本。

如沒有公眾知悉的最後交易價格或在認可交易所的市場報價，或從經紀/交易員獲得屬於非交易所買賣的金融工具報價，又或該市場並不活躍，此工具的公平價值按估值模式估值，而該估值模式可根據實際市場交易提供可靠的估計價格。

當採用現金流折讓價格模式，估計將來現金流按管理層的最佳估計及採用的貼現率是在結算日適用於相同條款工具的市場利率。當採用其他價格模式時，輸入參數是在結算日的市場價格資料。

#### (iv) 終止確認

當從金融資產獲得現金流的法定權利屆滿或已將重大風險及回報擁有權同時轉移後，本集團終止確認金融資產。

當合約的義務已被履行、取消或期滿，本集團終止確認金融負債。

本集團採用加權平均法以釐定在終止確認時須在收益表確認的已實現盈利和虧損。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

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

## (v) Offsetting

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

## (vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that includes both the derivative and a host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The embedded derivatives are separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; and (b) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in the income statement.

When the embedded derivative is separated, the host contract is accounted for in accordance with note (ii) above.

## (g) Hedging

## (i) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction and the hedge is effective, the gain or loss on the derivative financial instrument in relation to the hedged risk is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve.

## (ii) Fair value hedge

A fair value hedge seeks to offset risks of changes in the fair value of an existing asset or liability that will give rise to a gain or loss being recognised in the income statement.

The hedging instrument is measured at fair value, with fair value changes recognised in the income statement. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of hedging instrument attributable to the risk being hedged. This adjustment is recognised in the income statement to offset the effect of the gain or loss on the hedging instrument.

## (h) Properties

## (i) Bank premises are stated in the statement of financial position at cost or at Directors' valuation, by reference to an independent professional valuation, less accumulated depreciation and accumulated impairment loss (Note 2(k)).

When a deficit arises on revaluation, it will be charged to the income statement, to the extent that it exceeds the amount held in the bank premises revaluation reserve in respect of that same asset immediately prior to the revaluation; and when a surplus arises on revaluation, it will be credited to the income statement, to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the income statement.

## (v) 抵銷

如具法定權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，金融資產和金融負債互相抵銷，而在財務狀況表內以淨額列示。

## (vi) 嵌入衍生工具

嵌入衍生工具屬於一種混合(結合)式工具的組成部分，該工具包括衍生工具及一主合約，並可改變該結合式工具的現金流，其作用類似一張獨立的衍生工具。當(a)該嵌入衍生工具的經濟特性及風險與主合約並非緊密關連的；及(b)混合(結合)式工具並非按公平價值計量及將公平價值變動於收益表內確認，嵌入衍生工具將與主合約分開並按衍生工具入賬。

當嵌入衍生工具被分開處理，主合約根據上述附註(ii)入賬。

## (g) 對沖

## (i) 現金流量對沖

當衍生金融工具被指定對沖已確認資產或負債的不既定現金流量，或是甚有可能發生及有法律約束力的預計交易，衍生金融工具產生的盈利和虧損與被對沖風險有關者在其他全面收益內確認，並在股東權益中的對沖儲備內分開累計。

## (ii) 公平價值對沖

公平價值對沖用作抵銷現行資產或負債因價格變動產生須在收益表內入賬的盈利和虧損。

對沖工具按公平價值列賬，而公平價值的變動在收益表內入賬。被對沖項目的賬面值按對沖工具所對沖之風險的價格變動予以調整。此調整在收益表內入賬以抵銷對沖工具產生的盈利和虧損。

## (h) 物業

## (i) 行址是按成本或董事參照獨立專業評估作出的估值，減除累計折舊及減值損失(附註2(k))後於財務狀況表中列賬。

當重估出現虧損時，於收益表支銷的金額，只限於超過以往因重估相同行址而存入行址重估儲備的結餘；當重估出現盈餘時，存入收益表內的金額不可超過以往因重估相同行址曾於收益表支銷的重估虧損。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

In preparing these accounts, advantage has been taken of the transitional provisions set out in paragraph 80A of HKAS 16 "Property, Plant and Equipment" issued by the HKICPA, with the effect that bank premises have not been revalued to fair value at the balance sheet date.

在編製此等賬項時，由於可採用香港會計師公會頒佈的《香港會計準則》第16號「物業、廠房及設備」第80A段所載的過渡條款，故行址並未在結算日重估至公平價值。

- (ii) Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Investment properties are valued annually by external independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

- (ii) 投資物業是持有用作賺取租金收益或資本增值或二者皆是的物業。投資物業按公平價值列賬。投資物業由外來獨立估價公司每年作估值，該公司擁有適當認可專業資格及對估值物業的所在地和類別有近期經驗。公平價值是根據市值，即於估價日由一願意買方及一願意賣方在經過合理推銷的情況下，及在知情的、謹慎的和沒有威迫的情況下雙方同意該物業作公平交易的估計金額。估值並未計算任何抵押、按揭、欠款、及在出售時可能產生的任何費用或稅項。

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in Note 2(e).

因公平價值變動而產生的損益在收益表內入賬。投資物業租金收入按附註2(e)所載計算。

When a bank property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the bank property immediately prior to transfer and its fair value is recognised as a revaluation of bank premises as described in Note 2(h)(i).

如附註2(h)(i)所載，當一項物業因其用途改變而須轉作投資物業時，該物業於轉賬日前的賬面值與公平價值之差額視作行址重估。

If an investment property becomes owner-occupied, it is reclassified as bank premises and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

如一投資物業轉為自用，該物業須重新分類為行址。於重新分類日的公平價值視作日後作會計用途的成本值。

A property interest under an operating lease is classified and accounted for as an investment property when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in Note 2(l).

本集團以經營租賃方式持有用作租金收入或資本增值或二者皆是的物業權益分類為投資物業。此等以經營租賃方式持有的物業權益按公平價值列賬。租金支出按附註2(l)所載入賬。

- (iii) Profit or loss on disposal of bank premises and investment properties is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the income statement upon disposal. Any surplus that is included in the bank premises revaluation reserve of the related bank premises disposed is transferred to the general reserve.

- (iii) 出售行址及投資物業的損益是以出售所得款項淨額與資產賬面值的差價計算，並在出售時於收益表內入賬。任何有關之重估行址盈餘於出售時從行址重估儲備撥入一般儲備內。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

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

## (i) Amortisation and Depreciation

## (i) Bank premises

Freehold land is not amortised. Leasehold land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease. Leasehold land is amortised on a straight line basis over the remaining term of the lease. Buildings are depreciated on a straight line basis at rates calculated to write off the cost or valuation of each building over its estimated useful life of 50 years or the remaining lease period of the land on which it is situated, whichever is the shorter.

Investment properties are not depreciated.

## (ii) Other fixed assets

Other fixed assets are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, which is calculated on a straight line basis to write off the assets over their estimated useful lives from 4 to 20 years.

## (j) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

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

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

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

## (i) 攤銷及折舊

## (i) 行址

永久業權之土地不予攤銷。用作經營租賃的租賃土地，而其公平價值是不能夠與租賃於初始時已存在之建築物的公平價值分開計量，則當作持有融資租賃入賬。租賃土地以直線法按租賃剩餘年期攤銷。建築物的成本或估值以直線法按其預計使用年限50年或其座落土地剩餘租賃期兩者中的較短期限計算折舊。

投資物業是不予折舊。

## (ii) 其他固定資產

其他固定資產是按成本減累計折舊及減值損失於財務狀況表中列賬。該等資產是以直線法按照由4年至20年的預計使用年期計算折舊。

## (j) 商譽

商譽指

- (i) 對價轉讓的公平價值之總和、任何被購入者的非控股權益金額及本集團以往曾經持有該被購入者的股東權益；超出
- (ii) 本集團在收購日計量應該被購入者之可辨別資產及負債的公平價值淨額。

當(ii)是大於(i)時，此超出金額當作一議價收購並立即確認為損益。

商譽按成本減除累計減值損失列賬。因商業合併而產生的商譽被分配予每一現金生產單位，或一組合之現金生產單位，而預計該現金生產單位是可從商業合併中獲得協同效應，以及須每年接受減值測試(附註2(k))。在聯營公司方面，商譽的賬面值已包括在聯營公司權益的賬面值內，以及顯示有客觀減值證據時須對該整體投資作減值測試(附註2(k))。

在商業合併或投資聯營公司時，若本集團應佔被收購者的可辨別資產、負債及或有負債的公平淨值高於成本價，超出的金額立即在收益表內入賬。

在年度內出售單一現金生產單位或聯營公司，計算出售溢利時計入任何可歸屬購入商譽的金額。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### (k) Impairment of Assets

At each balance sheet date, the carrying amount of the Group's assets are reviewed to determine whether there is objective evidence of impairment. If internal and external sources of information indicate such evidence exists, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognised in the income statement.

##### (i) Loans and receivables

The impairment losses of loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets). Receivables with a short duration are not discounted if the effect of discounting is immaterial.

The total allowance for impairment losses consists of two components: individual impairment allowances, and collective impairment allowances.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The individual impairment allowance is based upon management's best estimate of the present value of the cash flows which are expected to be received discounted at the original effective interest rate. In estimating these cash flows, management makes judgements about the borrower's financial situation and the net realisable value of any underlying collateral or guarantees in favour of the Group. Each impaired asset is assessed on its own merits.

In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the impairment allowances the Group makes depends on how well the Group can estimate future cash flows for individually assessed impairment allowances and the model assumptions and parameters used in determining collective impairment allowances. While this necessarily involves judgment, the Group believes that the impairment allowances on loans and advances to customers are reasonable and supportable.

#### (k) 資產減值損失

本集團須於結算日檢討資產的賬面值以判斷是否有客觀減值證據。如對內及對外資料來源均顯示減值證據存在，須減低賬面值至可收回金額，而減值損失於收益表內入賬。

##### (i) 貸款和應收賬款

貸款和應收賬款的減值損失，是根據資產賬面值及估計未來現金流按資產原本之有效利率(即於初始時確認該等資產之有效利率)折算為現值，以二者之差額計算。如果折算現值後的影響不大，不會折算短期應收賬款。

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

本集團首先評估客觀減值證據是否個別存在於個別重大金融資產，及個別或整體存在於非個別重大金融資產。若本集團判斷客觀減值證據並不存在於個別評估金融資產，無論重大與否，本集團將有相同風險特性的金融資產歸類，及作整體減值評估。作個別減值評估的資產而減值損失須持續確認，其減值損失不會包括於整體減值準備內。

個別減值準備是根據管理層的最佳估計將可能收回之現金流按原本的有效利率折算為現值。在估計現金流時，管理層須判斷借款人的財政狀況及給予本集團的抵押品或擔保之可變現淨值。並須評估每宗減值資產的真正價值。

當評估所需的整體減值損失準備時，管理層須考慮的因素包括信貸質素、組合規模、信貸集中、及經濟因素。為求估計所需的準備，本集團根據過往之經驗和現時之經濟情況作假設以模擬潛在損失及判斷所需之輸入參數。

撥備的準確性，須視乎本集團能否在評估個別準備時準確估計交易對手的未來現金流及在判斷整體減值準備時所採用的假設模式及參數。雖然視乎判斷而定，本集團相信貸款損失準備是合理和足夠的。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

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

All loans and receivables are reviewed and analysed periodically. Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that can be linked objectively to an event occurring after the write-down, will result in a change in the impairment allowances on loans and receivables and will be charged or credited to the income statement. A reversal of impairment losses is limited to the loans and receivables' carrying amount that would have been determined had no impairment loss been recognised in prior years.

Where there is no reasonable prospect of recovery, the loan and the related interest receivables are written off.

## (ii) Held-to-maturity investments

Impairment on held-to-maturity investments is considered at both an individual and collective level. The individual impairment allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at asset's original effective interest rate, where the effect of discounting is material.

All significant assets found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets with similar risk characteristics.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the income statement. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

## (iii) Available-for-sale financial assets

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in the fair value reserve is reclassified to the income statement. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the equity securities and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, where the effect of discounting is material.

Impairment losses recognised in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognised directly in other comprehensive income.

所有貸款和應收賬款須定期作檢討及分析。在較後期間，任何因估計未來現金流的金額及時間與先前估計的有所轉變，而該轉變是可客觀地與撇銷後發生的事件有關連，從而導致減值損失準備亦需改變，該轉變會支銷或存入收益表。減值損失之轉回只限於假設該貸款和應收賬款於往年從來未有確認減值損失的賬面值。

倘再無實際機會收回時，則貸款及相關的應收利息會被撇銷。

## (ii) 持至到期投資

持至到期投資之減值按個別及整體層面考慮。當折算的效果是重大的，個別減值準備按資產賬面值，及估計未來現金流按資產原本之有效利率折算為現值，以二者之差額計算減值損失。

如所有重大資產毋須作個別減值，則須為已發生而未被發現的減值作整體評估。非個別重大資產按相同風險特性歸類及作整體減值評估。

若在較後期間，減值損失的金額減少而該減少是可客觀地與確認減值損失後發生的事件有關連，減值損失轉回收益表內。減值損失轉回收益表的金額不能超過假設該資產於往年從來未有確認減值損失的賬面值。

## (iii) 可供出售金融資產

當有客觀證據顯示可供出售金融資產已減值，已直接確認在公平價值儲備內的累計虧損會被轉入收益表內。須於損益賬內入賬的累計虧損金額，是購入成本（減除任何本金償還及攤銷）與現時公平價值二者之差額，再減除往年已於收益表內入賬的減值損失。

按成本列賬之無報價可供出售股份證券，當折算的效果是重大的，股份證券的賬面值及估計未來現金流按相同金融資產的現時市場回報率折算為現值，以二者之差額計算減值損失。

已確認於收益表之可供出售股份證券的減值損失是不能轉回收益表。其後該資產之公平價值增加則直接確認在其他全面收益。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the income statement.

## (iv) Other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment (other than properties carried at revalued amounts);
- investments in subsidiaries and associates;
- goodwill; and
- intangible assets

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

*Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

*Recognition of impairment losses*

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

*Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

而可供出售債務證券之公平價值增加，而該增加是可客觀地與已確認減值損失後發生的事件有關連，減值損失可轉回。在此情況下，轉回減值損失於收益表內入賬。

## (iv) 其他資產

在結算日，須檢討對內及對外資料來源以辨別以下資產是否有減值徵兆，除商譽外，以往已確認之減值損失是否仍然存在或可能已經減少：

- 物業及設備(以重估金額列賬的物業除外)；
- 附屬及聯營公司投資；
- 商譽；及
- 無形資產

如任何該等徵兆存在，須估計該資產的可收回金額。此外，商譽須每年估計可收回金額以確定是否有減值徵兆。

*可收回金額之計算*

可收回金額是公平價值減出售成本及使用值二者中之較高者。在評估使用值時，會採用一項當時市場評估貨幣的時間值及相對於該資產的風險的稅前折扣率將估計未來現金流量折實為現在價值。當某資產未能大部分地獨立於其他資產產生現金流量，其可收回金額取決於可獨立地產生現金流量的最小資產組合(即單一現金生產單位)。

*減值損失之確認*

當資產的賬面值或其所屬的現金生產單位超過可收回金額時，須於收益表內確認減值損失。有關確認現金生產單位減值損失時，首先減低分配予現金生產單位(或其單位群組)之賬面值，其後再按比例減低在該單位(或其單位組別)其他資產的賬面值，但該資產的賬面值不可低過其個別公平價值減出售成本或使用值(如可確定的話)。

*減值損失之轉回*

除商譽外的有關資產，如在用來釐定可收回金額的估計發生有利的變化，則減值損失會被轉回。商譽的減值損失不可轉回。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

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

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

## (v) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS34, Interim financial reporting, in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (Note 2(k)(i) to (iv)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not the income statement.

## (l) Leased Assets

Leases of assets under which the lessee assumes substantially all the risks and benefits of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

## (i) Assets held under finance leases

The amounts due from lessees in respect of finance leases are recorded in the statement of financial position as advances to customers at the amounts of net investment which represent the total rentals receivable under finance leases less unearned income. Revenue arising from finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2(e).

## (ii) Assets held for use in operating leases

Where the Group leases out assets under operating leases, the leased assets are included in the statement of financial position according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in Note 2(i). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 2(k). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2(e).

減值損失轉回只局限於該資產的賬面值，猶如該等減值損失從未在往年被確認。

減值損失轉回在該被確認的年度計入收益表內。

## (v) 中期財務報告及減值

根據《香港聯合交易所有限公司上市規則》，本集團須按《香港會計準則》第34號「中期財務報告」編製有關年度首6個月的中期財務報告。於中期期末，本集團採用等同年末的減值測試、確認、及轉回標準(附註2(k)(i)至(iv))。

就商譽、可供出售股份證券及無報價的股份證券所確認於中期期間的減值損失，均不能在較後期間轉回。就算假如該減值只在與該中期期間有關之年底作評估而該減值損失是不會發生、或損失之金額會較小，在此情況下亦不可轉回。因此，如可供出售股份證券的公平價值在每年餘下期間、或後期的其他任何期間增加，增加的金額只能在其他全面收益而非收益表內確認。

## (l) 租賃資產

由承租人承擔擁有權的絕大部分相關風險及報酬的資產租賃列為融資租賃。出租人並未轉讓擁有權的所有風險及報酬的資產租賃列為經營租賃。

## (i) 以融資租賃購入的資產

當本行為融資出租人時，按融資租賃而租出資產的投資淨額，即應收租金總額減未賺取收入，在財務狀況表列作客戶貸款。來自融資租賃的收入會根據本行的收入確認政策附註2(e)所載計算。

## (ii) 用作經營租賃的資產

當本集團以經營租賃方式租出資產，該資產根據其性質包括在財務狀況表內，及按附註2(i)所載(如適用者)本集團的折舊會計政策計算折舊。減值損失是根據會計政策附註2(k)所載計算。來自經營租賃的收入是根據本行的收入確認政策附註2(e)所載計算。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## (iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

## (m) Repossession of Assets

In the recovery of impaired loans and advances, the Group may take possession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group's accounting policy set out in Note 2(k), impairment allowances for impaired loans and advances are maintained after taking into account the net realisable value of the collateral assets, usually resulting in a partial write-off of the loans and advances against impairment allowances. Repossessed assets are reported under other assets if it is highly probable that their carrying amount will be recovered through a sale transaction rather than through continuing use and the assets are available for sale in their present condition. Related loans and advances are then written off.

Repossessed assets are recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses on initial classification and on subsequent remeasurement are recognised in the income statement.

## (n) Income Tax

(i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

(ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

## (iii) 經營租賃費用

當本集團使用經營租賃資產，除非有其他更具代表性的基準以衡量從該等經營租賃資產獲得利益的模式，其租賃付款按該租賃期所涵蓋的會計年期以等額分期記入收益表。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨付款的組成部分。或有租金在其產生的會計期內在收益表支銷。

## (m) 收回資產

在收回減值貸款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2(k)所載的會計政策，計算減值貸款之減值準備已顧及抵押品資產之可變現淨值，通常引致須在減值準備內撇銷部分貸款。如大有可能須透過變賣資產而不是持續使用資產，及該資產可在現況下出售，可收回資產視作其他資產列賬。有關貸款隨後撇銷。

收回資產按有關貸款的金額或於轉換日已減除出售成本後之公平價值，按兩者之較低者入賬。收回資產毋須折舊或攤銷。

在初始期分類及後期再計量所引致的減值損失於收益表確認。

## (n) 所得稅

(i) 本年度所得稅包括本期及遞延稅項資產和負債的變動。除該稅款與其他全面收益或股東權益有關而須在其他全面收益或股東權益確認的金額外，本期稅項及遞延稅項資產和負債的變動計入收益表內。

(ii) 本期稅項為年度應課稅收入按結算日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。

(iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅損及稅項抵免。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

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

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing deductible temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(h)(ii), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

除了若干有限的例外情況外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在同期內該可扣稅之暫時性差異轉回或在若干期限內由該遞延稅項資產產生的稅損可以收回或留存。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計在某期間內因該稅損或稅免可使用而轉回時，會計入該等差異。

在有限例外情況下，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、初始時已確認不影響會計及應課稅溢利的資產或負債(須不是商業合併的一部分)、及有關投資附屬公司的暫時性差異，就應課稅差異而言，不超過集團可控制該差異轉回的時間而該差異在可見將來不會轉回；而就不可扣稅差異而言，除非該差異在可見將來可以轉回。

當投資物業根據附註2(h)(ii)所載按公平價值列賬，除該物業是需折舊的及以一商業模式持有，而其目的是要透過時間使用而非出售該物業以獲取隱合於該物業之重大經濟利益，確認遞延稅項的金額按該物業於結算日假設以賬面值出售的稅率計算。在其他情況下，確認遞延稅項的金額是根據該資產及負債的賬面值之預期收回及結算的方式，按在結算日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作折讓。

於結算日，本行須重新檢視有關的遞延稅項資產的賬面金額，對預期不再有足夠的應課稅溢利以實現相關稅務利益予以扣減。被扣減的遞延稅項資產若於預期將來出現足夠的應課稅溢利時，應予轉回。

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

#### (o) Insurance Reserves and Provisions for Outstanding Claims

Insurance reserves, except those attributable to long term business, represent the proportion of retained premiums written in the year relating to the period of risk from 1st January in the following year to the subsequent date of expiry of policies which is carried forward as a provision for unearned premiums and calculated on a daily basis.

The insurance reserve for long term business is ascertained by actuarial valuation.

Full provision is made for the estimated cost of claims notified but not settled at the balance sheet date and for the estimated cost of claims incurred but not reported by that date, after deducting the amounts due from reinsurers. Provision has also been made for the estimated cost of servicing claims notified but not settled at the balance sheet date and to meet expenses on claims incurred but not reported at the balance sheet date.

These reserves and provisions are classified as other accounts and provisions.

#### (p) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

(iv) 本期稅項與遞延稅項結餘及其變動之金額會分別列示而不會相互抵銷。本行或本集團只有在有合法權利對本期稅項資產及負債抵銷及符合以下附帶條件的情況下，才對本期及遞延稅項資產及負債作出抵銷：

- 就本期稅項資產及負債而言，本行或本集團計劃支付淨額或同時間收回資產及償還負債；或
- 有關的遞延稅項資產及負債屬同一稅務機關對以下機構徵收所得稅而產生：
  - 同一個應課稅實體；或
  - 不同的應課稅實體，並預計在未來期間會結算或收回重大遞延稅項負債或資產，該實體計劃以淨額形式變現本期稅項資產及償還本期稅項負債，或同時變現及償還。

#### (o) 保險基金及未付索償準備

不包括長期業務部分，保險基金指年度內收取但已作保留的保金部分，而有關的風險是屬於下年度1月1日至保單到期日為止，該保留保金視作未賺取保費準備並按每日計算。

長期業務的保險基金是按精算估值。

本集團已就在結算日只已通知但未償付以及已發生但未匯報的索償，經扣除了分保人欠款，作出了充足的準備。此外，已就在結算日已通知但未償付的索償及已發生但未匯報索償而引致的估計費用作出了充足的準備。

此等基金及準備分類為其他賬項及準備。

#### (p) 準備及或然負債

當負債的限期或金額不確定，但有可能因過去事項構成法律或推定義務而須付出經濟利益以償責任，並能對此作可靠估計，此負債便確認為準備。當金額的時間值屬重大的，準備金額須按估計清償負債支出的現值列賬。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

## (q) Employee Benefits

## (i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are recognised when the absences occur.

## (ii) Performance-related bonus plan

Liabilities for performance-related bonus plan, which are due wholly within twelve months after the balance sheet date, are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

## (iii) Retirement benefits

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under either the Mandatory Provident Fund Exempted ORSO Scheme ("MPFEOS") or the Mandatory Provident Fund Scheme ("MPFS"). Both are defined contribution schemes. The employer's monthly contributions to both schemes are at a maximum of 10% of each employee's monthly salary.

The pension schemes covering all the Group's PRC and overseas employees are defined contribution schemes at various funding rates, and are in accordance with local practices and regulations.

The cost of all these schemes is charged to the income statement for the period concerned and the assets of all these schemes are held separately from those of the Group. Under the MPFEOS, the employer's contribution is not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Under the MPFS, the employer's contribution is reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

## (iv) Share based payments

The option exercise price is equal to the higher of:

- (a) the closing price of the Bank's shares in the Stock Exchange's daily quotations sheet on the date of grant of the relevant options;

倘可能不需要付出經濟利益，或不能對金額作可靠估計，除非付出的機會是極微，則此項責任會視作或然負債披露。如潛在義務的存在須視乎會否發生一項或多項未來事件才獲確定，除非付出經濟利益的機會是極微，此潛在義務亦視作或然負債披露。

## (q) 僱員福利

## (i) 薪酬、花紅及假期福利

僱員應享有的薪酬、年終花紅、有薪年假、旅行假期及其他同種類之非金錢性質福利於確立時確認。至結算日已撥備因僱員提供服務所享有之年假的估計負債。

僱員應享有的病假及分娩假於發生時確認。

## (ii) 表現獎勵花紅計劃

因僱員提供服務而本集團有現存法律或推定義務於結算日後12個月內須全數支付表現獎勵花紅計劃的負債，對此並能作可靠估計，便須予以確認為負債。

## (iii) 退休福利

本集團為其合資格的員工提供退休福利。香港員工可獲得強積金豁免的職業退休計劃或強制性公積金計劃的保障。此兩個計劃同時是定額供款計劃。僱主對兩項計劃的每月供款，上限是每位僱員月薪的10%。

本集團為所有國內及海外員工而設的退休計劃是定額供款計劃，供款率按當地慣例及規定而制定。

上述所有計劃的成本計算在相關期間的收益表內。所有此類計劃的資產均與本集團的資產分開處理。強積金豁免的退休保障計劃中，僱主的供款不會因某些僱員於未完全享有僱主供款前離開計劃而有所減少。而強制性公積金計劃方面，僱主的供款則會因某些僱員於未完全享有僱主供款前離開計劃而減少。

## (iv) 以股份為基礎作支付

認股權的行使價為以下三者之最高者：

- (a) 於授出認股權當日日本行股份在聯交所日報表的收市價；

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

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

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

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

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

**(r) Related Parties**

For the purposes of these accounts, a party is considered to be related to the Group if:

- (i) The party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) The Group and the party are subject to common control;
- (iii) The party is an associate of the Group;
- (iv) The party is a member of key management personnel of the Group, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) The party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

- (b) 相等於緊接授出有關認股權當日之前五個營業日，本行股份在聯交所日報表的平均收市價；及
- (c) 本行股份的面值。

當認股權被行使時，所得款項存入股東權益。授予僱員之認股權的公平價值於收益表內確認為支出，而在股東權益賬內的資本儲備作相應的增加。公平價值乃採用三項式期權定價模式，按認股權授予日計算，並顧及授予認股權的條款。當僱員須符合歸屬期條件才可無條件享有該等認股權，估計公平價值總額在歸屬期內攤分入賬，並已考慮認股權歸屬的或然率。

估計可歸屬認股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之所需調整須在檢討期內的收益表支銷或回撥，並在資本儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本行股份的市價有關，確認為支出之金額按歸屬認股權的實際數目作調整(並在資本儲備作相應調整)。

屬股東權益金額確認為資本儲備內，直至當認股權被行使時(轉入股份溢價)，或當認股權之有效期屆滿時(轉入留存溢利)。

**(r) 關聯人士**

在編製本賬項時，與本集團關聯人士是指：

- (i) 該人士有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響本集團的財務及經營決策，或共同控制本集團；
- (ii) 本集團及該人士均受共同控制；
- (iii) 該人士屬本集團的聯營公司；
- (iv) 該人士屬本集團主要管理人員的成員，或屬個人的近親家庭成員，或受該等個人人士控制，或共同控制或重大影響的實體；
- (v) 該人士如屬(i)所指的近親家庭成員或受該等個人人士控制，或共同控制或重大影響的實體；

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

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

(vi) The party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

### (s) Segment Reporting

Operating segments, and the amounts of each segment item reported in the accounts, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### (t) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including cash, balances with banks and other financial institutions, treasury bills, other eligible bills and certificates of deposit that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(vi) 屬提供福利予本集團或與本集團關聯的實體的僱員離職後福利計劃。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

### (s) 分部報告

營運分部，及在賬項列報的每一分部項目金額，是從財務資料中辨識出來的，並定期地提供予本集團的最高行政管理層作為資源分配，以及評核本集團各業務部份和區域所在地的表現。

除非分部有相同經濟特性及在產品和服務之性質、生產程序之性質、客戶類別和等級、用作銷售產品和提供服務之方法、及監管環境之性質是相同的，個別重大的營運分部不會在財務報表內合計。如它們擁有以上大部份的標準，並非個別重大的營運分部可能會被合計。

### (t) 現金及等同現金項目

就編製現金流量表而言，現金及等同現金項目包括由購入日起少於3個月到期日的結餘，包括現金、銀行及其他金融機構結餘、國庫債券、及其他受較低風險影響價值及隨時可轉換成預知金額的合格票據及存款證。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

### 3. CHANGES IN ACCOUNTING POLICIES 會計政策之變動

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

- HKFRS 3 (revised 2008), Business combinations
- Amendments to HKAS 27, Consolidated and separate financial statements
- Amendments to HKFRS 5, Non-current assets held for sale and discontinued operations – plan to sell the controlling interest in a subsidiary
- Amendment to HKAS 39, Financial instruments: Recognition and measurement – eligible hedged items
- Improvements to HKFRSs (2009)
- HK(IFRIC) 17, Distributions of non-cash assets to owners
- HK(Int) 5, Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period, with the exception of the amendments to HKAS 12, Income taxes, in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40, Investment property. The amendments are effective for annual periods beginning on or after 1st January, 2012, but as permitted by the amendments, the Group has decided to adopt the amendments early.

Early adoption of the amendments to HKAS 12, Income taxes

The change in policy arising from the amendments to HKAS 12 is the only change which has had a material impact on the current or comparative periods. As a result of this change in policy, the Group now measures any deferred tax liability in respect of its investment properties with reference to the tax liability that would arise if the properties were disposed of at their carrying amounts at the reporting date. Previously, where these properties were held under leasehold interests, deferred tax was generally measured using the tax rate that would apply as a result of recovery of the asset's value through use.

香港會計師公會頒佈兩項對本集團及本行本會計年度首次生效的經修訂之《香港財務報告準則》、《香港財務報告準則》之若干修訂及兩項新詮釋。下列為其中對本集團財務賬項相關之最新發展：

- 《香港財務報告準則》第3號(2008年修訂)「業務合併」
- 修訂《香港會計準則》第27號「綜合及獨立之財務報表」
- 修訂《香港財務報告準則》第5號「持有作出售之非流動資產及已中止之業務 – 計劃出售一間附屬公司之控股權益」
- 修訂《香港會計準則》第39號「金融工具：確認和計量 – 合適被對沖之項目」
- 優化《香港財務報告準則》(2009年)
- 香港(國際財務報告詮釋委員會)第17條詮釋「派發非現金資產予擁有人」
- 香港(詮釋)第5條「財務報表之列示 – 按有期貨款中需即時歸還之條款而分類的借款人」

除經修訂《香港會計準則》第12號「所得稅」對確認遞延稅項或經修訂《香港會計準則》第40號「投資物業」以公平價值列賬之投資物業外，本集團並未採納任何於本年度尚未生效的新準則或詮釋。該等修訂於2012年1月1日以後之會計年度生效，但在該等修訂之容許下本團決定提早採納該等修訂。

提早採納經修訂的《香港會計準則》第12號「所得稅」

因經修訂《香港會計準則》第12號而產生之會計政策變動是唯一對本年度或其他可比較會計期有重大影響的變動。由於此會計政策的變動，本集團現在計量其投資物業的遞延稅項是根據該等物業於結算日按賬面值假設作出售所產生的稅項負債。以往，遞延稅項的計算通常按該資產價值是通過使用收回所適用之稅率。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED) 會計政策之變動(續)

This change in policy has been applied retrospectively by restating the opening balances at 1st January, 2009 and 2010, with consequential adjustments to comparatives for the year ended 31st December, 2009. As the Group's properties are located in Hong Kong, this has resulted in a reduction in the amount of deferred tax provided on valuation gains as follows:

此會計政策變動的採納是具追溯性的，於2009年及2010年的期初結餘已作重報，以及截至2009年12月31日止年度的比較數字亦已作調整。由於本集團的物業位於本港，因重估盈利而產生的遞延稅項金額減少如下：

		As previously reported	Effect of adoption of amendments to HKAS 12 採納經修訂《香港會計準則》第12號的影響	As restated
		如前報告 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	重報 HK\$ Mn 港幣百萬元
Consolidated income statement for the year ended 31st December, 2009:		綜合收益表截至2009年12月31日止年度		
Income tax expense	所得稅支出	858	(39)	819
Profit for the year	年度內溢利	2,638	39	2,677
Basic earnings per share	每股基本盈利	HK\$1.36	HK\$0.03	HK\$1.39
Fully diluted earnings per share	每股全數攤薄盈利	HK\$1.36	HK\$0.02	HK\$1.38
Consolidated statement of financial position as at 31st December, 2009:		綜合財務狀況表2009年12月31日		
Deferred tax liabilities	遞延稅項負債	520	(212)	308
Retained profits	留存溢利	6,993	158	7,151
Revaluation reserve of bank premises	行址重估儲備	928	54	982
Consolidated statement of financial position as at 1st January, 2009:		綜合財務狀況表2009年1月1日		
Deferred tax assets	遞延稅項資產	187	114	301
Deferred tax liabilities	遞延稅項負債	77	(70)	7
Retained profits	留存溢利	5,339	119	5,458
Revaluation reserve of bank premises	行址重估儲備	863	65	928
Statement of financial position as at 31st December, 2009:		財務狀況表2009年12月31日		
Deferred tax liabilities	遞延稅項負債	333	(200)	133
Retained profits	留存溢利	3,186	146	3,332
Revaluation reserve of bank premises	行址重估儲備	895	54	949
Statement of financial position as at 1st January, 2009:		財務狀況表2009年1月1日		
Deferred tax assets	遞延稅項資產	38	114	152
Deferred tax liabilities	遞延稅項負債	63	(63)	-
Retained profits	留存溢利	2,724	112	2,836
Revaluation reserve of bank premises	行址重估儲備	899	65	964

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## Estimated effect of changes in accounting policies on the current period

The following tables provide estimates of the extent to which each of the line items in the consolidated income statement, consolidated statement of financial position and statement of financial position and other significant related disclosure items for the year ended 31st December, 2010 is higher or lower than it would have been had the previous policies still been applied in the year, where it is practicable to make such estimates.

## Effect on the consolidated financial statements

Estimated effect on the consolidated income statement for the year ended 31st December, 2010:

## Estimated effect of not applying new policy

## 會計政策變動對本年度的估計影響

在實際可作估計情況下，以下分析假設以往的會計政策仍在本年被沿用計算截至2010年12月31日止年度的綜合收益表、綜合財務狀況表和財務狀況表，以及其他重大相關披露項目中每一項目將會增加或減少的估計金額。

## 對綜合財務報表之影響

對截至2010年12月31日止年度之綜合收益表的估計影響：

## 不實施新會計政策之估計影響

		HKAS 12 《香港會計準則》 第12號 increase/(decrease) 增加/(減少) HK\$ Mn 港幣百萬元
Income tax	所得稅	91
Profit for the year	年度內溢利	(91)
Attributable to:	可歸屬於:	
Owners of the parent	本集團股東	(91)
Non-controlling interests	非控股權益	-
		(91)
Earnings per share	每股盈利	
Basic	基本	HK\$0.04
Diluted	攤薄	HK\$0.04

Estimated effect on the consolidated statement of financial position as at 31st December, 2010:

## Estimated effect of not applying new policy

對於2010年12月31日之綜合財務狀況表的估計影響：

## 不實施新會計政策之估計影響

		HKAS 12 《香港會計準則》 第12號 increase/(decrease) 增加/(減少) HK\$ Mn 港幣百萬元
Deferred tax assets	遞延稅項資產	(11)
Deferred tax liabilities	遞延稅項負債	292
Retained profits	留存溢利	(249)
Revaluation reserve of bank premises	行址重估儲備	(54)

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED) 會計政策之變動(續)

Estimated effect on the statement of financial position as at 31st December, 2010:

對於2010年12月31日之財務狀況表的估計影響：

Estimated effect of not applying new policy

不實施新會計政策之估計影響

		HKAS 12 《香港會計準則》 第12號 increase/(decrease) 增加/(減少) HK\$ Mn 港幣百萬元
Deferred tax liabilities	遞延稅項負債	269
Retained profits	留存溢利	(215)
Revaluation reserve of bank premises	行址重估儲備	(54)

Other changes in accounting policies as a result of development in HKFRSs

因《香港財務報告準則》之發展導致其他會計政策變動

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

由於本集團所採納的政策與該修訂及詮釋的結論相符合，《香港會計準則》第39號之修訂及香港(詮釋)第5條之頒佈對本集團的財務賬項並未有重大影響。其他發展導致會計政策變動，但未有任何變動對本期或其他可比較的會計期有重大影響，理由如下：

- The impact of the majority of the revisions to HKAS 27, HKFRS 5 and HK(IFRIC) 17 have not yet had a material effect on the Group's accounts as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination, a disposal of a material subsidiary or a non-cash distribution) and there is no requirement to restate the amounts recorded in respect of previous such transactions.
- The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree's deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as minority interests) in excess of their equity interests) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.
- The amendment introduced by the Improvements to HKFRSs (2009) omnibus standard in respect of HKAS17, Leases, resulted in a change of classification of certain of the Group's leasehold land interests located in the Hong Kong Special Administrative Region, but this had no material impact on the amounts recognised in respect of these leases as the lease premiums in respect of all such leases are fully paid and are being amortised over the remaining length of the lease term.

- 由於該等變動將會是首次生效的，當本集團進行有關交易(例如業務合併、出售一間重大附屬公司或非現金派發)而並未有要求須重報以往相同交易之金額，《香港會計準則》第27號、《香港財務報告準則》第5號及香港(國際財務報告詮釋委員會)第17條詮釋的大部份修訂對本集團的財務賬項並未有重大影響。
- 由於而並未有要求須重報以往會計期之金額及未有產生遞延稅項資產或本期的虧損，《香港財務報告準則》第3號(有關確認被收購者的遞延稅項資產)及《香港會計準則》第27號(有關分配超過其股東權益之虧損予非控股權益(以往稱為少數權益))之修訂並未有重大影響。
- 就《香港會計準則》第17號「租賃」而言，因優化《香港財務報告準則》(2009年)包括多項內容準則之修訂，該修訂令致若干本集團位於香港特別行政區的租借土地權益分類有所改變，由於所有租賃的溢價經已全數清繳以及按餘下租賃年期攤銷，故對確認有關租賃的金額未有重大影響。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

Further details of these changes in accounting policy are as follows:

As a result of the adoption of HKFRS 3 (revised 2008), any business combination acquired on or after 1st January, 2010 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (revised 2008). These include the following changes in accounting policies:

- Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, will be expensed as incurred, whereas previously they were accounted for as part of the cost of the business combination and therefore impacted the amount of goodwill recognised.
- If the Group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.
- Contingent consideration will be measured at fair value at the acquisition date. Subsequent changes in the measurement of that contingent consideration unrelated to facts and circumstances that existed at the acquisition date will be recognised in profit or loss, whereas previously these changes were recognised as an adjustment to the cost of the business combination and therefore impacted the amount of goodwill recognised.
- If the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, then any subsequent recognition of these assets will be recognised in profit or loss, rather than as an adjustment to goodwill as was previously the policy.
- In addition to the Group's existing policy of measuring the non-controlling interests (previously known as "minority interests") in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, in future the group may elect, on a transaction by transaction basis, to measure the non-controlling interest at fair value.

In accordance with the transitional provisions in HKFRS 3 (revised 2008), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying values of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

有關會計政策變動的詳情如下：

由於採納《香港財務報告準則》第3號(2008年修訂)，任何在2010年1月1日或以後的業務合併將根據新要求及載列於《香港財務報告準則》第3號(2008年修訂)內之詳盡指引確認。會計政策變動包括以下各項：

- 本集團在業務合併時引起之交易成本，如介紹費、律師費、盡職審查費、及其他專業和顧問費，在費用發生時支銷，而以往則被視為業務合併成本之一部份，從而影響商譽金額的確認。
- 倘若本集團在獲得控制權前已持有被收購者之權益，該等權益被視為在獲得控制權日以公平價值出售及重新購入。以往則採用遞增法，商譽按每階段之收購累積計算。
- 或有對價按購入日的公平價值計量。往後計量或有對價變動時，按於購入日與或有對價有關的事實和狀況無關者確認為損益，而以往該變動則被視為業務合併成本之調整，從而影響商譽金額的確認。
- 倘若被收購者有累計稅損或其他可扣稅的暫時性差異，而在購入日該累計稅損或可扣稅的暫時性差異並不符合確認為遞延稅項資產的條件，如往後可確認為資產則會在損益賬計算，而並非如以往之會計政策將商譽的金額作調整。
- 除本集團按非控股權益應佔被收購者的可辨別資產淨額來計算被收購者的非控股權益(以往稱為少數權益)之現行會計政策外，將來本集團可能會選擇按個別情況以公平價值計算非控股權益。

根據《香港財務報告準則》第3號(2008年修訂)之過渡條款，該等新會計政策將適用於往後之業務合併，並在將來的本期生效。有關在遞延稅項資產變動內確認，新會計政策將往後適用於以往因業務合併而購入之累計稅損或可扣稅的暫時性差異。因業務合併而產生的資產和負債而購入日是早於該修訂會計準則前生效，該等資產和負債的賬面值不作調整。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED) 會計政策之變動(續)

As a result of the adoption of HKAS 27 (amended 2008), the following changes in policies will be applied as from 1st January, 2010:

- If the Group acquires an additional interest in a non-wholly owned subsidiary, the transaction will be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. Similarly, if the group disposes of part of its interest in a subsidiary but still retains control, this transaction will also be accounted for as a transaction with equity shareholders in their capacity as owners and therefore no profit or loss will be recognised as a result of such transactions. Previously the Group treated such transactions as step-up transactions and partial disposals, respectively.
- If the Group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the Group being recognised at fair value as if reacquired. In addition, as a result of the adoption of the amendment to HKFRS 5, if at the reporting date the group has the intention to dispose of a controlling interest in a subsidiary, the entire interest in that subsidiary will be classified as held for sale (assuming that the held for sale criteria in HKFRS 5 are met) irrespective of the extent to which the Group will retain an interest. Previously such transactions were treated as partial disposals.

In accordance with the transitional provisions in HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

In order to be consistent with the above amendments to HKFRS 3 and HKAS 27, and as a result of amendments to HKAS 28, *Investments in associates*, and HKAS 31, *Interests in joint ventures*, the following policies will be applied as from 1st January, 2010:

- If the Group holds interests in the acquiree immediately prior to obtaining significant influence or joint control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining significant influence or joint control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.
- If the Group loses significant influence or joint control, the transaction will be accounted for as a disposal of the entire interest in that investee, with any remaining interest being recognized at fair value as if reacquired. Previously such transactions were treated as partial disposals.

由於採納《香港會計準則》第27號(2008年修訂)，以下的會計政策變動由2010年1月1日起生效：

- 倘若本集團購入一非全資擁有之附屬公司的額外權益，該交易被視為以擁有人之身份與權益股東(非控股權益)之交易，故此該交易並未產生商譽。同樣地，如本集團出售一附屬公司之部份權益但仍保留控股權，該交易被視為以擁有人之身份與權益股東之交易，故此該交易並未產生損益。以往本集團將以上兩項交易分別視為遞增交易及部份出售。
- 倘若本集團失去一附屬公司的控股權，該交易被視為出售該附屬公司的全部權益，而本集團所保留之權益則當作按公平價值再購入。另外，由於採納經修訂之《香港財務報告準則》第5號，如在結算日本集團計劃出售一附屬公司的控股權益，儘管本集團將保留一定之權益，該全部權益將分類為持有作出售(假設符合《香港財務報告準則》第5號之出售條件)。以往該交易會當作部份出售。

根據《香港會計準則》第27號的過渡條款，該等新會計政策不具追溯性，即只適用於本期或未來會計期之交易，所以，以往之交易不需重報。

由於須符合以上經修訂之《香港財務報告準則》第3號及《香港會計準則》第27號之要求，以及因應《香港會計準則》第28號「聯營公司投資」、及《香港會計準則》第31號「合資企業之權益」之修訂，以下的會計政策由2010年1月1日起生效：

- 倘若本集團在獲得重大影響力或聯合控制權前已持有被購入者之權益，該權益被視為在獲得重大影響力或聯合控制權被視為在當日以公平價值出售及重新購入。以往則採用遞增法，商譽按每階段之收購累積計算。
- 倘若本集團失去重大影響力或聯合控制權，該交易被視為出售該被購入者的全部權益，而本集團所保留之權益則假設按公平價值重新購入。以往該交易會當作部份出售。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

Consistent with the transitional provisions in HKFRS 3 and HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

由於須符合《香港財務報告準則》第3號及《香港會計準則》第27號之過渡條款，該等新會計政策不具追溯性，即只適用於本期或未來會計期之交易。因此，以往之交易不需重報。

Other changes in accounting policies which are relevant to the Group's financial statement are as follows:

與本集團之財務報表有關的其他會計政策變動如下：

As a result of the amendments to HKAS 27, as from 1st January, 2010 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests.

由於《香港會計準則》第27號之修訂，由2010年1月1日起，任何由一非全資擁有之附屬公司引致的虧損按該實體控股權益及非控股權益之比例分配，儘管可能導致在綜合股東權益內可歸屬於非控股權益變為負結餘。

Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses. In accordance with the transitional provisions in HKAS 27, this new accounting policy is being applied prospectively and therefore previous periods have not been restated.

以往，倘若分配虧損予非控股權益會導致負結餘時，除非該非控股權益具有約束力的義務需承擔虧損，虧損才會被分配予非控股權益。根據《香港會計準則》第27號的過渡條款，該新會計政策不具追溯性，因此，以往之會計期不需重報。

As a result of the amendment to HKAS 17, *Leases*, arising from the "Improvements to HKFRSs (2009)" omnibus standard, the Group has re-evaluated the classification of its interests in leasehold land as to whether, in the Group's judgement, the lease transfers substantially all the risks and rewards of ownership of the land such that the Group is in a position economically similar to that of a purchaser. The Group has concluded that the classification of such leases as operating leases continues to be appropriate, with the exception of those interests, which are registered and transferable ownership interests in land located in the Hong Kong Special Administrative Region and subject to the Government's land policy of renewal without payment of additional land premium.

因優化《香港財務報告準則》(2009年)的多項準則修訂而導致需修訂《香港會計準則》第17號「租賃」，本集團已重新評估其租借地權益之類別，判斷該租賃是否實質地轉移擁有該土地的所有風險及回報，如同本集團在經濟學的層面等同一個買家。除位於香港特別行政區的租借土地權益，而該土地擁有權是已註冊及其轉讓權是受依據政府的續期土地政策及毋須額外支付土地溢價的，根據本集團之判斷，繼續分類該等租賃為經營租賃是恰當的。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 4. INTEREST INCOME 利息收入

		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Listed securities classified as held-to-maturity or available-for-sale	分類為持至到期或可供出售的上市證券	381		264	
Trading assets	交易用途資產				
– listed	– 上市	22		13	
– unlisted	– 非上市	66		28	
Interest rate swaps	利率掉期合約	1,382		959	
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值金融資產				
– listed	– 上市	431		206	
– unlisted	– 非上市	197		81	
Loans, deposits with banks and financial institutions, trade bills, and other unlisted securities that are not at fair value through profit or loss	非按通過損益以反映公平價值列賬的貸款、在銀行和其他金融機構的存款、貿易票據、及其他非上市證券	11,147		10,570	
Total interest income	利息收入總額	13,626		12,121	

Included above is interest income accrued on impaired financial assets of HK\$74 million (2009: HK\$79 million) which includes interest income on unwinding of discount on loan impairment losses of HK\$21 million (2009: HK\$40 million) (Note 25(b)) for the year ended 31st December, 2010.

以上包括截至2010年12月31日止年度減值金融資產的應計利息港幣74,000,000元(2009年：港幣79,000,000元)·其中包括釋放貸款減值損失之折扣的利息收入港幣21,000,000元(2009年：港幣40,000,000元)(附註25(b))。

## 5. INTEREST EXPENSE 利息支出

		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Customer deposits, deposits of banks and other financial institutions and certificates of deposit issued which are stated at amortised cost	按攤銷成本列賬的客戶存款、銀行及其他金融機構的存款及已發行存款證	3,074		3,650	
Debt securities issued	已發行債務證券	140		61	
Subordinated notes carried at amortised cost	按攤銷成本列賬的後償票據	174		68	
Interest rate swaps	利率掉期合約	2,185		1,015	
Financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值金融工具	500		566	
Other borrowings	其他借款	10		14	
Total interest expense	利息支出總額	6,083		5,374	

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### 6. FEE AND COMMISSION INCOME 服務費及佣金收入

Fee and commission income arises from the following services:

源自下列服務的服務費及佣金收入:

		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Corporate services	企業服務	856	806
Credit cards	信用卡	674	554
Loans, overdrafts and guarantees	貸款、透支及擔保	463	322
Securities and brokerage	證券及經紀	456	320
Derivatives transactions	衍生工具業務	289	122
Trade finance	貿易融資	252	141
Other retail banking services	其他零售銀行服務	237	193
Trust and other fiduciary activities	信託及其他代理業務	100	79
Others	其他	322	262
<b>Total fee and commission income</b>	<b>服務費及佣金收入總額</b>	<b>3,649</b>	<b>2,799</b>
of which:	其中:		
Net fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading nor designated at fair value through profit or loss	由非持作交易用途或指定為通過損益以反映公平價值列賬之金融資產或負債所產生之淨服務費收入(不包括用作計算有效利率之金額)	2,808	2,214
Fee income	服務費收入	3,370	2,680
Fee expenses	服務費支出	(562)	(466)

#### 7. NET TRADING (LOSSES)/PROFITS 交易(虧損)/溢利淨額

		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Profit on dealing in foreign currencies	外幣買賣溢利	311	140
Profit on trading securities	交易用途證券溢利	133	616
Net (loss)/gain on derivatives	衍生工具淨(虧損)/溢利	(620)	153
Loss on other dealing activities	其他買賣活動虧損	(1)	-
Dividend income from listed trading securities	交易用途上市證券的股息收入	31	32
<b>Total net trading (losses)/profits</b>	<b>淨交易(虧損)/溢利總額</b>	<b>(146)</b>	<b>941</b>

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 8. NET RESULT FROM FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS 指定為通過損益以反映公平價值金融工具的淨表現

		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Revaluation loss on debts issued	重估已發行債務虧損	(140)		(1,236)	
Net loss on sale of other financial assets designated at fair value through profit or loss	出售其他指定為通過損益以反映公平價值金融資產的淨虧損	(35)		(42)	
Profit on redemption of US\$550M subordinated notes issued	贖回票面值550,000,000美元的後償票據盈利	8		–	
Revaluation gain on other financial assets designated at fair value through profit or loss	重估其他指定為通過損益以反映公平價值金融資產的盈利	430		1,011	
Total net result from financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值金融工具的淨表現總額	263		(267)	

## 9. OTHER OPERATING INCOME 其他經營收入

		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入				
– listed	– 上市	35		21	
– unlisted	– 非上市	31		25	
Rental from safe deposit boxes	保險箱租金收入	78		82	
Net revenue from insurance activities	保險業務淨收入	221		180	
Rental income on properties	物業租金收入	92		92	
Others	其他	72		105	
Total other operating income	其他經營收入總額	529		505	



## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

## 10. OPERATING EXPENSES 經營支出

		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Contributions to defined contribution plan*	定額供款公積金供款*	248	193
Equity-settled share-based payment expenses	以股份為基礎作支付的費用	29	71
Salaries and other staff costs	薪金及其他員工成本	3,338	2,905
Total staff costs	員工成本總額	3,615	3,169
Premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出		
– Rental of premises	– 物業租金	492	458
– Maintenance, repairs and others	– 保養、維修及其他	488	447
Total premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出總額	980	905
Depreciation on fixed assets (Note 31)	固定資產折舊(附註31)	581	512
Amortisation of intangible assets (Note 30(b))	無形資產攤銷(附註30(b))	34	13
Other operating expenses	其他經營支出		
– Stamp duty, overseas and PRC** business taxes, and value added taxes	– 印花稅、海外及中華人民共和國營業稅，及增值稅	346	304
– Advertising expenses	– 廣告費	311	179
– Communications, stationery and printing	– 通訊、文具及印刷	286	272
– Legal and professional fees	– 法律及專業服務費	219	190
– Business promotions and business travel	– 業務推廣及商務旅遊	148	114
– Card related expenses	– 有關信用卡支出	113	91
– Insurance expenses	– 保險費	43	46
– Audit fee	– 核數師酬金	11	9
– Membership fees	– 會員費	10	8
– Administration expenses of corporate services	– 企業服務的行政費	9	8
– Donations	– 捐款	8	13
– Bank charges	– 銀行收費	7	6
– Bank licence	– 銀行牌照費	4	4
– Others	– 其他	179	286
Total other operating expenses	其他經營支出總額	1,694	1,530
Total operating expenses***	經營支出總額***	6,904	6,129

\* Forfeited contributions totalling HK\$9 million (2009: HK\$4 million) were utilised to reduce the Group's contribution during the year. There were no forfeited contributions available for reducing future contributions at the year end (2009: Nil).

\*\* PRC denotes the People's Republic of China.

\*\*\* Included in operating expenses are direct operating expenses of HK\$20 million (2009: HK\$37 million) in respect of investment properties which generated rental income during the year.

\* 年內沒收之供款共港幣 9,000,000 元 (2009 年：港幣 4,000,000 元) 已被用作減少本集團的供款。於年末並無任何被沒收而可用作減低將來之供款 (2009 年：無)

\*\*\* 年度內經營支出包括有租金收益的投資物業直接引起的經營支出，金額為港幣 20,000,000 元 (2009 年：港幣 37,000,000 元)。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 11. IMPAIRMENT LOSSES ON LOANS AND ADVANCES 貸款及墊款減值損失

		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Net charge for impairment losses on loans and advances	貸款及墊款減值損失支銷淨額				
Individual impairment loss	個別減值損失				
– new provisions (Note 25(b))	– 新撥備(附註25(b))	463		827	
– releases (Note 25(b))	– 回撥(附註25(b))	(206)		(75)	
– recoveries (Note 25(b))	– 收回(附註25(b))	(51)		(66)	
		206		686	
Collective impairment loss	整體減值損失				
– new provisions (Note 25(b))	– 新撥備(附註25(b))	79		419	
Net charge to income statement	於收益表支銷淨額	285		1,105	

## 12. NET PROFIT ON SALE OF AVAILABLE-FOR-SALE FINANCIAL ASSETS 出售可供出售金融資產之淨溢利

		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Net revaluation gain transferred from reserves (Note 38(h))	由儲備轉撥的重估盈利淨額(附註38(h))	200		29	
Profit arising in current year	年度內產生的溢利	34		73	
		234		102	

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

### 13. INCOME TAX 所得稅

(a) Taxation in the consolidated income statement represents:

(a) 綜合收益表內的稅項指：

		2010	2009
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Current tax – Hong Kong (Note 33(a))	本期稅項–香港(附註33(a))		
Tax for the year	本年度稅項	359	73
Under-provision in respect of prior years	往年度撥備不足	57	–
		<b>416</b>	73
Current tax – overseas	本期稅項–海外		
Tax for the year	本年度稅項	589	479
Write back of over-provision in respect of prior years	往年度撥備過剩的回撥	(32)	(25)
		<b>557</b>	454
Deferred tax (Note 33(b))	遞延稅項(附註33(b))		
Origination and reversal of temporary differences	暫時性差異的產生及轉回	(126)	292
		<b>847</b>	819

The provision for Hong Kong profits tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the year.

香港利得稅稅款是以年度預計應課稅溢利按稅率16.5%(2009年：16.5%)計算。

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

海外分行及附屬公司的稅款亦按其經營所在國家現行稅率計算。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 13. INCOME TAX (CONTINUED) 所得稅(續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 稅項支出與會計溢利按適用稅率計算稅項的對賬：

		2010	2009
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Profit before tax	除稅前溢利	5,150	3,496
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	根據相關國家適用之利得稅稅率按除稅前溢利計算的名義稅款	939	661
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	304	339
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(377)	(154)
Tax effect of tax losses not recognised	未確認的稅損的稅項影響	9	10
Recognition of deferred tax assets on prior year tax losses	往年稅損確認為遞延稅項資產	(12)	(14)
Under-provision/(Write back of over-provision) in respect of prior years	往年度撥備不足/(撥備過剩的回撥)	25	(25)
Tax benefits derived from leasing partnerships	源自合夥租賃的稅項利益	(2)	(12)
Others	其他	(39)	14
Actual tax expense	實際稅項支出	847	819

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

The consolidated profit attributable to owners of the parent includes a profit of HK\$1,953 million (2009 (restated) : HK\$1,029 million) which has been dealt with in the accounts of the Bank.

可歸屬於本集團股東綜合溢利包括已計入本行賬項內的溢利港幣1,953,000,000元(2009年(重報): 港幣1,029,000,000元)。

Reconciliation of the above amount to the Bank's profit for the year

本行年度內溢利與上述金額之對賬

		2010	2009
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Amount of consolidated profit attributable to equity holders dealt with in the Bank's accounts	已計入本行賬項之可歸屬於本集團股東綜合溢利	1,939	1,008
Final dividends from subsidiaries and associates attributable to the profits of the previous financial year and general reserves, approved and paid during the year	來自往年度附屬公司及聯營公司溢利及一般儲備之末期股息，並在年度內核准及派發	14	21
Bank's profit for the year	本行年度內溢利	1,953	1,029

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

## 15. DIVIDENDS 股息

### (a) Dividends attributable to the year

### (a) 應屬本年度股息

		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interim dividend declared and paid of HK\$0.38 per share on 2,034 million shares (2009: HK\$0.28 per share on 1,842 million shares) (Note 38(j))	已宣佈派發及支付中期股息予2,034,000,000股每股港幣0.38元(2009年: 1,842,000,000股每股港幣0.28元)(附註38(j))	772	516
Final dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the balance sheet date and before the close of the Register of Members of the Bank, of HK\$0.48 per share (2009: HK\$0.02 per share)	已支付在結算日後及本行股票過戶登記截止日前根據認股計劃發行股份屬上年度每股港幣0.48元的末期股息(2009年: 每股港幣0.02元)	2	-
Final dividend proposed after the balance sheet date of HK\$0.56 per share on 2,042 million shares (2009: HK\$0.48 per share on 2,016 million shares)	擬於結算日期後派發末期股息2,042,000,000股每股港幣0.56元(2009年: 2,016,000,000股每股港幣0.48元)	1,144	968
		<b>1,918</b>	<b>1,484</b>

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

在結算日，該於結算日期後擬派發之末期股息並未確認為負債。

### (b) Dividends attributable to the previous financial year, approved and paid during the year

### (b) 於年度核准及支付屬上年度股息

		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.48 per share on 2,016 million shares (2009: HK\$0.02 per share on 1,673 million shares)	於年度核准及支付予2,016,000,000股每股港幣0.48元的上年度末期股息(2009年: 1,673,000,000股每股港幣0.02元)	968	33

### (c) Distribution to holders of Hybrid Tier 1 capital instruments

### (c) 派發予混合一級資本工具持有人

		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interest payable on the Hybrid Tier 1 capital instruments, the details of which are disclosed in Note 35	應付予混合一級資本工具持有人的利息，詳情已在附註35內披露	330	51



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 16. EARNINGS PER SHARE 每股盈利

## (a) Basic earnings per share

The calculation of basic earnings per share is based on earnings of HK\$3,894 million (2009 (restated): HK\$2,553 million) after the distribution of HK\$330 million (2009: HK\$51 million) to Hybrid Tier 1 issue holders and on the weighted average of 2,024 million (2009: 1,843 million) ordinary shares outstanding during the year, calculated as follows:

Weighted average number of ordinary shares

		2010 Number of Shares 股份數目 million 百萬	2009 Number of Shares 股份數目 million 百萬
Issued ordinary shares at 1st January	於1月1日的已發行普通股	1,849	1,841
Effect of share options exercised and shares issued in lieu of dividends	已行使認股權及以股代息發行新股的影響	175	2
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	2,024	1,843

## (b) Diluted earnings per share

The calculation of diluted earnings per share is based on earnings of HK\$3,894 million (2009 (restated): HK\$2,553 million) after the distribution of HK\$330 million (2009: HK\$51 million) to Hybrid Tier 1 issue holders and on 2,026 million (2009: 1,844 million) ordinary shares, being the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of all dilutive potential shares.

Weighted average number of ordinary shares (diluted)

		2010 Number of Shares 股份數目 million 百萬	2009 Number of Shares 股份數目 million 百萬
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	2,024	1,843
Effect of deemed issue of ordinary shares under the Bank's share option scheme for nil consideration	假設按認股權計劃發行但不計價款的普通股份之影響	2	1
Weighted average number of ordinary shares (diluted) at 31st December	於12月31日普通股份的加權平均數(攤薄)	2,026	1,844

## (a) 每股基本盈利

每股基本盈利乃按照已派發予混合一級資本工具持有人港幣330,000,000元(2009年:港幣51,000,000元)後之溢利港幣3,894,000,000元(2009年(重報):港幣2,553,000,000元)及年度內已發行普通股份的加權平均數2,024,000,000股(2009年:1,843,000,000股)·計算之方法如下:

普通股份的加權平均數

## (b) 每股攤薄盈利

每股攤薄盈利乃按照已派發予混合一級資本工具持有人港幣330,000,000元(2009年:港幣51,000,000元)後之溢利港幣3,894,000,000元(2009年(重報):港幣2,553,000,000元)及就所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數2,026,000,000股(2009年:1,844,000,000股)計算。

普通股份的加權平均數(攤薄)

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### 17. DIRECTORS' REMUNERATION 董事酬金

Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

根據香港《公司條例》第161條規定公佈董事酬金如下：

		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share options	Retirement scheme contributions	2010 Total
		袍金	薪金、津貼及實物收益	酌情花紅	認股權	退休計劃供款	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Chairman and Chief Executive</b> 主席兼行政總裁							
Dr. The Hon. Sir David Li Kwok-po	李國寶爵士	0.6	8.6	11.1	9.2	0.7	30.2
<b>Non-executive Directors</b> 非執行董事							
Prof. Arthur Li Kwok-cheung	李國章教授	0.2	-	-	-	-	0.2
Mr. Aubrey Li Kwok-sing	李國星先生	0.3	-	-	-	-	0.3
Dr. William MONG Man-wai	蒙民偉博士	0.1	-	-	-	-	0.1
Tan Sri Dr. KHOO Kay-peng	丹斯里邱繼炳博士	0.2	-	-	-	-	0.2
Mr. Richard Li Tzar-kai	李澤楷先生	0.2	-	-	-	-	0.2
Mr. Eric Li Fook-chuen	李福全先生	0.3	-	-	-	-	0.3
Mr. Stephen Charles Li Kwok-sze	李國仕先生	0.2	-	-	-	-	0.2
Dr. Isidro FAINÉ CASAS	范禮賢博士	0.3	-	-	-	-	0.3
<b>Independent Non-executive Directors</b> 獨立非執行董事							
Dr. Allan WONG Chi-yun	黃子欣博士	0.4	-	-	-	-	0.4
Mr. WONG Chung-hin	黃頌顯先生	0.3	-	-	-	-	0.3
Dr. LEE Shau-kee	李兆基博士	0.3	-	-	-	-	0.3
Mr. Winston LO Yau-lai	羅友禮先生	0.4	-	-	-	-	0.4
Mr. Thomas KWOK Ping-kwong	郭炳江先生	0.3	-	-	-	-	0.3
Mr. Kenneth LO Chin-ming	駱錦明先生	0.3	-	-	-	-	0.3
Mr. William DOO Wai-hoi	杜惠愷先生	0.3	-	-	-	-	0.3
Mr. KUOK Khoon-ean	郭孔演先生	0.3	-	-	-	-	0.3
Mr. Valiant CHEUNG Kin-piu	張建標先生	0.4	-	-	-	-	0.4
		5.4	8.6	11.1	9.2	0.7	35.0

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 17. DIRECTORS' REMUNERATION (CONTINUED) 董事酬金 (續)

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share options	Retirement scheme contributions	2009 Total
	袍金	薪金、津貼及實物收益	酌情花紅	認股權	退休計劃供款	總額
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Chairman and Chief Executive</b> 主席兼行政總裁						
Dr. The Hon. Sir David Li Kwok-po 李國寶爵士	0.5	8.4	25.4	23.0	0.5	57.8
<b>Executive Director</b> 執行董事						
Mr. Joseph PANG Yuk-wing * 彭玉榮先生 *	–	1.0	–	4.5	–	5.5
<b>Non-executive Directors</b> 非執行董事						
Prof. Arthur Li Kwok-cheung 李國章教授	0.2	–	–	–	–	0.2
Mr. Aubrey Li Kwok-sing 李國星先生	0.3	–	–	–	–	0.3
Dr. William MONG Man-wai 蒙民偉博士	0.2	–	–	–	–	0.2
Tan Sri Dr. KHOO Kay-peng 丹斯里邱繼炳博士	0.2	–	–	–	–	0.2
Mr. Richard Li Tzar-kai 李澤楷先生	0.2	–	–	–	–	0.2
Mr. Eric Li Fook-chuen 李福全先生	0.3	–	–	–	–	0.3
Mr. Stephen Charles Li Kwok-sze 李國仕先生	0.2	–	–	–	–	0.2
Dr. Isidro FAINÉ CASAS 范禮賢博士	0.1	–	–	–	–	0.1
<b>Independent Non-executive Directors</b> 獨立非執行董事						
Dr. Allan WONG Chi-yun 黃子欣博士	0.3	–	–	–	–	0.3
Mr. WONG Chung-hin 黃頌顯先生	0.3	–	–	–	–	0.3
Dr. LEE Shau-kee 李兆基博士	0.2	–	–	–	–	0.2
Mr. Winston LO Yau-lai 羅友禮先生	0.3	–	–	–	–	0.3
Mr. Thomas KWOK Ping-kwong 郭炳江先生	0.2	–	–	–	–	0.2
Mr. Kenneth LO Chin-ming 駱錦明先生	0.3	–	–	–	–	0.3
Mr. William DOO Wai-hoi 杜惠愷先生	0.3	–	–	–	–	0.3
Mr. KUOK Khoo-ean 郭孔濱先生	0.3	–	–	–	–	0.3
Mr. Valiant CHEUNG Kin-piu 張建標先生	0.4	–	–	–	–	0.4
	4.8	9.4	25.4	27.5	0.5	67.6

\* The remuneration of Mr. Joseph Pang Yuk-wing is only for his service being an Executive Director from 1st January, 2009 to 15th April, 2009 (including the fair value of share option).

\* 彭玉榮先生的酬金只計算他在2009年1月1日至2009年4月15日期間履行執行董事之職務(包括認股權的公平價值)。

Included in the above remuneration were share options granted to Executive Directors under the Bank's Staff Share Option Schemes. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 36.

上述酬金包括執行董事根據本行的僱員認股計劃獲授予認股權。有關此等實物收益的詳情載於董事會報告書的「認股權資料」及賬項附註36內。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### 18. FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

		2010 HK\$ Mn 港幣百萬元	2009 HK\$ Mn 港幣百萬元
Salaries and other emoluments	薪金及其他酬金	21	20
Performance-related bonuses	表現獎勵花紅	20	39
Share options	認股權	21	50
Pension contributions	退休金供款	2	1
		<b>64</b>	<b>110</b>

The remuneration of the five top-paid employees is within the following bands:

5名薪酬最高的僱員的金額範圍如下：

	2010 Number of employees 僱員人數	2009 Number of employees 僱員人數
<i>HK\$港幣</i>		
8,500,001 – 9,000,000	4	–
12,000,001 – 12,500,000	–	2
13,500,001 – 14,000,000	–	2
30,000,001 – 30,500,000	1	–
57,500,001 – 58,000,000	–	1

Included in the emoluments of the five top-paid employees were the emoluments of 1 (2009: 1) Director. Their respective directors' emoluments have been included in Note 17 above.

5名薪酬最高的僱員中包括1位(2009年：1位)董事。他們的薪酬已包括於上述附註17。

#### 19. SEGMENT REPORTING 分部報告

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

本集團按分處管理其業務，而分處則由業務及地區混合組成。分部資料的列報與內部匯報予本集團的最高管理層作為資源分配及表現評核的方式是一致的。本集團列報以下七個可匯報分部。營運分部並未包括在以下的可匯報分部內。

##### (a) Business segments

The Group has identified the following seven reportable segments.

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.

##### (a) 營業分部

本集團已辨識以下七個可匯報分部。

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

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款及證券業務貸款。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### 19.SEGMENT REPORTING (CONTINUED) 分部報告(續)

##### (a) Business segments (continued)

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.

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

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

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

Other businesses include insurance business, property-related business, supporting units of Hong Kong operations, investment properties, bank premises, the net results of associates and other subsidiaries in Hong Kong.

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

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

##### (a) 營業分部(續)

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。

中國業務包括在香港支援中國業務的後勤單位、在中國的分行及附屬公司，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，以及在中國經營的聯營公司。

國際業務包括在香港支援國際業務的後勤單位、海外分行及附屬公司，但不包括在海外經營企業服務之附屬公司，以及在海外經營的聯營公司。

企業服務包括公司秘書服務、股票登記及商業服務、及離岸企業及信託服務。

其他業務包括保險業務，與地產有關的業務、香港業務之後勤單位、投資物業、行址、聯營公司的淨表現及其他在香港之附屬公司。

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

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

收入與支出按有關分部所產生的利息及費用和佣金收入、及由有關分部引致的支出或可歸屬於有關分部產生之折舊或攤銷來分配予可匯報分部。分部收入與支出並不包括集團之聯營公司的活動所產生集團應佔之收入與支出。除分部間的收入外，由一部份提供協助予另一部份，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。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

		2010										
		Hong Kong banking operations 香港銀行業務						Total reportable segments 可匯報 分部總額 HK\$ Mn 港幣百萬元	Inter- segment elimination 分部間之 交易抵銷 HK\$ Mn 港幣百萬元		Total 總額 HK\$ Mn 港幣百萬元	
		Personal banking 個人銀行 HK\$ Mn 港幣百萬元	Corporate banking 企業銀行 HK\$ Mn 港幣百萬元	Treasury markets 財資市場 HK\$ Mn 港幣百萬元	Wealth management 財富管理 HK\$ Mn 港幣百萬元	China operations 中國業務 HK\$ Mn 港幣百萬元	Overseas operations 國際業務 HK\$ Mn 港幣百萬元		Corporate services 企業服務 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元		
Net interest income/(expense)	淨利息收入/(支出)	2,011	1,129	276	192	3,462	743	2	7,815	(272)	-	7,543
Non-interest income	非利息收入	529	270	19	259	535	241	864	2,717	1,116	(250)	3,583
Operating income	經營收入	2,540	1,399	295	451	3,997	984	866	10,532	844	(250)	11,126
Operating expenses	經營支出	(1,343)	(138)	(108)	(125)	(2,566)	(516)	(566)	(5,362)	(1,792)	250	(6,904)
Operating profit/(loss) before impairment losses	未扣除減值損失之 經營溢利/(虧損)	1,197	1,261	187	326	1,431	468	300	5,170	(948)	-	4,222
Impairment losses on loans and advances and other accounts	貸款及墊款及其他賬項 的減值損失支銷	(25)	(53)	-	(6)	(12)	(184)	(4)	(284)	(1)	-	(285)
Impairment losses on available- for-sale financial assets and associates	可供出售金融資產及 持至到期投資之 減值損失	-	-	-	-	-	-	-	-	(23)	-	(23)
Write back of impairment losses on bank premises	行址減值損失回撥	-	-	-	-	-	-	-	-	2	-	2
Operating profit/(loss) after impairment losses	已扣除減值損失後之 經營溢利/(虧損)	1,172	1,208	187	320	1,419	284	296	4,886	(970)	-	3,916
Profit/(Loss) on sale of fixed assets, available-for-sale financial assets, held-to- maturity investments, loans and receivable and subsidiaries/ associates	出售固定資產、可供 出售金融資產、 持至到期投資、 貸款和應收賬項及 附屬公司/聯營公司 之溢利/(虧損)	(5)	(1)	145	-	8	1	9	157	310	-	467
Valuation gains on investment properties	重估投資物業盈利	-	-	-	-	2	2	-	4	422	-	426
Share of profits less losses of associates	應佔聯營公司溢利減 虧損	-	-	-	-	-	-	-	-	341	-	341
Profit before taxation	除稅前溢利	1,167	1,207	332	320	1,429	287	305	5,047	103	-	5,150
Depreciation for the year	年內折舊	(67)	(1)	(4)	(2)	(268)	(30)	(17)	(389)	(192)	-	(581)
Segment assets	分部資產	50,433	107,211	125,742	13,168	220,414	45,971	2,765	565,704	27,764	(62,848)	530,620
Investments in associates	聯營公司投資	-	-	-	-	-	-	-	-	3,573	-	3,573
Total assets	資產總額	50,433	107,211	125,742	13,168	220,414	45,971	2,765	565,704	31,337	(62,848)	534,193
Total liabilities	負債總額	243,264	4,761	30,315	15,827	201,609	37,427	726	533,929	9,255	(57,634)	485,550
Capital expenditure incurred during the year	年度內資本開支	68	2	6	4	553	29	29	691	256	-	947

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 19. SEGMENT REPORTING (CONTINUED) 分部報告(續)

		2009 (restated)* 重報										
		Hong Kong banking operations 香港銀行業務							Total reportable segments 可匯報 分部總額 HK\$ Mn 港幣百萬元	Inter-segment elimination 分部間之 交易抵銷		Total 總額 HK\$ Mn 港幣百萬元
		Personal banking 個人銀行 HK\$ Mn 港幣百萬元	Corporate banking 企業銀行 HK\$ Mn 港幣百萬元	Treasury markets 財資市場 HK\$ Mn 港幣百萬元	Wealth management 財富管理 HK\$ Mn 港幣百萬元	China operations 中國業務 HK\$ Mn 港幣百萬元	Overseas operations 國際業務 HK\$ Mn 港幣百萬元	Corporate services 企業服務 HK\$ Mn 港幣百萬元		Others 其他 HK\$ Mn 港幣百萬元	Inter-segment elimination 交易抵銷 HK\$ Mn 港幣百萬元	
Net interest income/(expense)	淨利息收入/(支出)	1,972	764	428	147	2,974	740	1	7,026	(279)	-	6,747
Non-interest income/(expense)	非利息收入/(支出)	463	646	(208)	195	452	354	816	2,718	955	(232)	3,441
Operating income	經營收入	2,435	1,410	220	342	3,426	1,094	817	9,744	676	(232)	10,188
Operating expenses	經營支出	(1,341)	(114)	(129)	(107)	(1,975)	(529)	(512)	(4,707)	(1,654)	232	(6,129)
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	1,094	1,296	91	235	1,451	565	305	5,037	(978)	-	4,059
(Charge for)/Write back of impairment losses on loans and advances and other accounts	貸款及墊款及其他賬項的減值損失(支銷)/回撥	(70)	(46)	(3)	(12)	21	(977)	(6)	(1,093)	(12)	-	(1,105)
Impairment losses on available-for-sale financial assets and held-to-maturity investments	可供出售金融資產及持至到期投資之減值損失	-	-	(9)	-	-	-	-	(9)	(14)	-	(23)
Impairment losses on bank premises	行址減值損失	-	-	-	-	-	-	-	-	(13)	-	(13)
Operating profit/(loss) after impairment losses	已扣除減值損失後之經營溢利/(虧損)	1,024	1,250	79	223	1,472	(412)	299	3,935	(1,017)	-	2,918
Profit/(Loss) on sale of fixed assets, available-for-sale financial assets, held-to-maturity investments, loans and receivable and subsidiaries/associates	出售固定資產、可供出售金融資產、持至到期投資、貸款和應收賬項及附屬公司/聯營公司之溢利/(虧損)	(3)	-	16	-	22	1	-	36	72	-	108
Valuation gains/(losses) on investment properties	重估投資物業溢利/(虧損)	-	-	-	-	7	(3)	-	4	202	-	206
Share of profits less losses of associates	應佔聯營公司溢利減虧損	-	-	-	-	-	-	-	-	264	-	264
Profit/(Loss) before taxation	除稅前溢利/(虧損)	1,021	1,250	95	223	1,501	(414)	299	3,975	(479)	-	3,496
Depreciation for the year	年內折舊	(70)	(1)	(3)	(2)	(186)	(29)	(17)	(308)	(204)	-	(512)
Segment assets	分部資產	44,005	66,998	132,107	7,359	155,555	49,268	3,540	458,832	19,970	(47,335)	431,467
Investments in associates	聯營公司投資	-	-	-	-	-	-	-	-	2,615	-	2,615
Total assets	資產總額	44,005	66,998	132,107	7,359	155,555	49,268	3,540	458,832	22,585	(47,335)	434,082
Total liabilities	負債總額	208,366	582	24,824	14,719	138,536	40,873	1,645	429,545	6,604	(41,802)	394,347
Capital expenditure incurred during the year	年度內資本開支	54	-	4	1	3,182	624	32	3,897	66	-	3,963

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

\* The figures of 2009 have been restated due to the change in the presentation of information for reporting to the Group's most senior executive management for the purposes of resource allocation and performance assessment with effect from 2010. Changes in grouping were made to certain subsidiaries incorporated outside Hong Kong and certain supporting units operating in Hong Kong, which were formerly grouped based on geographic location of the legal entity or operation. In 2010, they were regrouped according to the cluster of cash generating units to which they relate.

\* 由2010年開始，匯報予本集團的最高管理層作為資源分配及表現評核的分部資料列報方式有所改變，有關2009年分部資料的比較數字已作重報。以往，若干於海外成立之附屬公司及在香港的後勤支援單位按其法人實體之所在地點或營運地點作分類。在2010年，則按其與之有關現金生產單位而重新分類。

## (b) Geographical segments

The information concerning geographical analysis has been classified by the location of the principal operations of the subsidiaries, or in the case of the Bank itself, by the location of the branches of the Bank responsible for reporting the results or booking the assets.

## (b) 地區分部

按地區分部之資料是根據附屬公司的主要業務所在地點，或就本行而言，則按負責報告業績或將資產入賬之分行地點予以劃分。

		2010					
		Hong Kong	People's Republic of China	Other Asian Countries	Others	Inter-segment elimination	Consolidated
		香港	中華人民共和國	其他亞洲國家	其他	分部間之交易抵銷	綜合總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>The Group</b>	<b>集團</b>						
Operating income	經營收入	6,573	4,054	577	906	(984)	11,126
Profit before taxation	除稅前溢利	2,891	1,506	581	172	-	5,150
Total assets	資產總額	341,115	220,761	22,633	31,407	(81,723)	534,193
Total liabilities	負債總額	303,551	201,658	18,393	23,496	(61,548)	485,550
Contingent liabilities and commitments	或然負債及承擔	56,882	52,544	3,875	4,577	-	117,878
Capital expenditure during the year	年度內資本開支	352	553	14	28	-	947

		2009 (restated) 重報					
		Hong Kong	People's Republic of China	Other Asian Countries	Others	Inter-segment elimination	Consolidated
		香港	中華人民共和國	其他亞洲國家	其他	分部間之交易抵銷	綜合總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>The Group</b>	<b>集團</b>						
Operating income	經營收入	6,509	3,479	585	883	(1,268)	10,188
Profit/(Loss) before taxation	除稅前溢利/(虧損)	1,932	1,596	163	(195)	-	3,496
Total assets	資產總額	287,223	155,881	19,369	34,708	(63,099)	434,082
Total liabilities	負債總額	255,389	138,668	16,210	26,904	(42,824)	394,347
Contingent liabilities and commitments	或然負債及承擔	57,919	23,262	3,111	2,946	-	87,238
Capital expenditure during the year	年度內資本開支	157	3,182	618	6	-	3,963

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

20. CASH AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (NOTE 43(c))  
現金及在銀行和其他金融機構的結存(附註43(c))

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash in hand	現金	1,213	1,101	699	706
Balances with central banks	在中央銀行的結存	24,638	15,813	1,114	736
Balances with banks and other financial institutions	在銀行和其他金融機構的結存	22,442	12,798	15,995	11,085
		48,293	29,712	17,808	12,527

21. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (NOTE 43(c))  
在銀行及其他金融機構的存款(附註43(c))

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Placements with banks and authorised institutions	在銀行及認可金融機構的存款	57,955	67,638	39,810	61,894
Placements with other financial institutions	在其他金融機構的存款	242	307	164	–
		58,197	67,945	39,974	61,894
Maturing	到期期限				
– within one month	– 1個月內	49,548	35,006	37,232	31,895
– between one month and one year	– 1個月至1年內	8,649	32,939	2,742	29,999
		58,197	67,945	39,974	61,894

## 22. TRADE BILLS 貿易票據

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross trade bills	貿易票據總額	18,548	1,847	4,166	861

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

## 23. TRADING ASSETS 交易用途資產

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 43(c))	國庫債券(包括外匯基金票據) (附註43(c))	-	34	-	-
Debt securities (Note 43(c))	債務證券(附註43(c))	2,411	3,090	1,295	904
Equity securities	股份證券	1,502	1,429	1,502	1,374
Investment funds	投資基金	194	201	193	201
Trading securities	交易用途證券	4,107	4,754	2,990	2,479
Positive fair values of derivatives (Note 42(b))	衍生工具的正公平值 (附註 42(b))	1,738	968	1,206	845
		5,845	5,722	4,196	3,324
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	596	1,857	289	-
Public sector entities	公營機構	22	299	10	299
Banks and other financial institutions	銀行及其他金融機構	1,066	1,093	855	716
Corporate entities	企業實體	2,229	1,492	1,643	1,451
Other entities	其他實體	194	13	193	13
		4,107	4,754	2,990	2,479
Analysed by place of listing:	按上市地區分析:				
Listed in Hong Kong	在香港上市	1,484	1,484	1,484	1,428
Listed outside Hong Kong	在香港以外地區上市	1,071	574	1,071	574
		2,555	2,058	2,555	2,002
Unlisted	非上市	1,552	2,696	435	477
		4,107	4,754	2,990	2,479



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 24. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

指定為通過損益以反映公平價值的金融資產

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Debt securities (Note 43(c))	債務證券(附註43(c))	15,989	10,043	15,989	10,035
Equity securities	股份證券	203	349	203	349
		<b>16,192</b>	10,392	<b>16,192</b>	10,384
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	531	235	531	235
Public sector entities	公營機構	175	177	175	177
Banks and other financial institutions	銀行及其他金融機構	8,032	4,338	8,032	4,330
Corporate entities	企業實體	7,454	5,642	7,454	5,642
		<b>16,192</b>	10,392	<b>16,192</b>	10,384
Analysed by place of listing:	按上市地區分析:				
Listed in Hong Kong	在香港上市	3,695	2,946	3,695	2,946
Listed outside Hong Kong	在香港以外地區上市	7,171	4,003	7,171	3,995
		<b>10,866</b>	6,949	<b>10,866</b>	6,941
Unlisted	非上市	5,326	3,443	5,326	3,443
		<b>16,192</b>	10,392	<b>16,192</b>	10,384

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

## 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS 客戶貸款及其他賬項

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

### (a) 客戶貸款及其他賬項

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(i)	Advances to customers 客戶貸款	297,044	247,654	185,213	143,374
	Less: Impairment allowances 減：減值準備				
	– Individual – 個別	(282)	(534)	(226)	(499)
	– Collective – 整體	(819)	(811)	(654)	(678)
		295,943	246,309	184,333	142,197
(ii)	Other accounts 其他賬項				
	Advances to banks and other financial institutions * 銀行及其他金融機構貸款 *	1,320	678	844	583
	Notes and bonds 債券	–	65	–	61
	Certificates of deposit held (Note 43(c)) 持有的存款證(附註43(c))	39	39	39	39
	Accrued interest 應計利息	2,206	1,313	1,294	951
	Bankers acceptances 銀行承兌匯票	14,583	7,976	253	203
	Other accounts 其他賬項	5,990	5,463	4,303	4,565
		24,138	15,534	6,733	6,402
	Less: Impairment allowances 減：減值準備				
	– Individual – 個別	(38)	(31)	(3)	(3)
	– Collective – 整體	(3)	(9)	–	–
		24,097	15,494	6,730	6,399
		320,040	261,803	191,063	148,596

\* The above advances to banks and other financial institutions include:

Receivables from reverse repurchase agreements under which the Group obtains securities on terms which permit it to re-pledge or resell securities to others in the absence of default. At 31st December, 2010, the fair value of financial assets accepted as collateral that the Group is permitted to sell or re-pledge under such terms is Nil (2009: Nil).

\* 以上銀行及其他金融機構貸款包括：

返售回購協議之應收賬款，根據該協議本集團可獲得證券及依條款在沒有違約之情況下可再抵押或重售證券予其他人士。於2010年12月31日，根據該條款本集團可出售或再抵押的金融資產之公平價值為無(2009年：無)。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶貸款及其他賬項(續)

(b) Impairment allowances against advances and other accounts for 2010 (b) 2010年貸款及其他賬項之減值準備

		The Group 集團					
		Advances to customers 客戶貸款		Other accounts 其他賬項		Total 總額	
		Individual 個別	Collective 整體	Individual 個別	Collective 整體	Individual 個別	Collective 整體
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	534	811	31	9	565	820
New provisions charged to income statement (Note 11)	收益表內支銷的新準備 (附註11)	451	86	12	(7)	463	79
Net provisions released back to income statement (Note 11)	撥回收益表的準備淨額 (附註11)	(235)	-	(1)	-	(236)	-
Amounts written off	撇銷額	(507)	(84)	(6)	-	(513)	(84)
Recoveries (Note 11)	收回額(附註11)	51	-	-	-	51	-
Effect of discounting (Note 4)	計算折扣的影響 (附註4)	(21)	-	-	-	(21)	-
Exchange adjustments	匯兌調整	9	6	2	1	11	7
At 31st December	於12月31日	282	819	38	3	320	822

		The Bank 銀行					
		Advances to customers 客戶貸款		Other accounts 其他賬項		Total 總額	
		Individual 個別	Collective 整體	Individual 個別	Collective 整體	Individual 個別	Collective 整體
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	499	678	3	-	502	678
New provisions charged to income statement	收益表內支銷的新準備	378	49	-	-	378	49
Net provisions released back to income statement	撥回收益表的準備淨額	(207)	-	-	-	(207)	-
Amounts written off	撇銷額	(481)	(80)	-	-	(481)	(80)
Recoveries	收回額	46	-	-	-	46	-
Effect of discounting	計算折扣的影響	(20)	-	-	-	(20)	-
Exchange adjustments	匯兌調整	11	7	-	-	11	7
At 31st December	於12月31日	226	654	3	-	229	654

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

## (b) Impairment allowances against advances and other accounts for 2009 (b) 2009年貸款及其他賬項之減值準備

		The Group 集團					
		Advances to customers 客戶貸款		Other accounts 其他賬項		Total 總額	
		Individual 個別	Collective 整體	Individual 個別	Collective 整體	Individual 個別	Collective 整體
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	523	521	23	9	546	530
New provisions charged to income statement (Note 11)	收益表內支銷的新準備 (附註11)	813	420	14	(1)	827	419
Net provisions released back to income statement (Note 11)	撥回收益表的準備淨額 (附註11)	(98)	–	(3)	–	(101)	–
Amounts written off	撇銷額	(743)	(138)	(4)	–	(747)	(138)
Recoveries (Note 11)	收回額(附註11)	65	–	1	–	66	–
Additions through acquisition of subsidiaries	購入附屬公司的增置	–	–	–	1	–	1
Effect of discounting (Note 4)	計算折扣的影響 (附註4)	(40)	–	–	–	(40)	–
Exchange adjustments	匯兌調整	14	8	–	–	14	8
At 31st December	於12月31日	534	811	31	9	565	820

		The Bank 銀行					
		Advances to customers 客戶貸款		Other accounts 其他賬項		Total 總額	
		Individual 個別	Collective 整體	Individual 個別	Collective 整體	Individual 個別	Collective 整體
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	438	392	–	–	438	392
New provisions charged to income statement	收益表內支銷的新準備	752	407	3	–	755	407
Net provisions released back to income statement	撥回收益表的準備淨額	(81)	–	–	–	(81)	–
Amounts written off	撇銷額	(641)	(128)	–	–	(641)	(128)
Recoveries	收回額	57	–	–	–	57	–
Effect of discounting	計算折扣的影響	(38)	–	–	–	(38)	–
Exchange adjustments	匯兌調整	12	7	–	–	12	7
At 31st December	於12月31日	499	678	3	–	502	678

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶貸款及其他賬項(續)

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

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

## (c) 客戶貸款 – 按行業分類

按行業分類的客戶貸款總額及有抵押貸款的百分比是按照香港金融管理局所採用的類別和定義。

		2010		2009	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %	貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %
<b>The Group</b>	<b>集團</b>				
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	10,245	60.04	8,790	60.42
– Property investment	– 物業投資	40,697	92.44	33,532	93.71
– Financial concerns	– 金融企業	6,169	75.47	3,759	79.47
– Stockbrokers	– 股票經紀	453	84.53	690	14.41
– Wholesale and retail trade	– 批發與零售業	4,710	40.62	3,102	66.50
– Manufacturing	– 製造業	4,876	50.28	2,094	56.10
– Transport and transport equipment	– 運輸與運輸設備	4,461	77.56	3,808	79.08
– Recreational activities	– 娛樂活動	88	16.47	100	44.95
– Information technology	– 資訊科技	566	57.15	328	1.54
– Others	– 其他	4,885	55.71	5,058	61.27
– Sub-total	– 小計	77,150	77.37	61,261	80.34
Individuals	個人				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇的貸款	1,611	100.00	1,532	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	30,130	99.99	25,199	99.87
– Credit card advances	– 信用卡貸款	3,087	0.00	2,675	0.00
– Others	– 其他	13,570	73.38	12,739	77.90
– Sub-total	– 小計	48,398	86.15	42,145	86.89
Total loans for use in Hong Kong	在香港使用的貸款總額	125,548	80.76	103,406	83.01
Trade finance	貿易融資	9,554	46.03	2,546	53.75
Loans for use outside Hong Kong*	在香港以外使用的貸款*	161,942	72.16	141,702	75.76
Total advances to customers	客戶貸款總額	297,044	74.95	247,654	78.56

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

\* 在香港以外使用的貸款包括以下在中華人民共和國使用的貸款。

		2010		2009	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %	貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %
Property development	物業發展	24,732	52.19	13,762	71.12
Property investment	物業投資	22,722	89.55	24,153	86.36
Wholesale and retail trade	批發與零售業	17,835	88.23	19,612	95.16
Manufacturing	製造業	9,731	51.77	7,322	48.94
Others	其他	47,628	73.16	39,016	69.86
		122,648	72.46	103,865	77.16



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

		2010		2009	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %	貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %
<b>The Bank</b>	<b>銀行</b>				
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	10,235	60.10	8,780	60.48
– Property investment	– 物業投資	40,572	92.42	33,417	93.69
– Financial concerns	– 金融企業	6,168	75.48	3,758	79.48
– Stockbrokers	– 股票經紀	452	84.53	689	14.41
– Wholesale and retail trade	– 批發與零售業	4,652	39.88	3,057	66.01
– Manufacturing	– 製造業	4,831	49.82	2,066	55.48
– Transport and transport equipment	– 運輸與運輸設備	4,461	77.56	3,808	79.08
– Recreational activities	– 娛樂活動	88	16.47	100	44.95
– Information technology	– 資訊科技	563	56.87	328	1.54
– Others	– 其他	4,212	48.63	4,798	59.17
– Sub-total	– 小計	76,234	77.12	60,801	80.21
Individuals	個人				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇的貸款	1,611	100.00	1,532	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	30,077	99.99	25,155	99.87
– Credit card advances	– 信用卡貸款	3,087	0.00	2,675	0.00
– Others	– 其他	12,396	73.06	11,945	78.05
– Sub-total	– 小計	47,171	86.37	41,307	87.10
Total loans for use in Hong Kong	在香港使用的貸款總額	123,405	80.65	102,108	83.00
Trade finance	貿易融資	7,798	38.22	2,309	52.08
Loans for use outside Hong Kong*	在香港以外使用的貸款*	54,010	53.59	38,957	56.27
Total advances to customers	客戶貸款總額	185,213	70.98	143,374	75.24

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

\* 在香港以外使用的貸款包括以下在中華人民共和國使用的貸款。

		2010		2009	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %	貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %
Property development	物業發展	10,122	6.95	3,109	12.16
Property investment	物業投資	1,893	70.86	1,316	65.82
Wholesale and retail trade	批發與零售業	830	95.31	111	9.88
Manufacturing	製造業	1,893	52.64	1,541	53.92
Others	其他	3,080	8.42	2,992	10.65
		17,818	22.97	9,069	26.52

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶貸款及其他賬項 (續)

## (c) Advances to customers – by industry sectors (continued)

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

## (c) 客戶貸款 – 按行業分類(續)

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

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
(i)	Property development	(i)	物業發展		
a.	Individually impaired loans	528	805	487	771
b.	Individual impairment allowance	58	50	48	37
c.	Collective impairment allowance	64	83	48	70
d.	Provision charged to income statement				
	– individual impairment loss	169	324	169	316
	– collective impairment loss	22	61	16	57
e.	Written off	114	272	112	271
(ii)	Property investment	(ii)	物業投資		
a.	Individually impaired loans	441	309	209	129
b.	Individual impairment allowance	67	29	24	16
c.	Collective impairment allowance	266	212	192	153
d.	Provision charged to income statement				
	– individual impairment loss	87	60	32	39
	– collective impairment loss	82	119	62	83
e.	Written off	27	52	7	21
(iii)	Loans for purchase of residential properties	(iii)	購買其他住宅物業的貸款		
a.	Individually impaired loans	102	135	94	125
b.	Individual impairment allowance	–	–	–	–
c.	Collective impairment allowance	46	32	41	30
d.	Provision charged to income statement				
	– individual impairment loss	3	1	1	1
	– collective impairment loss	24	23	19	22
e.	Written off	3	1	1	1
(iv)	Wholesale and retail trade	(iv)	批發與零售業		
a.	Individually impaired loans	117	310	94	290
b.	Individual impairment allowance	43	162	43	162
c.	Collective impairment allowance	76	58	58	39
d.	Provision charged to income statement				
	– individual impairment loss	35	185	35	184
	– collective impairment loss	22	21	18	17
e.	Written off	96	131	96	121

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## (d) Advances to customers – by geographical areas

The information concerning the breakdown of the gross amount of advances to customers by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

## (d) 客戶貸款 – 按區域分類

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

		The Group 集團 2010				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶貸款總額	逾期3個月以上的 客戶貸款	減值客戶貸款	個別減值準備	整體減值準備
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Hong Kong	香港	145,109	183	337	77	284
People's Republic of China	中華人民共和國	118,898	53	222	27	145
Other Asian Countries	其他亞洲國家	12,061	55	101	62	149
Others	其他	20,976	105	932	116	241
Total	總額	297,044	396	1,592	282	819
% of total advances to customers	佔客戶貸款總額的百分比			0.54%		
Market value of security held against impaired advances to customers	減值貸款抵押品市值			3,223		

		The Group 集團 2009				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶貸款總額	逾期3個月以上的 客戶貸款	減值客戶貸款	個別減值準備	整體減值準備
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Hong Kong	香港	121,538	217	407	103	299
People's Republic of China	中華人民共和國	93,084	177	373	34	86
Other Asian Countries	其他亞洲國家	10,103	213	382	247	178
Others	其他	22,929	284	1,286	150	248
Total	總額	247,654	891	2,448	534	811
% of total advances to customers	佔客戶貸款總額的百分比			0.99%		
Market value of security held against impaired advances to customers	減值貸款抵押品市值			4,839		

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶貸款及其他賬項(續)

## (d) Advances to customers – by geographical areas (continued)

## (d) 客戶貸款 – 按區域分類(續)

		The Bank 銀行 2010				
		Total advances to customers	Advances overdue for over three months 逾期3個月以上的 客戶貸款	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
		客戶貸款總額	客戶貸款	減值客戶貸款	個別減值準備	整體減值準備
Hong Kong	香港	128,124	161	303	66	264
People's Republic of China	中華人民共和國	30,691	10	173	27	63
Other Asian Countries	其他亞洲國家	10,786	55	101	62	148
Others	其他	15,612	90	691	71	179
Total	總額	185,213	316	1,268	226	654
% of total advances to customers	佔客戶貸款總額的百分比			0.68%		
Market value of security held against impaired advances to customers	減值貸款抵押品市值			2,733		

		The Bank 銀行 2009				
		Total advances to customers	Advances overdue for over three months 逾期3個月以上的 客戶貸款	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
		客戶貸款總額	客戶貸款	減值客戶貸款	個別減值準備	整體減值準備
Hong Kong	香港	103,784	185	357	87	278
People's Republic of China	中華人民共和國	16,419	23	207	33	26
Other Asian Countries	其他亞洲國家	9,021	213	381	246	177
Others	其他	14,150	270	1,166	133	197
Total	總額	143,374	691	2,111	499	678
% of total advances to customers	佔客戶貸款總額的百分比			1.48%		
Market value of security held against impaired advances to customers	減值貸款抵押品市值			3,048		

Impaired loans and advances are individually assessed loans with objective evidence of impairment on an individual basis. The above information by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk.

There were no impaired advances to banks and other financial institutions as at 31st December, 2010 and 31st December, 2009, nor were there any individual impairment allowances made for them on these two dates.

減值貸款及墊款是個別出現客觀減值證據而須個別評估的貸款。以上按國家或區域分類的資料，是根據交易對手的所在地並已顧及轉移風險因素。

於2010年12月31日及2009年12月31日，銀行及其他金融機構的貸款中並無減值貸款，亦無就該等貸款提撥個別減值準備。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## (e) Advances to customers – net investment in finance leases

Advances to customers include net investment in equipment leased under finance leases. The total minimum lease payments receivable under finance leases and their present values at the year end are as follows:

## (e) 客戶貸款－融資租賃的淨投資額

客戶貸款包括以融資租賃形式租出的設備。根據融資租賃應收的最低租賃付款總額，及其現值如下：

		The Group and The Bank 集團及銀行					
		2010			2009		
		Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments	Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments
		最低租賃付款現值	相關未來利息收入	最低租賃付款總額	最低租賃付款現值	相關未來利息收入	最低租賃付款總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Amounts receivable:	應收賬款：						
Within one year	1年以內	1,045	137	1,182	1,004	116	1,120
After one year but within five years	1年以後至5年內	1,391	201	1,592	1,100	186	1,286
After five years	5年以後	2,096	272	2,368	1,729	265	1,994
		4,532	610	5,142	3,833	567	4,400
Less: Individual impairment allowances	減：個別減值準備	(6)			(10)		
Net investment in finance leases	融資租賃的淨投資額	4,526			3,823		

The net investment in finance leases is carried on the statement of financial position as a receivable. No accrual is made for the interest income relating to future periods.

融資租賃的淨投資額被視作應收賬計入財務狀況表，但並無應計未來相關的利息收入。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 26. AVAILABLE-FOR-SALE FINANCIAL ASSETS 可供出售金融資產

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 43(c))	國庫債券(包括外匯基金票據) (附註43(c))	6,744	5,425	6,704	5,364
Certificates of deposit held (Note 43(c))	持有的存款證(附註43(c))	2,152	972	1,345	595
Debt securities (Note 43(c))	債務證券(附註43(c))	29,271	22,599	11,911	11,990
Equity securities	股份證券	2,290	1,810	982	909
Investment funds	投資基金	322	77	220	77
		40,779	30,883	21,162	18,935
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	11,882	12,787	8,244	6,416
Public sector entities	公營機構	3,726	236	1	-
Banks and other financial institutions	銀行及其他金融機構	14,861	14,199	9,872	10,649
Corporate entities	企業實體	10,016	3,584	2,825	1,793
Other entities	其他實體	294	77	220	77
		40,779	30,883	21,162	18,935
Analysed by place of listing:	按上市地區分析:				
Listed in Hong Kong	在香港上市	2,249	1,957	1,565	1,495
Listed outside Hong Kong	在香港以外地區上市	6,545	5,512	4,136	3,986
		8,794	7,469	5,701	5,481
Unlisted	非上市	31,985	23,414	15,461	13,454
		40,779	30,883	21,162	18,935

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

## 27. HELD-TO-MATURITY INVESTMENTS (NOTES 43(c)) 持至到期投資 (附註43(c))

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Treasury bills (including Exchange Fund Bills)	國庫債券(包括外匯基金票據)	64	189	64	112
Certificates of deposit held	持有的存款證	1,288	2,245	1,106	1,584
Debt securities	債務證券	4,362	4,843	2,596	3,144
		5,714	7,277	3,766	4,840
Less: Impairment allowances	減: 減值準備	-	(38)	-	(38)
		5,714	7,239	3,766	4,802
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	1,506	1,510	1,506	1,506
Public sector entities	公營機構	455	621	172	276
Banks and other financial institutions	銀行及其他金融機構	2,897	4,328	1,737	2,629
Corporate entities	企業實體	856	780	351	391
		5,714	7,239	3,766	4,802
Analysed by place of listing:	按上市地區分析:				
Listed in Hong Kong	在香港上市	948	952	824	848
Listed outside Hong Kong	在香港以外地區上市	2,548	2,984	1,861	2,263
		3,496	3,936	2,685	3,111
Unlisted	非上市	2,218	3,303	1,081	1,691
		5,714	7,239	3,766	4,802
Fair value:	公平價值:				
Listed securities	上市證券	3,614	3,998	2,750	3,150
Unlisted securities	非上市證券	2,237	3,320	1,086	1,696
		5,851	7,318	3,836	4,846

## Movement of impairment allowances

## 減值準備的變動

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January	於1月1日	38	107	38	107
Charge for the year	年度內支銷	-	9	-	9
Write-off	撇銷	(38)	(78)	(38)	(78)
At 31st December	於12月31日	-	38	-	38

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 27. HELD-TO-MATURITY INVESTMENTS (CONTINUED) 持至到期投資(續)

## Reclassification of Available-for-sale Financial Assets

On 1st January, 2009, the management have assessed the intention and ability to hold to maturity the Group's available-for-sale financial assets. Based on this assessment, the management concluded that they have the positive intention ability hold them to maturity and therefore have reclassified the portfolio from the available-for-sale category to held-to-maturity. The amount reclassified on the date of reclassification is as follows:

## 重新分類可供出售金融資產

於2009年1月1日，管理層已評估對本集團之可供出售金融資產持有至到期日的意向和能力。根據此評估，管理層決定他們有正面的意向和能力持有至到期日，因此，已將組合由可供出售類別重新分類為持至到期。於重新分類日所重新分類的金額如下：

		Carrying amount on 1st January, 2009 於2009年1月1日 的賬面值 HK\$ Mn 港幣百萬元
Reclassified from available-for-sale debt securities	重新分類自可供出售債務證券	
Listed in Hong Kong	在香港上市	(83)
Listed outside Hong Kong	在香港以外地區上市	(229)
Unlisted	非上市	(364)
		(676)
Reclassified to held-to-maturity securities	重新分類為持至到期證券	
Listed in Hong Kong	在香港上市	83
Listed outside Hong Kong	在香港以外地區上市	229
Unlisted	非上市	364
		676

There are no unrealised gains and losses arising from changes in fair value recognised in the investment revaluation reserve during the year.

年度內並無源自公平價值變動而產生的未實現盈虧在投資重估儲備內確認。

The net unamortised revaluation deficit was HK\$18.5 million (2009: HK\$19 million).

未攤銷重估虧損淨額為港幣18,500,000元(2009年：港幣19,000,000元)。

The unamortised revaluation surplus or deficit of individual investments reclassified shall be amortised to the income statement over the respective remaining life of investment using the effective interest method. The net unamortisation during the year was HK\$0.5 million (2009: HK\$3 million).

個別已重新分類投資的未攤銷重估盈餘或虧損將採用有效利率方法按有關投資的尚餘年期在收益表內分攤。年度內攤銷的金額為港幣500,000元(2009年：港幣3,000,000元)。

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

## 28. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

		The Bank 銀行	
		2010	2009
		HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元
Unlisted shares, at cost	非上市股份 (原值)	13,952	13,690
Less: Impairment allowances	減: 減值準備	(233)	(233)
		13,719	13,457

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary.

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。此等股份屬普通股股份。

Details of these companies are as follows:

此等公司的詳情如下:

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行所佔權益	The Group 本集團所佔權益	
Ample Delight Limited 承悅有限公司	Hong Kong 香港	HK\$港幣450,000,000元		100%	Investment holding 投資控股
Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司	Hong Kong 香港	HK\$港幣150,000,000元	100%		Trustee 信託服務
BEA Life Limited 東亞人壽保險有限公司	Hong Kong 香港	HK\$港幣500,000,000元	100%		Life insurance 人壽
BEA Pacific Asia Limited	Hong Kong 香港	US\$13,000,000美元		100%	Investment holding 投資控股
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Hong Kong 香港	HK\$港幣750,000,000元	100%		Insurance 保險
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Hong Kong 香港	HK\$港幣374,580,000元	51%		Asset management 資產管理
BEA Wealth Management Services (Taiwan) Limited 東亞證券股份有限公司	Taiwan, Republic of China 台灣·中華民國	NTD新台幣233,200,000元		100%	Wealth management services 財富管理服務
CCSL St. Lucia Limited	St. Lucia 聖盧西亞	US\$1,000美元 (Common普通股) US\$200美元 (Class A類別A Redeemable可贖回)		60.49%	Holding company 控股公司
Central Town Limited 滙中興業有限公司	Hong Kong 香港	HK\$港幣2元	100%		Property investment 物業投資
Century Able Limited 階潤有限公司	Hong Kong 香港	HK\$港幣929,752,849元		100%	Investment holding 投資控股

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 28. INVESTMENTS IN SUBSIDIARIES (CONTINUED) 附屬公司投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行所佔權益	The Group 本集團所佔權益	
Corona Light Limited	BVI 英屬處女群島	HK\$港幣929,752,849元		100%	Investment holding 投資控股
Credit Gain Finance Company Limited 領達財務有限公司	Hong Kong 香港	HK\$港幣1元	100%		Money lenders 放債人
Crystal Gleaming Limited	BVI 英屬處女群島	HK\$港幣929,752,849元	100%		Investment holding 投資控股
East Asia Electronic Data Processing (Guangzhou) Limited 東亞電子資料處理(廣州) 有限公司	PRC 中華人民共和國	US\$3,000,000美元	100%		Servicing 服務性
East Asia Financial Services (BVI) Ltd.	BVI 英屬處女群島	US\$24,096,000美元	100%		Investment holding 投資控股
*East Asia Holding Company, Inc.	U.S.A. 美國	US\$5美元	100%		Bank holding company 銀行控股公司
East Asia Investments Holdings (BVI) Ltd.	BVI 英屬處女群島	HK\$港幣186,038,725元	100%		Investment holding 投資控股
East Asia Property Agency Company Limited 東亞物業代理有限公司	Hong Kong 香港	HK\$港幣1,000,000元	100%		Property agency 物業代理
East Asia Property Holdings (Jersey) Limited	BVI 英屬處女群島	GBP英鎊9元	100%		Property holding 物業持有
East Asia Secretaries (BVI) Limited	BVI 英屬處女群島	HK\$港幣300,000,000元		75.61%	Investment holding 投資控股
East Asia Securities Company Limited 東亞證券有限公司	Hong Kong 香港	HK\$港幣25,000,000元	100%		Securities broking 證券買賣
East Asia Strategic Holdings Limited	BVI 英屬處女群島	US\$50,000,000美元	100%		Investment holding 投資控股
Golden Empire International Inc.	BVI 英屬處女群島	US\$10,000美元		100%	Property investment 物業投資
Innovate Holdings Limited	BVI 英屬處女群島	US\$1美元 (Ordinary普通股) US\$500,000,000美元 (with a liquidation preference of US\$1,000 per share附有 每股1,000美元之清盤 優先權)	100%		Special purpose vehicle company 特定目的投資工具



## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行所佔權益	The Group 本集團所佔權益	
Skyray Holdings Limited	BVI 英屬處女群島	HK\$港幣450,000,000元	100%		Investment holding 投資控股
Speedfull Limited	BVI 英屬處女群島	HK\$港幣450,000,000元		100%	Investment holding 投資控股
The Bank of East Asia (China) Limited (Note 1) 東亞銀行(中國)有限公司 (附註1)	PRC 中華人民共和國	CNY人民幣8,000,000,000元	100%		Banking and related financial services 銀行及有關的金融服務
*The Bank of East Asia (U.S.A.) N.A. 美國東亞銀行	U.S.A. 美國	US\$4,500美元		100%	Banking 銀行
Tricor Consultancy (Beijing) Limited (Note 1) 東亞卓佳諮詢(北京)有限公司 (附註1)	PRC 中華人民共和國	US\$1,850,000美元		75.61%	Business consultancy in China 國內商業諮詢
Tricor Holdings Limited	BVI 英屬處女群島	US\$7,001美元		75.61%	Investment holding 投資控股
Tricor Holdings Pte. Ltd.	Singapore 新加坡	S\$新加坡幣5,000,002元		75.61%	Investment holding 投資控股
Tricor Investor Services Limited 卓佳證券登記有限公司	Hong Kong 香港	HK\$港幣2元		75.61%	Investor services 投資者服務
Tricor Services Limited 卓佳專業商務有限公司	Hong Kong 香港	HK\$港幣2元		75.61%	Business, corporate and investor services 商務、企業及投資者服 務
Tricor Services (BVI) Limited	BVI 英屬處女群島	US\$250,000美元		75.61%	Registered agent and trustee services 註冊代理及信託服務
Tricor Services (Malaysia) Sdn. Bhd.	Malaysia 馬來西亞	RM馬幣5,672,484元		60.49%	Investment holding 投資控股
Tung Shing Holdings Company Limited 東盛控股有限公司	BVI 英屬處女群島	US\$20,000,000美元	100%		Investment holding 投資控股

## Notes:

1. Represents a wholly foreign owned enterprise.
2. BVI denotes the British Virgin Islands and PRC denotes the People's Republic of China.

\* Companies not audited by KPMG. The accounts of the subsidiaries not audited by KPMG reflect total net assets and total income constituting approximately 1.3% and 2.2% respectively of the related consolidated totals.

## 附註:

1. 指一全資擁有外資企業。

\* 非由畢馬威會計師事務所審核的公司。非由畢馬威會計師事務所審核的附屬公司賬項之資產總額及收入總額分別佔相關綜合總額的1.3%及2.2%。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 29. INVESTMENTS IN ASSOCIATES 聯營公司投資

		The Group 集團		The Bank 銀行	
		2010 HK\$ Mn 港幣百萬元	2009 HK\$ Mn 港幣百萬元	2010 HK\$ Mn 港幣百萬元	2009 HK\$ Mn 港幣百萬元
Listed shares, at cost	上市股份(原值)	-	-	2,040	1,781
Unlisted shares, at cost	非上市股份(原值)	-	-	364	196
Share of net assets	應佔淨資產	3,322	2,389	-	-
Goodwill	商譽	251	226	-	-
		3,573	2,615	2,404	1,977
Less: Impairment allowances	減：減值準備	-	-	(14)	(31)
		3,573	2,615	2,390	1,946

Loans to associates amounting to HK\$44 million (2009: HK\$497 million) are included under advances to customers.

聯營公司貸款共港幣44,000,000元(2009年：港幣497,000,000元)已包括在客戶貸款。

Share of associates' taxation for the year amounted to HK\$109 million (2009: HK\$81 million).

年度內應佔聯營公司稅項為港幣109,000,000元(2009年：港幣81,000,000元)。

The following list contains only the particulars of associates which principally affected the results or assets of the Group:

以下摘要只包括對本集團的業績或資產有重大影響的聯營公司：

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary shares held by 普通股		Nature of business 業務性質
		The Bank 銀行所佔權益	The Group 集團所佔權益	
<b>Listed 上市</b>				
AFFIN Holdings Berhad	Malaysia 馬來西亞	23.52%		Investment holding 投資控股
<b>Unlisted 非上市</b>				
Dolford Property Holdings Limited	BVI 英屬處女群島		30%	Investment holding 投資控股
Founder BEA Trust Company Limited 方正東亞信託有限公司	PRC 中華人民共和國	19.99%		Trust and other financial businesses 信託及其他金融資產
Industrial and Commercial Bank of China (Canada) 加拿大工商銀行 (formerly The Bank of East Asia (Canada)) (前稱加拿大東亞銀行)	Canada 加拿大		30%	Banking services 銀行服務

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary shares held by 普通股		Nature of business 業務性質
		The Bank 銀行所佔權益	The Group 集團所佔權益	
Mercedes-Benz Financial Services Hong Kong Limited 梅賽德斯－奔馳財務服務 香港有限公司	Hong Kong 香港		20%	Financing, leasing and insurance services 財務、租賃及保險服務
Mercedes-Benz Financial Services Korea Limited	Republic of Korea 韓國		20%	Financial services 金融服務
Platinum Holdings Company Limited	Cayman Islands 開曼群島	29.99%		Investment holding 投資控股
PT. Bank Resona Perdania	Indonesia 印尼		30%	Banking and related financial services 銀行及有關金融服務
Sunfire Enterprises Limited (shares disposed on 2 June 2010) 申發企業有限公司 (股份已於2010年6月2日出售)	BVI 英屬處女群島		20%	Property development 物業發展
TCL Finance Co., Ltd. TCL集團財務有限公司	PRC 中華人民共和國	20%		Financial services and cash management 金融服務及現金管理
Trans-Ocean Insurance Company, Limited (in liquidation) 遠洋保險有限公司(清盤中)	Hong Kong 香港	48.7%		Inactive 非活躍

Notes: BVI denotes the British Virgin Islands and PRC denotes the People's Republic of China.

## Summary financial information on associates

## 聯營公司財務資料摘要

		Assets 資產	Liabilities 負債	Equity 股東權益	Revenue 收入	Profit 溢利
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>2010</b>						
100 per cent	百分之一百	133,531	117,319	16,212	4,453	1,475
Group's effective interest	本集團的有效權益	31,267	27,945	3,322	1,062	341
<b>2009</b>						
100 per cent	百分之一百	102,075	89,071	13,004	3,506	1,052
Group's effective interest	本集團的有效權益	21,425	19,036	2,389	762	264

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 30. GOODWILL AND INTANGIBLE ASSETS 商譽及無形資產

Goodwill and intangible assets include goodwill arising on business combinations and acquired intangible assets. Acquired intangible assets include core deposits which are amortised over their estimated economic useful life of ten years, and naming rights.

商譽及無形資產包括因業務合併產生的商譽及購入無形資產。購入無形資產包括核心存款及命名權，並按其估計經濟使用期10年攤銷。

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Goodwill	商譽	2,822	2,738	1,460	1,460
Acquired intangible assets	購入無形資產	1,366	1,397	-	-
		4,188	4,135	1,460	1,460

## (a) Goodwill

## (a) 商譽

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	2,738	2,705	1,460	1,460
Additions through acquisition of subsidiaries	經收購附屬公司的增置	47	22	-	-
Exchange adjustments	匯兌調整	37	11	-	-
At 31st December	於12月31日	2,822	2,738	1,460	1,460

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segment as follows:

包含商譽的現金生產單位之減值測試

本集團按業務分部分配商譽予可辨別的現金生產單位如下:

		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Personal banking	個人銀行	849	849
Corporate banking	企業銀行	453	453
Treasury markets	財資市場	158	158
Corporate services	企業服務	1,183	1,100
Others	其他	179	178
		2,822	2,738

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The pre-tax discount rate used for value-in-use calculations is 17.14% (2009: 14.37%) and the long-term growth rate is 3%–10% (2009: 3%).

Management determined the budgeted net profit based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the internal forecasts.

**(b) Intangible assets (other than goodwill)**

Intangible assets include acquired core deposits. Intangible assets are stated at cost less accumulated amortisation and impairment loss (Note2(k)(iv)).

Amortisation of intangible assets with finite useful lives is charged to the income statement over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available to use and their estimated useful lives are as follows:

Acquired core deposits 10 years

Naming rights over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流作估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

用於計算使用價值的除稅前折扣率為17.14% (2009 : 14.37%) 及長期增長率為3%–10% (2009 : 3%)。

管理層根據過往表現及預計市場發展以釐定預算淨溢利。所採用的加權平均增長率與內部預測是一致的。

**(b) 無形資產(商譽除外)**

無形資產包括購入核心存款。無形資產按成本減除累計攤銷及減值損失列賬(附註2(k)(iv))。

有限定可用期的無形資產按其估計可用期於收益表內攤銷。以下有限定可用期的無形資產由可供使用日起按以下的估計可用期攤銷：

購入核心存款為10年

冠名權按建築物或土地兩者較短的租賃期

每年須檢討其期限及攤銷方法。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 30. GOODWILL AND INTANGIBLE ASSETS (CONTINUED) 商譽及無形資產 (續)

		The Group 集團				The Bank 銀行			
		2010		2009		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cost	成本								
At 1st January	於1月1日	1,418		38		-		-	
Additions	增置	-		1,380		-		-	
Additions through acquisition of subsidiaries	經收購附屬公司的增置	14		-		-		-	
Exchange and other adjustments	匯兌調整	1		-		-		-	
At 31st December	於12月31日	1,433		1,418		-		-	
Accumulated amortisation	累計攤銷								
At 1st January	於1月1日	(21)		(9)		-		-	
Amortisation charge for the year (Note 10)	年度內攤銷(附註10)	(34)		(13)		-		-	
Additions through acquisition of subsidiaries	經收購附屬公司的增置	(12)		-		-		-	
Exchange adjustments	匯兌調整	-		1		-		-	
At 31st December	於12月31日	(67)		(21)		-		-	
Carrying amount at 31st December	於12月31日賬面值	1,366		1,397		-		-	

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

## 31. FIXED ASSETS 固定資產

		2010 The Group 集團				
		Investment properties	Bank premises	Furniture, fixtures and equipment	Sub-total	Total
		投資物業	行址	傢俬、裝修 及設備	小計	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2010	於2010年1月1日	2,095	8,572	3,673	12,245	14,340
Additions	增置	14	313	559	872	886
Additions through acquisition	經收購的增置	-	-	37	37	37
Revaluation surplus	重估盈餘	426	-	-	-	426
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	36	-	36	36
Transfer from bank premises to investment properties	由行址轉入投資物業	26	(26)	-	(26)	-
Redevelopment cost	重建成本	2	1	-	1	3
Disposals	出售	-	(83)	(154)	(237)	(237)
Exchange adjustments	匯兌調整	11	218	45	263	274
At 31st December, 2010	於2010年12月31日	2,574	9,031	4,160	13,191	15,765
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2010	於2010年1月1日	-	775	2,098	2,873	2,873
Additions through acquisition	經收購的增置	-	-	33	33	33
Charge for the year (Note 10)	年度內支銷(附註10)	-	132	449	581	581
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	(4)	-	(4)	(4)
Write back on impairment loss	減值損失回撥	-	(2)	-	(2)	(2)
Written back on disposals	出售時回撥	-	(37)	(131)	(168)	(168)
Exchange adjustments	匯兌調整	-	13	25	38	38
At 31st December, 2010	於2010年12月31日	-	877	2,474	3,351	3,351
Net book value at 31st December, 2010	賬面淨值 於2010年12月31日	2,574	8,154	1,686	9,840	12,414
The gross amounts of the above assets are stated:	上述資產的總額列示如下:					
At cost	按成本	-	8,216	4,160	12,376	12,376
At Directors' valuation - 1989	按董事估值 - 1989年	-	815	-	815	815
At professional valuation - 2010	按專業估值 - 2010年	2,574	-	-	-	2,574
		2,574	9,031	4,160	13,191	15,765

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 31. FIXED ASSETS (CONTINUED) 固定資產(續)

		2010 The Bank 銀行 Furniture, fixtures and equipment 傢俬、裝修 及設備				Total
		Investment properties 投資物業 HK\$ Mn 港幣百萬元	Bank premises 行址 HK\$ Mn 港幣百萬元	Sub-total 小計 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元	
Cost or valuation	成本或估值					
At 1st January, 2010	於2010年1月1日	1,798	3,949	2,255	8,002	
Additions	增置	-	76	224	300	
Revaluation surplus	重估盈餘	416	-	-	416	
Revaluation of bank premises transferred to investment properties	行址重估轉入投資 物業	-	16	-	16	
Transfer from investment properties to bank premises	由投資物業轉入行址	(42)	42	-	-	
Redevelopment cost	重建成本	1	2	-	3	
Disposals	出售	-	(61)	(53)	(114)	
Exchange adjustments	匯兌調整	-	57	4	61	
At 31st December, 2010	於2010年12月31日	2,173	4,081	2,430	8,684	
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2010	於2010年1月1日	-	382	1,400	1,782	
Charge for the year	年度內支銷	-	50	238	288	
Revaluation of bank premises transferred to investment properties	行址重估轉入投資 物業	-	(3)	-	(3)	
Write back on impairment loss	減值損失回撥	-	(2)	-	(2)	
Written back on disposals	出售時回撥	-	(29)	(45)	(74)	
Exchange adjustments	匯兌調整	-	-	2	2	
At 31st December, 2010	於2010年12月31日	-	398	1,595	1,993	
Net book value at 31st December, 2010	賬面淨值 於2010年12月31日	2,173	3,683	835	6,691	
The gross amounts of the above assets are stated:	上述資產的總額列示 如下：					
At cost	按成本	-	3,266	2,430	5,696	
At Directors' valuation - 1989	按董事估值 - 1989年	-	815	-	815	
At professional valuation - 2010	按專業估值 - 2010年	2,173	-	-	2,173	
		2,173	4,081	2,430	8,684	

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		2009 The Group 集團				
		Investment properties	Bank premises	Furniture, fixtures and equipment 傢俬、裝修 及設備	Sub-total	Total
		投資物業 HK\$ Mn 港幣百萬元	行址 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	小計 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2009	於2009年1月1日	1,839	6,293	3,507	9,800	11,639
Additions	增置	-	2,264	297	2,561	2,561
Additions through acquisition	經收購的增置	-	-	16	16	16
Revaluation surplus	重估盈餘	206	-	-	-	206
Revaluation of bank premises transferred to investment properties	行址重估轉入投資 物業	-	97	-	97	97
Transfer from bank premises to investment properties	由行址轉入投資物業	61	(61)	-	(61)	-
Disposals	出售	(14)	(24)	(162)	(186)	(200)
Exchange adjustments	匯兌調整	3	3	15	18	21
At 31st December, 2009	於2009年12月31日	2,095	8,572	3,673	12,245	14,340
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2009	於2009年1月1日	-	675	1,818	2,493	2,493
Additions through acquisition	經收購的增置	-	-	7	7	7
Charge for the year (Note 10)	年度內支銷(附註10)	-	99	413	512	512
Impairment loss	減值損失	-	13	-	13	13
Written back on disposals	出售時回撥	-	(12)	(154)	(166)	(166)
Exchange adjustments	匯兌調整	-	-	14	14	14
At 31st December, 2009	於2009年12月31日	-	775	2,098	2,873	2,873
Net book value at 31st December, 2009	賬面淨值 於2009年12月31日	2,095	7,797	1,575	9,372	11,467
The gross amounts of the above assets are stated:	上述資產的總額列示 如下:					
At cost	按成本	-	7,745	3,673	11,418	11,418
At Directors' valuation - 1989	按董事估值 - 1989年	-	827	-	827	827
At professional valuation - 2009	按專業估值 - 2009年	2,095	-	-	-	2,095
		2,095	8,572	3,673	12,245	14,340

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 31. FIXED ASSETS (CONTINUED) 固定資產(續)

		Investment properties	Bank premises	2009 The Bank 銀行 Furniture, fixtures and equipment 傢俬、裝修 及設備	Sub-total	Total
		投資物業 HK\$ Mn 港幣百萬元	行址 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	小計 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2009	於2009年1月1日	1,819	3,135	2,246	5,381	7,200
Additions	增置	–	602	135	737	737
Revaluation surplus	重估盈餘	205	–	–	–	205
Transfer from investment properties to bank premises	由投資物業轉入行址	(212)	212	–	212	–
Disposals	出售	(14)	–	(133)	(133)	(147)
Exchange adjustments	匯兌調整	–	–	7	7	7
At 31st December, 2009	於2009年12月31日	1,798	3,949	2,255	6,204	8,002
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2009	於2009年1月1日	–	323	1,290	1,613	1,613
Charge for the year	年度內支銷	–	46	232	278	278
Impairment loss	減值損失	–	13	–	13	13
Written back on disposals	出售時回撥	–	–	(128)	(128)	(128)
Exchange adjustments	匯兌調整	–	–	6	6	6
At 31st December, 2009	於2009年12月31日	–	382	1,400	1,782	1,782
Net book value at 31st December, 2009	賬面淨值 於2009年12月31日	1,798	3,567	855	4,422	6,220
The gross amounts of the above assets are stated:	上述資產的總額列示 如下：					
At cost	按成本	–	3,122	2,255	5,377	5,377
At Directors' valuation – 1989	按董事估值 – 1989年	–	827	–	827	827
At professional valuation – 2009	按專業估值 – 2009年	1,798	–	–	–	1,798
		1,798	3,949	2,255	6,204	8,002



## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

The net book value of bank premises and investment properties comprises:

行址及投資物業的賬面淨值包括：

		The Group 集團			
		2010		2009	
		Investment properties 投資物業	Bank premises 行址	Investment properties 投資物業	Bank premises 行址
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Freeholds Held outside Hong Kong	永久業權在香港以外地區	94	4,125	79	3,841
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease (over 50 years)	長期租約(50年以上)	1,877	1,653	1,489	1,586
On medium-term lease (10 – 50 years)	中期租約(10至50年)	271	1,371	209	1,428
Held outside Hong Kong	在香港以外地區				
On long lease (over 50 years)	長期租約(50年以上)	-	178	-	161
On medium-term lease (10 – 50 years)	中期租約(10至50年)	332	827	318	781
		<b>2,574</b>	<b>8,154</b>	2,095	7,797

		The Bank 銀行			
		2010		2009	
		Investment properties 投資物業	Bank premises 行址	Investment properties 投資物業	Bank premises 行址
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Freeholds Held outside Hong Kong	永久業權在香港以外地區	-	804	-	748
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease (over 50 years)	長期租約(50年以上)	1,678	1,617	1,391	1,503
On medium-term lease (10 – 50 years)	中期租約(10至50年)	495	1,259	407	1,313
Held outside Hong Kong	在香港以外地區				
On long lease (over 50 years)	長期租約(50年以上)	-	3	-	3
		<b>2,173</b>	<b>3,683</b>	1,798	3,567

The carrying amount of the bank premises of the Group and the Bank would have been HK\$7,245 million (2009: HK\$6,933 million) and HK\$2,533 million (2009: HK\$2,498 million) respectively had they been stated at cost less accumulated depreciation.

假設本集團及本行以成本減累計折舊入賬，行址的賬面值將分別為港幣7,245,000,000元(2009年：港幣6,933,000,000元)及港幣2,533,000,000元(2009年：港幣2,498,000,000元)。

Investment properties were valued by independent valuers. Investment properties in Hong Kong were valued at HK\$2,148 million as at 31st December, 2010 by an independent valuer, Savills Valuation and Professional Services Limited, Chartered Surveyors, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuation has been incorporated in the accounts as at 31st December, 2010 and it was performed on an open market value basis.

投資物業是按獨立估值師估值。於2010年12月31日，香港投資物業的估值為港幣2,148,000,000元。該等物業由獨立估值師—特許測量師第一太平戴維斯，其僱員具香港測量師學會士資歷並對須估值物業的所在及類別有近期經驗。估值是以公開市場價值為基礎，並已計入2010年12月31日之賬項內。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 31. FIXED ASSETS (CONTINUED) 固定資產(續)

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 10 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

Rental income receivable from investment properties held for use under operating leases amounted to HK\$92 million in 2010 (2009: HK\$92 million). There was no contingent rental recognised during the year 2010 (2009: Nil).

The total future minimum lease payments of bank premises and investment properties held for use under non-cancellable operating leases are receivable as follows:

集團以經營租賃形式租出投資物業。租賃年期通常由1年至10年，到期日後可再續約但其他條款須另議。所有租約並不包括或有租金。

於年內，以經營租賃形式租出的投資物業之應收租金為港幣92,000,000元(2009年：港幣92,000,000元)。2010年年度內未有確認或有租金(2009年：無)。

以不可撤銷經營租賃作出租的行址及投資物業的未來最低應收租賃付款總額如下：

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Within one year	1年以內	108	78	73	67
After one year but within five years	1年以後至5年內	142	81	60	62
After five years	5年以後	1	-	-	-
		251	159	133	129

## 32. AMOUNTS DUE FROM AND DUE TO SUBSIDIARIES 附屬公司欠款及欠附屬公司款項

During the year, the Bank entered into transactions with certain subsidiaries in the ordinary course of its banking business. Details of the amounts due from and due to subsidiaries are as follows:

於年度內，本行與若干附屬公司有正常的業務交易。附屬公司欠款及欠附屬公司款項詳列如下：

## (a) Amounts due from subsidiaries

## (a) 附屬公司欠款

		The Bank 銀行	
		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Financial institutions	金融機構	29,917	11,781
Others	其他	877	938
		30,794	12,719

## (b) Amounts due to subsidiaries

## (b) 欠附屬公司款項

		The Bank 銀行	
		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Financial institutions	金融機構	-	17
Others	其他	2,722	1,625
		2,722	1,642

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

### 33. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION

#### 財務狀況表內的所得稅

(a) Current taxation in the statement of financial position represents: (a) 資產負債表內的本期稅項為：

	The Group 集團				The Bank 銀行			
	2010		2009		2010		2009	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Provision for Hong Kong profits tax for the year (Note 13(a))	359		73		279		-	
Provisional profits tax paid	(55)		(49)		-		-	
	304		24		279		-	
Balance of profits tax provision relating to prior years	109		9		71		(14)	
Overseas taxation	205		114		91		32	
	618		147		441		18	

#### (b) 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 year are as follows:

#### (b) 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)/負債的組成部分及年內之變動如下：

	The Group 集團							
	Depreciation allowances in excess of depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total	
Deferred tax arising from:	超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	可供出售證券重估	稅損	其他	總額	
遞延稅項源自:	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	港幣百萬元
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2010	300	142	23	39	(216)	(302)	(14)	
- As restated	-	-	-	-	-	-	-	
Charged/(credited) to income statement (Note 13(a))	21	-	(158)	-	69	(58)	(126)	
Charged/(credited) to reserves (Notes 38(c) and (h))	-	2	-	(57)	-	-	(55)	
Additions through acquisition of subsidiaries	(1)	-	-	-	(3)	-	(4)	
Exchange and other adjustments	2	1	4	(1)	3	(6)	3	
At 31st December, 2010	322	145	(131)	(19)	(147)	(366)	(196)	

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 33. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

## 財務狀況表內的所得稅(續)

## (b) Deferred tax assets and liabilities recognised (continued)

## (b) 遞延稅項資產及負債確認(續)

		The Group 集團						
Deferred tax arising from:		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total
遞延稅項源自:		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	可供出售證券重估	稅損	其他	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2009	於2009年1月1日							
- As previously reported	- 如前報告	361	257	(49)	(4)	(661)	(14)	(110)
- Adjustment arising from change in accounting policies	- 因會計政策轉變引致的調整	-	(184)	-	-	-	-	(184)
- As restated	- 重報	361	73	(49)	(4)	(661)	(14)	(294)
Charged/(credited) to income statement (Note 13(a)) (as restated)	收益表內支銷/(存入) (附註 13(a))(重報)	(61)	-	(33)	-	447	(61)	292
Charged to reserves (Notes 38(c) and (h)) (as restated)	存入儲備內 (附註 38(c)及(h))(重報)	-	37	-	43	-	-	80
Exchange and other adjustments	匯兌及其他調整	-	32	105	-	(2)	(227)	(92)
At 31st December, 2009 (as restated)	於2009年12月31日 (重報)	300	142	23	39	(216)	(302)	(14)

		The Bank 銀行						
Deferred tax arising from:		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total
遞延稅項源自:		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	可供出售證券重估	稅損	其他	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2010	於2010年1月1日							
- As restated	- 重報	289	89	(126)	44	(110)	(221)	(35)
Charged/(credited) to income statement	收益表內支銷/(存入)	25	-	(50)	-	46	17	38
Charged/(credited) to reserves (Notes 38 (c) and (h))	支銷/(存入)儲備內 (附註 38(c)及(h))	-	2	-	(1)	-	-	1
Exchange and other adjustments	匯兌及其他調整	-	-	(1)	-	3	(4)	(2)
At 31st December, 2010	於2010年12月31日	314	91	(177)	43	(61)	(208)	2

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

		The Bank 銀行						
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total
遞延稅項源自:		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	可供出售證券重估	稅損	其他	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2009	於2009年1月1日							
- As previously reported	- 如前報告	347	257	(44)	(5)	(528)	(2)	25
- Adjustment arising from change in accounting policies	- 因會計政策轉變引致的調整	-	(177)	-	-	-	-	(177)
- As restated	- 重報	347	80	(44)	(5)	(528)	(2)	(152)
Charged/(credited) to income statement (as restated)	收益表內支銷/(存入) (重報)	(58)	-	(83)	-	421	7	287
Credited to reserves (Notes 38 (c) and (h)) (as restated)	存入儲備內 (附註38(c)及(h)) (重報)	-	9	-	49	-	-	58
Exchange and other adjustments	匯兌及其他調整	-	-	1	-	(3)	(226)	(228)
At 31st December, 2009 (as restated)	於2009年12月31日 (重報)	289	89	(126)	44	(110)	(221)	(35)

		The Group 集團				The Bank 銀行			
		2010		2009 Restated 重報		2010		2009 Restated 重報	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Net deferred tax assets recognised on the statement of financial position	確認於財務狀況表的遞延稅項資產淨額	(410)			(322)	(208)			(168)
Net deferred tax liabilities recognised on the statement of financial position	確認於財務狀況表的遞延稅項負債淨額	214			308	210			133
		(196)			(14)	2			(35)

## (c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$712 million (2009: HK\$744 million) as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses were as follows:

## (c) 未確認遞延稅項資產

由於可能未來沒有適用於有關稅務機關及實體的應課稅溢利以彌補有關虧損，本集團並未確認累計稅損港幣712,000,000元(2009年：港幣744,000,000元)為遞延稅項資產。根據現時稅務條例，該等稅損的到期日如下：

		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Expiring within 5 years	於五年內到期	23		34	
Expiring more than 5 years	五年後到期	83		52	
No expiry date	無到期日	606		658	
		712		744	



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 34. OTHER LIABILITIES 其他負債

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(a) Trading liabilities	(a) 交易用途負債				
Shares sold	股份空倉	1	6	1	6
Negative fair value of derivatives (Note 42(b))	衍生工具的負公平價值 (附註42(b))	3,100	1,449	2,431	1,229
		3,101	1,455	2,432	1,235
(b) Other accounts and provisions	(b) 其他賬項及準備				
Accrued interest payable	應計應付利息	2,010	1,089	1,083	595
Acceptance draft payable	應付承兌票據	14,583	7,976	4,051	203
Other accounts	其他賬項	11,968	9,441	3,209	2,750
		28,561	18,506	8,343	3,548

## 35. LOAN CAPITAL 借貸資本

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
USD550 million 5.625% subordinated notes, measured at fair value through profit or loss	按通過損益以反映公平價值列賬的550,000,000美元年息5.625%的後償票據	-	4,281	-	4,281
GBP300 million 6.125% step-up perpetual subordinated notes, measured at fair value through profit or loss	按通過損益以反映公平價值列賬的300,000,000英鎊6.125%無到期日步陞後償票據	3,548	3,431	3,548	3,431
USD600 million floating rate step-up subordinated notes, measured at amortised cost	按攤銷成本列賬的600,000,000美元浮息步陞後償票據	4,660	4,647	4,660	4,647
USD500 million Hybrid Tier 1	500,000,000美元混合一級資本工具	-	-	4,313	3,916
USD600 million subordinated notes, measured at amortised cost	按攤銷成本列賬的600,000,000美元後償票據	4,485	-	4,485	-
		12,693	12,359	17,006	16,275

Loan capital of face value of HK\$3,609 million (GBP300 million) and carrying amount of HK\$3,548 million represents 6.125% step-up perpetual subordinated notes qualifying as tier 2 capital which were issued on 20th March, 2007 by the Bank. The notes are listed on the Singapore Stock Exchange.

票面值港幣3,609,000,000元(300,000,000英鎊)及賬面值港幣3,548,000,000元的借貸資本，是指由本行於2007年3月20日發行年息6.125%，並評定為二級資本的無到期日步陞後償票據。該票據於新加坡交易所上市。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

The carrying amount of financial liabilities designated at fair value through profit or loss for the Group as at 31st December, 2010 was HK\$61 million (2009: HK\$303 million) lower than the contractual amount at maturity and for the Bank was HK\$365 million higher than the contractual amount at maturity (2009: HK\$264 million lower than the contractual amount at maturity). The difference in the accumulated amount of the changes in fair value attributable to changes in credit risk for the Group were HK\$651 million (2009: HK\$618 million) and for the Bank were HK\$966 million (2009: HK\$689 million). The change for the year ended 31st December, 2010 for the Group was HK\$33 million (2009: HK\$1,240 million) and for the Bank was HK\$277 million (2009: HK\$1,169 million).

於2010年12月31日，本集團按通過損益以反映公平價值列賬的金融負債之賬面值比合約到期日的金額下跌港幣61,000,000元(2009年：港幣303,000,000元)，而本行按通過損益以反映公平價值列賬的金融負債之賬面值比合約到期日的金額則上升港幣365,000,000元(2009年：比合約到期日的金額下跌港幣264,000,000元)。在累計公平價值變動的金額中，可歸屬於本集團及本行之信貸風險變動的差額分別為港幣651,000,000元(2009年：港幣618,000,000元)及港幣966,000,000元(2009年：港幣689,000,000元)。在截至2010年12月31日止年度本集團及本行的變動金額分別為港幣33,000,000元(2009年：港幣1,240,000,000元)及港幣277,000,000元(2009年：港幣1,169,000,000元)。

Loan capital of face value of HK\$4,664 million (USD600 million) and carrying amount of HK\$4,660 million represents floating rate step-up subordinated notes qualifying as tier 2 capital which were issued on 21st June, 2007 by the Bank. The notes are listed on the Singapore Stock Exchange and will mature on 22nd June, 2017. The fair value as of 31st December, 2010 was HK\$4,560 million (USD587 million) (2009: HK\$4,211 million) (USD543 million).

票面值港幣4,664,000,000元(600,000,000美元)及賬面值港幣4,660,000,000元的借貸資本，是指由本行於2007年6月21日發行，並評定為二級資本的浮息步陞後償票據。該票據於新加坡交易所上市，並將於2017年6月22日到期。於2010年12月31日的公平價值為港幣4,560,000,000元(587,000,000美元)(2009年：港幣4,211,000,000元)(543,000,000美元)。

Hybrid Tier 1 capital instruments comprising step-up subordinated notes ("Notes") of face value HK\$3,887 million (USD500 million) and carrying amount of HK\$4,313 million and HK\$3,887 million (USD500 million) non-cumulative preference shares ("Innovate Preference Shares") were issued respectively by the Bank and by Innovate Holdings Limited, a wholly owned subsidiary of the Bank, on 5th November, 2009. The Notes bear a fixed interest rate of 8.5% per annum and will mature on 5th November, 2059. The Innovate Preference Shares are perpetual securities on which no dividend is payable. The Notes and the Innovate Preference Shares are listed, and traded together as units, on the Singapore Stock Exchange. The Hybrid Tier 1 capital instruments are qualified as tier 1 capital of the Bank and the Group. In the consolidated accounts, the Notes are eliminated and the Innovate Preference Shares are classified as non-controlling interests.

混合一級資本工具包括分別由本行發行面值港幣3,887,000,000元(500,000,000美元)及賬面值港幣4,313,000,000元之步陞後償票據(「票據」)及由本行一全資附屬公司Innovate Holdings Limited所發行賬面值港幣3,887,000,000元(500,000,000美元)非累積優先股份(「Innovate優先股份」)，發行日期為2009年11月5日。該票據之固定利率為年息8.5%，並將於2059年11月5日到期。Innovate優先股份是毋須支付股息的無到期日證券。該票據及Innovate優先股份是於新加坡交易所上市及以單位組合形式交易。混合一級資本工具已被評定為本行及本集團的一級資本。在綜合賬項中，票據已被抵銷及Innovate優先股份則被分類為少數股東權益。

Loan capital of face value of HK\$4,664 million (USD600 million) and carrying amount of HK\$4,485 million represents 6.125% subordinated notes qualifying as tier 2 capital which were issued on 16th July, 2010 (USD450 million) and on 23rd July, 2010 (USD150 million) by the Bank. The notes are listed on the Singapore Stock Exchange and will mature on 16th July, 2020. Hedge ineffectiveness of HK\$5 million in 2010 was recorded under fair value hedge accounting.

票面值港幣4,664,000,000元(600,000,000美元)及賬面值港幣4,485,000,000元的借貸資本，是指由本行於2010年7月16日發行(450,000,000美元)及於2010年7月23日發行(150,000,000美元)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2010年，因採用公平價值對沖會計法而錄得的無效對沖部份淨額為港幣5,000,000元。

On 22nd July, 2010, the Bank repurchased US\$74.69 million face value of the 5.625% subordinated notes qualifying as tier 2 capital, which was issued on 13th December, 2005 by the Bank ("2015 Notes"). On 14th December, 2010, the Bank redeemed all the remaining 2015 Notes with face value of US\$475.31 million.

於2010年7月22日，本行回購由本行於2005年12月13日發行票面值74,690,000美元年息5.625%，並評定為二級資本的後償票據(「2015年票據」)。於2010年12月14日，本行回購所有餘下票面值475,310,000美元的2015年票據。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 36. EQUITY SETTLED SHARE-BASED TRANSACTIONS 以股份為基礎作支付的交易

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Directors and Chief Executive, of the Group options to subscribe for shares of the Bank. The options may be exercised during the period beginning on the first anniversary of the Date of Grant and ending on the fifth anniversary of the Date of Grant. All options were granted for nil consideration.

本行所採納的僱員認股計劃是本行董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及行政總裁，以認購本行股份。認股權的行使期限為授予日的第1周年開始至授予日的第5周年止。所有認股權均以不計價款形式發出。

## (a) Particulars of share options

Date of grant 發行日期	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	20.86
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	30.04
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	42.84
05/5/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	40.09
05/5/2009	05/5/2009 – 04/5/2010	05/5/2010 – 05/5/2014	21.25
06/7/2010	06/7/2010 – 05/7/2011	06/7/2011 – 06/7/2015	28.49

## (a) 認股權詳情

## (b) The number and weighted average exercise prices of share options are as follows:

## (b) 已行使認股權的數目及加權平均行使價如下：

		2010		2009	
		Weighted average exercise price 加權平均行使價 HK\$ 港幣元	Number of options 認股權數目 Mn 百萬	Weighted average exercise price 加權平均行使價 HK\$ 港幣元	Number of options 認股權數目 Mn 百萬
Outstanding at the beginning of the year	年初結餘	29.55	22	30.53	22
Exercised during the year	年度內行使	21.12	(7)	20.86	(2)
Granted during the year	年度內授予	28.49	6	21.25	6
Lapsed during the year	年度內失效	38.27	–	25.67	(4)
Outstanding at the end of the year	年末結餘	31.81	21	29.55	22
Exercisable at the end of the year	年末可供行使	33.16	15	33.04	16

The weighted average share price at the date of exercise for shares options exercised during the year was HK\$30.19 (2009: HK\$23.60).

年度內於行使認股權當日的加權平均股價為港幣30.19元(2009年：港幣23.60元)。

The options outstanding at 31st December, 2010 had an exercise price from HK\$21.25 to HK\$42.84 (2009: from HK\$20.86 to HK\$42.84) and a weighted average remaining contractual life of 2.82 years (2009: 2.63 years).

於2010年12月31日，尚未行使認股權的行使價由港幣21.25元至港幣42.84元(2009年：由港幣20.86元至港幣42.84元)，及剩餘合約年期之加權平均數為2.82年(2009年：2.63年)。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## (c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

## (c) 認股權的公平價值及假設

獲得服務以換取認股權的公平價值按授予認股權的公平價值計量。授予認股權之估計公平價值按三項式期權定價模式。認股權的合約年期為該定價模式的輸入參數。

		2010	2009
Fair value at measurement date	於計量日的公平價值	HK\$港幣 2.71元	HK\$港幣 9.66元
Share price	股價	HK\$港幣28.25元	HK\$港幣21.25元
Exercise price	行使價	HK\$港幣28.49元	HK\$港幣21.25元
Expected volatility (expressed as weighted average volatility used in the modelling under trinomial lattice model)	預計波幅(以三項式期權定價模式內採用的加權平均波幅)	15.07%	59.96%
Option life	認股權年期	5 years年	5 years年
Expected dividends	預計股息	3.64%	2.35%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(根據外匯基金票據)	1.49%	1.64%

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

預計波幅是根據過往之波幅(以認股權的加權剩餘年期計算)，再調整因公眾知悉的資訊影響未來波幅的預計變動。預計股息按過往的股息。主觀輸入假設的變動可能重大影響公平價值的估計。

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

認股權的授予須符合服務條件。該服務條件並未納入計算於授予日獲得服務的公平價值。授予認股權與市場情況並無關係。

## 37. SHARE CAPITAL 股本

		2010		2009	
		No. of shares 股份數目 million 百萬	Nominal value 面值	No. of shares 股份數目 million 百萬	Nominal value 面值
Authorised:	法定股本:				
Ordinary shares of HK\$2.50 each	普通股每股港幣2.50元	4,000	HK\$港幣10,000,000,000元	2,600	HK\$港幣6,500,000,000元
Substitute preference shares of US\$1,000 each	替代優先股 每股1,000美元	0.5	US\$500,000,000美元	0.5	US\$500,000,000美元
			HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元
Issued and fully paid:	已發行及繳足股本:				
At 1st January	於1月1日	1,849	4,623	1,673	4,183
Shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份	7	17	2	5
Subscription for new shares	發行新股	167	418	-	-
Capitalisation issue	資本化發行	-	-	167	418
Shares issued in lieu of dividends	以股代息發行的股份	19	47	7	17
At 31st December	於12月31日	2,042	5,105	1,849	4,623

Pursuant to the approved Staff Share Option Schemes (the "Schemes"), options to purchase ordinary shares in the Bank were granted to eligible employees. The option price of the Schemes equals the fair value of the underlying shares at the date of grant. The options granted under the Schemes will be exercisable between the first and the fifth anniversaries of the date of grant.

根據已核准的僱員認股權計劃(「計劃」)，認股權授予合格僱員以認購本行的普通股股份。認股權行使價與相關股份於授予日的公平價值相同。根據計劃所授予的認股權可於授予日的第1周年至授予日的第5周年期間內行使。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 37. SHARE CAPITAL (CONTINUED) 股本(續)

## (a) Shares issued under Staff Share Option Scheme

During the year, options were exercised to subscribe for 7 million ordinary shares in the Bank at a consideration of HK\$147 million of which HK\$17 million was credited to share capital and the balance of HK\$130 million was credited to the share premium account (Note 38). HK\$27 million has been transferred from the capital reserve to the share premium account in accordance with policy set out in Note 2(q)(iv).

## (b) Terms of unexpired and unexercised share options at balance sheet date

## (a) 根據僱員認股權計劃發行的股份

年度內，已行使認股權以認購本行普通股7,000,000股之代價為港幣147,000,000元，其中港幣17,000,000元存入股本，餘數港幣130,000,000元存入股份溢價(附註38)。根據附註2(q)(iv)所載，已由資本儲備轉撥港幣27,000,000元往股份溢價內。

## (b) 於結算日尚未期滿及行使的認股權之條款

Date of options granted 認股權授予日期	Option price 認購價	2010	2009
		No. of shares 股份數目	No. of shares 股份數目
03/5/2005	HK\$港幣20.86元	-	4,737,000
03/5/2006	HK\$港幣30.04元	2,420,000	2,695,000
10/5/2007	HK\$港幣42.84元	2,585,000	2,750,000
05/5/2008	HK\$港幣40.09元	5,170,000	5,500,000
05/5/2009	HK\$港幣21.25元	4,480,000	6,600,000
06/7/2010	HK\$港幣28.49元	5,950,000	-
		<b>20,605,000</b>	<b>22,282,000</b>

## 38. RESERVES 儲備

		2010	
		The Group 集團	The Bank 銀行
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(a) Share premium	(a) 股份溢價		
At 1st January	於1月1日	4,526	4,526
Net premium on shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份溢價淨額	130	130
Transfer of the fair value of options from capital reserve – share options issued	撥自資本儲備(已發行認股權)的認股權之公平價值	27	27
Shares issued in lieu of dividends	以股代息發行的股份	(47)	(47)
Subscription of new shares	認購新股	4,695	4,695
As 31st December	於12月31日	<b>9,331</b>	<b>9,331</b>
(b) General reserve	(b) 一般儲備		
At 1st January	於1月1日	14,866	14,552
Transfer from retained profits	撥自留存溢利	30	-
Shares issued in lieu of dividends	以股代息發行的股份	557	557
At 31st December	於12月31日	<b>15,453</b>	<b>15,109</b>



## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		2010	
		The Group 集團	The Bank 銀行
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(c) Revaluation reserve on bank premises	(c) 行址重估儲備		
At 1st January	於1月1日		
– As previously reported	– 如前報告	928	895
– Adjustment arising from changes in accounting policies	– 因會計政策轉變引致的調整	54	54
– As restated	– 重報	982	949
Recognition of deferred tax liabilities (Note 33(b))	確認遞延稅項負債(附註 33(b))	(2)	(2)
Revaluation surplus on bank premises transferred to investment properties	行址轉作投資物業所產生的重估盈餘	40	18
Exchange adjustments	匯兌調整	3	–
At 31st December	於12月31日	1,023	965
(d) Statutory reserves	(d) 法定儲備		
At 1st January	於1月1日	1,501	7
Transfer from retained profits	撥自留存溢利	439	–
Exchange adjustments	匯兌調整	50	–
At 31st December	於12月31日	1,990	7
(e) Capital reserve	(e) 資本儲備		
At 1st January and 31st December	於1月1日及12月31日	86	–
(f) Exchange revaluation reserve	(f) 匯兌重估儲備		
At 1st January	於1月1日	1,169	55
Exchange adjustments	匯兌調整	769	41
At 31st December	於12月31日	1,938	96
(g) Capital reserve – staff share options issued	(g) 資本儲備 – 已發行僱員認股權		
At 1st January	於1月1日	170	170
Transfer of the fair value of options to share premium	認股權公平價值撥入股份溢價	(27)	(27)
Forfeited options transfer to retained profits	已失效的認股權轉入留存溢利	(7)	(7)
Additions	增加	29	29
At 31st December	於12月31日	165	165

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 38. RESERVES (CONTINUED) 儲備(續)

		2010	
		The Group 集團	The Bank 銀行
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(h) Investment revaluation reserve	(h) 投資重估儲備		
At 1st January	於1月1日	286	178
Changes in fair value of securities	證券的公平價值變動	91	89
Reversal upon disposal (Note 12)	於出售時轉回(附註12)	(200)	(127)
Recognition of deferred tax liabilities (Note 33(b))	確認遞延稅項負債(附註33(b))	57	1
Impairment loss and amortisation	減值損失及攤銷	24	-
At 31st December	於12月31日	258	141
(i) Other reserves	(i) 其他儲備		
At 1st January	於1月1日	17	-
Share of changes in equity of associates	應佔聯營公司權益的變動	36	-
At 31st December	於12月31日	53	-
(j) Retained profits	(j) 留存溢利		
At 1st January	於1月1日		
- As previously reported	- 如前報告	6,993	3,186
- Adjustment arising from changes in accounting policies	- 因會計政策轉變引致的調整	158	146
- As restated	- 重報	7,151	3,332
Net profit for the year	年度內溢利	4,224	1,953
Transfer to general reserve	撥入一般儲備	(30)	-
Transfer to statutory reserve	撥入法定儲備	(439)	-
Forfeited options transfer to retained profits	已失效的認股權轉入留存溢利	7	7
Dividends (Note 15)	股息(附註15)		
- Interim dividend	- 中期股息	(772)	(772)
- Final dividend in respect of previous year	- 上年度末期股息	(970)	(970)
- Hybrid Tier 1 USD 500M	- 混合一級資本500,000,000 美元	(330)	-
At 31st December	於12月31日	8,841	3,550
(k) Total reserves	(k) 儲備總額	39,138	29,364

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		2009	
		The Group 集團	The Bank 銀行
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(a) Share premium	(a) 股份溢價		
At 1st January	於1月1日	4,922	4,922
Net premium on shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份溢價淨額	36	36
Transfer of the fair value of options from capital reserve – share options issued	撥自資本儲備(已發行認股權)的認股權之公平價值	3	3
Shares issued in lieu of dividends	以股代息發行的股份	(17)	(17)
Capitalisation issue	資本化發行	(418)	(418)
As 31st December	於12月31日	4,526	4,526
(b) General reserve	(b) 一般儲備		
At 1st January	於1月1日	14,634	14,369
Transfer from retained profits	撥自留存溢利	49	–
Shares issued in lieu of dividends	以股代息發行的股份	177	177
Realised surplus on disposals transferred from property revaluation reserve	撥自物業重估儲備的已實現出售物業盈餘	6	6
At 31st December	於12月31日	14,866	14,552
(c) Revaluation reserve on bank premises	(c) 行址重估儲備		
At 1st January	於1月1日		
– As previously reported	– 如前報告	863	899
– Adjustment due to changes in accounting policies	– 因會計政策轉變引致的調整	65	65
– As restated	– 重報	928	964
Recognition of net deferred tax liabilities (Note 33(b)) (as restated)	確認遞延稅項負債淨額(附註33(b))(重報)	(37)	(9)
Revaluation surplus on bank premises transferred to investment properties	行址轉作投資物業所產生的重估盈餘	97	–
Realised surplus on disposals transferred to general reserve	已實現出售物業盈餘撥入一般儲備	(6)	(6)
At 31st December	於12月31日	982	949
(d) Statutory reserves	(d) 法定儲備		
At 1st January	於1月1日	1,216	–
Transfer from retained profits	撥自留存溢利	285	7
At 31st December	於12月31日	1,501	7

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 38. RESERVES (CONTINUED) 儲備(續)

		2009	
		The Group 集團	The Bank 銀行
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(e) Capital reserve	(e) 資本儲備		
At 1st January and 31st December	於1月1日及12月31日	86	–
(f) Exchange revaluation reserve	(f) 匯兌重估儲備		
At 1st January	於1月1日	1,006	48
Exchange adjustments	匯兌調整	163	7
At 31st December	於12月31日	1,169	55
(g) Capital reserve – staff share options issued	(g) 資本儲備—已發行僱員認股權		
At 1st January	於1月1日	125	125
Transfer of the fair value of options to share premium	認股權公平價值撥入股份溢價	(3)	(3)
Forfeited options transfer to retained profits	已失效的認股權轉入留存溢利	(23)	(23)
Additions	增加	71	71
At 31st December	於12月31日	170	170
(h) Investment revaluation reserve	(h) 投資重估儲備		
At 1st January	於1月1日	(228)	(45)
Changes in fair value of securities	證券的公平價值變動	575	267
Reversal upon disposal (Note 12)	於出售時轉回(附註12)	(29)	5
Recognition of deferred tax liabilities (Note 33(b))	確認遞延稅項負債(附註33(b))	(43)	(49)
Impairment loss and amortisation	減值損失及攤銷	11	–
At 31st December	於12月31日	286	178
(i) Other reserves	(i) 其他儲備		
At 1st January	於1月1日	–	–
Share of changes in equity of associates	應佔聯營公司權益的變動	17	–
At 31st December	於12月31日	17	–

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		2009	
		The Group 集團	The Bank 銀行
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(j) Retained profits	(j) 留存溢利		
At 1st January	於1月1日		
– As previously reported	– 如前報告	5,339	2,724
– Adjustment arising from changes in accounting policies	– 因會計政策轉變引致的調整	119	112
– As restated	– 重報	5,458	2,836
Net profit for the year	年度內溢利		
– As previously reported	– 如前報告	2,565	995
– Adjustment arising from changes in accounting policies	– 因會計政策轉變引致的調整	39	34
– As restated	– 重報	2,604	1,029
Transfer to general reserve	撥入一般儲備	(49)	–
Transfer to statutory reserve	撥入法定儲備	(285)	(7)
Forfeited options transfer to retained profits	已失效的認股權轉入留存溢利	23	23
Dividends (Note 15)	股息(附註15)		
– Interim dividend	– 中期股息	(516)	(516)
– Final dividend in respect of previous year	– 上年度末期股息	(33)	(33)
– Hybrid Tier 1 USD 500M	– 混合一級資本500,000,000美元	(51)	–
At 31st December	於12月31日	7,151	3,332
(k) Total reserves	(k) 儲備總額	30,754	23,769

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

股份溢價賬目的運用是受香港《公司條例》第48B條所規管。

General reserve was set up from the transfer of retained earnings, the realized revaluation surplus on disposal of properties and the value of shares issued in lieu of dividend.

一般儲備的建立，包括來自留存溢利、出售物業時的已實現重估盈餘及以股代息發行的股份價值。

Revaluation reserve on bank premises and exchange revaluation reserve have been set up and are dealt with in accordance with the accounting policies adopted for the revaluation of bank premises and foreign currency translation.

行址及匯兌重估儲備的建立及處理是根據重估行址和外幣折算所採用的會計政策。

Statutory reserves are set up to supplement the paid-up capital until the sum of paid-up capital and the statutory reserves is equal to the registered capital for a branch, subsidiary and certain associates.

法定儲備是用作支持實收股本直至實收股本及法定儲備的總額與一家分行、一家附屬公司及若干聯營公司的註冊股本相同。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 38. RESERVES (CONTINUED) 儲備(續)

Capital reserve represents the capitalisation of subsidiaries' reserves.

Capital reserve – staff share options issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in Note 2(q)(iv).

Investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities held until the securities are derecognised and is dealt with in accordance with the accounting policies in Notes 2(f) and (k).

Other reserve represents share of changes in equity of associates of investment revaluation reserve and revaluation reserve of bank premises.

A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the Hong Kong Monetary Authority. As at 31st December, 2010, HK\$2,306 million (2009: HK\$1,857 million) was included in the retained profits in this respect which was distributable to equity holders of the Group subject to consultation with the Hong Kong Monetary Authority.

At 31st December, 2010, the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$15,536 million (2009 (restated): HK\$15,689 million). After the balance sheet date the directors proposed a final dividend of HK\$0.56 per ordinary share (2009: HK\$0.48 per share), amounting to HK\$1,144 million (2009: HK\$968 million). The dividend has not been recognised as a liability at the balance sheet date.

資本儲備指附屬公司儲備的資本化發行。

資本儲備(已發行僱員認股權)包括根據已採納有關附註2(q)(iv)所載以股份為基礎作支付的會計政策確認授予本行僱員之實際或估計未行使認股權數目的公平價值。

投資重估儲備包括持有可供出售證券直至證券被終止確認的累計公平價值變動淨額，有關處理的會計政策已詳載於附註2(f)和(k)。

其他儲備包括應佔聯營公司權益之投資重估儲備及重估行址儲備的變動。

為符合香港《銀行條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款減值損失金額。經諮詢香港金融管理局後，儲備的變動已直接在留存溢利內劃定。於2010年12月31日，留存溢利中包括與此有關屬可派發予本集團股東港幣2,306,000,000元(2009年：港幣1,857,000,000元)，但派發前須諮詢香港金融管理局。

於2010年12月31日，可派發予本行股東的儲備總額為港幣15,536,000,000元(2009年(重報)：港幣15,689,000,000元)。在結算日後董事擬派末期息每股普通股港幣0.56元(2009年：港幣0.48元)，總額達港幣1,144,000,000元(2009年：港幣968,000,000元)。於結算日並未確認該股息為負債。

## 39. NON-CONTROLLING INTERESTS 非控股權益

		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
At 1st January	於1月1日		<b>4,358</b>		339
– sale of interests in businesses to non-controlling interests investors	– 出售商業權益予非控股投資者		<b>4</b>		132
– purchase of interests in businesses from non-controlling interests investors	– 向非控股投資者購入商業權益		–		(10)
– Hybrid Tier 1 note issue	– 發行混合一級資本工具		–		3,877
– final dividend in respect of previous year	– 屬上年度末期股息		<b>(56)</b>		(55)
– exchange adjustments	– 匯兌調整		<b>15</b>		2
Profit for the year	年度內溢利		<b>79</b>		73
At 31st December	於12月31日		<b>4,400</b>		4,358

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### 40. FINANCIAL RISK MANAGEMENT 財務風險管理

This section presents information on the Group's management of principal risks.

The Group has in place a risk management system to identify, measure, monitor and control the various types of risk that the Group faces and, where appropriate, to set strategy and allocate capital against those risks. The risk management policies covering credit risk, market risk, operational risk, liquidity risk, interest rate risk, strategic risk, legal risk and reputation risk of the Group are reviewed regularly by the Management and specialised risk management committees, and recommendations are made by the Risk Management Committee, which comprises the Group's Chairman and Chief Executive, Senior Advisors, Deputy Chief Executives and the Group Chief Risk Officer, for the approval of the Board of Directors. There is an independent centralised risk management unit, Risk Management Division, responsible for monitoring the activities relating to these principal risks. The internal auditors also perform regular audits on business units to check compliance with policies and procedures.

##### (a) Credit risk management

Credit risk arises from the possibility that a customer or counterparty in a transaction may default. Such risk may arise from counterparty risks from loan and advances, issuer risks from the securities business and counterparty risks from trading activities.

The Board of Directors has delegated authority to the Credit Committee to oversee management of the Group's credit risk, independent of the business units. The Credit Committee reports to the Board of Directors via the Risk Management Committee, which deals with all risk management related issues of the Group. Credit risk control limits are set at different levels and dimensions. The Board of Directors approves the core control limits and delegates the Credit Committee to approve the detailed control limits. Risk, return and market situations are considered in the limits setting. Active limit monitoring process is undertaken.

The Credit Committee is responsible for all credit risk related issues of the Group. The Group identifies and manages credit risk through defining target market segment, formulation of credit policies, credit approval process and monitoring of asset quality.

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

The Group has established policies, procedures and rating systems to identify, measure, monitor and control credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Manual. These guidelines stipulate delegated lending authorities, credit extension criteria, credit monitoring process, internal rating structure, credit recovery and provisioning policy. They are reviewed and enhanced on an on-going basis to cater for the market change, statutory requirement and best practice risk management processes. Credit Risk Management Department under Risk Management Division of the Group is responsible for monitoring activities relating to credit risk.

本部分載述有關本集團財務風險管理的資料。

本集團已建立一套完善的風險管理制度，以識別、衡量、監察及控制本集團所承受的各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團就信貸風險、市場風險、營運風險、流動資金風險、利率風險、策略風險、法律風險和信譽風險制定的管理政策，均由管理層和有關專責委員會定期檢討，並由風險管理委員會提出建議，最後經董事會批核。該委員會由本集團主席兼行政總裁、高級顧問、副行政總裁和集團風險總監組成。本集團設有一個獨立的中央風險管理單位(風險管理處)，專責處理與主要風險有關的活動。內部稽核員亦會對業務部門定期進行稽核，以確保該等政策及程序得以遵從。

##### (a) 信貸風險管理

信貸風險源於客戶或交易對手未能履行其承擔，可來自本集團貸款中的交易對手風險、證券業務的發行商風險和交易活動的交易對手風險。

為監察本集團的信貸風險管理，董事會已授權信貸委員會執行此職能；而信貸風險管理乃獨立於所有業務部門。信貸委員會經風險管理委員會向董事會匯報。風險管理委員會負責處理本集團所有與風險管理相關的事項。信貸風險控制限額設有不同層次和範疇。董事會審批核心控制限額，並授權信貸委員會審批具體控制限額。釐定限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

信貸委員會負責處理所有與本集團信貸風險有關的事務。本集團識別和管理信貸風險的方法，包括設定目標市場分部、制定信貸政策和信貸審批程序，以及監控資產素質。

本集團在評估與個別客戶或交易對手相關的信貸風險時，雖然可藉客戶或交易對手的抵押品減低信貸風險，然而他們的財政實力以及還款能力才是本集團的主要考慮因素。

本集團已制訂多項政策及程序，以辨別、衡量、監察及控制本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變、有關法定要求及最佳作業風險管理程序。本集團之風險管理處轄下的信貸風險管理部，負責監察與信貸風險有關的活動。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理 (續)

## (a) Credit risk management (continued)

The Group's credit risk management for the major types of credit risk is depicted as follows:

## (i) Corporate and bank credit risk

The Group has laid down policies and procedures to evaluate the potential credit risk of a particular counterparty or transaction and to approve the transaction. For corporate and bank customers, the Group has different internal rating systems that are applied to each counterparty. For exposure classified as Specialized Lending in particular, supervisory slotting criteria are used. To monitor concentration risk, the Group has preset limits for exposures to individual industries and for borrowers and groups of borrowers. The Group also has a review process to ensure that the level of review and approval is proper and will depend on the size of the facility and rating of the credit.

The Group undertakes on-going credit analysis and monitoring at several levels. The policies are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The overall portfolio risk as well as individual impaired loans and potential impaired loans are being monitored on a regular basis.

## (ii) Retail credit risk

The Group's retail credit policy and approval process are designed for the fact that there are high volumes of relatively homogeneous and small value transactions in each retail loan category. The design of internal rating system and formulation of credit policies are primarily based on the demographic factors and the loss experience of the loan portfolios. The Group monitors its own and industry experience to determine and periodically revise product terms and desired customer profiles.

## (iii) Credit for treasury transactions

The credit risk of the Group's treasury transactions is managed in the same way as the Group manages its corporate lending risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

## (iv) Credit-related commitment

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

## (a) 信貸風險管理(續)

本集團就下列各類主要信貸風險實行信貸風險管理：

## (i) 企業及銀行信貸風險

本集團已制訂多項政策及程序，以評估特定交易對手或交易的潛在信貸風險，以及決定批核有關交易與否。就企業及銀行客戶而言，本集團已制定適用於所有交易對手的內部評級系統。監管分類準則尤其適用於歸類為專門性借貸的風險承擔。為監控信貸集中的潛在風險。本集團已就個別行業及不同的借款人和借款人團體預設風險承擔限額。本集團亦已釐定檢討程序，確保按照貸款的規模和信貸評級，為貸款進行適當的檢討和審批。

本集團持續進行多個層次的信貸分析和監控。有關政策乃旨在盡早發現需要特別監控的交易對手、行業或產品的風險承擔。交易組合的整體風險和個別減值貸款及潛在減值貸款，均定期予以監控。

## (ii) 零售信貸風險

本集團的零售信貸政策和審批程序是因應各類零售貸款中均有大量類似的小額交易而制定的。在設計內部評級系統和制訂信貸政策時，本集團的主要考慮因素包括人口結構因素和有關貸款組合過往的損失。本集團監控本身和行業狀況以釐定和定期修訂產品條款和目標客戶組合。

## (iii) 財資交易的信貸風險

本集團採用企業信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

## (iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請，組合保存和抵押要求。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## (v) Concentrations of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's portfolio of financial instruments is diversified along geographic, industry and product sectors.

The Group monitors its concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

## (vi) Maximum exposure

The maximum exposure to credit risk at the balance sheet date without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial assets in the statement of financial position after deducting any impairment allowance. A summary of the maximum exposure is as follows:

## (v) 信貸集中的風險

信貸集中的風險源於交易對手團體受到地緣、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的財務工具分散覆蓋不同地區、行業和產品。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

## (vi) 最高風險

於結算日並未計算任何抵押品或其他信貸提升的最高信貸風險，即指每一項已減除任何減值準備的金融資產在財務狀況表的賬面值。最高風險摘要如下：

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks, central banks and other financial institutions	現金及在銀行、中央銀行和其他金融機構的結存	47,080	28,611	17,109	11,821
Placements with banks, central banks and other financial institutions	在銀行、中央銀行和其他金融機構的存款	58,197	67,945	39,974	61,894
Trade bills	貿易票據	18,548	1,847	4,166	861
Trading assets	交易用途資產	4,149	4,092	2,501	1,749
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	15,989	10,043	15,989	10,035
Loans and advances to customers	客戶貸款	295,943	246,309	184,333	142,197
Available-for-sale financial assets	可供出售金融資產	38,167	28,996	19,960	17,949
Held-to-maturity investments	持至到期投資	5,714	7,239	3,766	4,802
Other assets	其他資產	23,166	14,369	5,891	5,491
Financial guarantees and other credit related contingent liabilities	財務擔保及其他與信貸有關的或然負債	12,131	9,965	7,829	7,616
Loan commitments and other credit related commitments	貸款承擔及其他與信貸有關的承擔	105,747	77,273	62,590	59,169
		<b>624,831</b>	<b>496,689</b>	<b>364,108</b>	<b>323,584</b>

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (a) Credit risk management (continued)

## (vii) Credit quality of loans and advances

Loans and advances to banks are only made to banks with good credit standing. At 31st December, 2010 and 2009, no loans and advances to bank are impaired. The credit quality of loans and advances to customers can be analysed as follows:

## (a) 信貸風險管理(續)

## (vii) 貸款及墊款的信貸質素

銀行貸款及墊款只提供予信貸信譽優良之銀行。於2010年及2009年12月31日，均沒有減值銀行貸款及墊款。客戶貸款及墊款的信貸質素分析如下：

	The Group 集團				The Bank 銀行			
	2010		2009		2010		2009	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross loans and advances to customers								
– neither past due nor impaired	295,383		245,149		183,877		141,219	
– past due but not impaired	69		57		68		44	
– impaired	1,592		2,448		1,268		2,111	
	297,044		247,654		185,213		143,374	

Of which:

其中：

	The Group 集團				The Bank 銀行			
	2010		2009		2010		2009	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross loans and advances to customers that are neither past due nor impaired								
– Pass	293,456		242,617		182,251		139,187	
– Special mention	1,927		2,532		1,626		2,032	
	295,383		245,149		183,877		141,219	

The Group classifies the loans and advances in accordance with the loan classification system required to be adopted for reporting to the HKMA.

本集團根據用作匯報予香港金融管理局的貸款分類系統以分類貸款。

The ageing analysis of loans and advances to customers that are past due but not impaired is as follows:

已逾期但未有減值之客戶貸款及墊款的年期分析如下：

	The Group 集團				The Bank 銀行			
	2010		2009		2010		2009	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross loans and advances to customers that are past due but not impaired								
– Overdue 3 months or less	69		57		68		44	

Loans and advances that would be past due or impaired had the terms not been renegotiated amounted to HK\$443 million as at 31st December, 2010 (2009: HK\$489 million).

於2010年12月31日，假如並未重訂條款而可能變作逾期或減值貸款及墊款的金額為港幣443,000,000元(2009年：港幣489,000,000元)。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## (viii) Credit quality of financial assets other than loans and advances

Credit risk of treasury transactions is managed in the same way as the Group manages its corporate lending risk and risk gradings are applied to the counterparties with individual counterparty limits set.

At the balance sheet date, the credit quality of investment in debt securities analysed by designation of external credit assessment institution, Moody's Investor Services, or equivalent, is as follow:

## (viii) 非貸款及墊款金融資產的信貸質素

資金交易的信貸風險管理方法，與本集團管理其企業借貸的方法一致及風險級別是適用於設有個別對手限額的對手。

於結算日，按照外部信貸評級機構，穆迪投資服務，或相同等級的評級機構，所指定之債務證券投資的信貸質素分析如下：

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Aaa	Aaa	6,277	7,362	5,991	7,005
Aa1 to Aa3	Aa1 至 Aa3	20,519	16,655	19,426	14,944
A1 to A3	A1 至 A3	10,664	8,413	9,180	6,966
Lower than A3	A3 以下	4,761	2,122	2,776	1,462
		42,221	34,552	37,373	30,377
Unrated	無評級	20,099	14,954	3,676	3,413
Total	總額	62,320	49,506	41,049	33,790

## (ix) Collateral and other credit enhancements

The Group holds collateral against loans and advances to customers in the forms of mortgages over property, other registered securities over assets, cash deposits and guarantees. Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collaterals held as security for financial assets other than loans and advances is determined by the nature of the instrument.

Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-based securities and similar instruments, which are secured by pools of financial assets. The Group entered into the ISDA Master Agreement which contractually binds participating parties to apply close-out netting arrangement across outstanding derivatives.

The lower of gross loan amount and the estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

## (ix) 抵押品及其他信用提升

本集團持有以物業按揭形式、其他登記抵押資產、現金存款及擔保，以用作貸款及墊款的抵押品。除持有用作反向回購及證券借貸活動的抵押品外，銀行貸款一般不需要抵押品。持有用作非貸款金融資產的抵押品，是按照工具之性質決定。

除以一籃子金融資產作抵押的資產融資證券及相同工具外，債務證券、庫券及其他認可票據一般俱屬無抵押的。本集團簽訂ISDA的主合約，可合法地約束參與者以淨額結算安排一律應用於未履行之衍生交易。

貸款總額及持有作抵押金融資產之抵押品及其他信用提升的估計公平價值兩者之較低者如下：

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Fair value of collateral and other credit enhancements held against financial assets that are:	持有作抵押金融資產之抵押品及其他信用提升的公平價值如下：				
- neither past due nor impaired	- 無逾期及減值	221,122	192,357	130,213	106,004
- past due but not impaired	- 有逾期但未有減值	60	57	59	42
		221,182	192,414	130,272	106,046

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理 (續)

## (b) Market risk management

Market risk arises from all market risk sensitive financial instruments, including debt securities, foreign exchange contracts, equity and derivative instruments, as well as from statement of financial position or structural positions. The objective of market risk management is to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board of Directors reviews and approves policies for the management of market risks. The Board has delegated the responsibility for ongoing market risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

The Asset and Liability Management Committee deals with all market risk and liquidity risk related issues of the Group. It is also responsible for deciding the future business strategy with respect to interest rates based on internal forecast.

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

In this connection, the key types of risk to manage are:

## (i) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed within limits approved by the Board.

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

## (b) 市場風險管理

市場風險源自所有對市場風險敏感的財務工具，包括債務證券、外匯合約、股份和衍生工具，以及財務狀況表或結構性持倉。市場風險管理旨在減少本集團因財務工具內在的波動性而承受的風險。

董事會檢討和審批市場風險的管理政策，並已授權資產負債管理委員會負責持續進行一般的市場風險管理。資產負債管理委員會經風險管理委員會向董事會匯報。

資產負債管理委員會負責處理本集團一切與市場風險和流動資金風險相關的事項，亦負責根據內部估計之利率走勢而釐定未來業務策略。

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的部分程序。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場外交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，需要管理的主要風險類別如下：

## (i) 貨幣風險

本集團的外匯風險源自外匯買賣、商業銀行業務和結構性外匯風險。所有外幣持倉均維持在董事會所訂定的限額內。

本集團於分行、附屬公司和聯營公司的外匯投資，其有關的溢利及虧損因為已撥入儲備，所以未計算在風險數額內。管理此等外幣投資的主要目的，是保障本集團的儲備免受匯率波動的影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

The following table indicates the concentration of currency risk at the balance sheet date:

下表顯示於結算日貨幣風險集中的情況：

#### The Group

#### 集團

		2010				2009			
		USD 美元 HK\$ Mn 港幣百萬元	CNY 人民幣 HK\$ Mn 港幣百萬元	Other foreign currencies 其他外幣 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元	USD 美元 HK\$ Mn 港幣百萬元	CNY 人民幣 HK\$ Mn 港幣百萬元	Other foreign currencies 其他外幣 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	2,258	40,961	1,871	45,090	2,241	17,427	1,453	21,121
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	8,656	11,428	17,786	37,870	14,832	4,169	24,609	43,610
Trade bills	貿易票據	5,802	12,695	37	18,534	1,782	8	44	1,834
Trading assets	交易用途資產	1,191	1,615	301	3,107	836	2,327	312	3,475
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融資產	11,645	-	1,722	13,367	6,709	-	908	7,617
Advances to customers and other accounts	客戶貸款及其他賬項	54,274	104,025	19,061	177,360	44,193	83,346	19,252	146,791
Available-for-sale financial assets	可供出售金融資產	7,318	16,625	6,671	30,614	7,324	9,650	5,233	22,207
Held-to-maturity investments	持至到期投資	2,488	12	1,472	3,972	3,088	-	2,106	5,194
Investment in associates	聯營公司投資	430	-	51	481	360	-	-	360
Fixed assets	固定資產	173	5,264	958	6,395	190	4,805	879	5,874
Goodwill and intangible assets	商譽及無形資產	238	35	454	727	239	20	404	663
Deferred tax assets	遞延稅項資產	333	20	40	393	230	-	80	310
Spot assets	現貨資產	94,806	192,680	50,424	337,910	82,024	121,752	55,280	259,056
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	(5,974)	(1,539)	(2,038)	(9,551)	(4,715)	(4,582)	(1,949)	(11,246)
Deposits from customers	客戶存款	(58,631)	(149,720)	(47,413)	(255,764)	(60,630)	(97,918)	(48,141)	(206,689)
Trading liabilities	交易用途負債	(1,600)	(508)	(69)	(2,177)	(1,042)	(26)	(59)	(1,127)
Certificates of deposit issued	已發行存款證	(2,772)	-	-	(2,772)	(1,639)	-	-	(1,639)
Current taxation	本期稅項	(30)	(102)	(83)	(215)	13	(58)	(70)	(115)
Debt securities issued	已發行債務證券	-	(4,709)	(241)	(4,950)	-	(4,346)	-	(4,346)
Deferred tax liabilities	遞延稅項負債	(4)	-	(2)	(6)	(4)	(82)	(42)	(128)
Other accounts and provisions	其他賬項及準備	(6,056)	(15,874)	(86)	(22,016)	(2,716)	(9,333)	(1,394)	(13,443)
Loan capital	借貸資本	(9,145)	-	(3,548)	(12,693)	(8,928)	-	(3,431)	(12,359)
Spot liabilities	現貨負債	(84,212)	(172,452)	(53,480)	(310,144)	(79,661)	(116,345)	(55,086)	(251,092)
Forward purchases	遠期買入	136,496	94,932	12,559	243,987	59,917	27,419	11,016	98,352
Forward sales	遠期賣出	(156,605)	(96,540)	(8,196)	(261,341)	(57,946)	(27,850)	(8,726)	(94,522)
Net option position	期權倉淨額	154	-	(10)	144	(45)	-	34	(11)
Net long/short non-structural position	非結構性長/(短)倉淨額	(9,361)	18,620	1,297	10,556	4,289	4,976	2,518	11,783
Net structural position	結構性持倉淨額	2,467	6,855	727	10,049	2,432	6,605	1,012	10,049

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (b) Market risk management (continued)

## (i) Currency risk (continued)

## The Bank

## (b) 市場風險管理(續)

## (i) 貨幣風險(續)

## 銀行

		2010				2009			
		USD	CNY	Other foreign currencies	Total	USD	CNY	Other foreign currencies	Total
		美元	人民幣	其他外幣	總額	美元	人民幣	其他外幣	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	1,145	12,310	1,501	14,956	1,220	1,946	1,055	4,221
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	3,532	-	17,320	20,852	13,504	-	24,506	38,010
Trade bills	貿易票據	4,017	120	15	4,152	838	-	10	848
Trading assets	交易用途資產	1,155	1	301	1,457	819	1	311	1,131
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融資產	11,645	-	1,722	13,367	6,701	-	908	7,609
Advances to customers and other accounts	客戶貸款及其他賬項	31,869	150	18,989	51,008	19,052	21	15,385	34,458
Available-for-sale financial assets	可供出售金融資產	4,939	1,363	6,326	12,628	5,638	135	4,991	10,764
Amounts due from subsidiaries	附屬公司欠款	22,327	4,028	171	26,526	7,525	730	695	8,950
Held-to-maturity investments	持至到期投資	1,334	-	1,473	2,807	1,788	-	1,985	3,773
Investment in subsidiaries and associates	附屬公司和聯營公司的投資	2,067	-	60	2,127	2,075	-	361	2,436
Fixed assets	固定資產	5	-	867	872	7	-	807	814
Deferred tax assets	遞延稅項資產	168	-	40	208	91	-	77	168
Spot assets	現貨資產	84,203	17,972	48,785	150,960	59,258	2,833	51,091	113,182
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	(1,113)	-	(1,731)	(2,844)	(1,227)	-	(1,654)	(2,881)
Deposits from customers	客戶存款	(42,395)	(14,073)	(46,708)	(103,176)	(42,215)	(2,614)	(45,959)	(90,788)
Trading liabilities	交易用途負債	(1,438)	-	(69)	(1,507)	(861)	-	(46)	(907)
Certificates of deposit issued	已發行存款證	(2,772)	-	-	(2,772)	(1,639)	-	-	(1,639)
Amounts due to subsidiaries	欠附屬公司款項	(352)	-	(9)	(361)	(543)	-	(26)	(569)
Current taxation	本期稅項	(54)	-	(37)	(91)	2	-	(35)	(33)
Debt securities issued	已發行債務證券	-	-	(241)	(241)	-	-	-	-
Deferred tax liabilities	遞延稅項負債	-	-	(2)	(2)	-	-	-	-
Other accounts and provisions	其他賬項及準備	(2,368)	(3,829)	-	(6,197)	(455)	(6)	(1,248)	(1,709)
Loan capital	借貸資本	(13,458)	-	(3,548)	(17,006)	(12,844)	-	(3,431)	(16,275)
Spot liabilities	現貨負債	(63,950)	(17,902)	(52,345)	(134,197)	(59,782)	(2,620)	(52,399)	(114,801)
Forward purchases	遠期買入	115,481	21,397	11,815	148,693	72,537	161	10,725	83,423
Forward sales	遠期賣出	(136,323)	(22,691)	(7,743)	(166,757)	(71,256)	(153)	(8,429)	(79,838)
Net option position	期權倉淨額	154	-	(10)	144	(45)	-	34	(11)
Net long(short) non-structural position	非結構性長/(短)盤淨額	(435)	(1,224)	502	(1,157)	712	221	1,022	1,955
Net structural position	結構性持倉淨額	2,467	6,855	727	10,049	2,432	6,605	1,012	10,049

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## (ii) Interest rate risk

The Group's interest rate positions arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and non-trading portfolios. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also relates to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is managed daily by the Treasury Markets Division within the limits approved by the Board of Directors. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

## (iii) Equity risk

The Group's equity positions arise from equity investment and dynamic hedging of equity options in connection with the Bank's linked deposit business. Equity risk is managed daily by the Investment Department within the limits approved by the Board of Directors.

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

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

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

The Group estimates VaR for the Group's trading portfolio by the Parametric Approach, where the VaR is derived from the underlying variances and covariances of the constituents of a portfolio. This methodology uses historical movements in market rates and prices, a 99% confidence level, a one-day holding period, a one-year historical observation period with higher weights being assigned to more recent observations, and takes into account correlations between different markets and rates.

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

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

## (ii) 利率風險

本集團的利率持倉來自財資及商業銀行業務。交易組合和非交易組合均會產生利率風險。利率風險主要是由帶息資產、負債及承擔在再定息時的時差所致，亦與無息負債持倉有關，其中包括股東資金和往來賬戶及若干定息貸款和負債。利率風險由資金市場處按董事會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

## (iii) 股份風險

本集團的股份持倉來自股份投資及銀行掛鈎存款業務相關的動態對沖股份期權。股份風險由投資部按董事會批准的限額範圍進行日常管理。

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審批核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團承擔市場風險的活動，確保整體及個別市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

本集團通過參數法評估本集團交易組合的風險值，其中，風險值乃透過組成份的有關方差及協方差計算得出。該方法是依據過往市場息率與價格的波動、99%置信水平、1日持倉期以及對較近期觀察給予較高權重的1年過往觀察期，並計入不同市場及息率的相關程度來推算。

由分行及附屬公司的淨投資產生的結構性外匯持倉不會包括在計算外匯交易持倉的風險值。

除上市股份外，私人股份基金及非上市股份（不包括與信貸有關之非上市證券）（統稱「非上市證券」）均由集團管理層按限額控制。非上市證券及非交易上市股份是根據特定限額管理及並不包括在交易股份持倉的風險數額內。董事會須定期檢討該限額。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (b) Market risk management (continued)

## Value-at-risk statistics

		2010			
		At 31st December	Maximum	Minimum	Mean
		於12月31日	最高	最低	平均
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	37	52	33	42
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	4	8	2	4
VaR for interest rate trading positions	利率交易持倉的風險數額	7	9	2	4
VaR for equity trading positions	股份交易持倉的風險數額	30	45	24	35

## (b) 市場風險管理(續)

## 風險數額統計

		2009			
		At 31st December	Maximum	Minimum	Mean
		於12月31日	最高	最低	平均
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	45	76	43	59
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	7	21	5	11
VaR for interest rate trading positions	利率交易持倉的風險數額	3	4	1	3
VaR for equity trading positions	股份交易持倉的風險數額	37	61	35	46

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

\* 包括所有外匯持倉但不包括結構性外匯持倉。

## (c) Operational risk management

Operational risk is the risk arising from the potential loss due to inadequate or failed internal processes, people and systems or from external events.

The objective of operational risk management is to identify, assess and monitor operational risk and, in particular, to comply with the relevant regulatory requirements.

The Group has implemented a centralized risk management framework since January 2006. The Board of Directors reviews and approves the policies for operational risk management, and it has delegated the responsibility for ongoing operational risk management to the Operational Risk Management Committee. The Operational Risk Management Committee regularly reports status of operational risk management to the Board of Directors via the Risk Management Committee. Operational Risk Management Department under Risk Management Division of the Group is responsible for monitoring activities relating to operational risk.

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

Furthermore, Operational Risk Management Department under Risk Management Division of the Group has also performed self-assessment on the Group's compliance with the requirements of HKMA Supervisory Policy Manual on Operational Risk Management, with satisfactory result which had been reviewed independently by the Internal Audit Department.

## (c) 營運風險管理

營運風險指由於內部流程、人手及系統不足或不成熟或因外部事件而導致的潛在損失所引致的風險。

營運風險管理的目標在於辨別、評估及監控營運風險，尤其是要遵守相關監管規定。

本集團自2006年1月起實施統一的風險管理制度。董事會審閱並批准營運風險管理政策，並已授權營運風險管理委員會，負責持續管理營運風險。營運風險管理委員會透過風險管理委員會定期向董事會匯報營運風險管理的情況。本集團之風險管理處轄下的營運風險管理部，負責監控與營運風險有關的活動。

本集團所採用的營運風險管理工具包括營運風險事件報告、自我評估監控、主要風險指標、營運手冊、保險政策及業務持續規劃等等。

此外，本集團之風險管理處轄下的營運風險管理部亦就本集團是否符合香港金管局監管政策手冊關於業務操作風險管理的規定進行自我評估，並經內部稽核部獨立審閱後得出滿意的結果。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

**(d) Liquidity risk management**

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

The management of the Bank's liquidity risk is governed by the Liquidity Risk Management Policy, endorsed by the Risk Management Committee and approved by the Board of Directors. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Bank's liquidity risk management, set the strategy and policy for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Liquidity risk is daily managed by the Treasury Markets Division within the limits approved by the Board of Directors. Asset and Liability Management Department under Risk Management Division of the Group is responsible for monitoring the activities of the Treasury Markets Division in compliance with the Liquidity Risk Management Manual and Policy. The Internal Audit Department performs periodic review to make sure the liquidity risk management functions are effectively carried out.

The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudent limits. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business.

The Group conducts stress testing regularly to analyse liquidity risk and has formulated a contingency plan that sets out a strategy for dealing with a liquidity problem and the procedures for making up cash flow deficits in emergency situations.

In addition to observing the statutory liquidity ratio, the Bank also monitors the loan to deposit ratio and maturity mismatch between assets and liabilities to control the Bank's liquidity risk.

**(d) 流動資金風險管理**

流動資金風險管理是為了確保本集團維持充足的現金以配合所有財務承擔，並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足客戶的提款要求；本集團在借款期滿時能夠還款；本集團符合法定的流動資金比率，以及掌握貸款和投資的機會。

本行的流動資金風險管理受風險管理委員會認可並經董事會核准的流動資金風險管理政策監管。資產負債管理委員會獲董事會授權，負責監察本行的流動資金風險管理，並制訂管理流動資金風險的策略與政策以及確保執行有關策略與政策的措施。流動資金風險由資金市場處每日按董事會批核的限額範圍進行管理。本集團之風險管理處轄下的資產負債管理部，負責監控資金市場處的活動是否遵從流動資金風險管理手冊及政策。內部稽核部會定期作出檢討，確保流動資金風險管理功能得以有效執行。

本集團透過維持充足的流動資產，例如適當的現金和短期資金和證券數量，管理流動資金風險，以確保能在經審慎釐定的限額內符合短期融資要求。本集團維持充足的備用信貸，能提供策略性的流動資金，以應付日常業務過程中未能預計的大量資金需求。

本集團會定期進行壓力測試，以分析流動資金風險，並已制訂應急計劃，當中訂明了處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

除緊守法定的流動資金比率外，本行亦會監控貸存比率及資產與負債的期限錯配，以控制本行的流動資金風險。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (d) Liquidity risk management (continued)

Analysis of assets and liabilities by remaining maturity:

## (d) 流動資金風險管理(續)

資產及負債的剩餘期限分析：

## The Group

## 集團

		2010							
		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
		即時還款	1個月內	至3個月	至1年	至5年	5年以上	無註明日期 或逾期	總額
		HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	28,108	70	63	40	-	-	20,012	48,293
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	121	49,427	2,161	6,488	-	-	-	58,197
Trade bills	貿易票據	554	4,723	11,752	1,513	-	-	6	18,548
Trading assets	交易用途資產	-	-	12	947	1,204	248	3,434	5,845
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	-	-	135	1,049	11,676	3,129	203	16,192
Advances to customers and other accounts	客戶貸款及其他賬項	4,922	30,209	24,198	65,844	117,380	73,008	4,479	320,040
Available-for-sale financial assets	可供出售金融資產	120	1,734	5,333	8,547	19,385	3,048	2,612	40,779
Held-to-maturity investments	持至到期投資	27	868	203	1,456	2,388	772	-	5,714
Undated assets	無註明日期資產	-	-	-	-	-	-	20,585	20,585
Total assets	資產總額	33,852	87,031	43,857	85,884	152,033	80,205	51,331	534,193
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	1,013	2,941	1,429	3,992	596	-	23	9,994
Deposits from customers	客戶存款	142,673	126,658	72,199	64,052	14,251	-	-	419,833
- Demand deposits and current accounts	- 活期存款及往來賬戶	59,699	-	-	-	-	-	-	59,699
- Savings deposit	- 儲蓄存款	82,366	-	-	-	-	-	-	82,366
- Time, call and notice deposits	- 定期及通知存款	608	126,658	72,199	64,052	14,251	-	-	277,768
Trading liabilities	交易用途負債	-	-	-	-	-	-	3,101	3,101
Certificates of deposit issued	已發行存款證	-	-	535	874	1,776	2,401	-	5,586
Current taxation	本期稅項	-	-	-	618	-	-	-	618
Debt securities issued	已發行債務證券	-	-	-	4,709	241	-	-	4,950
Loan capital	借貸資本	-	-	-	-	8,208	4,485	-	12,693
Other liabilities	其他負債	1,674	2,823	4,168	9,522	358	-	10,230	28,775
Total liabilities	負債總額	145,360	132,422	78,331	83,767	25,430	6,886	13,354	485,550
Net gap	淨差距	(111,508)	(45,391)	(34,474)	2,117	126,603	73,319		

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### The Group

#### 集團

		2009							Total
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	
		即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上	無註明日期 或逾期	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	18,156	26	48	-	-	-	11,482	29,712
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	35,006	15,471	17,468	-	-	-	67,945
Trade bills	貿易票據	38	332	1,028	443	-	-	6	1,847
Trading assets	交易用途資產	-	-	126	949	1,949	100	2,598	5,722
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融資產	-	-	15	108	7,835	2,085	349	10,392
Advances to customers and other accounts	客戶貸款及其他賬項	4,410	26,242	14,803	50,376	100,562	61,317	4,093	261,803
Available-for-sale financial assets	可供出售金融資產	-	1,438	3,639	9,241	13,012	1,666	1,887	30,883
Held-to-maturity investments	持至到期投資	-	729	602	1,306	4,011	591	-	7,239
Undated assets	無註明日期資產	-	-	-	-	-	-	18,539	18,539
<b>Total assets</b>	<b>資產總額</b>	<b>22,604</b>	<b>63,773</b>	<b>35,732</b>	<b>79,891</b>	<b>127,369</b>	<b>65,759</b>	<b>38,954</b>	<b>434,082</b>
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	291	5,774	4,155	1,613	20	-	33	11,886
Deposits from customers	客戶存款	129,231	104,732	53,276	44,222	11,067	-	-	342,528
- Demand deposits and current accounts	- 活期存款及往來賬戶	46,380	-	-	-	-	-	-	46,380
- Savings deposit	- 儲蓄存款	81,711	-	-	-	-	-	-	81,711
- Time, call and notice deposits	- 定期及通知存款	1,140	104,732	53,276	44,222	11,067	-	-	214,437
Trading liabilities	交易用途負債	-	-	-	-	-	-	1,455	1,455
Certificates of deposit issued	已發行存款證	-	-	295	1,119	1,094	304	-	2,812
Current taxation	本期稅項	-	-	-	147	-	-	-	147
Debt securities issued	已發行債務證券	-	-	-	-	4,346	-	-	4,346
Loan capital	借貸資本	-	-	-	4,281	8,078	-	-	12,359
Other liabilities	其他負債	590	2,391	2,522	4,940	873	-	7,710	19,026
<b>Total liabilities</b>	<b>負債總額</b>	<b>130,112</b>	<b>112,897</b>	<b>60,248</b>	<b>56,322</b>	<b>25,478</b>	<b>304</b>	<b>9,198</b>	<b>394,559</b>
<b>Net gap</b>	<b>淨差距</b>	<b>(107,508)</b>	<b>(49,124)</b>	<b>(24,516)</b>	<b>23,569</b>	<b>101,891</b>	<b>65,455</b>		

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (d) Liquidity risk management (continued)

## (d) 流動資金風險管理(續)

The Bank		銀行							
		2010							
		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
		即時還款	1個月內	至3個月	至1年	至5年	5年以上	無註明日期 或逾期	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	16,583	-	-	-	-	-	1,225	17,808
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	121	37,111	675	2,067	-	-	-	39,974
Trade bills	貿易票據	175	1,103	2,539	344	-	-	5	4,166
Trading assets	交易用途資產	-	-	-	291	756	248	2,901	4,196
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	-	-	135	1,049	11,676	3,129	203	16,192
Advances to customers and other accounts	客戶貸款及其他賬項	3,983	24,199	13,366	29,309	73,221	43,185	3,800	191,063
Available-for-sale financial assets	可供出售金融資產	120	1,244	4,018	5,076	8,711	791	1,202	21,162
Held-to-maturity investments	持至到期投資	27	793	153	1,373	1,420	-	-	3,766
Undated assets	無註明日期資產	-	-	-	-	-	-	55,262	55,262
Total assets	資產總額	21,009	64,450	20,886	39,509	95,784	47,353	64,598	353,589
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	927	1,382	901	-	-	-	23	3,233
Deposits from customers	客戶存款	95,570	106,057	50,570	23,390	1,119	-	-	276,706
- Demand deposits and current accounts	- 活期存款及往來賬戶	16,796	-	-	-	-	-	-	16,796
- Savings deposit	- 儲蓄存款	78,595	-	-	-	-	-	-	78,595
- Time, call and notice deposits	- 定期及通知存款	179	106,057	50,570	23,390	1,119	-	-	181,315
Trading liabilities	交易用途負債	-	-	-	-	-	-	2,432	2,432
Certificates of deposit issued	已發行存款證	-	535	874	1,776	2,401	2,200	-	7,786
Current taxation	本期稅項	-	-	-	441	-	-	-	441
Debt securities issued	已發行債務證券	-	-	-	-	241	-	-	241
Loan capital	借貸資本	-	-	-	-	8,208	8,798	-	17,006
Other liabilities	其他負債	-	736	105	3,851	3	-	6,580	11,275
Total liabilities	負債總額	96,497	108,710	52,450	29,458	11,972	10,998	9,035	319,120
Net gap	淨差距	(75,488)	(44,260)	(31,564)	10,051	83,812	36,355		



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## The Bank

## 銀行

		2009							Total
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	
		即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上	無註明日期 或逾期	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	11,767	-	-	-	-	-	760	12,527
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	31,895	13,313	16,686	-	-	-	61,894
Trade bills	貿易票據	36	132	528	159	-	-	6	861
Trading assets	交易用途資產	-	-	1	1	802	100	2,420	3,324
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融資產	-	-	15	108	7,827	2,085	349	10,384
Advances to customers and other accounts	客戶貸款及其他賬項	4,078	19,841	7,398	17,595	59,910	35,731	4,043	148,596
Available-for-sale financial assets	可供出售金融資產	-	1,421	3,061	3,692	8,979	796	986	18,935
Held-to-maturity investments	持至到期投資	-	613	563	820	2,805	1	-	4,802
Undated assets	無註明日期資產	-	-	-	-	-	-	35,970	35,970
Total assets	資產總額	15,881	53,902	24,879	39,061	80,323	38,713	44,534	297,293
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	277	1,300	1,557	354	-	-	33	3,521
Deposits from customers	客戶存款	93,026	87,296	37,746	18,685	764	-	-	237,517
- Demand deposits and current accounts	- 活期存款及往來賬戶	14,860	-	-	-	-	-	-	14,860
- Savings deposit	- 儲蓄存款	78,024	-	-	-	-	-	-	78,024
- Time, call and notice deposits	- 定期及通知存款	142	87,296	37,746	18,685	764	-	-	144,633
Trading liabilities	交易用途負債	-	-	-	-	-	-	1,235	1,235
Certificates of deposit issued	已發行存款證	-	-	295	1,119	1,094	2,504	-	5,012
Current taxation	本期稅項	-	-	-	18	-	-	-	18
Loan capital	借貸資本	-	-	-	4,281	8,078	3,916	-	16,275
Other liabilities	其他負債	-	686	115	39	18	-	4,665	5,523
Total liabilities	負債總額	93,303	89,282	39,713	24,496	9,954	6,420	5,933	269,101
Net gap	淨差距	(77,422)	(35,380)	(14,834)	14,565	70,369	32,293		

As the trading and available-for-sale portfolios may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於作交易及可供出售用途的組合可能於到期前出售或客戶存款可能在到期前被提取，合約到期日並非代表未來現金流的預計日期。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (d) Liquidity risk management (continued)

The following tables provide an analysis of the undiscounted cashflow projection of the financial liabilities of the Group at the balance sheet date based on the dates of their contractual payment obligations:

## The Group

		2010							
		Carrying Amount	Gross cash outflow	Repayable on demand	Less than	Between	Between	More than	Undated
					three months	three months and one year	one and five years	five years	
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	9,994	10,057	1,013	4,377	4,037	607	-	23
Deposits from customers	客戶存款	419,833	421,914	142,715	199,143	64,699	15,357	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	59,699	59,737	59,737	-	-	-	-	-
- Savings deposit	- 儲蓄存款	82,366	82,367	82,367	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	277,768	279,810	611	199,143	64,699	15,357	-	-
Trading liabilities	交易用途負債	3,101	3,101	-	-	-	-	-	3,101
Certificates of deposit issued	已發行存款證	5,586	5,676	-	538	903	1,834	2,401	-
Current taxation	本期稅項	618	618	-	-	618	-	-	-
Debt securities issued	已發行債務證券	4,950	5,086	-	68	4,776	242	-	-
Loan capital	借貸資本	12,693	16,052	-	262	281	9,595	5,914	-
Interest rate swaps	利率掉期合約	6,101	6,101	-	552	1,006	3,023	1,520	-
Other liabilities	其他負債	28,775	28,775	1,674	6,991	9,522	358	-	10,230
Total	總額	491,651	497,380	145,402	211,931	85,842	31,016	9,835	13,354

## (d) 流動資金風險管理(續)

下表展示於結算日集團的未經折扣之金融負債的預計現金流按其合約支付債務之日期分析：

## 集團

		2009							
		Carrying Amount	Gross cash outflow	Repayable on demand	Less than	Between	Between	More than	Undated
					three months	three months and one year	one and five years	five years	
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	11,886	12,213	291	9,966	1,869	54	-	33
Deposits from customers	客戶存款	342,528	343,883	129,350	158,358	44,627	11,548	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	46,380	46,380	46,380	-	-	-	-	-
- Savings deposit	- 儲蓄存款	81,711	81,730	81,730	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	214,437	215,773	1,240	158,358	44,627	11,548	-	-
Trading liabilities	交易用途負債	1,455	1,455	-	-	-	-	-	1,455
Certificates of deposit issued	已發行存款證	2,812	2,854	-	314	1,136	1,100	304	-
Current taxation	本期稅項	147	147	-	-	147	-	-	-
Debt securities issued	已發行債務證券	4,346	4,600	-	65	62	4,473	-	-
Loan capital	借貸資本	12,359	13,266	-	124	4,664	8,478	-	-
Interest rate swaps	利率掉期合約	4,364	4,364	-	266	863	2,206	1,029	-
Other liabilities	其他負債	19,026	19,026	590	4,913	4,940	873	-	7,710
Total	總額	398,923	401,808	130,231	174,006	58,308	28,732	1,333	9,198

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### The Bank

#### 銀行

		2010							
		Carrying Amount	Gross cash outflow 現金流出 賬面值 HK\$ Mn 港幣百萬元	Repayable on demand 即時還款 HK\$ Mn 港幣百萬元	Less than	Between	Between	More than	Undated 無註明日期 HK\$ Mn 港幣百萬元
					three months 3個月 或以下 HK\$ Mn 港幣百萬元	three months and one year 3個月以上 至1年 HK\$ Mn 港幣百萬元	one and five years 1年以上 至5年 HK\$ Mn 港幣百萬元	five years 5年以上 HK\$ Mn 港幣百萬元	
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	3,233	3,233	927	2,283	-	-	-	23
Deposits from customers	客戶存款	276,706	277,066	95,570	156,781	23,565	1,150	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	16,796	16,796	16,796	-	-	-	-	-
- Savings deposit	- 儲蓄存款	78,595	78,595	78,595	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	181,315	181,675	179	156,781	23,565	1,150	-	-
Trading liabilities	交易用途負債	2,432	2,432	-	-	-	-	-	2,432
Certificates of deposit issued	已發行存款證	7,786	7,876	-	1,412	1,805	2,459	2,200	-
Current taxation	本期稅項	441	441	-	-	441	-	-	-
Debt securities issued	已發行債務證券	241	245	-	1	2	242	-	-
Loan capital	借貸資本	17,006	23,338	-	262	611	10,917	11,548	-
Interest rate swaps	利率掉期合約	4,965	4,965	-	302	624	2,550	1,489	-
Other liabilities	其他負債	11,275	11,329	-	844	3,858	47	-	6,580
Total	總額	324,085	330,925	96,497	161,885	30,906	17,365	15,237	9,035

		2009							
		Carrying Amount	Gross cash outflow 現金流出 賬面值 HK\$ Mn 港幣百萬元	Repayable on demand 即時還款 HK\$ Mn 港幣百萬元	Less than	Between	Between	More than	Undated 無註明日期 HK\$ Mn 港幣百萬元
					three months 3個月 或以下 HK\$ Mn 港幣百萬元	three months and one year 3個月以上 至1年 HK\$ Mn 港幣百萬元	one and five years 1年以上 至5年 HK\$ Mn 港幣百萬元	five years 5年以上 HK\$ Mn 港幣百萬元	
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	3,521	3,523	277	2,859	354	-	-	33
Deposits from customers	客戶存款	237,517	237,777	93,026	125,202	18,782	767	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	14,860	14,860	14,860	-	-	-	-	-
- Savings deposit	- 儲蓄存款	78,024	78,024	78,024	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	144,633	144,893	142	125,202	18,782	767	-	-
Trading liabilities	交易用途負債	1,235	1,235	-	-	-	-	-	1,235
Certificates of deposit issued	已發行存款證	5,012	5,054	-	314	1,136	1,100	2,504	-
Current taxation	本期稅項	18	18	-	-	18	-	-	-
Loan capital	借貸資本	16,275	20,478	-	124	4,993	9,797	5,564	-
Interest rate swaps	利率掉期合約	3,639	3,639	-	166	540	1,959	974	-
Other liabilities	其他負債	5,523	5,762	-	801	39	18	-	4,904
Total	總額	272,740	277,486	93,303	129,466	25,862	13,641	9,042	6,172

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理 (續)

## (e) Interest rate risk management

The management of the Bank's interest rate risk is governed by the Interest Rate Risk Management Policy endorsed by Risk Management Committee and approved by the Board of Directors. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Bank's interest rate risk management, set the strategy and policy for managing interest rate risk and the means for ensuring that such strategy and policy are implemented. Interest rate risk is daily managed by the Treasury Markets Division within the limits approved by the Board of Directors. The independent centralised risk management unit of the Group is responsible for monitoring the activities of the Treasury Markets Division in compliance with the Interest Rate Risk Management Manual and Policy. The Internal Audit Department performs periodic review to make sure the interest rate risk management functions are implemented effectively.

The Bank manages the interest rate risk on the banking book primarily by focusing on the repricing mismatches. Gap analysis provides a static view of the maturity and repricing characteristics of the Bank's balance sheet positions. Repricing gap limits are set to control the Bank's interest rate risk.

Stress tests on the Bank's various types of interest rate risk are conducted regularly. The Asset and Liability Management Committee monitors the results of stress tests and decides remedial action if required.

Sensitivity analysis 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 both sides of the balance sheet and is performed on monthly basis. Sensitivity limits are set to control the Bank's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee and the Board of Directors on a regular basis.

## Sensitivity analysis on interest rate risk

The Bank uses sensitivity analysis to measure the potential effect of changes in interest rates on our net interest income and economic value change:

## (e) 利率風險管理

本行的利率風險管理受風險管理委員會認可並經董事會核准的利率風險管理政策監管。資產負債管理委員會獲董事會授權，負責監察本行的利率風險管理，並制訂管理利率風險的策略與政策以及確保執行有關策略與政策的措施。利率風險由資金市場處每日按董事會批核的限額範圍進行管理。本集團之風險管理處轄下的資產負債管理部，負責監控資金市場處的活動是否遵從利率風險管理手冊及政策。內部稽核部會定期作出檢討，確保利率風險管理功能得以有效執行。

本行管理銀行賬冊利率風險的主要方法是集中於重訂息率的錯配。差距分析可讓本行從靜態角度瞭解資產負債的到期情況及再定息特點。本行設有重訂息率差距限額以控制本行的利率風險。

本行會對各種利率風險定期進行壓力測試。資產負債管理委員會監控壓力測試的結果，並在需要時釐定補救措施。

盈利和經濟價值對利率變動的敏感度分析乃透過每月假設資產負債的收益率曲線出現200個基點的利率衝擊來估算。本行設有敏感度限額，以控制本行的盈利及經濟價值兩方面的利率風險承擔。有關結果定期向資產負債管理委員會及董事會匯報。

## 利率風險敏感度分析

本行採用敏感度分析來量度利率變動對淨利息收入及經濟價值變動可能產生的影響：

		2010			2009		
		HKD 港元 HK\$ Mn 港幣百萬元	USD 美元 HK\$ Mn 港幣百萬元	CNY 人民幣 HK\$ Mn 港幣百萬元	HKD 港元 HK\$ Mn 港幣百萬元	USD 美元 HK\$ Mn 港幣百萬元	CNY 人民幣 HK\$ Mn 港幣百萬元
Impact on earnings over the next 12 months if interest rates rise by 200 basis points	倘利率上調200個基點對未來12個月的盈利影響	272	(172)	331	(112)	(72)	(25)
Impact on economic value if interest rates rise by 200 basis points	倘利率上調200個基點對經濟價值的影響	(66)	(637)	(230)	(231)	(312)	(152)

This sensitivity analysis, which is based on a static interest rate risk profile of assets and liabilities, is used for risk management purposes only. The analysis is based on the following assumptions:

- there is a parallel shift in the yield curve and in interest rates;
- there are no other changes to the portfolio;
- no loan prepayment is assumed as the majority of loans is on a floating rate basis; and
- deposits without fixed maturity dates are assumed to be repriced on the next day.

該敏感度分析僅用於風險管理目的，乃依據資產及負債的靜態利率風險資料作出。有關分析乃根據以下假設進行：

- 收益率曲線及利率出現平行移動；
- 組合並無其他變動；
- 假設沒有提早償還貸款，因大部份貸款屬於浮息貸款；及
- 假設沒有固定到期日的存款於翌日再定息。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

Actual changes in the Bank's net interest income and the economic value resulting from the increases in interest rates may differ from the results of this sensitivity analysis.

利率上調而導致本行淨利息收入及經濟價值的實際變動與該敏感度分析的結果可能有所不同。

The following table indicates the expected next repricing dates (or maturity dates whichever are earlier) for the interest bearing assets and liabilities at the balance sheet date:

下表顯示於結算日帶息資產及負債的預計下次利率重訂日(或到期日取其較短者):

#### The Group

#### 集團

		2010					
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
<b>Assets</b>	<b>資產</b>						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	44,547	40	-	-	3,706	48,293
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	51,709	6,488	-	-	-	58,197
Trade bills	貿易票據	16,411	1,530	-	-	607	18,548
Trading assets	交易用途資產	12	947	1,204	248	3,434	5,845
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	1,144	620	11,096	3,129	203	16,192
Advances to customers	客戶貸款	243,887	41,301	6,677	1,400	2,678	295,943
Other accounts	其他賬項	1,719	120	-	2	22,256	24,097
Available-for-sale financial assets	可供出售金融資產	13,642	6,971	14,583	2,971	2,612	40,779
Held-to-maturity investments	持至到期投資	1,729	1,381	1,832	772	-	5,714
Non-interest bearing assets	非帶息資產	-	-	-	-	20,585	20,585
<b>Total assets</b>	<b>資產總額</b>	<b>374,800</b>	<b>59,398</b>	<b>35,392</b>	<b>8,522</b>	<b>56,081</b>	<b>534,193</b>
<b>Liabilities</b>	<b>負債</b>						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	8,734	1,222	10	-	28	9,994
Deposits from customers	客戶存款	330,410	69,189	6,143	-	14,091	419,833
Trading liabilities	交易用途負債	-	-	-	-	3,101	3,101
Certificates of deposit issued	已發行存款證	2,230	1,420	1,936	-	-	5,586
Debt securities issued	已發行債務證券	241	4,709	-	-	-	4,950
Loan capital	借貸資本	4,660	-	3,548	4,485	-	12,693
Non-interest bearing liabilities	非帶息負債	-	-	-	-	29,393	29,393
<b>Total liabilities</b>	<b>負債總額</b>	<b>346,275</b>	<b>76,540</b>	<b>11,637</b>	<b>4,485</b>	<b>46,613</b>	<b>485,550</b>
Interest rate sensitivity gap	利率敏感度差距	28,525	(17,142)	23,755	4,037		



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (e) Interest rate risk management (continued)

## (e) 利率風險管理(續)

The Group		集團					
		2009					
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
<b>Assets</b>	<b>資產</b>						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	27,130	22	-	-	2,560	29,712
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	50,477	17,468	-	-	-	67,945
Trade bills	貿易票據	1,359	443	-	-	45	1,847
Trading assets	交易用途資產	126	949	1,949	100	2,598	5,722
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	653	192	7,113	2,085	349	10,392
Advances to customers	客戶貸款	191,994	39,853	8,875	3,033	2,554	246,309
Other accounts	其他賬項	786	146	-	-	14,562	15,494
Available-for-sale financial assets	可供出售金融資產	11,350	8,257	8,156	1,233	1,887	30,883
Held-to-maturity investments	持至到期投資	2,383	1,050	3,215	591	-	7,239
Non-interest bearing assets	非帶息資產	-	-	-	-	18,539	18,539
<b>Total assets</b>	<b>資產總額</b>	<b>286,258</b>	<b>68,380</b>	<b>29,308</b>	<b>7,042</b>	<b>43,094</b>	<b>434,082</b>
<b>Liabilities</b>	<b>負債</b>						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	11,217	589	33	10	37	11,886
Deposits from customers	客戶存款	277,844	47,220	4,227	-	13,237	342,528
Trading liabilities	交易用途負債	6	-	-	-	1,449	1,455
Certificates of deposit issued	已發行存款證	798	999	711	304	-	2,812
Debt securities issued	已發行債務證券	-	-	4,346	-	-	4,346
Loan capital	借貸資本	4,647	4,281	3,431	-	-	12,359
Non-interest bearing liabilities	非帶息負債	-	-	-	-	19,173	19,173
<b>Total liabilities</b>	<b>負債總額</b>	<b>294,512</b>	<b>53,089</b>	<b>12,748</b>	<b>314</b>	<b>33,896</b>	<b>394,559</b>
Interest rate sensitivity gap	利率敏感度差距	(8,254)	15,291	16,560	6,728		

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### The Bank

銀行

		2010					
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
<b>Assets</b>	<b>資產</b>						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	15,663	-	-	-	2,145	17,808
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	37,907	2,067	-	-	-	39,974
Trade bills	貿易票據	3,625	345	-	-	196	4,166
Trading assets	交易用途資產	1	290	756	248	2,901	4,196
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	1,144	620	11,096	3,129	203	16,192
Advances to customers	客戶貸款	168,249	8,477	4,431	502	2,674	184,333
Other accounts	其他賬項	916	105	-	-	5,709	6,730
Available-for-sale financial assets	可供出售金融資產	11,838	3,500	3,909	713	1,202	21,162
Held-to-maturity investments	持至到期投資	1,604	1,298	864	-	-	3,766
Non-interest bearing assets	非帶息資產	-	-	-	-	55,262	55,262
<b>Total assets</b>	<b>資產總額</b>	<b>240,947</b>	<b>16,702</b>	<b>21,056</b>	<b>4,592</b>	<b>70,292</b>	<b>353,589</b>
<b>Liabilities</b>	<b>負債</b>						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	3,205	-	-	-	28	3,233
Deposits from customers	客戶存款	239,202	23,390	1,119	-	12,995	276,706
Trading liabilities	交易用途負債	-	-	-	-	2,432	2,432
Certificates of deposit issued	已發行存款證	2,230	1,420	1,936	2,200	-	7,786
Debt securities issued	已發行債務證券	241	-	-	-	-	241
Loan capital	借貸資本	4,660	-	3,548	8,798	-	17,006
Non-interest bearing liabilities	非帶息負債	-	-	-	-	11,716	11,716
<b>Total liabilities</b>	<b>負債總額</b>	<b>249,538</b>	<b>24,810</b>	<b>6,603</b>	<b>10,998</b>	<b>27,171</b>	<b>319,120</b>
Interest rate sensitivity gap	利率敏感度差距	(8,591)	(8,108)	14,453	(6,406)		

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (e) Interest rate risk management (continued)

## (e) 利率風險管理(續)

The Bank		銀行					
		2009					
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
<b>Assets</b>	<b>資產</b>						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	11,233	–	–	–	1,294	12,527
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	45,208	16,686	–	–	–	61,894
Trade bills	貿易票據	657	159	–	–	45	861
Trading assets	交易用途資產	1	1	802	100	2,420	3,324
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	653	192	7,105	2,085	349	10,384
Advances to customers	客戶貸款	133,403	4,198	1,689	521	2,386	142,197
Other accounts	其他賬項	655	126	–	–	5,618	6,399
Available-for-sale financial assets	可供出售金融資產	10,816	2,647	4,122	364	986	18,935
Held-to-maturity investments	持至到期投資	2,228	563	2,010	1	–	4,802
Non-interest bearing assets	非帶息資產	–	–	–	–	35,970	35,970
<b>Total assets</b>	<b>資產總額</b>	<b>204,854</b>	<b>24,572</b>	<b>15,728</b>	<b>3,071</b>	<b>49,068</b>	<b>297,293</b>
<b>Liabilities</b>	<b>負債</b>						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	3,130	354	–	–	37	3,521
Deposits from customers	客戶存款	205,842	18,685	764	–	12,226	237,517
Trading liabilities	交易用途負債	6	–	–	–	1,229	1,235
Certificates of deposit issued	已發行存款證	798	999	711	2,504	–	5,012
Loan capital	借貸資本	4,647	4,281	3,431	3,916	–	16,275
Non-interest bearing liabilities	非帶息負債	–	–	–	–	5,541	5,541
<b>Total liabilities</b>	<b>負債總額</b>	<b>214,423</b>	<b>24,319</b>	<b>4,906</b>	<b>6,420</b>	<b>19,033</b>	<b>269,101</b>
Interest rate sensitivity gap	利率敏感度差距	(9,569)	253	10,822	(3,349)		

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

The following table summarises the range of effective average interest rates for the year ended 31st December for monetary financial instruments:

下表概述於截至12月31日止年度按貨幣金融工具之有效利率範圍：

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		%	%	%	%
<b>Assets</b>	<b>資產</b>				
Cash and short-term funds and placements with banks and other financial institutions	現金及在銀行和其他金融機構的結存，及在銀行及其他金融機構的存款	<b>0-7.65</b>	0-6.46	<b>0-5.45</b>	0-6.46
Trade bills, advances to customers and advances to banks and other financial institutions	貿易票據，客戶貸款及銀行及其他金融機構的貸款	<b>0.46-52.03</b>	0-45.70	<b>0.46-18.00</b>	0-18.52
Securities (Note)	證券(附註)	<b>0.04-7.75</b>	0.01-7.75	<b>0.04-7.75</b>	0.01-7.75
<b>Liabilities</b>	<b>負債</b>				
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	<b>0.01-6.50</b>	0-9.17	<b>0.01-4.65</b>	0-9.17
Deposits from customers	客戶存款	<b>0-12.04</b>	0-10.50	<b>0-5.30</b>	0-8.90
Certificates of deposit issued and loan capital	已發行存款證及借貸資本	<b>0.36-10.17</b>	0.01-10.01	<b>0.74-10.17</b>	0.01-10.01

Note: Securities include certificates of deposit held, trading assets, financial assets designated at fair value through profit or loss, securities measured as loans and receivables, available-for-sale financial assets and held-to-maturity investments.

附註：證券包括持有存款證、交易資產、指定為通過損益以反映公平價值的金融資產、以貸款及應收賬款計量的證券、可供出售金融資產及持至到期投資。

#### (f) Strategic risk management

The objective of strategic risk management is to monitor the risk to earnings or capital arising from bad business decisions or from an improper implementation of good business decisions.

The Board of Directors reviews and approves policy for the management of the strategic risk. The Board has delegated the responsibility for ongoing strategic risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

#### (g) Legal risk and reputation risk management

Legal risk is the risk arising from the potential that unenforceable contracts, lawsuits or adverse judgements may disrupt or otherwise negatively affect the operations or financial condition of the Group.

Reputation risk is the risk that the Group's reputation is damaged by one or more than one reputation event, as reflected from negative publicity about the Group's business practices, conduct or financial condition. Such negative publicity, whether true or not, may impair public confidence in the Group, result in costly litigation, or lead to a decline in the customer base, business or revenue.

The objective of managing the aforesaid risks is to identify, assess and monitor these risks and, in particular, to comply with the relevant regulatory requirements.

The Board of Directors reviews and approves policies for these risks, and it has delegated the responsibility for ongoing risk management to the Operational and Other Risk Management Committee. The Operational and Other Risk Management Committee reports to the Board of Directors via the Risk Management Committee.

#### (f) 策略性風險管理

策略性風險管理的目的是監控因不良商業決定或不當地實施良好商業決定而引致盈利或資本方面的風險。

董事會檢討和審批策略性風險管理政策，及已授權資產負債管理委員會負責持續管理策略性風險。資產負債管理委員會經風險管理委員會向董事會匯報。

#### (g) 法律風險和信譽風險管理

法律風險，是指於合約未能如期執行、一般訴訟、或不利審判的情形下，可能影響本集團的日常運作或財務狀況。

聲譽風險源自公眾對本集團一宗或多宗營商規則、行為或財務情況的報導，此等報導，不管真實與否，有可能影響公眾對本集團的信心，因而導致高昂之訴訟費用，令本集團之客戶基礎下跌、或業務或收入減少。

有關風險管理之目的，在於識別、評估和監控各項風險，及確實執行有關監管條例之要求。

董事會為此等風險檢討和審批有關政策，已授權營運及其他風險管理委員會負責持續管理此等風險。營運及其他風險管理委員會經風險管理委員會向董事會匯報。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理 (續)

## (h) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In implementing current capital requirements the HKMA requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets. The Group calculates requirements for market risk in its trading portfolios based upon the Group's VaR models and uses its internal gradings as the basis for risk weightings for credit risk. Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The process of allocating capital to specific operations and activities is undertaken by Asset and Liability Management Committee and is reviewed regularly by the Board of Directors.

Consistent with industry practice, the Group monitors its capital structure on the basis of the capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the year, except for a change in the calculation methodology in the capital adequacy ratios.

The capital adequacy ratios as at 31st December, 2010 and 31st December, 2009 are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance which became effective on 1st January, 2007.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2010 and 31st December, 2009 and are well above the minimum required ratio set by the HKMA.

## (h) 資本管理

金管局制定及監察本集團整體的資本規定。在實施現行的資本規定時，金管局規定本集團維持既定的總資本對總風險加權資產比率。本集團根據風險值模式計算交易組合的市場風險，及根據內部評級作為信貸風險之風險比重的基準。銀行業務分為交易賬冊或銀行賬冊。風險加權資產依照特別規定而定，特別規定旨在反映與資產的不同風險水平及資產負債表外的風險。

除符合監管規定外，本集團管理資本的主要目的是保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

調配資本至特定業務及活動的程序由資產及負債管理委員會進行，並由董事會定期檢討。

本集團依據行業慣例，以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變。

2010年12月31日及2009年12月31日的資本充足比率是依據金管局為監管目的而制定的，本行及若干附屬公司已按綜合基準計算，並符合2007年1月1日生效的香港《銀行條例》的《銀行業(資本)規則》。

截至2010年12月31日及2009年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。



## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### 41. FAIR VALUES OF FINANCIAL INSTRUMENTS 金融工具的公平價值

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

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

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

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

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

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or counterparty quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market widely recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, historical or implied volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length.

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

##### (a) 以公平價值列賬的金融工具

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

第1級 – 參考同一工具在活躍市場取得的市場報價。

第2級 – 根據可觀察的輸入參數之估值模式。為此級別估值的工具，包括以下方式：就相若工具在活躍市場取得的市場報價；就相若工具在非活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的輸入參數，是直接或間接可從市場觀察所得的數據。

第3級 – 根據重要但非可觀察得到的輸入參數之估值模式。為此級別估值的工具，其估值模式所輸入之參數為非可觀察的數據，惟該等非可觀察的數據可以對估值產生重大影響。為此級別估值的工具，也包括在活躍市場取得相若金融工具的市場報價，惟當中需要作出非可觀察之調整或假設，以反映不同金融工具之間的差別。

於活躍市場買賣的金融資產及金融負債，是根據市場報價或交易對手報價以釐定其公平價值。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式，以及其他市場廣泛應用的期權估值模式。用於估值模式之假設及輸入參數包括無風險利率、基準利率、股票價格、外幣兌換率、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釐定出公平價值，藉以在申報日能反映金融工具的價格，而該價格可被視為等同在公平交易下由市場人士決定的價格。

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

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 41. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

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

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

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

The table below analyses financial instruments carried at fair value, by valuation method:

## (a) 以公平價值列賬的金融工具(續)

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

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

下表是根據估值方法，分析金融工具之公平價值：

		2010							
		The Group 集團			Total	The Bank 銀行			Total
		Level One	Level Two	Level Three	Level One	Level Two	Level Three	Total	
		第1級	第2級	第3級	第1級	第2級	第3級	總額	
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
<b>Assets</b>	<b>資產</b>								
Trading assets	交易用途資產	4,147	1,404	294	5,845	3,030	962	204	4,196
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融資產	11,406	4,786	-	16,192	11,406	4,786	-	16,192
Available-for-sale financial assets	可供出售金融資產	35,632	4,528	619	40,779	17,277	3,341	544	21,162
		51,185	10,718	913	62,816	31,713	9,089	748	41,550
<b>Liabilities</b>	<b>負債</b>								
Trading liabilities	交易用途負債	3	2,820	278	3,101	3	2,173	256	2,432
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融負債	3,548	2,754	-	6,302	7,861	2,754	-	10,615
		3,551	5,574	278	9,403	7,864	4,927	256	13,047

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

		2009							
		The Group 集團				The Bank 銀行			
		Level One	Level Two	Level Three	Total	Level One	Level Two	Level Three	Total
		第1級	第2級	第3級	總額	第1級	第2級	第3級	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Trading assets	交易用途資產	4,467	1,154	101	5,722	2,193	1,110	21	3,324
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	5,290	5,102	-	10,392	5,281	5,103	-	10,384
Available-for-sale financial assets	可供出售金融資產	21,922	8,568	393	30,883	10,845	7,749	341	18,935
		31,679	14,824	494	46,997	18,319	13,962	362	32,643
<b>Liabilities</b>	<b>負債</b>								
Trading liabilities	交易用途負債	6	1,357	92	1,455	6	1,139	90	1,235
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融負債	7,712	2,442	-	10,154	11,628	2,442	-	14,070
		7,718	3,799	92	11,609	11,634	3,581	90	15,305

During the year there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy.

年內，根據第1級及第2級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移。

(1) Valuation of financial instruments with significant unobservable inputs

(1) 使用重要而非可觀察之輸入參數的金融工具估值

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

已列賬並含有重要而非可觀察輸入參數的工具，其公平價值之變動如下：

		The Group 集團		
		Trading assets – Positive fair value of derivatives	Available-for-sale financial assets	Total
		交易用途資產 – 衍生工具之正公平價值	可供出售金融資產	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>			
At 1st January, 2010	於2010年1月1日	101	393	494
Purchases	購入	-	191	191
Settlements	結算	(47)	(1)	(48)
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	240	-	240
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於其他全面收益表	-	36	36
At 31st December, 2010	於2010年12月31日	294	619	913
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the balance sheet date	於結算日持有之資產而已計入年度內其他全面收益之可供出售公平價值儲備之收益或虧損總額	-	36	36
Total gains or losses for the year included in the income statement for assets held at the balance sheet date recorded in net trading income	於結算日持有之資產而已計入年度內收益表之交易收入淨額	240	-	240

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 41. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

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

## (a) 以公平價值列賬的金融工具(續)

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

(1) 使用重要而非可觀察之輸入參數的金融工具估值(續)

		The Bank 銀行		
		Trading assets – Positive fair value of derivatives 交易用途資產 – 衍生工具之 正公平價值 HK\$ Mn 港幣百萬元	Available-for-sale financial assets 可供出售 金融資產 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
<b>Assets</b>	<b>資產</b>			
At 1st January, 2010	於2010年1月1日	21	341	362
Purchases	購入	–	168	168
Settlements	結算	(2)	(1)	(3)
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	185	–	185
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於其他全面收益表	–	36	36
At 31st December, 2010	於2010年12月31日	204	544	748
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the balance sheet date	於結算日持有之資產而已計入年度內其他全面收益之可供出售公平價值儲備之收益或虧損總額	–	36	36
Total gains or losses for the year included in the income statement for assets held at the balance sheet date recorded in net trading income	於結算日持有之資產而已計入年度內收益表之交易收入淨額	185	–	185

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		The Group 集團		
		Trading assets – Positive fair value of derivatives 交易用途資產 – 衍生工具之 正公平價值 HK\$ Mn 港幣百萬元	Available-for-sale financial assets 可供出售 金融資產 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Assets	資產			
At 1st January, 2009	於2009年1月1日	169	471	640
Purchases	購入	–	44	44
Sales	出售	–	(31)	(31)
Settlements	結算	(154)	–	(154)
Changes in fair value recognised in the income statement	公平價值變動確認於 收益表	86	–	86
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於 其他全面收益表	–	(91)	(91)
At 31st December, 2009	於2009年12月31日	101	393	494
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the balance sheet date	於結算日持有之資產 而已計入年度內其他 全面收益之可供出售 公平價值儲備之收益 或虧損總額	–	(91)	(91)
Total gains or losses for the year included in the income statement for assets held at the balance sheet date recorded in net trading income	於結算日持有之資產 而已計入年度內 收益表之交易收入淨額	86	–	86

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 41. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

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

## (a) 以公平價值列賬的金融工具(續)

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

(1) 使用重要而非可觀察之輸入參數的金融工具估值(續)

		The Bank 銀行		Total 總額 HK\$ Mn 港幣百萬元
		Trading assets – Positive fair value of derivatives 交易用途資產 – 衍生工具之 正公平價值 HK\$ Mn 港幣百萬元	Available-for-sale financial assets 可供出售 金融資產 HK\$ Mn 港幣百萬元	
<b>Assets</b>	<b>資產</b>			
At 1st January, 2009	於2009年1月1日	7	420	427
Purchases	購入	–	43	43
Sales	出售	–	(31)	(31)
Settlements	結算	(1)	–	(1)
Changes in fair value recognised in the income statement	公平價值變動確認於 收益表	15	–	15
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於 其他全面收益表	–	(91)	(91)
At 31st December, 2009	於2009年12月31日	21	341	362
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the balance sheet date	於結算日持有之資產 而已計入年度內其他 全面收益之可供出售 公平價值儲備之收益 或虧損總額	–	(91)	(91)
Total gains or losses for the year included in the income statement for assets held at the balance sheet date recorded in net trading income	於結算日持有之資產 而已計入年度內 收益表之交易收入淨額	15	–	15



## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		The Group 集團	The Bank 銀行
		Trading liabilities – Negative fair value of derivatives 交易用途負債 – 衍生工具之負公平價值 HK\$ Mn 港幣百萬元	Trading liabilities – Negative fair value of derivatives 交易用途負債 – 衍生工具之負公平價值 HK\$ Mn 港幣百萬元
<b>Liabilities</b>	<b>負債</b>		
At 1st January, 2010	於2010年1月1日	92	90
Settlements	結算	(45)	(44)
Changes in fair value recognised in the income statement	公平價值變動確認 於收益表	231	210
At 31st December, 2010	於2010年12月31日	278	256
Total gains or losses for the year included in the income statement for liabilities held at the balance sheet date recorded in net trading income	於結算日持有之負債 而已計入年度內 收益表之交易收入淨額	231	210

		The Group 集團	The Bank 銀行
		Trading liabilities – Negative fair value of derivatives 交易用途負債 – 衍生工具之負公平價值 HK\$ Mn 港幣百萬元	Trading liabilities – Negative fair value of derivatives 交易用途負債 – 衍生工具之負公平價值 HK\$ Mn 港幣百萬元
<b>Liabilities</b>	<b>負債</b>		
At 1st January, 2009	於2009年1月1日	169	168
Settlements	結算	(155)	(154)
Changes in fair value recognised in the income statement	公平價值變動確認 於收益表	78	76
At 31st December, 2009	於2009年12月31日	92	90
Total gains or losses for the year included in the income statement for liabilities held at the balance sheet date recorded in net trading income	於結算日持有之負債 而已計入年度內 收益表之交易收入淨額	78	76

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 41. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

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

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

## (a) 以公平價值列賬的金融工具(續)

(2) 因重要而非可觀察之假設變動至合理可行之另類假設所產生的影響

		2010			
		Effect recorded in profit or loss 直接記錄於損益上之影響		Effect recorded directly in equity 直接記錄於股東權益上之影響	
		Favourable 有利	(Unfavourable) (不利)	Favourable 有利	(Unfavourable) (不利)
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Trading assets	交易用途資產	25	(25)	-	-
Available-for-sale financial assets	可供出售金融資產	-	-	52	(52)
		25	(25)	52	(52)
Trading liabilities	交易用途負債	23	(23)	-	-

		2009			
		Effect recorded in profit or loss 直接記錄於損益上之影響		Effect recorded directly in equity 直接記錄於股東權益上之影響	
		Favourable 有利	(Unfavourable) (不利)	Favourable 有利	(Unfavourable) (不利)
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Trading assets	交易用途資產	8	(8)	-	-
Available-for-sale financial assets	可供出售金融資產	-	-	33	(33)
		8	(8)	33	(33)
Trading liabilities	交易用途負債	8	(8)	-	-

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

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

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

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

- The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the balance sheet date.
- 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.

## (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：

- 不設指定期限的活期存款和儲蓄賬戶的公平價值，乃假定為於結算日可按要求而支付的金額。
- 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。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

- (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 investment with 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.
- (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。

The carrying amounts of the Group's and the Bank's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31st December, 2010 and 2009 except as follows:

除下列者外，本集團及銀行以成本或攤銷成本入賬之金融工具賬面值，與其於2010年12月31日及2009年同日之公平價值相若。

## The Group

## 集團

		2010		2009	
		Carrying amount	Fair value	Carrying amount	Fair value
		賬面值	公平價值	賬面值	公平價值
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Financial assets	金融資產				
Held-to-maturity investments	持至到期投資	5,714	5,851	7,239	7,318
Financial liabilities	金融負債				
Debt securities issued	已發行債務證券	4,950	5,048	4,346	4,601
Subordinated liabilities	後償負債	9,145	9,045	4,647	4,211

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 41. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

## (b) Fair values of financial instruments carried at other than fair value (continued) (b) 以公平價值以外列賬的金融工具公平價值(續)

The Bank		2010		2009	
		Carrying amount 賬面值 HK\$ Mn 港幣百萬元	Fair value 公平價值 HK\$ Mn 港幣百萬元	Carrying amount 賬面值 HK\$ Mn 港幣百萬元	Fair value 公平價值 HK\$ Mn 港幣百萬元
Financial assets	金融資產				
Held-to-maturity investments	持至到期投資	3,766	3,836	4,802	4,846
Financial liabilities	金融負債				
Debt securities issued	已發行債務證券	241	241	-	-
Subordinated liabilities	後償負債	9,145	9,045	4,647	4,211

## 42. OFF-BALANCE SHEET EXPOSURES 資產負債表以外的風險

## (a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

## (a) 或然負債及承擔

每項或然負債及承擔主要類別的合約金額摘要如下：

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Direct credit substitutes	直接信貸替代品	8,915	7,341	5,687	5,792
Transaction-related contingencies	與交易有關的或然項目	1,309	1,293	826	1,024
Trade-related contingencies	與貿易有關的或然項目	1,907	1,331	1,316	800
Commitments that are unconditionally cancellable without prior notice	可無條件取消而毋須事先通知的承擔	37,453	41,555	37,521	40,386
Other commitments with an original maturity	其他承擔的原到期日：				
- up to 1 year	- 1年或以下	48,604	21,606	6,775	6,097
- over 1 year	- 1年以上	19,690	14,112	18,294	12,686
		117,878	87,238	70,419	66,785
Credit risk weighted amounts	信貸風險加權金額	40,584	27,305	18,296	16,441

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts does not represent expected future cash flows.

或然負債及承擔是與信貸有關的工具，包括用以提供信貸的承兌票據、信用證、擔保書和承付款項。合約金額是指當合約被完全提取及客戶違約時所承擔風險的金額。由於預期擔保書及承付款項的大部分金額會在未經提取前逾期，合約金額並不代表預計未來現金流量。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## (b) Derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivative for the Group and the Bank:

## (b) 衍生工具

衍生工具是指由一項或多項潛在資產或指數價值釐定價值的財務合約。

集團及銀行的每項衍生工具主要類別的名義金額摘要如下：

		The Group 集團					
		2010			2009		
		Trading 交易	Non-trading 非交易	Total 總額	Trading 交易	Non-trading 非交易	Total 總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	53,582	–	53,582	19,590	–	19,590
Swaps	掉期交易	17,636	33,376	51,012	12,140	4,664	16,804
Options purchased	購入期權	1,325	29,643	30,968	1,885	1,209	3,094
Options written	沽出期權	1,793	29,826	31,619	3,085	1,236	4,321
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	–	1,678	1,678	–	88	88
Swaps	掉期交易	21,894	107,493	129,387	–	70,669	70,669
Equity contracts	股份合約						
Options purchased	購入期權	111	2,432	2,543	261	1,638	1,899
Options written	沽出期權	106	1,766	1,872	177	975	1,152
Others	其他	–	233	233	–	–	–
		96,447	206,447	302,894	37,138	80,479	117,617

		The Bank 銀行					
		2010			2009		
		Trading 交易	Non-trading 非交易	Total 總額	Trading 交易	Non-trading 非交易	Total 總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	46,127	–	46,127	8,390	–	8,390
Swaps	掉期交易	17,636	4,203	21,839	11,137	4,664	15,801
Options purchased	購入期權	1,325	29,643	30,968	1,885	1,209	3,094
Options written	沽出期權	1,793	29,826	31,619	3,085	1,236	4,321
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	–	1,678	1,678	–	88	88
Swaps	掉期交易	–	107,783	107,783	–	67,505	67,505
Equity contracts	股份合約						
Options purchased	購入期權	111	2,431	2,542	261	1,638	1,899
Options written	沽出期權	106	2,431	2,537	177	1,638	1,815
Others	其他	–	155	155	–	–	–
		67,098	178,150	245,248	24,935	77,978	102,913

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 42. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

Derivatives arise from futures, forward, swap and option transactions undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

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

## (b) 衍生工具(續)

衍生工具是由本集團及本行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在結算日仍未完成的交易量，但並不代表所承受風險的金額。

前述資產負債表以外風險的公平價值及信貸風險加權金額如下。這些金額並未計入雙邊淨額安排的影響。

		The Group 集團			
		2010		2009	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Fair value (Notes 23 and 34)	公平價值(附註23及34)				
Exchange rate contracts	匯率合約	748	1,302	317	139
Interest rate contracts	利率合約	854	1,695	587	1,279
Options purchased/written	購入/沽出期權				
– exchange rate contracts	– 匯率合約	71	71	9	9
– equity contracts	– 股份合約	65	32	55	22
		1,738	3,100	968	1,449

		The Bank 銀行			
		2010		2009	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Fair value (Notes 23 and 34)	公平價值(附註23及34)				
Exchange rate contracts	匯率合約	473	1,057	275	114
Interest rate contracts	利率合約	597	1,271	506	1,084
Options purchased/written	購入/沽出期權				
– exchange rate contracts	– 匯率合約	71	71	9	9
– equity contracts	– 股份合約	65	32	55	22
		1,206	2,431	845	1,229

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Credit risk weighted amounts *	信貸風險加權金額*				
Exchange rate contracts	匯率合約	1,912	567	1,683	549
Interest rate contracts	利率合約	678	350	551	408
Equity contracts	股份合約	219	90	283	184
Debt security & other commodity	債務證券及商品	15	6	23	11
		2,824	1,013	2,540	1,152

\* The Bank adopted the Foundation Internal Ratings Based (“IRB”) approach according to Banking (Capital) Rules for calculating the credit risk weighted amount as at 31st December, 2010.

\* 根據《銀行業(資本)規則》，本行採納「基礎內部評級基準計算法」計算於2010年12月31日之信貸風險之風險加權金額。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

The tables above give the contractual or notional amounts, fair value and credit risk weighted amounts of off-balance sheet transactions. The fair value is calculated for the purposes of deriving the credit risk weighted amounts. These are assessed in accordance with the Banking (Capital) Rules. Fair value represents the cost of replacing all contracts which have a positive value when marked to market.

Fair value is a close approximation of the credit risk for these contracts as at the balance sheet date. The credit risk weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules.

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the balance sheet date.

上表列出資產負債表以外交易的合約或名義金額、公平價值及信貸風險加權金額。公平價值是用來計算信貸風險加權金額。該等金額是按照《銀行業(資本)規則》作評估。公平價值是指重置所有按市場價值計算差額時附有正值的合約成本。

公平價值是在結算日該等合約的略計信貸風險。信貸風險加權金額是指按照《銀行業(資本)規則》計算。

下表分析在結算日本集團根據到期期限歸類之剩餘結算期限有關衍生工具的名義金額。

		The Group 集團							
		Notional amounts with remaining life of 剩餘期限的名義金額							
		2010				2009			
		1 year or less	Over 1 year to 5 years	Over 5 years	Total	1 year or less	Over 1 year to 5 years	Over 5 years	Total
		1年或以下	1年以上至5年	5年以上	總額	1年或以下	1年以上至5年	5年以上	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Interest rate derivatives	利率衍生工具	73,684	41,715	15,666	131,065	46,714	15,727	8,316	70,757
Currency derivatives	貨幣衍生工具	157,261	9,791	129	167,181	37,856	5,953	-	43,809
Other derivatives	其他衍生工具	3,820	622	206	4,648	2,387	268	396	3,051
		234,765	52,128	16,001	302,894	86,957	21,948	8,712	117,617

		The Bank 銀行							
		Notional amounts with remaining life of 剩餘期限的名義金額							
		2010				2009			
		1 year or less	Over 1 year to 5 years	Over 5 years	Total	1 year or less	Over 1 year to 5 years	Over 5 years	Total
		1年或以下	1年以上至5年	5年以上	總額	1年或以下	1年以上至5年	5年以上	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Interest rate derivatives	利率衍生工具	68,370	25,430	15,661	109,461	46,123	13,162	8,308	67,593
Currency derivatives	貨幣衍生工具	121,089	9,464	-	130,553	25,811	5,795	-	31,606
Other derivatives	其他衍生工具	3,742	1,088	404	5,234	2,387	535	792	3,714
		193,201	35,982	16,065	245,248	74,321	19,492	9,100	102,913

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 42. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (c) Capital commitments

Capital commitments outstanding at 31st December and not provided for in the accounts were as follows:

	The Group集團				The Bank銀行			
	2010		2009		2010		2009	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Expenditure authorised and contracted for		179		338		136		100
Expenditure authorised but not contracted for		298		65		208		48
		477		403		344		148

## (c) 資本承擔

於2010年12月31日未償付但並未在賬項中提撥準備的資本承擔如下：

## (d) Operating lease commitments

At 31st December, 2010, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group集團				The Bank銀行			
	2010		2009		2010		2009	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Properties								
Within one year		428		365		153		127
After one year but within five years		764		736		156		117
After five years		374		249		-		-
		1,566		1,350		309		244

## (d) 經營租賃承擔

於2010年12月31日，在不可撤銷的經營租賃內，未來最低應付租賃款項總額如下：

	The Group集團				The Bank銀行			
	2010		2009		2010		2009	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Equipment								
Within one year		20		6		2		2
After one year but within five years		18		11		3		4
		38		17		5		6

The Group and the Bank lease certain properties and equipment under operating leases. The leases run for an initial period of one to twenty five years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually adjusted annually to reflect market rentals. None of the leases includes contingent rentals.

本集團及本行以經營租賃形式租入若干物業和設備。租賃年期由1年至25年，到期日後可再續約但其他條款須另議。租賃付款金額通常每年調整以反映市值租金。所有租約並不包括或有租金。

## (e) Litigation

Claim by a private banking client

In two connected court proceedings initiated in September 2009 in the High Court of Hong Kong, a private banking client made a claim against the Bank and another bank in Hong Kong for, among other things, damages in respect of investment losses allegedly resulting from certain misconduct of a former employee of the Bank acting as the client relationship manager.

The Bank intends to defend these proceedings rigorously and is in the course of preparing the relevant court documents. If the Bank is unsuccessful in defending the claim, the potential amount of claim against the Bank is HK\$175 million (2009: HK\$150 million). As these proceedings are in the preliminary stage and based on the evidence available, the Bank's external lawyers are optimistic on mounting a successful defence to both proceedings, no provisions have been made by the Bank as at 31st December, 2010.

## (e) 法律訴訟

私人銀行客戶之追討

在香港高等法院於2009年9月展開兩宗有關連的法庭訴訟中，一名私人銀行客戶指稱本行一名前僱員在作為其客戶經理時，涉及若干不當行為而引致其投資損失，並就此(及其他相關事宜)向本行及另一家香港銀行追討賠償。

本行擬積極進行法律抗辯，並正在準備有關之法庭文件。若本行的抗辯敗訴，本行估計需承擔的金額約為港幣175,000,000元(2009年：港幣150,000,000元)。由於該法庭訴訟尚在初始階段，且根據現有證據，本行之外聘律師對該兩宗訴訟能抗辯成功持樂觀態度，因此，於2010年12月31日，本行並無為此作出撥備。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### 43. NOTES ON CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表附註

##### (a) Purchase of subsidiaries

##### (a) 收購附屬公司

		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net assets acquired	已購入淨資產		
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	310	23
Advances and other accounts less provisions	已扣除準備之貸款及其他賬項	473	24
Fixed assets	固定資產	2	9
Deferred tax assets	遞延稅項資產	3	-
Current taxation	本期稅項	(2)	-
Other accounts and provisions	其他賬項及準備	(471)	(12)
		315	44
Goodwill arising on consolidation	賬項綜合時產生的商譽	47	22
Intangible assets acquired	購入無形資產	2	-
Total purchase price	以現金支付的購入價	364	66
Less: Cash and cash equivalents acquired	減：購入的現金及等同現金項目	(310)	(23)
Cash flow on acquisition net of cash acquired	已抵銷因收購所購入的現金流	54	43

##### (b) Disposal of subsidiary

##### (b) 出售附屬公司

		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	68	-
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	296	-
Advances and other accounts less provisions	已扣除準備之貸款及其他賬項	2,410	1
Held-to-maturity investments	持至到期投資	240	-
Fixed assets	固定資產	7	-
Deferred tax assets	遞延稅項資產	8	-
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	(221)	-
Deposits from customers	客戶存款	(1,725)	-
Trading liabilities	交易用途負債	(9)	-
Current taxation	稅項	(1)	-
Other accounts and provisions	其他賬項及準備	(722)	-
		351	1
Add: Gain on disposal	加：出售盈利	238	-
Less: Cash and cash equivalents disposed	減：出售現金及等同現金項目	(68)	-
Cash flow on disposal of subsidiary	出售附屬公司的現金流	521	1

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 43. NOTES ON CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) 綜合現金流量表附註(續)

## (c) Cash and cash equivalents

(i) Components of cash and cash equivalents in the consolidated cash flow statement

## (c) 現金及等同現金項目

(i) 在綜合現金流量表內現金及等同現金項目的組成部分

		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	29,649		19,244	
Placements with banks and other financial institutions with original maturity within three months	原本期限為3個月以內在銀行及其他金融機構的存款	50,102		37,938	
Treasury bills with original maturity within three months	原本期限為3個月以內的國庫債券	4,539		2,400	
Certificates of deposit held with original maturity within three months	原本期限為3個月以內之持有的存款證	841		534	
Debt securities with original maturity within three months	原本期限為3個月以內的債務證券	235		414	
		<b>85,366</b>		<b>60,530</b>	

(ii) Reconciliation with the consolidated statement of financial position

(ii) 與綜合財務狀況表的對賬

		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cash and balances with banks and other financial institutions (Note 20)	現金及在銀行及其他金融機構的結存(附註20)	48,293		29,712	
Placements with banks and other financial institutions (Note 21)	在銀行及其他金融機構的存款(附註21)	58,197		67,945	
Treasury bills, certificates of deposit held and debt securities	國庫債券、持有存款證及債務證券				
– trading assets (Note 23)	– 交易用途資產(附註23)	2,411		3,124	
– designated at fair value through profit or loss (Note 24)	– 指定為通過損益以反映公平價值(附註24)	15,989		10,043	
– advances and other accounts (Note 25a)	– 貸款及其他賬項(附註25a)	39		39	
– available-for-sale (Note 26)	– 可供出售(附註26)	38,167		28,996	
– held-to-maturity (Note 27)	– 持至到期(附註27)	5,714		7,239	
		<b>62,320</b>		<b>49,441</b>	
Amounts shown in the consolidated statement of financial position	在綜合財務狀況表出現的金額	<b>168,810</b>		<b>147,098</b>	
Less: Amounts with an original maturity of beyond three months	減：原本期限為3個月以上的金額	<b>(64,800)</b>		<b>(76,100)</b>	
Cash balance with central bank subject to regulatory restriction	受規管限制的在中央銀行的現金結存	<b>(18,644)</b>		<b>(10,468)</b>	
Cash and cash equivalents in the consolidated cash flow statement	在綜合現金流量表內的現金及等同現金項目	<b>85,366</b>		<b>60,530</b>	

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### 44. ASSETS PLEDGED AS SECURITY 用作抵押品的資產

The following assets have been pledged as collateral for own liabilities at the balance sheet date:

於結算日，以下資產經已用作本身負債之抵押品：

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Secured liabilities	有抵押負債	1,115	1,514	979	810
Assets pledged:	抵押資產				
Advances to customers	客戶貸款	1,771	2,070	-	-
Available-for-sale financial assets	可供出售金融資產	40	736	-	-
Held-to-maturity investments	持至到期投資	96	96	96	96
		1,907	2,902	96	96

The following balances with banks have been pledged as collateral for securities borrowings and margin deposits of derivatives.

以下的銀行結餘已用作證券借貸及衍生工具孖展按金之抵押品。

		The Group 集團		The Bank 銀行	
		2010	2009	2010	2009
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cash collateral for borrowed securities	用作證券借貸的現金抵押品	16	18	16	18
Margin accounts for open futures and forward contracts	用作開立期貨及遠期合約的孖展賬戶	727	921	682	876
		743	939	698	894
Capital equivalency deposit	等同資本的存款	39	39	39	39

These transactions are conducted under terms that are usual and customary to standard lending and securities borrowing and lending activities.

此等交易之條款是按一般及慣常標準借款及證券借貸交易進行。

#### 45. LOANS TO OFFICERS 行政人員貸款

The aggregate of loans to officers of the Bank disclosed pursuant to Section 161B(4B) and (4C) of the Hong Kong Companies Ordinance is as follows:

按照香港《公司條例》第161B條(4B)及(4C)款規定，本行行政人員之貸款總額公佈如下：

		2010		2009	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Aggregate amount of relevant loans outstanding at 31st December	相關貸款於12月31日的結欠總額				
By the Bank	由銀行借出	4,809		3,711	
By subsidiaries	由附屬公司借出	1,334		1,261	
		6,143		4,972	
The maximum aggregate amount of relevant loans outstanding during the year	年度內相關貸款之最高結欠總額				
By the Bank	由銀行借出	7,131		5,543	
By subsidiaries	由附屬公司借出	1,509		1,656	
		8,640		7,199	

There was no interest due but unpaid nor any impairment allowance made against these loans at 31st December, 2010 and 31st December, 2009.

於2010年12月31日及2009年12月31日，沒有逾期未償付利息，亦未有對該等貸款作減值準備。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 46. MATERIAL RELATED PARTY TRANSACTIONS 關聯人士的重大交易

The Group maintains certain retirement benefit schemes for its staff as per Note 2(q)(iii). In 2010, the total amount of contributions the Group made to the schemes was HK\$106 million (2009: HK\$65 million).

本集團為其職員提供若干退休保障計劃，並已於附註2(q)(iii)披露。於2010年內，本集團對該等計劃的供款總數為港幣106,000,000元(2009年：港幣65,000,000元)。

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

本集團與其關聯人士進行多項交易，該等人士包括聯營公司、及主要行政人員與其直系親屬、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。

The interest received from and interest paid to the Group's related parties for the year, outstanding balances of amounts due from and due to at the year end, and maximum outstanding balance of amounts due from and due to them during the year are aggregated as follows:

於2010年，本集團從關聯人士所收取與支付予他們的利息，及在2010年12月31日，關聯人士的欠款及欠關聯人士的款項，及在年度內關聯人士最高欠款及欠關聯人士的最高款項現總結如下：

		Key management personnel 主要管理人員		Subsidiaries 附屬公司		Associates 聯營公司	
		2010	2009	2010	2009	2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interest income	利息收入	130	125	272	588	3	3
Interest expense	利息支出	34	25	161	560	-	-
Amounts due from	關聯人士的欠款	8,601	6,971	30,794	12,719	1,141	626
Amounts due to	欠關聯人士的款項	8,871	5,147	2,722	1,642	4	4
Maximum amounts due from	關聯人士的最高欠款	14,229	10,443	30,794	15,953	1,625	924
Maximum amounts due to	欠關聯人士的最高款項	39,999	9,826	2,838	2,295	15	14

## 47. EQUITY COMPENSATION PLANS 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees of the Group, including Executive Directors and Chief Executive, options to subscribe for shares of the Bank. The options may be exercised during the period beginning on the first anniversary of the Date of Grant and ending on the fifth anniversary of the Date of Grant. All options were granted for nil consideration.

本行所採納的僱員認股計劃是本行董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及行政總裁，以認購本行股份。認股權的行使期限為授予日的第1周年開始至授予日的第5周年止。所有認股權均以無計價款形式發出。

## (a) Particulars of share options

## (a) 認股權詳情

Date of grant 授予日期	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$港幣
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	20.86*
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	30.04*
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	42.84*
05/5/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	40.09*
05/5/2009	05/5/2009 – 04/5/2010	05/5/2010 – 05/5/2014	21.25
06/7/2010	06/7/2010 – 05/7/2011	06/7/2011 – 06/7/2015	28.49



## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

## (b) Movement of share options

## (b) 認股權之變動

2010 Date of grant 授予日期	Outstanding at 1/1/2010 於 2010年1月1日 尚未行使	Number of share options 認股權數目			Outstanding at 31/12/2010 於 2010年12月31日 尚未行使
		Granted 已授予	Exercised 已行使	Lapsed 已失效	
03/5/2005	4,737,000	-	4,737,000	-	-
03/5/2006	2,695,000	-	110,000	165,000	2,420,000
10/5/2007	2,750,000	-	-	165,000	2,585,000
05/5/2008	5,500,000	-	-	330,000	5,170,000
05/5/2009	6,600,000	-	2,120,000	-	4,480,000
06/7/2010	-	5,950,000	-	-	5,950,000
Total 總額	22,282,000	5,950,000	6,967,000	660,000	20,605,000

2009 Date of grant 授予日期	Outstanding at 1/1/2009 於 2009年1月1日 尚未行使	Additional share options for bonus issue* 因派發紅股而 增加之認股權*	Number of share options 認股權數目			Outstanding at 31/12/2009 於 2009年12月31日 尚未行使
			Granted 已授予	Exercised 已行使	Lapsed 已失效	
22/4/2004	2,765,000	276,500	-	-	3,041,500	-
03/5/2005	6,105,000	610,500	-	1,978,500	-	4,737,000
03/5/2006	2,700,000	270,000	-	-	275,000	2,695,000
10/5/2007	2,750,000	275,000	-	-	275,000	2,750,000
05/5/2008	5,500,000	550,000	-	-	550,000	5,500,000
05/5/2009	-	-	6,600,000	-	-	6,600,000
Total 總額	19,820,000	1,982,000	6,600,000	1,978,500	4,141,500	22,282,000

\* After adjusting for the bonus issue in 2009.

\* 經調整 2009 年所發行的紅股。

(c) No share options were cancelled during the years ended 31st December, 2010 and 2009.

(c) 截至2010年12月31日及2009年12月31日年度內並未有認股權被註銷。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 47. EQUITY COMPENSATION PLANS (CONTINUED) 股份補償計劃(續)

## (d) Details of share options exercised

## (d) 已行使認股權詳情

Exercise period 行使期間	Date of grant 授予日期	Number of share options 認股權數目	
		2010	2009
January 1月	03/5/2005	235,500	–
February 2月	03/5/2005	142,500	–
March 3月	03/5/2005	3,048,500	–
April 4月	03/5/2005	811,000	–
May 5月	03/5/2005	499,500	190,500
June 6月	03/5/2005	–	208,500
July 7月	03/5/2005	–	14,000
August 8月	03/5/2005	–	79,000
	05/5/2009	2,020,000	–
September 9月	03/5/2005	–	243,500
	05/5/2009	10,000	–
October 10月	03/5/2005	–	292,500
	03/5/2006	110,000	–
	05/5/2009	50,000	–
November 11月	03/5/2005	–	755,500
	05/5/2009	40,000	–
December 12月	03/5/2005	–	195,000
		6,967,000	1,978,500

## 48. NON-ADJUSTING POST BALANCE SHEET EVENTS 毋須調整的資產負債表日後事件

After the balance sheet date the directors proposed a final dividend. Further details are disclosed in Note 15(a).

On 21st January, 2011 the Bank and East Asia Holding Company, Inc. (“EAHC”) a wholly-owned subsidiary of the Bank, entered into a share sale agreement (the “Share Sale Agreement”) with Industrial and Commercial Bank of China Limited (“ICBC”) in respect the sale of 80% of the issued and outstanding common shares of The Bank of East Asia (U.S.A.) National Association (“BEA USA”) by EAHC to ICBC for a total consideration of approximately US\$140 million (equivalent to approximately HK\$1,086 million) (the “Disposal”). The consideration for the Disposal will be adjusted after the completion of the Disposal to reflect any increase or decrease in 80% of the net tangible book value of BEA USA between 30th September, 2010 and the closing date of the Disposal.

董事於結算日後擬派發一末期股息。詳情已在附註15(a)作披露。

於2011年1月21日，本行及本行的全資附屬公司East Asia Holding Company, Inc. (「EAHC」)與中國工商銀行股份有限公司(「工商銀行」)，就有關EAHC向工商銀行出售The Bank of East Asia (U.S.A.) National Association (「美國東亞銀行」)之已發行普通股80%，簽訂了股份買賣協議(「股份買賣協議」)，總對價為140,000,000美元(約相當於港幣1,086,000,000元)(「出售交易」)。對價將在出售交易完成後予以調整，以反映由2010年9月30日至出售交易完成日期間，美國東亞銀行有形淨資產賬面值的80%所出現之任何增減。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

Completion of the Disposal is subject to satisfaction or waiver of certain conditions precedent, including receipt of necessary bank regulatory approvals in the U.S. and China (including Hong Kong), and the execution and delivery by the parties of a transition service agreement and a shareholders agreement (the "Shareholders Agreement") by the date that is fourteen months from the date of the Share Sale Agreement (the "Drop Dead Date"). If by the Drop Dead Date, the conditions precedent to the completion of the Disposal are not satisfied or waived, the parties may mutually agree to extend the Drop Dead Date to a later date.

Upon the completion of the Disposal, BEA USA will cease to be a subsidiary of the Bank and will be held as to 20% by the Bank through EAHC and 80% by ICBC. A Shareholders Agreement will be entered into between the parties to regulate their respective rights and obligations. Under the Shareholders Agreement, at any time from the date that is eighteen months after the completion of the Disposal to the tenth anniversary of the date of completion of the Disposal, the Bank through EAHC will have a put option to sell to ICBC the remaining 20% of the shares of common stock of BEA USA.

完成本次出售交易，需要符合某些先決條件或此等條件獲得豁免，包括取得所有必要的中國(包含香港)和美國監管機構的批准、各方簽訂過渡服務協議，以及一份股東協議(「股東協議」)，並且應在股份買賣協議簽訂之日起14個月內(「最後限期」)完成上述條件。倘若於最後限期屆滿之時，本次出售交易的先決條件未能全部得到滿足或豁免，則股份買賣協議各方可以同意延長最後限期。

完成出售交易後，美國東亞銀行將不再是本行的附屬公司，而是由本行透過EAHC間接持有20%，及由工商銀行持有80%。本次出售交易的各方同時將簽訂股東協議，以規範各自相關的權利和義務。根據股東協議，於本次出售交易完成日之後18個月起，至本次出售交易完成10周年日之間的任何時間，本行透過EAHC將會擁有向工商銀行出售美國東亞銀行剩餘的20%已發行普通股的賣出期權。

## 49. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

The preparation of accounts requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these accounts and the reported amounts of revenues and expenses for the years presented. Changes in assumptions may have a significant impact on the accounts in the periods where the assumptions are changed. The application of assumptions and estimates means that any selection of different assumptions would cause the Group's reporting to differ. The Group believes that the assumptions that have been made are appropriate and that the accounts therefore present the financial position and results fairly, in all material respects.

Management discussed with the Audit Committee the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

在編製本集團的賬項時，管理層必須作出若干於該等賬項的日期，對所匯報資產及負債之金額和或然資產及負債披露有影響的估計和假定，同時亦須作出若干對報告年度內收入及支出之金額有影響的估計和假定。如本集團更改該等假定，便可能對作出有關改變期間的賬項產生重大影響。採用此等不同的假定和估計意味本集團之報告會有所不同。在各個重要環節方面，本集團認為已作出適當之假定，而本集團的財務報表均能公平地反映其財政狀況和業績。

管理層已與審核委員會商討關於本集團重要會計政策及估計的制定、選擇和披露，以及該等政策和估計的應用。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 49. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED) 會計估計及判斷(續)

## (a) Key sources of estimation uncertainty

Notes 30, 36 and 41 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and fair values of financial instruments. Other key sources of estimation uncertainty are as follows:

## (i) Impairment losses

*Loans and advances*

Loan portfolios are reviewed periodically to assess whether impairment losses exist. The Group makes judgement as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence for impairment includes observable data that the payment status of borrowers in a group has adversely changed. It may also include observable data that correlate with defaults on the assets in the Group. If management has determined, based on their judgement, that objective evidence for impairment exists, expected future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted on the basis of the current observable data. Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

*Available-for-sale financial assets and held-to-maturity investments*

The Group determines that available-for-sale financial assets and held-to-maturity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of when a decline in fair value below its cost is not recoverable within a reasonable time period is judgmental by nature, so profit and loss could be affected by differences in this judgement.

## (ii) Valuation of financial instruments

The Group's accounting policy for valuation of financial instruments is included in Note 2. The fair value of the financial instruments is mainly based on the quoted market price on a recognised stock exchange or a price quoted from a broker/dealer for non-exchanged traded financial instruments. The fair value of collateralised debt obligations is based on bid prices quoted by reputable brokers and has been carefully assessed for reasonableness by management. The fair value of a SIV is based on their net asset values as provided by the SIV's manager.

## (b) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

## (i) Held-to-maturity investments

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Group evaluates its intention and ability to hold such investments till maturity.

If the Group fails to hold these investments to maturity other than for certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale, as such class is deemed to have been tainted.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

## (a) 估計不穩定因素的主要來源

附註30、36和41載述有關商譽減值、已授予股權的公平價值和金融工具的公平價值的假設及其風險因素。估計不穩定因素的其他主要來源如下：

## (i) 減值損失

*貸款*

本集團會定期檢討貸款組合，以評估減值損失是否存在。本集團需要判斷是否有任何客觀證據可以證明貸款組合已經減值，即估計將來現金流有所減少。減值客觀證據包括與借款人有關的可觀察資料整體上的付款狀況已出現逆轉，而該等資料與本集團的不履行資產是互相關連的。當管理層根據其判斷決定減值的客觀證據存在，便會依據若干與該等資產的信貸風險特性相若之資產的以往損失經驗，以估計預期將來現金流。以往損失經驗是以目前的可觀察資料為基礎作出調整。管理層亦會定期檢討用以估計將來現金流的方法和假設，從而減少估計損失與實際損失的差異。

*可供出售金融資產及持至到期投資*

若可供出售金融資產及持至到期投資的公平價值明顯或持續地低於其成本，本集團即判斷該等資產及投資已減值。本集團判斷公平價值低於成本的金額會在一段合理時間內不可收回純屬假設性質，因此判斷之差異會對損益有所影響。

## (ii) 金融工具的估值

本集團對金融工具估值的會計政策列載於附註2。金融工具的公平價值主要根據認可之交易所的市場報價，或就非在交易所作交易的金融工具而言，則根據經紀/交易員的報價。債務抵押債券的公平價值由聲譽良好的經紀按買入價提供報價，及經已被管理層小心評估其適當性。特別投資工具的公平價值是根據特別投資工具之管理人所提供該工具的資產淨值。

## (b) 本集團應用會計政策的重要會計判斷

本集團應用會計政策的若干重要會計判斷如下：

## (i) 持至到期投資

本集團將設有固定或可確定付款金額和固定到期日，以及本集團有確信的意向及能力持有至到期日的非衍生金融資產，分類為持至到期投資。在作出有關判斷時，本集團會評估本身是否有意向及能力持有該等投資至到期日。

除若干特殊情況外，若本集團未能持有該等投資至到期日，本集團會將整個可持至到期日的投資組合，重新分類為可供出售。這是由於此類投資已被蒙污。

以上之情況會導致原以攤銷成本計量的可持至到期投資改以公平價值計量。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### (ii) Recognition of deferred tax assets

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The Group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

#### (ii) 遞延稅項資產之確認

須在未來可能有應課稅溢利予以抵銷遞延稅項資產的情況下，本集團才確認遞延稅項資產。在釐定未來應課稅溢利的金額及其可能性時，須估計及判斷在可見之將來該未來應課稅溢利可否支持確認該遞延稅項資產。本集團使用所有已有的資料，包括根據合理及可支持之假設和對收入及支出成本的估計，以釐定未來應課稅溢利。此等估計的變動可能對遞延稅項資產確認的時間及資產確認的金額有重大影響。

## 50. COMPARATIVE FIGURES 比較數字

As a result of the adoption of the amendments to HKAS 12, Income taxes, certain comparative figures have been adjusted to reflect the decrease in accrual of deferred tax liabilities related to investment properties carried at fair value. Further details of these changes in accounting policies are disclosed in Note 3.

由於採納經修訂之《香港會計準則》第12號「所得稅」，若干比較數字已作調整以反映與以公平價值列賬的投資物業之應計遞延稅項負債有所減少。該等會計政策變動之詳情已於附註3披露。

## 51. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2010 在截至2010年12月31日止年度前已公佈但尚未生效的修訂、新標準和詮釋所產生的可能影響

Up to the date of issue of these accounts, the HKICPA has issued a number of amendments and interpretations and one new standard which are not yet effective for the accounting year ended 31st December, 2010 and which have not been adopted in these accounts.

直至此等賬項之發佈日期，香港會計師公會已頒佈了多項修訂和詮釋及一項新準則；但該等修訂、詮釋和新準則於截至2010年12月31日止會計年度尚未生效，因此尚未應用於此等賬項。

	<b>Effective for accounting periods beginning on or after 由會計期開始或以後起生效</b>
Revised HKAS 24, Related party disclosures	1st January, 2011
經修訂《香港會計準則》第24號「關聯人士披露」	2011年1月1日
HKFRS 9, Financial instruments	1st January, 2013
《香港財務報告準則》第9號「金融工具」	2013年1月1日
Improvements to HKFRSs 2010	1st July, 2010 or 1st January, 2011
優化《香港財務報告準則》(2010年)	2010年7月1日或2011年1月1日

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position except for HKFRS 9, Financial instruments, which will have an impact on the Group's results and financial position arising from changes in the Group's classification and measurement of financial instruments.

本集團正在評估該等修訂對首個應用期可能產生的影響。除《香港財務報告準則》第9號「金融工具」將引致本集團在分類及計量金融工具時可能對本集團的業績及財務狀況有影響外，至今所得結論是若採納該等修訂對本集團的業績及財務狀況不可能構成重大影響。

# UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

## 未經審核補充財務資料

### (1) CAPITAL ADEQUACY RATIO AND CAPITAL BASE 資本充足比率及資本基礎

#### (a) Capital adequacy ratio

#### (a) 資本充足比率

		2010	2009
		%百分率	%百分率
Capital adequacy ratio as at 31st December	於12月31日的資本充足比率	13.2	13.3
Core capital adequacy ratio as at 31st December	於12月31日的核心資本充足比率	9.8	9.4

Capital ratios at 31st December, 2010 and 31st December, 2009 were compiled in accordance with the Banking (Capital) Rules (“the Capital Rules”) issued by the Hong Kong Monetary Authority under Section 98A of the Hong Kong Banking Ordinance for the implementation of the “Basel II” capital accord, which became effective on 1st January, 2007. In accordance with the Capital Rules, the Bank has adopted the foundation internal ratings-based approach for the calculation of the risk-weighted assets for credit risk and the internal models approach for the calculation of market risk and standardised approach for operational risk.

The basis of consolidation for calculation of capital ratios under the Capital Rules follows the basis of consolidation for financial reporting with the exclusion of subsidiaries which are “regulated financial entities” (e.g. insurance and securities companies) as defined by the Capital Rules. Accordingly, the investment costs of these unconsolidated regulated financial entities are deducted from the capital base.

於2010年12月31日及2009年12月31日之資本比率，乃根據香港金融管理局所頒佈的《銀行業(資本)規則》(「資本規則」)計算。此「資本規則」乃根據香港《銀行條例》第98A條因應實施新巴塞爾資本協定而制定，並於2007年1月1日生效。根據「資本規則」，本行選擇採納「基礎內部評級基準計算法」計算信貸風險之風險加權資產、「內部模式計算法」計算市場風險及「標準計算法」計算營運風險。

於「資本規則」下計算綜合資本比率之基礎乃跟隨財務報告之綜合基礎，但撇除「資本規則」界定為受規管金融實體(如保險及證券公司)之附屬公司。因此，該等未綜合之附屬公司之投資成本會從資本基礎中扣除。



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

## (b) Group capital base after deductions

## (b) 集團扣減後的資本基礎

		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Core capital	核心資本		
Paid up ordinary share capital	繳足股款的普通股股本	5,105	4,623
Share premium	股份溢價	9,331	4,526
Reserves	儲備	19,810	17,647
Profit or loss account	損益賬	1,380	1,553
Non-controlling interests	非控股權益	3,557	3,826
Deduct: Goodwill	減：商譽	(1,658)	(1,624)
Net deferred tax assets	淨遞延稅項資產	(399)	(317)
Other intangible assets	其他無形資產	(27)	(27)
		<b>37,099</b>	30,207
Less: Core capital items deductions	減：核心資本的扣減項目	<b>(3,593)</b>	(3,672)
Total core capital	核心資本總額	<b>33,506</b>	26,535
Eligible supplementary capital	可計算的附加資本		
Reserves attributable to fair value gains on revaluation of holdings of land and building	因按公平價值重估持有土地及建築物而產生盈利的儲備	970	916
Revaluation reserves for fair value gains on revaluation of holdings of available-for-sale equities and debt securities	因按公平價值重估持有可供出售股份及債務證券而產生盈利的重估儲備	65	63
Unrealised fair value gains arising from holdings of equities and debt securities designated at fair value through profit or loss	因按公平價值重估持有被指定為通過損益以反映公平價值之股份及債務證券而產生的未實現盈利	197	424
Regulatory reserve for general banking risks	一般銀行業風險的法定儲備	54	134
Collectively assessed impairment allowances	整體評估減值準備	129	153
Surplus provisions	過剩準備	921	435
Perpetual subordinated debt	無到期日的後償債項	3,606	3,743
Term subordinated debt	有期後償債項	9,280	8,910
		<b>15,222</b>	14,778
Less: Supplementary capital items deductions	減：附加資本的扣減項目	<b>(3,593)</b>	(3,672)
Total supplementary capital	附加資本總額	<b>11,629</b>	11,106
Total capital base	資本基礎總額	<b>45,135</b>	37,641

Deductions from total capital base include investments in subsidiaries of which their risk weighted assets have not been consolidated into the total risk weighted assets of the Group, which mainly conduct non-banking related businesses.

資本基礎總額扣減項目，包括主要從事與非銀行業有關業務的附屬公司投資，而其風險加權資產並未在本集團的風險加權資產總額內綜合計算。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (2) LIQUIDITY RATIO 流動資金比率

		2010	2009
		%百分率	%百分率
Average liquidity ratio for the year	年度內平均流動資金比率	44.9	43.3

The average liquidity ratio for the year is the simple average of each calendar month's average liquidity ratio, which is computed on the consolidated basis as required by the Hong Kong Monetary Authority for its regulatory purposes, and is in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

年度內平均流動資金比率是每月平均比率的最簡單平均數，其計算是根據香港金融管理局訂定用作規管用途的綜合基準及香港《銀行條例》(附表4)。

## (3) CROSS-BORDER CLAIMS 跨國債權

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

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

		2010					
		Banks and other financial institutions		Public sector entities		Others	Total
		銀行及其他金融機構		公營機構		其他	總額
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
<b>The Group</b>	<b>集團</b>						
People's Republic of China	中華人民共和國	17,270		2,153		56,083	75,506
Asian countries, excluding People's Republic of China	其他亞洲國家(不包括中華人民共和國)	23,537		3,047		16,128	42,712
North America	北美洲	8,035		210		11,273	19,518
Western Europe	西歐	29,620		-		4,802	34,422

		2009					
		Banks and other financial institutions		Public sector entities		Others	Total
		銀行及其他金融機構		公營機構		其他	總額
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
The Group	集團						
People's Republic of China	中華人民共和國	9,717		1,683		37,795	49,195
Asian countries, excluding People's Republic of China	其他亞洲國家(不包括中華人民共和國)	17,241		2,464		12,917	32,622
North America	北美洲	9,147		382		12,927	22,456
Western Europe	西歐	50,624		-		1,490	52,114

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)  
未經審核補充財務資料(續)

(4) NON-BANK MAINLAND EXPOSURES 內地非銀行類客戶風險

The total direct non-bank Mainland exposures and the individual impairment allowances are as follows:

內地非銀行類客戶直接風險總額及其個別減值準備如下：

		2010			
Type of counterparties	交易對手的類別	On-balance	Off-balance	Total	Individual
		sheet exposure	sheet exposure		impairment
		資產負債表	資產負債表	allowance	
		以內的風險	以外的風險	個別減值準備	
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Mainland entities	內地實體	136,500	41,863	178,363	31
Companies and individuals outside the Mainland where the credit is granted for use in the Mainland	信貸是用於內地而借款的公司及個人是在國外	36,223	2,631	38,854	5
Other counterparties the exposures to whom are considered to be non-bank Mainland exposures	其他交易對手而其風險被認為內地非銀行類客戶風險	12,660	102	12,762	-
Total	總額	185,383	44,596	229,979	36

		2009			
Type of counterparties	交易對手的類別	On-balance	Off-balance	Total	Individual
		sheet exposure	sheet exposure		impairment
		資產負債表	資產負債表	allowance	
		以內的風險	以外的風險	個別減值準備	
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Mainland entities	內地實體	97,002	22,570	119,572	36
Companies and individuals outside the Mainland where the credit is granted for use in the Mainland	信貸是用於內地而借款的公司及個人是在國外	15,085	2,302	17,387	10
Other counterparties the exposures to whom are considered to be non-bank Mainland exposures	其他交易對手而其風險被認為內地非銀行類客戶風險	7,540	12	7,552	-
Total	總額	119,627	24,884	144,511	46

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (5) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS 逾期、經重組及收回資產

## (a) Overdue and rescheduled advances

## (a) 逾期及經重組貸款

		2010		2009	
		% of total advances to customers		% of total advances to customers	
		佔客戶貸款總額的百分比		佔客戶貸款總額的百分比	
		HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元	
<b>The Group</b>	<b>集團</b>				
Advances to customers overdue for	逾期客戶貸款				
– 6 months or less but over 3 months	– 3個月以上至6個月	98	0.0	96	0.1
– 1 year or less but over 6 months	– 6個月以上至1年	139	0.0	515	0.2
– Over 1 year	– 1年以上	159	0.1	280	0.1
		396	0.1	891	0.4
Rescheduled advances to customers	經重組客戶貸款	443	0.2	489	0.2
Total overdue and rescheduled advances	逾期及經重組客戶貸款總額	839	0.3	1,380	0.6
Secured overdue advances	有抵押逾期貸款	220	0.1	561	0.2
Unsecured overdue advances	無抵押逾期貸款	176	0.1	330	0.2
Market value of security held against secured overdue advances	有抵押逾期貸款抵押品市值	561		2,168	
Individual impairment allowance made on loans overdue for more than 3 months	逾期3個月以上貸款的個別減值準備	148		309	

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at year-end. Loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

當本金或利息已逾期及在年底仍未清還，有特定還款日期的貸款及墊款將分類為逾期貸款。當分期逾期及在年底仍未清還時，以固定分期償還的貸款亦視作逾期貸款。若即時還款通知書已給予借款人但卻未能即時償還，即時償還的貸款當作逾期，及/或該貸款已持續超出已知會借款人所核准的限額，而超出已知會借款人所核准限額的時間比貸款逾期的時間更長。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

An asset considered as an eligible collateral should generally satisfy the following:

- (a) The market value of the asset is readily determinable or can be reasonably established and verified;
- (b) The asset is marketable and there exists a readily available secondary market for disposing of the asset;
- (c) The Bank's right to repossess the asset is legally enforceable and without impediment; and
- (d) The Bank is able to secure control over the asset if necessary.

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

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

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

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

There were no advances to banks and other financial institutions which were overdue for over 3 months as at 31st December, 2010 and 31st December, 2009, nor were there any rescheduled advances to banks and other financial institutions on these two dates.

可視作合格抵押品的資產須符合下列條件：

- (a) 該資產的市值是可即時決定的或是可合理地確定及證實的；
- (b) 該資產是有市價的及有二手市場可即時將該資產出售；
- (c) 本行收回資產的權利是有法律依據及沒有障礙的；及
- (d) 本行在有需要時可對該資產行使控制權。

合格抵押品主要分為下列兩種：

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

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

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

於2010年12月31日及2009年12月31日，銀行及其他金融機構的貸款中，並無逾期3個月以上或經重組的貸款。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (5) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS (CONTINUED) 逾期、經重組及收回資產(續)

## (b) Other overdue and rescheduled assets

## (b) 其他逾期及經重組資產

		2010		2009	
		Accrued interest 應計利息 HK\$ Mn 港幣百萬元	Other assets* 其他資產* HK\$ Mn 港幣百萬元	Accrued interest 應計利息 HK\$ Mn 港幣百萬元	Other assets* 其他資產* HK\$ Mn 港幣百萬元
<b>The Group</b>	<b>集團</b>				
Other assets overdue for	其他逾期資產				
– 6 months or less but over 3 months	– 3個月以上至6個月	-	-	-	-
– 1 year or less but over 6 months	– 6個月以上至1年	-	-	-	-
– Over 1 year	– 1年以上	-	5	-	1
		-	5	-	1
Rescheduled assets	經重組資產	-	-	-	-
Total other overdue and rescheduled assets	其他逾期及經重組資產總額	-	5	-	1

\* Other assets refer to trade bills and receivables.

\* 其他資產是指貿易票據及應收款項。

## (c) Repossessed assets

## (c) 收回資產

		2010		2009	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>The Group</b>	<b>集團</b>				
Reposessed land and buildings *	收回土地及建築物 *		8		48
Reposessed vehicles and equipment	收回汽車及設備		-		-
Total reposessed assets	收回資產總額		8		48

The amount represents the estimated market value of the reposessed assets as at 31st December.

此等金額指於12月31日收回資產的估計市值。

\* The balance included HK\$2 million (2009: HK\$5 million) relating to properties that were contracted for sale but not yet completed.

\* 結餘包括總值港幣2,000,000元(2009年:港幣5,000,000元)已簽約出售但仍未成交的物業。

## (6) PRINCIPAL RISKS AND CAPITAL ADEQUACY 主要風險及資本充足度

## (a) Summary of approach to assess capital adequacy

Different approaches are adopted for assessing capital adequacy as follows:

## (a) 評估資本充足度的方法概要

評估資本充足度採納以下不同方法:

Risk areas 風險範圍	Approach for assessing capital adequacy 評估資本充足率的方法
Credit Risk 信貸風險	Foundation Internal Ratings-Based ("IRB") Approach 基礎內部評級基準計算法
Market Risk 市場風險	Internal Models Approach 內部模式計算法
Operational Risk 營運風險	Standardised Approach 標準計算法



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (b) Principal risks

This section presents information on the Group's management of principal risks.

The Group has in place a risk management system to identify, measure, monitor and control the various types of risk that the Group faces and, where appropriate, to set strategy and allocate capital against those risks. The risk management policies covering credit risk, market risk, operational risk, liquidity risk, interest rate risk, strategic risk, legal risk and reputation risk of the Group are reviewed regularly by the Management and specialised risk management committees, and recommendations are made by the Risk Management Committee, which comprises the Group's Chairman and Chief Executive, Senior Advisors, Deputy Chief Executives and the Group Chief Risk Officer, for the approval of the Board of Directors. There is an independent centralised risk management unit, Risk Management Division, responsible for monitoring the activities relating to these principal risks. The internal auditors also perform regular audits on business units to check compliance with policies and procedures.

##### Credit risk management

Credit risk arises from the possibility that a customer or counterparty in a transaction may default. Such risk may arise from counterparty risks from loan and advances, issuer risks from the securities business and counterparty risks from trading activities.

The Board of Directors has delegated authority to the Credit Committee to oversee management of the Group's credit risk, independent of the business units. The Credit Committee reports to the Board of Directors via the Risk Management Committee, which deals with all risk management related issues of the Group. Credit risk control limits are set at different levels and dimensions. The Board of Directors approves the core control limits and delegates the Credit Committee to approve the detailed control limits. Risk, return and market situations are considered in the limits setting. Active limit monitoring process is undertaken.

The Credit Committee is responsible for all credit risk related issues of the Group. The Group identifies and manages credit risk through defining target market segment, formulation of credit policies, credit approval process and monitoring of asset quality.

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

The Group has established policies, procedures and rating systems to identify, measure, monitor and control credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Manual. These guidelines stipulate delegated lending authorities, credit extension criteria, credit monitoring process, internal rating structure, credit recovery and provisioning policy. They are reviewed and enhanced on an on-going basis to cater for the market change, statutory requirement and best practice risk management processes. Credit Risk Management Department under Risk Management Division of the Group is responsible for monitoring activities relating to credit risk.

#### (b) 主要風險

本部分載述有關本集團主要風險管理的資料。

本集團已建立一套完善的風險管理制度，以識別、衡量、監察及控制本集團所承受各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團就信貸風險、市場風險、營運風險、流動資金風險、利率風險、策略風險、法律風險和信譽風險制定的管理政策，均由管理層和有關專責委員會定期檢討，並由風險管理委員會提出建議，最後經董事會批核。該委員會由本集團主席兼行政總裁、高級顧問、副行政總裁和集團風險總監組成。本集團設有一個獨立的中央風險管理單位(風險管理處)，專責處理與主要風險有關的活動。內部稽核員亦會對業務部門定期進行稽核，以確保該等政策及程序得以遵從。

##### 信貸風險管理

信貸風險源於客戶或交易對手未能履行其承擔，可來自本集團貸款中的交易對手風險、證券業務的發行商風險和交易活動的交易對手風險。

為監察本集團的信貸風險管理，董事會已授權信貸委員會執行此職能；而信貸風險管理乃獨立於所有業務部門。信貸委員會經風險管理委員會向董事會匯報。風險管理委員會負責處理本集團所有與風險管理相關的事項。信貸風險控制限額設有不同層次和範疇。董事會審批核心控制限額，並授權信貸委員會審批具體控制限額。釐定限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

信貸委員會負責處理所有與本集團信貸風險有關的事務。本集團識別和管理信貸風險的方法，包括設定目標市場、制定信貸政策和信貸審批程序，以及監控資產素質。

本集團在評估與個別客戶或交易對手相關的信貸風險時，雖然可藉客戶或交易對手的抵押品減低信貸風險，然而他們的財政實力以及還款能力才是本集團的主要考慮因素。

本集團已制訂多項政策、程序及評級系統，以辨別、衡量、監察及控制本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變、有關法定要求及最佳作業風險管理程序。本集團之風險管理處轄下的信貸風險管理部，負責監察與信貸風險有關的活動。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

## (b) Principal risks (continued)

The Group's credit risk management for the major types of credit risk is depicted as follows:

## (i) Corporate and bank credit risk

The Group has laid down policies and procedures to evaluate the potential credit risk of a particular counterparty or transaction and to approve the transaction. For corporate and bank customers, the Group has different internal rating systems that are applied to each counterparty. For exposure classified as Specialised Lending in particular, supervisory slotting criteria are used. To monitor concentration risk, the Group has preset limits for exposures to individual industries and for borrowers and groups of borrowers. The Group also has a review process to ensure that the level of review and approval is proper and will depend on the size of the facility and rating of the credit.

The Group undertakes on-going credit analysis and monitoring at several levels. The policies are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The overall portfolio risk as well as individual impaired loans and potential impaired loans are being monitored on a regular basis.

## (ii) Retail credit risk

The Group's retail credit policy and approval process are designed for the fact that there are high volumes of relatively homogeneous and small value transactions in each retail loan category. The design of internal rating system and formulation of credit policies are primarily based on the demographic factors and the loss experience of the loan portfolios. The Group monitors its own and industry experience to determine and periodically revise product terms and desired customer profiles.

## (iii) Credit for treasury transactions

The credit risk of the Group's treasury transactions is managed in the same way as the Group manages its corporate lending risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

## (iv) Credit-related commitment

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

## (b) 主要風險(續)

本集團就下列各類主要信貸風險實行信貸風險管理：

## (i) 企業及銀行信貸風險

本集團已制訂多項政策及程序，以評估特定交易對手或交易的潛在信貸風險，以及決定批核有關交易與否。就企業及銀行客戶而言，本集團已制定適用於所有交易對手的內部評級系統。監管分類準則尤其適用於歸類為專門性借貸的風險承擔。為監控信貸集中的潛在風險。本集團已就個別行業及不同的借款人和借款人團體預設風險承擔限額。本集團亦已釐定檢討程序，確保按照貸款的規模和信貸評級，為貸款進行適當的檢討和審批。

本集團持續進行多個層次的信貸分析和監控。有關政策乃旨在盡早發現需要特別監控的交易對手、行業或產品的風險承擔。交易組合的整體風險和個別減值貸款及潛在減值貸款，均定期予以監控。

## (ii) 零售信貸風險

本集團的零售信貸政策和審批程序是因應各類零售貸款中均有大量類似的小額交易而制定的。在設計內部評級系統和制訂信貸政策時，本集團的主要考慮因素包括人口結構因素和有關貸款組合過往的損失。本集團監控本身和行業狀況以釐定和定期修訂產品條款和目標客戶組合。

## (iii) 財資交易的信貸風險

本集團採用企業信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

## (iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請，組合保存和抵押要求。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

## (v) Concentration of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's portfolio of financial instruments is diversified along geographic, industry and product sectors.

The Group monitors its concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

## (vi) Capital requirement for credit risk by exposure class

The following table indicates the capital requirement for credit risk on each class of exposure as at 31st December, 2010 and 31st December, 2009 respectively:

Exposure class	風險承擔類別	Capital requirement	Capital requirement
		資本要求	資本要求
		2010	2009
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Bank	銀行	3,398	2,508
Corporate	企業	15,890	12,354
Residential mortgage	住宅按揭	828	704
Qualifying revolving retail	合資格循環零售	491	497
Other retail	其他零售	427	423
Equity booked on banking book under Simple Risk-weight Method	銀行賬下的股權 -以簡單風險加權法計算	242	184
Equity booked on banking book under Internal Models Method	銀行賬下的股權 -以內部模型計算法計算	129	175
Others*	其他*	4,185	3,998

\* Including cash items, other IRB exposures and insignificant credit portfolios in which the Bank adopted Standardised Approach for assessing capital adequacy.

## Market risk management

Market risk arises from all market risk sensitive financial instruments, including debt securities, foreign exchange contracts, equity and derivative instruments, as well as from balance sheet or structural positions. The objective of market risk management is to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board of Directors reviews and approves policies for the management of market risks. The Board has delegated the responsibility for ongoing market risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

The Asset and Liability Management Committee deals with all market risk and liquidity risk related issues of the Group. It is also responsible for deciding the future business strategy with respect to the interest rates based on internal forecast.

## (v) 信貸集中的風險

信貸集中的風險源於交易對手團體受到地緣、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的財務工具分散覆蓋不同地區、行業和產品。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

## (vi) 各風險承擔類別的信貸風險資本要求

下表分別顯示於2010年12月31日及2009年12月31日每種風險承擔類別的信貸風險資本要求情況：

\* 包括現金項目，其他使用基礎內部評級基法的風險承擔，及本行採用標準計算法評估資本充足率的非主要信貸組合。

## 市場風險管理

市場風險源自所有對市場風險敏感的財務工具，包括債務證券、外匯合約、股份和衍生工具，以及結算表或結構性持倉。市場風險管理旨在減少本集團因財務工具內在的波動性而承受的風險。

董事會檢討和審批市場風險的管理政策，並已授權資產負債管理委員會負責持續進行一般的市場風險管理。資產負債管理委員會經風險管理委員會向董事會匯報。

資產負債管理委員會負責處理本集團一切與市場風險和流動資金風險相關的事項，亦負責根據內部估計之利率走勢而釐定未來業務策略。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

## (b) Principal risks (continued)

## Market risk management (continued)

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

In this connection, the key types of risk to manage are:

## (i) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed within limits approved by the Board.

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

## (ii) Interest rate risk

The Group's interest rate positions arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and non-trading portfolios. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also relates to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is managed daily by the Treasury Markets Division within the limits approved by the Board of Directors. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

## (iii) Equity risk

The Group's equity positions arise from equity investment and dynamic hedging of equity options in connection with the Bank's linked deposit business. Equity risk is managed daily by the Investment Department within the limits approved by the Board of Directors.

## (b) 主要風險(續)

## 市場風險管理(續)

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分程序。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場外交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，本集團主要管理的風險包括：

## (i) 貨幣風險

本集團的外匯風險源自外匯買賣、商業銀行業務和結構性外匯風險。所有外幣持倉均維持在董事會所訂定的限額內。

本集團於分行、附屬公司和聯營公司的外匯投資，其有關的溢利及虧損因為已撥入儲備，所以未計算在風險數額內。管理此等外幣投資的主要目的，是保障本集團的儲備免受匯率波動的影響。本集團盡力以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

## (ii) 利率風險

本集團的利率持倉來自財資及商業銀行業務。交易組合和非交易組合均會產生利率風險。利率風險主要是由帶息資產、負債及承擔在再定息時的時差所致，亦與無息負債持倉有關，其中包括股東資金和往來賬戶及若干定息貸款和負債。利率風險由資金市場處按董事會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

## (iii) 股份風險

本集團的股份持倉來自股份投資及本行掛鈎存款業務相關的動態對沖股份期權。股份風險由投資部按董事會批准的限額範圍進行日常管理。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

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

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

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

The Group estimates VaR for the Group's trading portfolio by the Parametric Approach, where the VaR is derived from the underlying variances and covariances of the constituents of a portfolio. This methodology uses historical movements in market rates and prices, a 99% confidence level, a one-day holding period, a one-year historical observation period with higher weights being assigned to more recent observations, and takes into account correlations between different markets and rates.

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

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

Total market risk capital charge under the advanced approach adopted by the Group is divided into two parts, market risk capital charge for specific risk and market risk capital charge for general market risk. Under capital charge for general market risk, the Group uses the internal models approach for the VaR calculation, by applying full 10-day price movement. For specific risk, the Group uses the Standardised (market risk) Approach for the calculation.

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審批核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團承擔市場風險的活動，確保整體及個別市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

本集團通過參數法評估本集團交易組合的風險值，其中，風險值乃透過組成份的有關方差及協方差計算得出。該方法是依據過往市場息率與價格的波動、99%置信水平、1日持倉期以及對較近期觀察給予較高權重的1年過往觀察期，並計入不同市場及息率的相關程度來推算。

由分行及附屬公司的淨投資產生的結構性外匯持倉不會包括在計算外匯交易持倉的風險值。

除上市股份外，私人股份基金及非上市股份（不包括與信貸有關之非上市證券）（統稱「非上市證券」）均由本集團管理層按限額控制。非上市證券及非交易上市股份是根據特定限額管理及並不包括在交易股份持倉的風險金額內。董事會須定期檢討該限額。

本集團採用的先進方法計算所得的市場風險資本支出總額分為兩個部分：特定風險的市場風險資本支出及一般市場風險的市場風險資本支出。本集團採用內部模式計算法，利用完整的10天價格變動計算風險值，計算一般市場風險的市場風險資本支出。本集團採用標準(市場風險)計算法計算特定風險。



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

## (b) Principal risks (continued)

## Market risk management (continued)

The following table indicates the capital charge for market risk:

## (b) 主要風險(續)

## 市場風險管理(續)

下表顯示市場風險的資本要求：

		Market risk capital charge 市場風險資本要求	Market risk capital charge 市場風險資本要求
		As at 31st December, 2010 於2010年12月31日	As at 31st December, 2009 於2009年12月31日
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Internal Models Approach	內部模式計算法		
– General Market Risk	– 一般市場風險	362	381
Standardised Approach	標準計算法		
– Specific Market Risk Debt Charge	– 特定市場風險債務要求	22	14
– Specific Market Risk Equity Charge	– 特定市場風險股份要求	119	110
– Vega Risk	– 維加風險	1	1
Total	總額	504	506

According to the Banking (Capital) Rules, the Group adopts back testing to assess the predictive power of the VaR estimation. Back testing consists of a periodic comparison of the daily VaR measures with the subsequent daily actual and hypothetical trading outcomes. Back testing is a statistical technique developed to gauge the quality and accuracy of risk measurement model. 1 exception was found during 2010 (1 exception during 2009), 99% confidence level and 250-day observation period.

*Back testing exceptions*

根據《銀行(資本)規則》，本集團採用回溯測試評估風險值估計數字的預測準確度。回溯測試包括定期將每日風險值與其後的每日實際及模擬交易結果進行對比。回溯測試是一種用以衡量風險管理模式的質素與準確度的統計技術。2010年發現了1次例外情況(2009年1次例外情況)，99%的置信水平及250日觀察期。

*回溯測試的例外情況*

		25th May, 2010 2010年5月25日
		HK\$ Mn 港幣百萬元
Year 2010 年		
Loss of total trading activities	交易活動的虧損	50
VaR for total trading activities at corresponding date	相對當日的風險值	44

		27th November, 2009 2009年11月27日
		HK\$ Mn 港幣百萬元
Year 2009 年		
Loss of total trading activities	交易活動的虧損	56
VaR for total trading activities at corresponding date	相對當日的風險值	49

In addition, stress testing on market risk is performed for the Group as a supplement to the daily VaR assessment. The Group applies sensitivity analysis and scenario analysis, on individual portfolios and/or on the Group's consolidated positions, to assess the potential impact of extreme movements in market prices on the Group's earnings.

此外，本集團利用市場風險壓力測試以補足每日風險數額的評估。本集團對個別組合及／或本集團綜合持倉進行敏感度分析及情景分析，以評估市場價格的大幅波動對本集團盈利可能產生的影響。



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

## Value-at-risk statistics

## 風險數額統計

Year 2010 年		At 31st December 於 12 月 31 日		Maximum 最高		Minimum 最低		Mean 平均	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	37		52		33		42	
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	4		8		2		4	
VaR for interest rate trading positions	利率交易持倉的風險數額	7		9		2		4	
VaR for equity trading positions	股份交易持倉的風險數額	30		45		24		35	

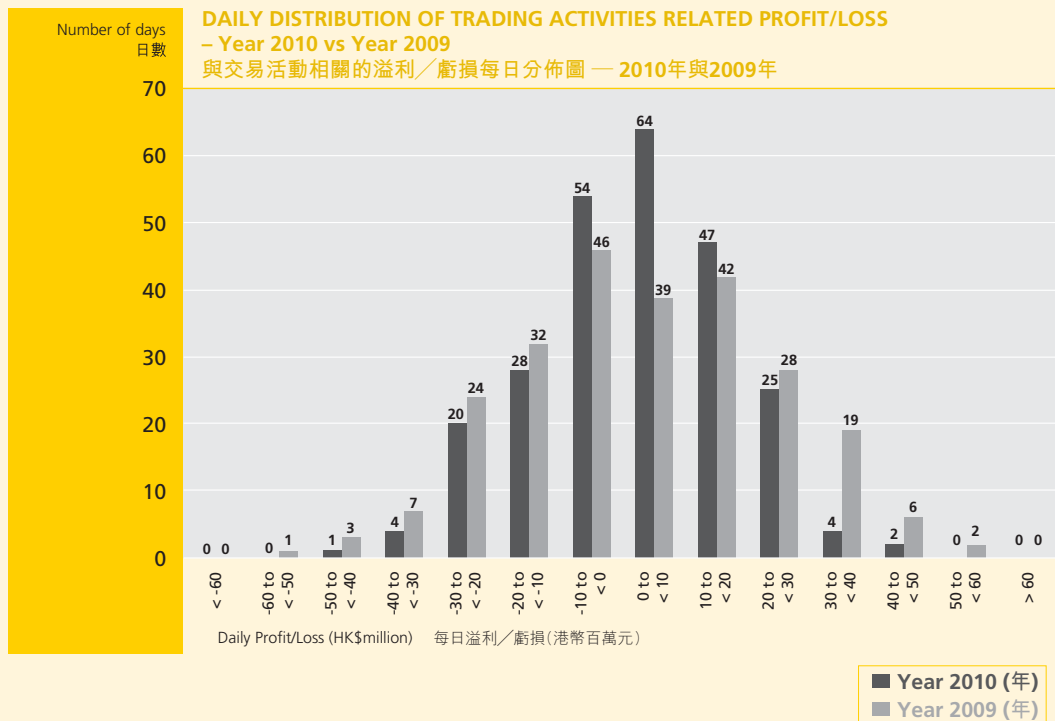
Year 2009 年		At 31st December 於 12 月 31 日		Maximum 最高		Minimum 最低		Mean 平均	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	45		76		43		59	
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	7		21		5		11	
VaR for interest rate trading positions	利率交易持倉的風險數額	3		4		1		3	
VaR for equity trading positions	股份交易持倉的風險數額	37		61		35		46	

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

\* 包括所有外匯持倉但不包括結構性外匯持倉。

The average daily profit for all trading activities (including foreign exchange, interest rate and equity trading activities) in 2010 was HK\$1.94 million (average daily profit of HK\$3.08 million in 2009). The standard deviation of the daily profit/loss was HK\$15.74 million (standard deviation of HK\$20.75 million for 2009). The frequency distribution of daily profit/loss is shown below:

於2010年，所有交易活動(包括貨幣、利率、股份交易活動)所得的每日平均收入為港幣1,940,000元(2009年的每日平均收入為港幣3,080,000元)。每日溢利/虧損的標準差為港幣15,740,000元(2009年為港幣20,750,000元)。以下為每日溢利/虧損的頻率分佈情況：



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

## (b) Principal risks (continued)

## Operational risk management

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

The objective of operational risk management is to identify, assess and monitor operational risk and, in particular, to comply with the relevant regulatory requirements.

The Group has implemented a centralised risk management framework since January 2006. The Board of Directors reviews and approves the policies for operational risk management, and it has delegated the responsibility for ongoing operational risk management to the Operational Risk Management Committee. The Operational Risk Management Committee regularly reports status of operational risk management to the Board of Directors via the Risk Management Committee. Operational Risk Management Department under Risk Management Division of the Group is responsible for monitoring activities relating to operational risk.

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

Furthermore, Operational Risk Management Department under Risk Management Division of the Group has also performed self-assessments on the Group's compliance with the requirements of HKMA Supervisory Policy Manual on Operational Risk Management, with satisfactory result which had been reviewed independently by the Internal Audit Department.

*Capital Charge for Operational Risk*

As at 31st December 2010, capital charge for operational risk amounted to HK\$1,274 million (2009: HK\$1,252 million).

## Liquidity risk management

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

The management of the Bank's liquidity risk is governed by the Liquidity Risk Management Policy, endorsed by the Risk Management Committee and approved by the Board of Directors. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Bank's liquidity risk management, set the strategy and policy for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Liquidity is managed daily by the Treasury Markets Division within the limits approved by the Board of Directors. Asset and Liability Management Department under Risk Management Division of the Group is responsible for monitoring the activities of the Treasury Markets Division in compliance with the Liquidity Risk Management Manual and Policy. The Internal Audit Department performs periodic reviews to make sure the liquidity risk management functions are carried out effectively.

## (b) 主要風險(續)

## 營運風險管理

營運風險指由於內部流程、人手及系統不足或不成熟或因外部事件而導致損失的潛在風險。

營運風險管理的目的在於辨別、評估及監控營運風險，尤其是要遵守相關監管規定之要求。

本集團自2006年1月起實施統一的風險管理制度。在此方面，董事會審閱並批准營運風險管理政策，並已授權營運風險管理委員會，負責持續管理營運風險。營運風險管理委員會透過風險管理委員會定期向董事會匯報營運風險管理的情況。本集團之風險管理處轄下的營運風險管理部，負責監控與營運風險有關的活動。

本集團所採用的營運風險管理工具包括營運風險事件匯報、自我評估監控、主要風險指標、營運手冊、保險政策及業務持續規劃等。

此外，本集團之風險管理處轄下的營運風險管理部亦就本集團是否符合香港金管局監管政策手冊關於業務操作風險管理的規定進行自我評估，並經內部稽核部獨立審閱後得出滿意的結果。

*營運風險的資本要求*

於2010年12月31日，營運風險的資本要求為港幣1,274,000,000元(2009年：港幣1,252,000,000元)。

## 流動資金風險管理

流動資金風險管理是為了確保本集團維持充足的現金以配合所有財務承擔，並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足客戶的提款要求，在借款期滿時能夠還款，符合法定的流動資金比率，以及掌握貸款和投資的機會。

本行的流動資金風險管理受風險管理委員會認可並經董事會核准的流動資金風險管理政策監管。資產負債管理委員會獲董事會授權，負責監察本行的流動資金風險管理，並制訂管理流動資金風險的策略與政策以及確保執行有關策略與政策的措施。流動資金狀況由資金市場處每日按董事會批核的限額範圍進行管理。本集團之風險管理處轄下的資產負債管理部，負責監控資金市場處的活動是否遵從流動資金風險管理手冊及政策。內部稽核部會定期作出檢討，確保流動資金風險管理功能得以有效執行。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudent limits. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business.

The Group conducts stress testing regularly to analyse liquidity risk and has formulated a contingency plan that sets out a strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations.

In addition to observing the statutory liquidity ratio, the Bank also monitors the loan to deposit ratio and maturity mismatch between assets and liabilities to control the Bank's liquidity risk.

#### Interest rate risk management

The management of the Bank's interest rate risk is governed by the Interest Rate Risk Management Policy endorsed by Risk Management Committee and approved by the Board of Directors. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Bank's interest rate risk management, set the strategy and policy for managing interest rate risk and the means for ensuring that such strategy and policy are implemented. Interest rate risk is daily managed by the Treasury Markets Division within the limit approved by the Board of Directors. The independent centralised risk management unit of the Group is responsible for monitoring the activities of the Treasury Markets Division in compliance with the Interest Rate Risk Management Manual and Policy. The Internal Audit Department performs periodic review to make sure the interest rate risk management functions are implemented effectively.

The Bank manages the interest rate risk on the banking book primarily by focusing on the repricing mismatches. Gap analysis provides a static view of the maturity and repricing characteristics of the Bank's balance sheet positions. Repricing gap limits are set to control the Bank's interest rate risk.

Stress tests on the Bank's various types of interest rate risk are conducted regularly. The Asset and Liability Management Committee monitors the results of the stress tests and decides remedial action if required.

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 both sides of the balance sheet and is performed on monthly basis. Sensitivity limits are set to control the Bank's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee and the Board of Directors on a regular basis.

本集團透過維持充足的流動資產，例如適當的現金和短期資金和證券數量，管理流動資金風險，以確保能在經審慎釐定的限額內符合短期融資要求。本集團維持充足的備用信貸，能提供策略性的流動資金，以應付日常業務過程中未能預計的大量資金需求。

本集團會定期進行壓力測試，以分析流動資金風險，並已制訂應急計劃，當中訂明了處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

除緊守法定的流動資金比率外，本銀行亦會監控貸存比率及資產與負債的期限錯配，以控制本行的流動資金風險。

#### 利率風險管理

本行的利率風險管理受風險管理委員會認可並經董事會核准的利率風險管理政策監管。資產負債管理委員會獲董事會授權，負責監察本行的利率風險管理，並制訂管理利率風險的策略與政策以及確保執行有關策略與政策的措施。利率風險由資金市場處每日按董事會批核的限額範圍進行管理。本集團轄下所設的獨立中央風險管理單位，負責監控資金市場處的活動是否遵從利率風險管理手冊及政策。內部稽核部會定期作出檢討，確保利率風險管理功能得以有效執行。

本行管理銀行賬冊利率風險的主要方法是集中於重訂息率的錯配。差距分析可讓本行從靜態角度瞭解資產負債的到期情況及再定息特點。本行設有重訂息率差距限額以控制本行的利率風險。

本行會對各種利率風險定期進行壓力測試。資產負債管理委員會監控壓力測試的結果，並在需要時釐定補救措施。

有關利率變動影響對盈利和經濟價值的敏感度分析乃透過每月假設資產負債的收益率曲線出現200個基點的利率衝擊來估算。本行設有敏感度限額，以控制本行的盈利及經濟價值兩方面的利率風險承擔。有關結果定期向資產負債管理委員會及董事會匯報。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

## (b) Principal risks (continued)

*Sensitivity analysis on interest rate risk*

The Bank uses sensitivity analysis to measure the potential effect of changes in interest rates on our net interest income and economic value change:

		2010			2009		
		HKD港元 HK\$ Mn 港幣百萬元	USD美元 HK\$ Mn 港幣百萬元	CNY人民幣 HK\$ Mn 港幣百萬元	HKD港元 HK\$ Mn 港幣百萬元	USD美元 HK\$ Mn 港幣百萬元	CNY人民幣 HK\$ Mn 港幣百萬元
Impact on earnings over the next 12 months if interest rates rise by 200 basis points	倘利率上調200個基點對未來12個月的盈利影響	272	(172)	331	(112)	(72)	(25)
Impact on economic value if interest rates rise by 200 basis points	倘利率上調200個基點對經濟價值的影響	(66)	(637)	(230)	(231)	(312)	(152)

This sensitivity analysis, which is based on a static interest rate risk profile of assets and liabilities, is used for risk management purposes only. The analysis is based on the following assumptions:

- (i) there is a parallel shift in the yield curve and in interest rates;
- (ii) there are no other changes to the portfolio;
- (iii) no loan prepayment is assumed as the majority of loans are on a floating rate basis; and
- (iv) deposits without fixed maturity dates are assumed to be repriced on the next day.

Actual changes in the Bank's net interest income and the economic value resulting from the increases in interest rates may differ from the results of this sensitivity analysis.

## (c) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In implementing current capital requirements the HKMA requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets. The Group calculates requirements for market risk in its trading portfolios based upon the Group's VaR models and uses its internal gradings as the basis for risk weightings for credit risk. Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

## (b) 主要風險(續)

*利率風險敏感度分析*

本行採用敏感度分析來量度利率變動對淨利息收入及經濟價值變動可能產生的影響：

該敏感度分析僅用於風險管理目的，乃依據資產及負債的靜態利率風險資料作出。有關分析乃根據以下假設進行：

- (i) 收益率曲線及利率出現平行移動；
- (ii) 組合並無其他變動；
- (iii) 假設沒有提早償還貸款，因大部份貸款屬於浮息貸款，及
- (iv) 假設沒有固定到期日的存款於翌日再定息。

利率上調而導致本行淨利息收入及經濟價值的實際變動與該敏感度分析的結果可能有所不同。

## (c) 資本管理

金管局制定及監察本集團整體的資本規定。在實施現行的資本規定時，金管局規定本集團維持既定的總資本對總風險加權資產比率。本集團根據風險值模式計算交易組合的市場風險，及根據內部評級作為信貸風險之風險比重的基準，計算交易組合的市場風險要求。銀行業務分為交易賬冊或銀行賬冊。風險加權資產依照特別規定而定，特別規定旨在反映與資產的不同風險水平及資產負債表外的風險。

除符合監管規定外，本集團管理資本的主要目的是保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The process of allocating capital to specific operations and activities is undertaken by the Asset and Liability Management Committee and is reviewed regularly by the Board of Directors.

Consistent with industry practice, the Group monitors its capital structure on the basis of the capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the year.

The capital adequacy ratios as at 31st December, 2010 and 31st December, 2009 are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance which became effective on 1st January, 2007.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2010 and 31st December, 2009 and the Group is well above the minimum required ratio set by the HKMA.

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

調配資本至特定業務及活動的程序由資產及負債管理委員會進行，並由董事會定期檢討。

本集團依據行業慣例，以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變。

2010年12月31日及2009年12月31日的資本充足比率是依據金管局為監管目的而制定的，本行及若干附屬公司已按綜合基準計算，並符合2007年1月1日生效的香港《銀行條例》的《銀行業(資本)規則》。

截至2010年12月31日及2009年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

## (7) CREDIT RISK UNDER INTERNAL RATINGS-BASED ("IRB") APPROACH

### 根據內部評級基準計算法計算的信貸風險

This section presents information on the Group's risk management for credit exposures under IRB approach.

Foundation IRB approach is adopted for capital adequacy assessment for credit risk where internal rating systems are applied against different types of counterparties in the risk management process.

#### (a) Structure of internal ratings systems

The internal ratings system serves as the foundation for the Bank's risk management and capital adequacy assessment. In general, the system adopts a 20-tier rating structure.

For Corporate, Bank and Retail exposures, internal measure of credit risks are based on assessment of the borrower and transaction characteristics of each exposure. Therefore the Bank has a two-dimensional rating structure, one dimension being the borrower grade, and the other being facility grade.

The borrower grade reflects risk of borrower default. The borrower's Probability of Default over a one-year horizon is linked up to the 20-tier structure, with the last 3 tiers down the structure being default grades. The facility grade incorporates transaction specific factors e.g. collateral, guarantee, etc. These factors are directly linked up to the transaction's Expected Loss, which is in turn transformed into a 20-tier structure.

本節呈列本集團對根據內部評級基準計算法計算的信貸風險承擔進行的風險管理資料。

本集團採納基礎內部評級基準計算法以評估信貸風險的資本充足度，並於風險管理程序中使用內部評級系統處理不同類型的交易對手。

#### (a) 內部評級系統的架構

內部評級系統為本行風險管理及資本充足評估的基礎。整體而言，該評級系統分為20個等級。

就企業、銀行及零售的風險承擔而言，信貸風險的內部量度方法以評估借款人及每項風險承擔的交易特性為基礎。因此，本行的評級架構有兩個層面，第一個是借款人等級，另一個是融通等級。

借款人等級反映借款人違責的風險。借款人一年內的違責或然率與20等級的架構掛鉤，最低的3個等級為違責等級。融通等級已考慮特定交易因素，如抵押品、擔保等。該等因素直接換算出交易的預期損失，再與20等級的架構掛鉤。



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (7) CREDIT RISK UNDER INTERNAL RATINGS-BASED (“IRB”) APPROACH (CONTINUED)

##### 根據內部評級基準計算法計算的信貸風險(續)

##### (a) Structure of internal ratings systems (continued)

On the other hand, the Bank utilizes the Supervisory Slotting Criteria Approach in rating Specialised Lending exposures. Under this approach, a single-dimension rating considering both the borrower and transaction characteristics will be assigned to the credit exposure, with the same 20-tier risk structure.

For Corporate and Bank exposures, borrower grades generated from the internal rating systems are benchmarked to external credit ratings.

##### (b) Use of internal ratings

The Bank has used information generated from internal rating systems in various areas including but not limited to credit approval, credit monitoring, loan classification, pricing, formulating business strategies and capital adequacy assessment.

##### (c) Control mechanisms for rating systems

In order to ensure that the rating systems are robust, the Bank has a control mechanism and relevant policies in place to validate the accuracy and consistency of the systems, which are used for the estimation of all relevant risk components for risk management and capital adequacy calculation.

The validation process covers 2 major aspects: review of internal rating models (i.e. quantitative assessment) and review of internal control and compliance (i.e. qualitative assessment). For the purpose of independency and accountability, staff members who are responsible for carrying out the validation process should be independent of those staff members who are responsible for designing and developing the rating systems. The Credit Committee oversees the whole validation process and reviews/approves the validation results and deliverables of the validating team on an annual basis.

##### (d) Internal rating process

The Bank's internal rating process begins with the business units. These units apply different models for rating different types of credit exposures. During the process of rating assignment, overriding of the rating generated by the models is possible if it is considered that material information has not been taken into account by the models. The justification for overrides should be properly documented.

The rated credits, whether or not overrides are necessary, are then reviewed and approved by an individual party other than the one responsible for the assignment of the rating. This ensures accuracy and precision of the ratings, and that ratings are prudent and comply with the credit policies of the Bank. Based on the policies of the Bank, ratings of credit exposures will be reviewed at least annually.

##### (e) Types of exposures

- Corporate exposure includes exposures to corporate small-and-medium enterprises, other corporate, specialised lending.
- Bank exposure includes exposures to banks, regulated security firms and public sector entities.
- Retail exposure includes residential mortgages, qualifying revolving retail exposures and other retail exposures.

##### (a) 內部評級系統的架構(續)

另一方面，本行為專門性借貸風險承擔評級時，會使用監管分類準則計算法。根據此計算法，信貸風險承擔會獲得一個已經兼顧借款人及交易特性的單一層面評級，這評級同樣分為20個等級。

就企業及銀行風險承擔而言，自內部評級系統產生的借款人等級與外部信貸評級對應，並作為基準。

##### (b) 內部評級的應用

本行在多方面均使用自內部評級系統取得的資料，包括但不限於信貸審批、信貸監控、貸款分類、定價、業務策略制訂及資本充足評估方面。

##### (c) 評級系統的監控機制

為確保評級系統的穩健性，本行設有監控機制及有關政策，以核實系統是否準確及一致，而系統乃用於估計一切相關風險成份以用作風險管理及資本充足計算。

核實程序涵蓋兩個主要方面：審查內部評級模型(即數量評估)及審查內部監控及遵規(即質量評估)。就獨立性及問責性而言，負責進行核實程序的員工應獨立於負責設計及制定評級系統的員工。信貸委員會監察整個核實程序，並每年審查/批准核實結果及核實小組所呈交的報告。

##### (d) 內部評級程序

本行的內部評級程序由業務單位開始。該等部門對不同類別的信貸風險承擔評級時，均會採用不同的模型。在評級程序中，倘認為模型並無考慮重要資料，模型得出的評級可能會遭調整，但調整評級的理據應妥為存檔。

然後，不論是否需要調整評級，獲評級的信貸繼而由負責評級者以外的獨立方審查及批准。此舉可確保評級準確精密，且以審慎方式作出，並符合本行的信貸政策。根據本行的政策，信貸風險承擔的評級最少每年審查一次。

##### (e) 風險承擔類別

- 企業風險承擔包括對中小型企業、其他企業、專門性借貸的風險承擔。
- 銀行風險承擔包括對銀行、受監管的證券商號及公營單位的風險承擔。
- 零售風險承擔包括住宅按揭、合資格循環零售風險承擔及其他零售風險承擔。



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (f) Variables, methods and data for estimation and validation of internal ratings

##### Probability of Default (PD)

For corporate exposures, PD is estimated based on both financial and business variables. Financial variables are financial ratios which link up to the profitability, liquidity and capital structure of the borrower, whereas for business variables, risk factors are assessed through management quality, industry risk and company standing. The two assessments are combined based on a scorecard methodology to produce the PD which is estimated through the Bank's default data.

For Retail exposures, borrowers with homogenous nature and transaction characteristics are segmented into pools in each of which an estimated PD is assigned.

For Bank exposures, the estimation of PD takes into account the market value of asset of the borrower, asset volatility and the borrowers' liabilities. The model measures and compares values of the borrower's assets and liabilities and converts the measurement to PD.

##### Loss-Given-Default (LGD)

For corporate and bank exposures, the Bank applies the supervisory LGD estimate provided by the Hong Kong Monetary Authority ("HKMA").

For retail exposures, the LGD estimate is based on historical realised loss and total historical default amount within a defined period.

##### Exposure-at-Default (EAD)

EAD is calculated as sum of on-balance sheet amount and credit equivalent amount of off-balance sheet items. Credit equivalent amount is the exposure amount of off-balance sheet items multiplied by the respective credit conversion factors according to the Capital Rules. For certain revolving retail exposures, the credit conversion factor is estimated with reference to the historical realised further drawdown rate prior to defaults.

The exposure amount disclosed in the following of this report relating to IRB exposure refers to EAD.

#### (f) 估計及核實內部評級的可變因素、方法及數據

##### 違責或然率

就企業風險承擔而言，違責或然率乃以財務及業務的可變因素估計。財務可變因素為與借款人的盈利能力、資金流動性及資本架構有關的財務比率。而就業務可變因素而言，風險因素按管理質素、行業風險及公司於行內地位作評估。兩項評估乃根據評分卡法結合，從而得出利用本行的違責數據所估計的違責或然率。

就零售風險承擔而言，性質及交易特性相近的借款人會被分成多個組別，而該等組別會被賦予一估計違責或然率。

就銀行風險承擔而言，估計違責或然率時會計及借款人資產的市值、資產波動幅度及借款人的負債。模型會計算及比較借款人資產及負債的價值，並把計算所得轉化為違責或然率。

##### 違責損失率

就企業及銀行風險承擔而言，本行採用香港金融管理局(「金管局」)提供的監管性估計的違責損失率。

就零售風險承擔而言，違責損失率估計乃基於已界定期間內的過往變現損失及過往違責總額計出。

##### 違責風險承擔

違責風險承擔計算為資產負債表內項目的數額及資產負債表外項目的信貸等值數額的總和。根據資本規則，信貸等值數額為資產負債表外項目的風險承擔數額乘以相應的信貸換算因數。就若干循環零售風險承擔而言，信貸換算因數乃參考在過往信貸違責前實際之進一步提取貸款比率而作出估計。

本報告下文所披露有關內部評級基準風險承擔的風險承擔數額所指的是違責風險承擔。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (7) CREDIT RISK UNDER INTERNAL RATINGS-BASED (“IRB”) APPROACH (CONTINUED)

## 根據內部評級基準計算法計算的信貸風險(續)

## (f) Variables, methods and data for estimation and validation of internal ratings (continued)

## Assumptions Employed in Derivation of Variables

The assumptions behind the estimation of PD are: (1) Risk factors selected for estimation are valid and significant. (2) The weight assigned to each risk factor is reasonable and appropriate for the estimation in the context of the Bank's credit portfolio. (3) The estimation model/methodology is valid and appropriate for the Bank's credit portfolio and risk environment. (4) For retail exposures, default rate from year to year does not exhibit significant fluctuations so that historical data (default rate) could be applied as PD estimate.

The underlying assumption of LGD estimate is that the loss and recovery pattern of the credit portfolio from year to year does not exhibit significant fluctuations so that historical realised LGD could be applied as LGD estimate. It is also assumed that realised LGD differs significantly across the credit portfolios.

For certain revolving retail exposures, the EAD is estimated based on the assumption that the historical further drawdown rate from year to year does not differ significantly so that historical data could be used for estimation of current EAD of the revolving retail exposures.

## Methods of Validation

In order to ensure that the above assumptions for estimation are valid and the Bank's internal rating system is reliable and suitable for the Bank's credit portfolio, regular validation is indispensable.

The validation of the rating models is divided into (1) review of rating systems (quantitative assessment); (2) review of use of ratings (qualitative assessment).

The review of rating systems is carried out through a series of statistical tests. The purpose of the review is to assess the predictive power and robustness of model and the presence of under/over estimation.

The review of use of ratings focuses on the process of rating assignment, review and approval.

## (f) 估計及核實內部評級的可變因素、方法及數據(續)

## 計算可變因素時採用的假設

估計違責或然率時所作的假設：(1)進行估計所選用的風險因素乃屬有效及重要。(2)在本行信貸組合方面，以各風險因素獲賦予的權重進行估計，乃屬合理及適當。(3)估計模型／方法就本行的信貸組合及風險狀況而言，乃屬有效及適當。(4)就零售風險承擔而言，年來的違責率並無顯示重大波動，故過往數據(違責率)可應用作違責或然率估計。

違責損失率估計的相關假設是，信貸組合年來的損失及收回模式並無顯示重大波動而令過往實際違責損失率可應用作違責損失率估計，以及各信貸組合的實際違責損失率顯著不同。

就若干循環零售風險承擔而言，估計違責風險承擔時的假設是，年來過往進一步提取貸款比率並無顯著不同而令過往數據可用作估計循環零售風險承擔的現行違責風險承擔。

## 核實方法

為確保上述為進行估計而作的假設有效，以及本行內部評級系統就本行信貸組合而言乃屬可靠及適合，定期作出核實是必須的。

評級模型的核實方法分為：(1)審查評級系統(數量評估)；(2)審查評級的應用(質量評估)。

審查評級系統乃透過一系列統計測試進行。審查目的乃評估模型的預示能力及穩健程度，以及是否存在低估／高估的情況。

就評級應用的審查，乃以評級及審批程序為重點。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (g) Policies for establishing provisions

The impairment losses of loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Receivables with a short duration are not discounted if the effect of discounting is immaterial.

The total allowance for impairment losses consists of two components: individual impairment allowances, and collective impairment allowances.

The group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The individual impairment allowance is based upon management's best estimate of the present value of the cash flows which are expected to be received discounted at the original effective interest rate. In estimating these cash flows, management makes judgements about the borrower's financial situation and the net realisable value of any underlying collateral or guarantees in favour of the Group. Each impaired asset is assessed on its merits.

In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the impairment allowances the Group makes depends on how well the Group can estimate future cash flows for individually assessed impairment allowances and the model assumptions and parameters used in determining collective impairment allowances. While this necessarily involves judgment, the Group believes that the impairment allowances on loans and advances to customers are reasonable and supportable.

All loans and receivables are reviewed and analysed periodically. Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that can be linked objectively to an event occurring after the write-down, will result in a change in the impairment allowances on loans and receivables and will be charged or credited to the income statement. A reversal of impairment losses is limited to the loans and receivables' carrying amount that would have been determined had no impairment loss been recognised in prior years.

Where there is no reasonable prospect of recovery, the loan and the related interest receivables are written off.

#### (g) 設立準備金的政策

貸款和應收賬款的減值損失，是根據資產賬面值及估計未來現金流按資產原本之有效利率折算為現值，以二者之差額計算。如果折算現值後的影響不大，不會折算短期應收賬款。

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

本集團首先評估客觀減值證據是否個別存在於個別重大金融資產，及個別或整體存在於非個別重大金融資產。若本集團判斷客觀減值證據並不存在於個別評估金融資產，無論重大與否，本集團將有相同風險特性的金融資產歸類，及作整體減值評估。作個別減值評估的資產而減值損失須持續確認，其減值損失不會包括於整體減值準備內。

個別減值準備是根據管理層的最佳估計將可能收回之現金流按原本的有效利率折算為現值。在估計現金流時，管理層須判斷借款人的財政狀況及給予本集團的抵押品或擔保之可變現淨值，並須評估每宗減值資產的真正價值。

當評估所需的整體減值損失準備時，管理層須考慮的因素包括信貸質素、組合規模、信貸集中，及經濟因素。為求估計所需的準備，本集團根據過往之經驗和現時之經濟情況作假設以模擬潛在損失及判斷所需之輸入變數。

撥備的準確性，須視乎本集團能否在評估個別準備時準確估計交易對手的未來現金流及在判斷整體減值準備時所採用的假設模式及變數。雖然視乎判斷而定，本集團相信貸款損失準備是合理和足夠的。

所有貸款和應收賬款須定期作檢討及分析。在較後期間，任何因估計未來現金流的金額及時間與先前估計的有所轉變，而該轉變是可客觀地與撇銷後發生的事件有關連，從而導致減值損失準備亦需改變，該轉變會支銷或存入損益賬。減值損失之轉回只限於假設該貸款和應收賬款於往年從來未有確認減值損失的賬面值。

倘再無實際機會收回時，則貸款及相關的應收利息會被撇銷。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (7) CREDIT RISK UNDER INTERNAL RATINGS-BASED (“IRB”) APPROACH (CONTINUED)

## 根據內部評級基準計算法計算的信貨風險(續)

## (g) Policies for establishing provisions (continued)

The Bank takes into consideration the provision made in its capital maintenance decisions as in accordance with Section 220 of the Capital Rules. The Bank compares the total expected loss (“EL”) amount and the total eligible provisions, and if total EL amount exceeds total eligible provisions, the Bank deducts the difference from the core capital and supplementary capital. On the other hand, if total EL amount is less than the eligible provisions, the Bank includes the differences in its supplementary capital up to a maximum of 0.6% of the Bank’s risk weighted amount for credit risk calculated using IRB Approach.

## (h) Exposure subject to supervisory estimates

The following table indicates the exposure classes and the respective exposure amounts that are subject to supervisory estimates as at 31st December, 2010 and 31st December, 2009 respectively:

Exposure class	風險承擔類別	Exposure amount	
		風險承擔數額 2010	風險承擔數額 2009
		HK\$ Mn	港幣百萬元
Bank	銀行	87,378	80,059
Corporate	企業	292,871	205,615
Equity booked on banking book under Simple Risk-weight Method	在銀行賬下以簡單風險權重方法計算之股權	714	542

## (i) Risk assessment for IRB exposure classes

The following tables indicate the exposure amount, exposure weighted average risk weight and exposure weighted average PD under bank exposure and corporate exposure across borrower grade and the exposure amount under retail exposures across facility grade as at 31st December, 2010 and 31st December, 2009 respectively:

For bank exposure

2010

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 平均風險承擔加權風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	2,117	14.44%	0.03%
2	8,839	18.29%	0.04%
3	8,623	22.90%	0.06%
4	21,726	29.76%	0.10%
5	11,292	38.10%	0.16%
6	3,382	44.55%	0.21%
7	5,473	50.73%	0.26%
8	9,147	57.76%	0.35%
9	3,782	70.19%	0.53%
10	4,052	86.09%	0.87%
11	6,606	103.92%	1.39%
12	2,002	117.35%	2.14%
13	76	129.70%	3.11%
14	260	146.23%	4.64%

## (g) 設立準備金的政策(續)

根據資本規則第220條，本行在作出有關維持資本的決定時，會考慮所作出的準備金。本行比較預期損失總額及合資格準備金總額，倘預期損失總額超過合資格準備金總額，本行會自核心資本及附加資本減去超出數額。相反，倘預期損失總額較合資格準備金總額低，本行則把差額計入本行附加資本內，上限為以內部評級基準計算法計算所得本行信貨風險的風險加權數額的0.6%。

## (h) 受限於監管性估計的風險承擔

下表分別顯示於2010年12月31日及2009年12月31日受限於監管性估計的風險承擔類別及相應的風險承擔數額：

## (i) 內部評級基準風險承擔類別的風險評估

下表分別顯示於2010年12月31日及2009年12月31日各級借款人在銀行風險承擔及企業風險承擔下的風險承擔數額、平均風險承擔加權風險權重及風險承擔加權平均違責或然率，以及各級融通在零售風險承擔下的風險承擔數額：

就銀行風險承擔而言

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)  
未經審核補充財務資料(續)

For bank exposure

就銀行風險承擔而言

2009

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 平均風險承擔加權風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	3,832	14.89%	0.03%
2	12,079	17.34%	0.04%
3	10,238	23.09%	0.06%
4	22,177	31.62%	0.11%
5	6,466	39.29%	0.16%
6	7,223	45.16%	0.21%
7	4,927	49.55%	0.26%
8	7,316	58.26%	0.34%
9	2,235	69.04%	0.50%
10	1,501	87.85%	0.87%
11	1,838	103.33%	1.39%
12	229	116.32%	2.12%
13	1	129.66%	3.10%

For corporate exposure

就企業風險承擔而言

2010

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 平均風險承擔加權風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	382	12.34%	0.03%
2	6,952	16.49%	0.04%
3	2,707	21.70%	0.07%
4	17,321	29.26%	0.12%
5	14,403	35.16%	0.16%
6	25,772	39.90%	0.20%
7	24,705	44.11%	0.25%
8	22,552	52.21%	0.35%
9	29,493	64.11%	0.56%
10	28,253	74.59%	0.86%
11	10,179	87.22%	1.42%
12	7,250	97.10%	2.05%
13	8,697	109.22%	2.92%
14	6,552	110.97%	4.42%
15	2,438	128.65%	6.81%
16	2,205	164.74%	9.19%
17	778	195.10%	22.97%
18	310	449.13%	100.00%
19	208	163.24%	100.00%
20	7	457.92%	100.00%

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

## (7) CREDIT RISK UNDER INTERNAL RATINGS-BASED ("IRB") APPROACH (CONTINUED)

根據內部評級基準計算法計算的信貸風險(續)

## (i) Risk assessment for IRB exposure classes (continued)

For corporate exposure

2009

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 平均風險承擔加權風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
4	4,303	32.02%	0.13%
5	2,689	36.11%	0.16%
6	8,206	35.69%	0.20%
7	6,473	36.61%	0.25%
8	11,985	51.06%	0.34%
9	27,169	60.32%	0.58%
10	40,770	69.51%	0.83%
11	6,949	63.89%	1.47%
12	2,322	81.12%	2.02%
13	5,211	108.92%	2.94%
14	2,241	81.06%	4.49%
15	3,503	120.23%	6.45%
16	2,151	158.03%	9.09%
17	2,747	111.23%	23.45%
18	651	440.95%	100.00%
19	397	277.96%	100.00%
20	10	542.50%	100.00%

## (i) 內部評級基準風險承擔類別的風險評估(續)

就企業風險承擔而言

For residential mortgages

就住宅按揭而言

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2010 HK\$ Mn 港幣百萬元	2009 HK\$ Mn 港幣百萬元
1	118	–
3	19,075	3,318
4	2,143	19,253
5	26,905	17,170
6	1,696	1,726
7	4,640	3,519
8	–	32
10	2	–
11	1,544	1,823
12	101	20
14	20	–
17	–	144



UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)  
未經審核補充財務資料(續)

For qualifying revolving retail exposures

就合資格循環零售風險承擔而言

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2010 HK\$ Mn 港幣百萬元	2009 HK\$ Mn 港幣百萬元
5	4,769	5,400
6	3,450	4,125
7	4,856	4,537
8	1,900	2,279
9	664	326
10	4,166	3,597
11	101	96
12	83	63
13	78	55
14	144	130
15	37	45
16	77	84
17	102	180
20	–	44

就其他零售風險承擔而言

For other retail exposures

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2010 HK\$ Mn 港幣百萬元	2009 HK\$ Mn 港幣百萬元
1	5	–
2	1	–
3	1,438	69
4	2	750
5	4,630	4,124
6	13	4
7	949	1,244
8	–	13
9	1,748	1,318
10	73	218
11	1,107	1,304
12	948	512
13	31	61
14	8	–
15	65	–
17	5	92
18	4	–
19	–	59
20	5	33

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (7) CREDIT RISK UNDER INTERNAL RATINGS-BASED (“IRB”) APPROACH (CONTINUED)

## 根據內部評級基準計算法計算的信貸風險(續)

## (j) Comparison of rating estimates against actual outcome

Comparison is made on the 1-year rating estimates for the Group's performing credit portfolios at 31st December, 2009 against the actual outcome for the same portfolios during the financial period ended 31st December, 2010.

## Comparison of actual loss and estimated loss

The following tables indicate the actual loss during the financial year ended 31st December, 2010 and 31st December, 2009 which are compared against the estimated loss at 31st December, 2009 and 31st December 2008 of the respective portfolio. Actual loss refers to impairment loss allowance and charge-off charged to the Group's income statement during the financial year ended 31st December, 2010 and 31st December, 2009. The difference between the actual loss for the financial year ended 31st December, 2009 and 31st December, 2010 is immaterial when compared with the Group's loan portfolio in the respective period.

## 2010

Exposure class	風險承擔類別	Actual loss for the year ended 31st December, 2010 截至2010年12月31日止 之財政年度的實際損失 HK\$ Mn 港幣百萬元	Estimated 1-year loss at 31st December, 2009 於2009年12月31日 內估計的一年損失 HK\$ Mn 港幣百萬元
Bank	銀行	–	69
Corporate	企業	123	674
Residential mortgage	住宅按揭	–	81
Qualifying revolving retail	合資格循環零售	43	169
Other retail	其他零售	7	78
Total	總額	173	1,071

## 2009

Exposure class	風險承擔類別	Actual loss for the year ended 31st December, 2009 截至2009年12月31日止 之財政年度的實際損失 HK\$ Mn 港幣百萬元	Estimated 1-year loss at 31st December, 2008 於2008年12月31日 內估計的一年損失 HK\$ Mn 港幣百萬元
Bank	銀行	–	48
Corporate	企業	313	361
Residential mortgage	住宅按揭	–	83
Qualifying revolving retail	合資格循環零售	80	146
Other retail	其他零售	17	73
Total	總額	410	711

## (j) 比較評級估計與實際數字

以於2009年12月31日本集團履行中信貸組合的一年評級估計與截至2010年12月31日止財政期間內相同組合的實際數字作比較。

## 比較實際損失與估計損失

下表顯示截至2010年12月31日及2009年12月31日止財政年度的實際損失，並與相應的組合在截至2009年12月31日及2008年12月31日的估計損失比較。實際損失指截至2010年12月31日及2009年12月31日止財政年度的減值損失準備及計入本集團損益表的撇賬。截至2009年12月31日及截至2010年12月31日的實際損失，相對於本集團的貸款組合在相關期間的總額，並沒有重大的分別。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

Comparison of actual default against estimated probability of default

The following tables indicate the actual percentage of default during the financial year ended 31st December, 2010 and 31st December, 2009, which is compared against the estimated 1-year probability of default (PD) at 31st December, 2009 and 31st December, 2008 of the respective portfolio.

比較實際違責與估計違責或然率

下表顯示截至2010年12月31日及2009年12月31日止財政年度的實際違責百分比，並與相應的組合分別於2009年12月31日及2008年12月31日的估計一年違責或然率比較。

#### 2010

Exposure class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2010	Estimated 1-year probability of default at 31st December, 2009
		截至2010年12月31日止之財政年度的實際違責百分比	於2009年12月31日內估計的一年違責或然率
Bank	銀行	0.00%	0.29%
Corporate	企業	0.98%	3.18%
Residential mortgage	住宅按揭	0.22%	0.84%
Qualifying revolving retail	合資格循環零售	0.23%	0.68%
Other retail	其他零售	0.79%	2.61%

#### 2009

Exposure class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2009	Estimated 1-year probability of default at 31st December, 2008
		截至2009年12月31日止之財政年度的實際違責百分比	於2008年12月31日內估計的一年違責或然率
Bank	銀行	0.00%	0.18%
Corporate	企業	1.70%	2.59%
Residential mortgage	住宅按揭	0.24%	0.93%
Qualifying revolving retail	合資格循環零售	0.43%	0.68%
Other retail	其他零售	2.03%	2.77%

### (8) CREDIT RISK UNDER STANDARDISED APPROACH 標準計算法下的信貸風險

This section presents information on the Group's risk management for credit exposure in which the Bank adopted Standardised Approach for capital adequacy assessment.

本節呈列本集團有關使用標準計算法計算資本充足度的信貸風險承擔的風險管理資料。

#### (a) Ratings from external credit assessment institutions (ECAI)

Credit ratings from Moody's Investors Service and Standard & Poor's are used for all classes of credit exposures under Standardised Approach. The Bank follows the process prescribed in Part 4 of the Capital Rules to map the ratings to the exposures booked in the Bank's banking book.

#### (a) 外部信貸評估機構的評級

穆迪投資服務及標準普爾的信貸評級用於標準計算法下的各類信貸風險承擔。本行根據資本規則第4部規定的程序，把評級對應本行銀行賬載列的風險承擔。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (8) CREDIT RISK UNDER STANDARDISED APPROACH (CONTINUED) 標準計算法下的信貸風險(續)

## (b) Risk assessment for exposure classes under Standardised Approach

## (b) 標準計算法下風險承擔類別的風險評估

The following tables indicate the exposure amount and risk weighted amount for each class of exposure with and without ECAI ratings as at 31st December, 2010 and 31st December, 2009 respectively:

下表顯示分別於2010年12月31日及2009年12月31日經由及沒有經由外部信貸評估機構評級的各種風險承擔類別下的風險承擔數額及風險加權數額：

## 2010

Exposure type	風險承擔類別	Total exposure 風險承擔總額 HK\$ Mn 港幣百萬元	Total exposure after credit risk mitigation 使用減低信貸風險措施後 的風險承擔總額		Risk weight amount after credit risk mitigation 使用減低信貸風險措施後 的風險加權數額	
			Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元	Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元
Sovereign	主權	41,417	41,417	-	128	-
Public sector entities	公營機構	2,338	2,338	-	19	-
Bank	銀行	24,511	32	24,479	6	6,211
Corporate	企業	14,931	-	13,335	-	13,335
Regulatory retail	監管零售	221	-	219	-	165
Residential mortgage	住宅按揭	7,902	-	7,330	-	7,307
Other exposures that are not past due	未逾期的其他風險承擔	7,871	-	3,936	-	3,936
Past due	逾期	64	-	44	-	85
Off balance sheet exposure	資產負債表外的風險承擔	6,579	-	5,079	-	4,780
Counterparty exposure	交易對手風險承擔	1,207	-	910	-	834
Total	總額	107,041	43,787	55,332	153	36,653

## 2009

Exposure type	風險承擔類別	Total exposure 風險承擔總額 HK\$ Mn 港幣百萬元	Total exposure after credit risk mitigation 使用減低信貸風險措施後 的風險承擔總額		Risk weight amount after credit risk mitigation 使用減低信貸風險措施後 的風險加權數額	
			Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元	Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元
Sovereign	主權	38,610	38,606	4	4,302	-
Public sector entities	公營機構	1,804	1,804	-	353	-
Bank	銀行	17,645	15	17,630	7	6,496
Corporate	企業	14,788	-	12,036	-	12,036
Regulatory retail	監管零售	165	-	164	-	123
Residential mortgage	住宅按揭	5,390	-	5,047	-	5,037
Other exposures that are not past due	未逾期的其他風險承擔	4,988	-	2,603	-	2,603
Past due	逾期	100	-	70	-	132
Off balance sheet exposure	資產負債表外的風險承擔	4,023	-	2,380	-	2,305
Counterparty exposure	交易對手風險承擔	426	-	182	-	145
Total	總額	87,939	40,425	40,116	4,662	28,877

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (9) CREDIT RISK MITIGATION 減低信貸風險措施

##### (a) Process of managing and recognising credit risk mitigation

The Bank has established policies on managing and recognising credit risk mitigation, which is approved by Credit Committee, for all types of credit exposure under both IRB approach and standardised approach including counterparty credit risk-related exposure which arises from OTC derivative transactions. The Bank applies prudent assessments of eligibility and quality of collaterals. A list of credit risk mitigations which is deemed appropriate by the Bank is in place. The Bank also applies safe custodian of collaterals, regular re-valuation and close monitoring. Marketable securities are marked-to-market on a daily basis whilst valuations on properties are reviewed periodically.

For regulatory capital calculation, only recognised collaterals and guarantee as laid down under the Capital Rules are considered as recognised credit risk mitigations and the Bank adheres to the criteria as stipulated in the Capital Rules when assessing the eligibility.

Recognised collaterals include both financial and physical collaterals. Financial collaterals include cash deposit, gold, shares and debt securities and mutual fund/undertakings for collective investments in transferable securities, whilst physical collaterals include commercial real estate, residential real estate, vehicles and equipments. The exposure amount after mitigation is determined by applying the standard supervisory haircut laid down in the Capital Rules as an adjustment discount to the current collateral value.

Recognised guarantors are any sovereign entities, public sector entities, banks and regulated securities firms with a lower risk weight than the borrower, or companies that are internally rated with a rating equivalent to external rating of A- or better.

On-balance and off-balance sheet recognised netting is not adopted by the Bank. No recognised guarantees and credit derivative contracts are applied as credit risk mitigation for capital adequacy calculation at balance sheet date.

##### (a) 管理及認定減低信貸風險措施的程序

本行已制定管理及認定減低信貸風險措施的政策，而政策亦經信貸委員會批准，適用於內部評級基準計算法及標準計算法下各類信貸風險承擔，包括與由場外衍生工具交易引致的交易對手信用風險相關的風險承擔。本行審慎評估抵押品是否合資格及其質素的高低。本行已備有一系列本行視為合適的減低信貸風險措施。本行亦妥善保管抵押品、定期作重新估值及作出緊密的監察。有價證券每日均按市值計算，物業的估值則定期審查。

就計算監管資本而言，只有資本規則訂下的認可抵押品及擔保方方可視為認可的減低信貸風險措施，本行在評估減低信貸風險措施是否合資格時，會遵守資本規則規定的準則。

認可抵押品包括金融及實物抵押品。金融抵押品包括現金存款、黃金、股份及債務證券及互惠基金／集體投資於可轉換證券的業務，而實物抵押品包括商業地產、住宅地產、車輛及設備。減低風險後的風險承擔數額乃以資本規則訂下的標準監管扣減作為對現行抵押品價值的調整扣減而釐定。

認可擔保人乃任何主權實體、公營單位、銀行及受監管證券商號，其風險權重較借款人為低，或任何於內部評級取得相等於外部評級A-或以上等級的公司。

本行並無採納資產負債表內及資產負債表外認可淨額結算方法。於計算日，本行並無採用認可擔保及信貸衍生工具合同作為減低信貸風險措施，以計算資本充足度。

##### (b) Total exposures covered by recognised collateral under IRB Approach

##### (b) 內部評級基準計算法下以認可抵押品涵蓋的風險承擔總額

Exposure class	風險承擔類別	Exposure amount covered	
		已涵蓋的風險承擔金額	
		2010	2009
		HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元
Bank	銀行	469	413
Corporate	企業	42,298	43,370
Retail	零售	61,139	53,460
Total	總額	103,906	97,243

The total exposures indicated above represent 21.40% of the total exposure amount under IRB Approach as at 31st December, 2010 and 25.47% as at 31st December, 2009.

於2010年12月31日及2009年12月31日，上述所示的風險承擔總額分別佔內部評級基準計算法下風險承擔總額的21.40%及25.47%。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (9) CREDIT RISK MITIGATION (CONTINUED) 減低信貸風險措施(續)

## (c) Total exposures covered by recognised collateral under Standardised Approach (c) 標準計算法下以認可抵押品涵蓋的風險承擔總額

Exposure class	風險承擔類別	Exposure amount covered	
		2010	2009
		HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元
Bank	銀行	–	1
Corporate	企業	1,596	2,753
Regulatory retail	監管零售	2	1
Residential mortgage	住宅按揭	572	343
Other exposures which are not past due	未逾期的其他風險承擔	3,935	2,384
Past due	逾期	20	30
Counterparty	交易對手	297	245
Off balance sheet	資產負債表外項目	1,500	1,643
Total	總額	7,922	7,400

The total exposures indicated above represent 7.40% of the total exposure amount under Standardised Approach as at 31st December, 2010 and 8.41% as at 31st December, 2009.

於2010年12月31日及2009年12月31日，上述所示的風險承擔總額分別佔標準計算法下風險承擔總額的7.40%及8.41%。

(10) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE  
與交易對手信貸風險相關的風險承擔

The Bank has in place a set of internal policies and a comprehensive framework to effectively manage the counterparty credit risk which arises from OTC derivative transactions in banking book and trading book. Under this management framework, distinct credit limits for counterparty credit exposure for individual counterparties are determined based on the credit standing of the counterparties while the exposure amount are measured and monitored by the credit equivalent amount which comprises replacement cost and potential exposure.

At 31st December, 2010, there are no repo-style transactions falling under paragraph (c) and (d) of Section 2 (1) of the Capital Rules nor credit derivative contracts in the Bank. No recognised credit derivative contracts is held as credit protection for counterparty credit risk-related exposures while credit protection adopted by the Bank for counterparty credit risk-related exposures at 31st December, 2010 includes commercial real estates, financial cash and financial non-cash. Credit equivalent amount after credit protection under IRB approach amounts to HK\$3,338 million (2009: HK\$1,448 million) while the credit equivalent amount after credit protection under Standardised approach amounts to HK\$910 million (2009: HK\$182 million).

本行已制訂一系列內部政策及完善的管理架構，以有效地管理本行的銀行賬及交易賬中由場外衍生工具交易引致的交易對手信貸風險。在這管理架構下，不同交易對手的交易對手風險信貸限額會根據個別交易對手的信用狀況釐定，而相關的風險承擔金額則會以由取代成本及潛在風險組成的信貸等值金額計算及監控。

於2010年12月31日，本行並無資本規則第2(1)條(c)和(d)段的回購形式交易或信貸衍生工具合同。於2010年12月31日，本行持有認可抵押品作為與交易對手信貸風險相關的風險承擔的信貸保障，當中的認可抵押品包括商業地產，金融現金抵押品和金融非現金抵押品，但並不包括認可信貸衍生工具合同。內部評級基準計算法下不受信貸保障涵蓋的信貸等值金額為港幣3,338,000,000元(2009年：港幣1,448,000,000元)，而在標準計算法下不受信貸保障涵蓋的信貸等值數額則為港幣910,000,000元(2009年：港幣182,000,000元)。



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (a) Counterparty credit risk-related exposures under IRB Approach

The following tables indicate the information of counterparty credit risk-related exposures under IRB approach by exposure class as at 31st December, 2010 and 31st December, 2009 respectively:

2010

Exposure class	風險承擔類別	Current exposure 現行風險承擔 HK\$ Mn 港幣百萬元	Credit equivalent amount 信貸等值金額 HK\$ Mn 港幣百萬元	Risk weighted amount 風險加權金額 HK\$ Mn 港幣百萬元
Corporate	企業	96	617	387
Bank	銀行	761	2,823	1,133
Total	總額	857	3,440	1,520

2009

Exposure class	風險承擔類別	Current exposure 現行風險承擔 HK\$ Mn 港幣百萬元	Credit equivalent amount 信貸等值金額 HK\$ Mn 港幣百萬元	Risk weighted amount 風險加權金額 HK\$ Mn 港幣百萬元
Corporate	企業	51	161	36
Bank	銀行	496	1,394	533
Total	總額	547	1,555	569

## (b) Counterparty credit risk-related exposures under Standardised Approach

The following tables indicate the information of counterparty credit risk-related exposures under Standardised Approach as at 31st December, 2010 and 31st December, 2009 respectively:

2010

Current exposure 現行風險承擔 HK\$ Mn 港幣百萬元	Credit equivalent amount 信貸等值金額 HK\$ Mn 港幣百萬元	Risk weighted amount 風險加權金額 HK\$ Mn 港幣百萬元
647	1,207	834

2009

Current exposure 現行風險承擔 HK\$ Mn 港幣百萬元	Credit equivalent amount 信貸等值金額 HK\$ Mn 港幣百萬元	Risk weighted amount 風險加權金額 HK\$ Mn 港幣百萬元
248	426	145

## (a) 內部評級基準計算法下與交易對手信貸風險相關的風險承擔

於2010年12月31日及2009年12月31日，下表分別顯示按不同風險承擔類別劃分的內部評級基準計算法下與交易對手信貸風險相關的風險承擔的資料：

## (b) 標準計算法下與交易對手信貸風險相關的風險承擔

於2010年12月31日及2009年12月31日，下表分別顯示標準計算法下與交易對手信貸風險相關的風險承擔的資料：

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (11) ASSET SECURITISATION 資產證券化

As at 31st December, 2010, the Bank had no asset securitisation exposure. As at 31st December, 2009, the capital requirement of securitisation exposure under IRB approach was HK\$0.02 million.

於2010年12月31日，本行並無證券化類別風險承擔。於2009年12月31日，內部評級基準計算法下證券化類別風險承擔的資本要求為港幣20,000元。

## (12) EQUITY EXPOSURES BOOKED IN BANKING BOOK 銀行賬下的股權風險承擔

The Bank deducts those equity holdings taken for relationship and strategic reasons from the core & supplementary capital and includes those equity holdings taken for other reasons in the risk-weighted assets for capital adequacy ratio purpose.

我行將因關係及策略性理由而持有的股權從核心及附加資本內扣減，及將因其他理由而持有的股權包括在風險加權資產內，以用作計算資本充足比率。

The Bank applies the same accounting techniques and valuation methodologies as detailed in the Bank's notes on accounts for all available-for-sale financial assets, including equity exposures booked in banking book. There are no significant changes during the annual reporting period.

我行處理所有可供出售金融資產，包括銀行賬下的股權風險承擔時，均採用已詳列於本行之賬項附註中相同之會計技巧及評估方式。有關處理方法在周年報告期內並無重大改變。

		For the year ended 31st December, 2010 截至2010年12月31日止之財政年度	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
Cumulative realised gains or (losses) arising from sales and liquidations of equity exposure	來自出售和兌現持有股權的累積實現收益或(虧損)	114	60
Total unrealised gains or (losses) recognised in the Bank's reserves but not through the income statement	在儲備內確認，但沒有經損益表入賬的未實現收益或(虧損)的總計	28	37
Unrealised gains included in or (losses deducted from) the Bank's supplementary capital for capital adequacy ratio purpose	為計算資本充足比率而包括在附加資本內的任何未實現收益的金額或(從該附加資本中扣減的未實現虧損的金額)	197	197
		For the year ended 31st December, 2009 截至2009年12月31日止之財政年度	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
Cumulative realised gains or (losses) arising from sales and liquidations of equity exposure	來自出售和兌現持有股權的累積實現收益或(虧損)	76	–
Total unrealised gains or (losses) recognised in the Bank's reserves but not through the income statement	在儲備內確認，但沒有經損益表入賬的未實現收益或(虧損)的總計	514	223
Unrealised gains included in or (losses deducted from) the Bank's supplementary capital for capital adequacy ratio purpose	為計算資本充足比率而包括在附加資本內的任何未實現收益的金額或(從該附加資本中扣減的未實現虧損的金額)	424	424

## SHAREHOLDER INFORMATION

### FINANCIAL CALENDAR

Full year results announced	15th February, 2011
Ex-all date for final dividend	25th March, 2011
Closure of register of members - final dividend	29th March, 2011 and 30th March, 2011
Record date for final dividend	30th March, 2011
Despatch of Scrip Dividend Scheme Listing Document and Form of Election	(on or about) 30th March, 2011
Closure of register of members - Annual General Meeting	18th April, 2011 and 19th April, 2011
Annual General Meeting ("AGM")	19th April, 2011
Despatch of final dividend warrants and share certificates	(on or about) 20th April, 2011
2011 interim results to be announced	August, 2011*
* Subject to change	

### DIVIDEND

The Board recommends the payment of a final dividend of HK\$0.56 per share for 2010. Subject to shareholders' approval, the final dividend will be payable in cash with a scrip dividend option under the Scrip Dividend Scheme to shareholders on the register of members as at Wednesday, 30th March, 2011. The Scrip Dividend Scheme is conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the New Shares.

The Listing Document containing details of the Scrip Dividend Scheme and the Form of Election will be sent to shareholders on or about Wednesday, 30th March, 2011. Shareholders who elect for the scrip dividend in lieu of cash dividend, in whole or in part, shall return the Form of Election to the Bank's Registrars by 4:00 p.m. Thursday, 14th April, 2011.

The dividend warrants and the share certificates for the scrip dividend will be despatched to shareholders on or about Wednesday, 20th April, 2011.

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Bank will be closed on Tuesday, 29th March, 2011 and Wednesday, 30th March, 2011 for the purpose of determining shareholders who qualify for the final dividend. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Bank's Registrars by 4:00 p.m. Monday, 28th March, 2011. In addition, the Register of Members of the Bank will also be closed on Monday, 18th April, 2011 and Tuesday, 19th April, 2011 for the purpose of determining shareholders who are entitled to attend and vote at the 2011 AGM. In order to qualify for attending and voting at the 2011 AGM, all transfer documents should be lodged with the Bank's Registrars by 4:00 p.m. Friday, 15th April, 2011.

### SHARE LISTING

The Stock Exchange of Hong Kong Limited

### SHARE REGISTRARS

Tricor Standard Limited  
Telephone: (852) 2980 1768  
Facsimile: (852) 2861 1465

### ADR DEPOSITARY BANK

The Bank of New York Mellon  
Telephone: 1 201 680 6825  
Toll free (domestic): 1-888-BNY-ADRS  
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### REGISTERED OFFICE

10 Des Voeux Road Central, Hong Kong  
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*This Document in both English and Chinese is now available in printed form and on the website of the Bank at <http://www.hkbea.com>. Shareholders are encouraged to rely on the website version to help reduce the quantity of printed copies of Corporate Communications and hence the impact on the environment. In this connection, Shareholders are requested to send a notice in writing to the Bank's Registrars, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong or by fax to (852) 2861 1465.*

此文件備有中文及英文印刷本，以及載於本行網站（網址為<http://www.hkbea.com>）的網上電子版本。為減少企業通訊印刷本的數量及減低對環境的影響，本行鼓勵各股東閱覽網上電子版本。若股東作出此選擇，請以書面通知本行股份登記處卓佳標準有限公司，地址為香港皇后大道東28號金鐘匯中心26樓，傳真號碼為(852) 2861 1465。

## 股東資料

### 財務日誌

公佈全年業績	2011年2月15日
末期股息除淨日期	2011年3月25日
暫停辦理過戶登記手續 - 末期股息	2011年3月29日 及2011年3月30日
末期股息記錄日期	2011年3月30日
寄發以股代息計劃上市文件及選擇表格 (約於)	2011年3月30日
暫停辦理過戶登記手續 - 股東周年常會	2011年4月18日 及2011年4月19日
股東周年常會	2011年4月19日
寄發末期股息單及股票 (約於)	2011年4月20日
公佈2011年度中期業績	2011年8月*
* 可予更改	

### 股息

董事會建議派發2010年度末期股息每股港幣0.56元。待股東批准後，末期股息將以現金派發予於2011年3月30日星期三於股東名冊之股東，並按以股代息計劃隨附以股代息選擇。惟以股代息計劃須待香港聯合交易所有限公司上市委員會批准新股上市及買賣方可作實。

載有以股代息計劃詳情的上市文件及選擇表格將約於2011年3月30日星期三寄予股東。股東若選擇收取全部新股或部分現金及部分新股，以代替現金股息，請於2011年4月14日星期四下午4時前將選擇表格送達本行股份登記處。

股息單及以股代息的股票將約於2011年4月20日星期三寄予股東。

### 過戶日期

本行將於2011年3月29日星期二及2011年3月30日星期三暫停辦理股票過戶登記，以決定合資格享有末期股息股東之身分。如欲享有上述末期股息，請於2011年3月28日星期一下午4時前將過戶文件送達本行股份登記處。此外，本行亦將於2011年4月18日星期一及2011年4月19日星期二暫停辦理股票過戶登記，以決定合資格出席2011股東周年常會並於會上投票股東之身分。如欲出席及在2011股東周年常會上投票，請於2011年4月15日星期五下午4時前將過戶文件送達本行股份登記處。

### 股份上市

香港聯合交易所有限公司

### 股份登記處

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

The Bank of New York Mellon  
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