



(Stock Code 股份代號 : 23)

Annual Report **2012** 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 Hong Kong's largest independent local bank with total consolidated assets of HK\$692.1 billion (US\$89.3 billion) as of 31st December, 2012. The Bank is listed on The Stock Exchange of Hong Kong and is one of the constituent stocks of the Hang Seng Index.

BEA is dedicated to helping its customers grow and prosper through the provision of quality banking and financial services. The Bank delivers comprehensive commercial and personal banking services, financial services, and insurance 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, private banking, Renminbi services, foreign exchange margin trading, Mandatory Provident Fund services, and general and life insurance.

At the end of 2012, BEA operated 88 branches, 62 SupremeGold Centres, and 7 i-Financial Centres throughout Hong Kong.

In Mainland China, BEA and its wholly-owned subsidiary, The Bank of East Asia (China) Limited operate more than 110 outlets – one of the most extensive networks of any foreign bank in China. Overseas, the Bank maintains an active presence in Southeast Asia, the United Kingdom, and the United States. Worldwide, BEA operates more than 220 outlets and employs over 12,000 employees.

The BEA Group's subsidiaries further broaden the Bank's product range, 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 global provider of integrated business, corporate, and investor services, Tricor Holdings Limited helps clients build their businesses by offering outsourced expertise in business support functions.

東亞銀行（「本行」）成立於1918年，現為香港最大的獨立本地銀行。於2012年12月31日，本行的綜合資產總額達港幣6,921億元（893億美元）。本行於香港聯合交易所上市，為恒生指數成份股之一。

本行一直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、國際業務等各分處，為客戶提供各類商業和個人銀行、金融和保險服務。產品和服務多元化，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、私人銀行、人民幣服務、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。

於2012年12月31日，本行在港設有88間分行、62間顯卓理財中心和7間i-理財中心。

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110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220個網點，遍布東南亞、英國和美國。同時，集團在全球聘用超過12,000名員工。

此外，本行透過集團附屬公司進一步完善業務範圍，提供全面而適切的方案，以配合日益壯大的客戶群之需要。東亞人壽保險有限公司及藍十字（亞太）保險有限公司為集團拓展保險業務，分別承保人壽保險和一般保險產品，讓個人和企業客戶享有周全的保障；而卓佳集團有限公司則是全球性之專業服務公司，提供綜合的商務、企業和投資者服務，以其外判支援服務，全力協助客戶開拓商機。

FINANCIAL HIGHLIGHTS

財務摘要

	2012 HK\$ Million 港幣百萬元	2011 HK\$ Million 港幣百萬元	Change 變動 % 百分率
Profitability 盈利能力			
Total operating income 經營收入總額	15,109	12,715	+18.8
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	6,056	4,358	+39.0
Balance Sheet Strength 資產負債狀況			
Advances to customers 客戶墊款	350,720	315,281 *	+11.2
Total consolidated assets 綜合資產總額	692,114	611,402	+13.2
Total deposits 存款總額	526,140	478,837	+9.9
Total equity 股東權益總額	61,639	52,044	+18.4
Earnings Per Share and Dividends Per Share 每股盈利及每股股息			
Basic earnings 基本盈利	HK\$2.72	HK\$1.96	+38.8
Dividends 股息	HK\$1.06	HK\$0.94	+12.8
Key Ratios 主要比率			
Loan to deposit ratio 貸款對存款比率	66.7%	65.8% *	
Impaired loan ratio 減值貸款比率	0.3%	0.5%	
Average liquidity ratio 平均流動資金比率	46.6%	42.8%	
Capital adequacy ratio 資本充足比率	14.3%	13.7%	

* Restated due to reclassification.

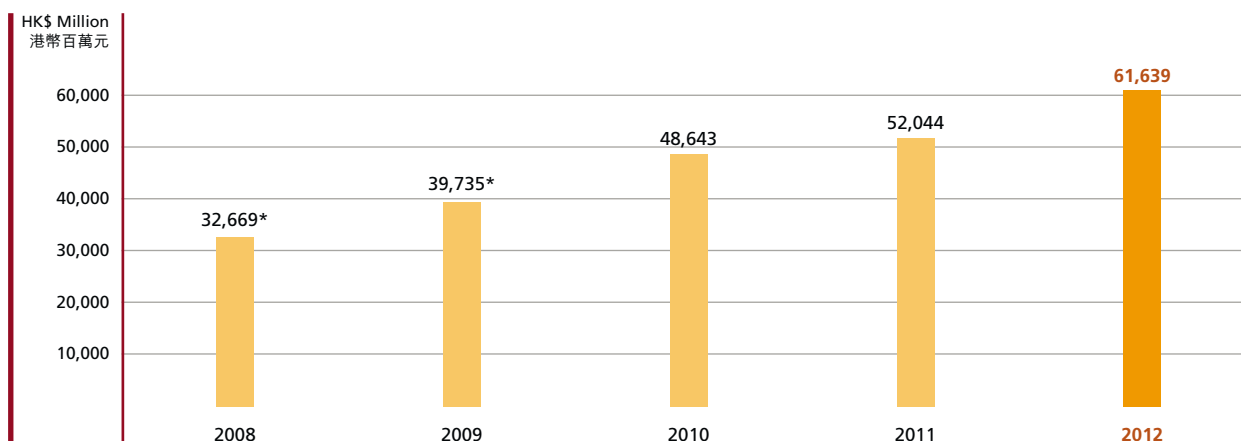
* 因應從新分類而重報。

FIVE-YEAR FINANCIAL SUMMARY

5 年財務概要

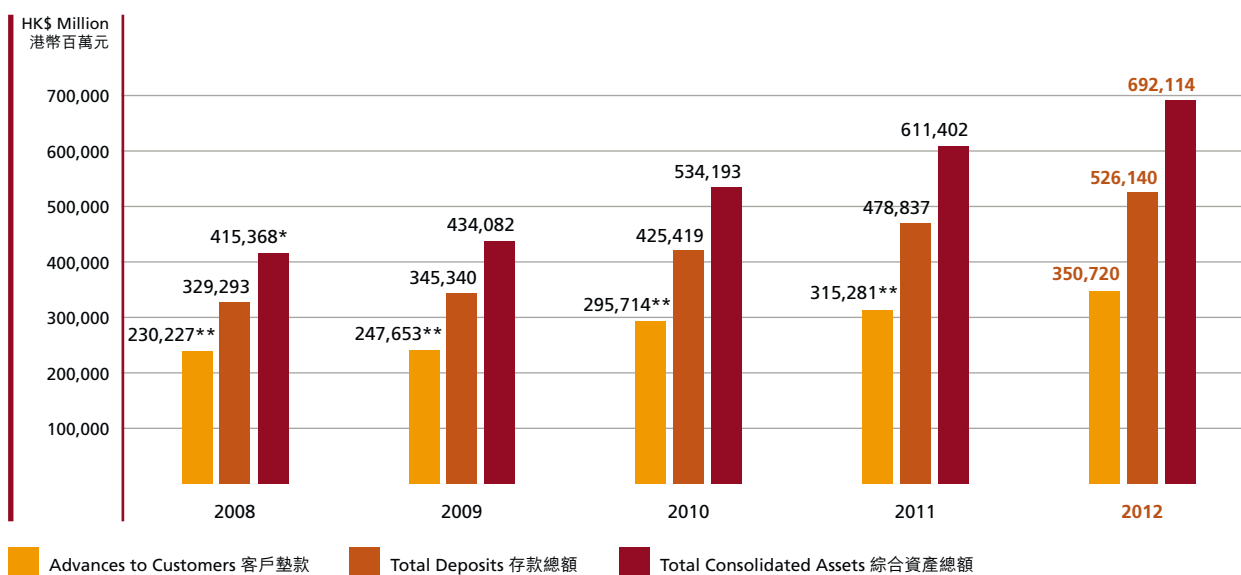
TOTAL EQUITY

股東權益總額



ADVANCES TO CUSTOMERS / TOTAL DEPOSITS / TOTAL CONSOLIDATED ASSETS

客戶墊款 / 存款總額 / 綜合資產總額

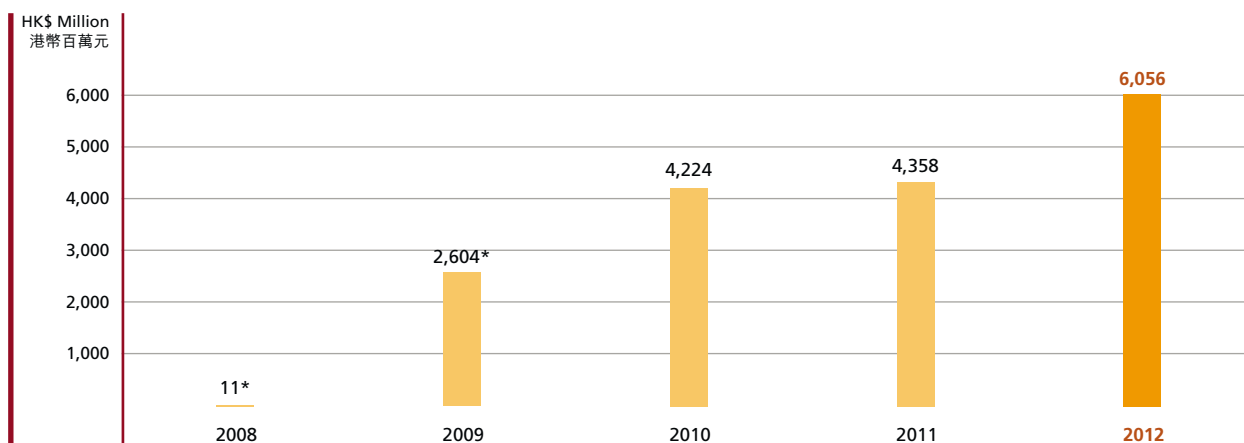


FIVE-YEAR FINANCIAL SUMMARY (CONTINUED)

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

	2008 HK\$ Million 港幣百萬元	2009 HK\$ Million 港幣百萬元	2010 HK\$ Million 港幣百萬元	2011 HK\$ Million 港幣百萬元	2012 HK\$ Million 港幣百萬元
Total equity 股東權益總額	32,669*	39,735*	48,643	52,044	61,639
Total deposits 存款總額	329,293	345,340	425,419	478,837	526,140
Advances to customers 客戶墊款	230,227**	247,653**	295,714**	315,281**	350,720
Total consolidated assets 綜合資產總額	415,368*	434,082	534,193	611,402	692,114
Loan to deposit ratio 貸款對存款比率	70%	72%	70%	66%**	67%
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	11*	2,604*	4,224	4,358	6,056
Earnings per share* 每股盈利*	HK\$0.01*	HK\$1.39*	HK\$1.92	HK\$1.96	HK\$2.72
Dividends per share* 每股股息*	HK\$0.23	HK\$0.76	HK\$0.94	HK\$0.94	HK\$1.06

* Restated due to changes in accounting policies.

* 因會計政策變更而重報。

** Restated due to reclassification.

** 因應從新分類而重報。

CHAIRMAN'S STATEMENT

It is my great pleasure to report that The Bank of East Asia Group ("Group") delivered another set of record results for 2012, with strong contributions from across the Group. Profit attributable to owners of the parent reached a new high of HK\$6,056 million, HK\$1,698 million, or 39.0%, greater than the HK\$4,358 million earned in 2011. Basic earnings per share stood at HK\$2.72. Return on average assets and return on average equity were 0.9% and 11.9%, respectively.

The Board of Directors has declared a second interim dividend (in lieu of final dividend) of HK\$0.63 per share for the year ended 31st December, 2012, bringing the dividend for the year to HK\$1.06 per share.

The small, open Hong Kong economy is particularly vulnerable to external events, and local growth slowed as overseas economies struggled in 2012. However, economic conditions stabilised from the end of the third quarter and investment sentiment improved, leading to a

strong recovery in financial markets from September. BEA maintained a close focus on creating value for customers and investors, providing best in class financial services and seeking investment opportunities that generate favourable returns.

Much of BEA's growth in recent years is attributable to the success of the Bank in developing new business links between the Mainland, Hong Kong and overseas. To this end, BEA operates highly integrated banking networks in Hong Kong and the Mainland, supported by a balanced presence in regional and international markets. Going forward, the Bank's strategic focus is two-fold: To further build on its advantage in supporting business flows between Hong Kong, the Mainland and overseas; and to provide a wider range of banking services to each individual customer.

Assisted by BEA's extensive network on the Mainland, BEA Hong Kong has capitalised on strong demand from Mainland corporations to increase its cross-border trade finance business significantly. The Bank is now building on these relationships, introducing and selling a wider range of products and services geared to meeting the specific needs of Mainland corporations as they become more active in overseas markets.

BEA anticipates further favourable policy changes in the near term that will create even greater opportunities for cross-border business, particularly in the development zones of Qianhai, Hengqin and Nansha. In future years, business originating in China is expected to continue to drive growth in Hong Kong.



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

本人欣然公布，東亞銀行集團（「本集團」）在2012年再度刷新業績紀錄，集團旗下業務均表現突出，並對業績作出良好貢獻。可歸屬於集團股東溢利再創新高，達港幣60億5,600萬元，較2011年溢利港幣43億5,800萬元增加港幣16億9,800萬元或39.0%。每股基本盈利為港幣2.72元。平均資產回報率為0.9%，而平均股本回報率則為11.9%。

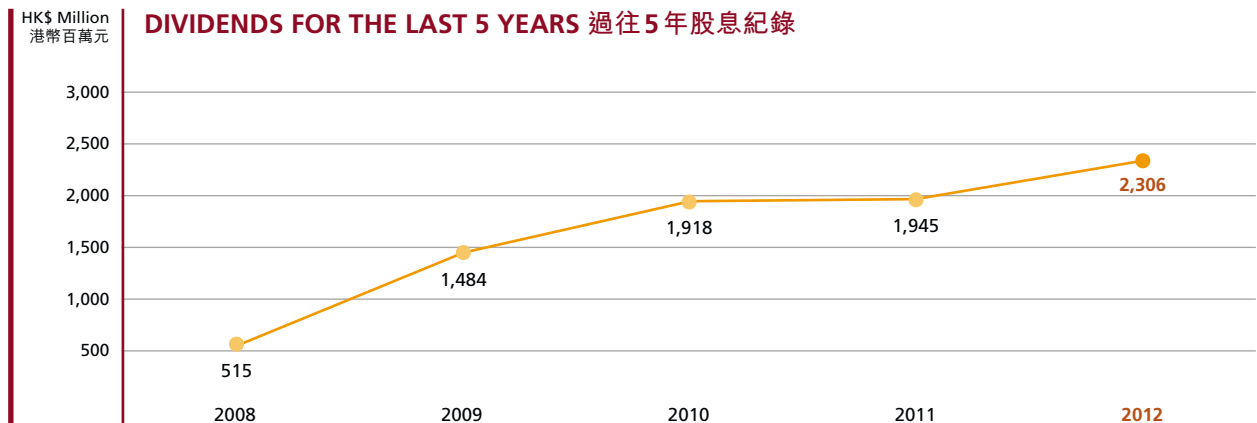
董事會宣布派發截至2012年12月31日止年度之第二次中期股息（代替末期股息）每股港幣0.63元，令全年派發股息合共每股港幣1.06元。

香港乃小型開放式經濟體系，特別容易受外圍環境影響。2012年，海外經濟面對重重困難，本地增長亦隨之放緩。然而，經濟狀況自第三季末轉趨穩定，加上投資氣氛有所改善，令金融市場自9月起呈強勁復甦。東亞銀行致力為客戶和投資者提供最卓越的金融服務，積極發掘能夠帶來可觀回報的投資機會。

憑藉成功掌握內地、香港與海外市場商業聯動的新機遇，東亞銀行業務近年持續錄得增長。本行香港與內地的銀行網絡保持高度融合，而區域與國際市場之據點亦取得平衡發展。展望未來，本行將施行雙軌策略：進一步善用本身的網絡優勢支持香港、內地及海外地區之業務交流，以及為每位客戶提供更全面的銀行服務。

東亞銀行在國內坐擁龐大網絡，加上內地企業需求殷切，東亞香港得以藉此大舉開拓跨境貿易融資業務。隨著內地企業日趨積極發展海外市場，本行正著力發展與內地企業的聯繫，透過推出及銷售更多的產品及服務，務求滿足內地企業的特別需要。

東亞銀行預期，短期內有關跨境業務之利好政策將陸續出台，特別是在前海、橫琴、南沙發展區，帶來更多機遇。未來數年，源自內地的業務可望繼續帶動本行香港業務的增長。



CHAIRMAN'S STATEMENT (CONTINUED)

The Bank's wholly owned Mainland subsidiary, The Bank of East Asia (China) Limited ("BEA China"), will maintain its proven business strategies, steadily expanding its branch network and strengthening its e-distribution capabilities, investing in new product development and focusing on the niche areas in which it has a competitive advantage.

The number of outlets operated by BEA China has climbed rapidly, from 28 on the date of its founding in March 2007 to 114 at the end of 2012. During 2012, BEA China conducted an extensive review of the business activities of its Mainland branches and set new priorities for the coming years. Following this review, a rationalisation programme will be implemented in 2013 to drive efficiency, control costs and focus resources where they will generate higher returns.

BEA China will expand its clientele, targeting in particular medium-sized enterprises. As part of this strategy, BEA China has developed a specialised class of products for supply chain financing to assist clients in managing their domestic trade. These products offer convenience and efficiency for clients, while generating new deposits and new income sources for the bank.

The international operations of the Bank reported record profits amid robust growth in both loans and deposits in 2012. Asset quality saw significant improvement, as the impairment loan ratio returned to normal levels. Growing trade-refinance business and good performance by BEA's associate bank in Malaysia were major contributors to the rise in profits from international operations.

The sale of an 80% interest in The Bank of East Asia (U.S.A.) N.A. to Industrial and Commercial Bank of China Limited ("ICBC") was completed in July 2012. BEA anticipates that the growing commercial ties between China and the United States ("US") represent a substantial opportunity for the unit under ICBC management. Meanwhile, BEA will continue to develop its wholesale banking businesses in the US through its federal branches in New York and Los Angeles.

Over the past decade, BEA has entered into a number of agreements with strategic partners, and enjoys very good relations with overseas financial institutions. In cooperation with these partners, in 2013 BEA will further expand its cross-border referral business.

The Bank made welcome progress in its efforts to improve cost-to-income performance during the past year. To further enhance operating efficiency, the Bank will step up investments in innovation, particularly in technologies that reduce the cost of providing banking services. In parallel, the Bank will further develop its iPhone/Android applications and hone its marketing initiatives in order

to enhance BEA's appeal to the younger generation. The Bank will continue to innovate, applying appropriate technology to further improve the customer experience.

The Bank maintains a sound and efficient capital position to support its business goals and meet changing regulatory requirements. With new capital adequacy rules now being phased in, BEA has implemented an ongoing programme to make more efficient use of capital through pricing and asset allocation. In the coming year, the Bank will increase the proportion of interest-earning assets that require a lower capital charge, and raise the ratio of fee income to total income through the sale of insurance, investment and treasury products.

In December 2012, BEA concluded a share placement with Sumitomo Mitsui Banking Corporation ("SMBC") in the amount of HK\$3,301 million to further enhance the Bank's capital position. This followed the successful issue of subordinated notes by the Bank in March and April 2012 in an aggregate amount of \$800 million Singapore dollars. SMBC and BEA have a long history of cooperation, and both banks welcomed this opportunity to further enhance their strategic relationship.

I take pleasure in thanking our Bank's Board of Directors and the directors of our subsidiaries and associated companies for their unstinting support and invaluable advice during the past year. I would also like to thank the management and staff of BEA for their commitment and outstanding performance, and I look forward to working as a team in the coming year to execute our business strategies and develop new growth opportunities. Our relationships with overseas financial institutions are invaluable, and I thank the directors and managements of these institutions for making our business partnerships such an outstanding success. I also take great pleasure in thanking our shareholders and customers for their long-standing loyalty and confidence in the Bank.

Dr. Lee Shau-kee, who joined the Board in 1987, will retire as a Director of the Bank on 24th April, 2013. He has served the Board with distinction for more than 26 years, making an invaluable contribution to the development of the Bank during that period. On behalf of the Board, I express my heartfelt gratitude to Dr. Lee for his wise counsel and guidance over the past 26 years.

David LI Kwok-po
Chairman & Chief Executive

Hong Kong, 26th February, 2013

本行設於內地的全資附屬公司東亞銀行（中國）有限公司（「東亞中國」）將貫徹實施行之有效的商業策略，繼續穩步擴展分行網絡、加強電子分銷能力、投資開發新產品，以及將焦點放在具競爭優勢的範疇之上。

東亞中國經營的網點迅速攀升，由2007年3月創立時的28間，增加至2012年底的114間。在2012年，東亞中國對內地分行的業務運作進行了大規模檢討，並為未來數年的發展目標訂立了新的優先次序。是次業務檢討後，東亞中國將於2013年推行理順計劃，務求提升效率、控制成本，並將資源投放於回報較高的項目上。

東亞中國將擴大客戶群，尤其以中型企業作為目標。作為此策略的一部分，東亞中國已為供應鏈融資發展一系列針對性產品，以助客戶管理本土貿易業務。有關產品不僅為客戶提供更大的便捷及提升效率，亦可為本行開拓新存款及收入來源。

由於貸款及存款均錄得穩健增長，本行國際業務在2012年的溢利再創紀錄。隨著減值貸款比率重返正常水平，資產質素顯著改善。貿易再融資業務持續增長，加上東亞銀行位於馬來西亞的聯營銀行業績理想，成為本行國際業務溢利錄得升幅的主要因素。

本行將美國東亞銀行(The Bank of East Asia (U.S.A.) N.A.)（「美國東亞」）80%股權售予中國工商銀行股份有限公司（「工商銀行」）的交易已於2012年7月完成。東亞銀行預期，隨著中美兩國的商業往來日益頻繁，在工商銀行管理之下，讓美國東亞可望迎接重大機遇。與此同時，東亞銀行將繼續透過其紐約及洛杉磯聯邦分行發展在美國的批發銀行業務。

過去十年，東亞銀行先後與策略性夥伴訂立多項協議，並與多家海外金融機構保持非常良好的關係。在2013年，東亞銀行將繼續與上述商業夥伴攜手合作，進一步拓展跨境轉介業務。

過去一年，本行致力改善成本對收入比率，進展令人滿意。為進一步提升營運效率，本行將加緊投資創新項目，特別是將資源投放在有助降低銀行服務成本的科技。與此同時，本行將進一步發展iPhone/Android應用程式，調整市場推廣策略，務求提升東亞銀行對

年青一代的吸引力。本行將繼續推陳出新，以適切的科技提升客戶的銀行服務體驗。

為配合業務目標及符合監管規例改變之需要，本行一直保持穩健及有效的資本狀況。隨著新資本充足規例分階段實施，東亞銀行已推行一系列措施，透過定價及資產配置，以持續提升資本運用的效率。在未來一年，本行將增加資本要求較低的生息資產之比重，並透過銷售保險、投資及財資產品，以提高服務費收入佔總收入的比率。

繼本行於2012年3月及4月成功發行合共8億新加坡元的後償票據後，東亞銀行與三井住友銀行於2012年12月達成配股協議，金額達港幣33億100萬元，以進一步提升本行資本實力。三井住友銀行與東亞銀行的合作關係歷史悠久，兩行均對是次合作能增進相互間的策略性關係表示歡迎。

本人謹在此對本行董事會各成員、附屬公司和聯營公司的各位董事表示謝意，感謝他們在過去一年對本行無限度支持，以及分享寶貴經驗。對於東亞銀行的管理層及每位員工盡忠職守和卓越的表現，本人亦在此致以感謝。本人期待能夠於未來一年與團隊同心合力，實踐我們的商業策略，發掘新的發展機遇。本行能夠與海外金融機構之間建立深厚關係，實在難能可貴，本人感謝有關金融機構的董事及管理層同心協力，令彼此的業務夥伴關係取得如此驕人成績。本人亦藉此機會感謝股東及客戶長久以來對本行的支持及信心。

李兆基博士於1987年加入本行董事會，他將於2013年4月24日退任本行董事一職。李博士在董事會服務超過26年，建樹良多，在任期間為本行發展帶來寶貴貢獻。本人謹代表董事會，對李博士過去26年提出的真知灼見及精明指導表示衷心感謝。

主席兼行政總裁

李國寶

香港，2013年2月26日

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT

FINANCIAL REVIEW

Financial Performance

For the year 2012, the Group achieved a record high profit attributable to owners of the parent of HK\$6,056 million, HK\$1,698 million or 39.0%, higher than the HK\$4,358 million earned in 2011. Basic earnings per share were HK\$2.72. Return on average assets and return on average equity were 0.9% and 11.9%, respectively.

Despite rising funding costs, the Group's net interest income increased by HK\$461 million, or 5.0%, to HK\$9,724 million as the result of double-digit growth in both the Bank's loan portfolio and trade finance business in 2012.

Non-interest income increased by HK\$1,933 million, or 56.0%. The rise was mainly attributable to the favourable performance of the investment portfolio, resulting in a gain of HK\$1,429 million for the trading activities and financial instruments designated at fair value through profit or loss. The improvement was also driven by stronger net fee and commission income, which rose by HK\$329 million, or 10.8%, to HK\$3,379 million.

Operating expenses rose by 9.2% to HK\$8,725 million. Cost control remains an important objective of the Group, and healthy revenue growth coupled with strict control over costs resulted in a 5.2 percentage point drop in the Group's cost-to-income ratio, to 57.7% in 2012 from 62.9% in 2011. If the Business Tax and surcharges of our China operations were excluded from operating expenses and grouped under taxation, the adjusted cost-to-income ratio would decrease from 59.2% to 54.2%. The Bank continued to maintain a careful balance between cost control and business development.

Operating profit before impairment losses rose to HK\$6,384 million, an increase of HK\$1,661 million, or 35.2%, when compared with 2011.

Impairment losses grew by 97.2% to HK\$265 million, as the Bank made provisions for loans and advances, and available for sale financial assets. Impairment losses remain at a low and controllable level.

Operating profit after impairment losses was HK\$6,119 million, an increase of 33.4%.

BEA completed the disposal of an 80% interest in a banking subsidiary in the United States ("US") during the year, recording a net profit of HK\$203 million. This compares to a profit generated from disposal of three associates of HK\$122 million in 2011.

Valuation gains on properties increased to HK\$451 million, mainly due to the buoyant property markets in Hong Kong and the United Kingdom ("UK"). In addition, due to the strong performance of associates, the Group shared after-tax profits from associates of HK\$536 million, representing growth of 23.1% over 2011.

After accounting for income taxes, profit after taxation rose to HK\$6,154 million, an increase of 38.3% over the HK\$4,451 million recorded in 2011. After deduction of non-controlling interests, profit attributable to owners of the parent rose to HK\$6,056 million, an increase of 39.0%.

Financial Position

Total consolidated assets of the Group stood at HK\$692,114 million at the end of 2012, an increase of 13.2% over the HK\$611,402 million at the end of 2011. Gross advances to customers increased by 11.2% to HK\$350,720 million. Total equity increased to HK\$61,639 million, up 18.4%, due to earnings retained and the issuance of new shares in December 2012, which amounted to HK\$3,301 million.

Total deposits from customers rose by 6.7% to HK\$498,770 million. Demand deposits and current account balances increased by HK\$12,054 million, or 21.2%, compared to the balance at year-end 2011. Savings deposits grew to HK\$86,549 million, while time deposits increased to HK\$343,271 million, an increase of 3.1%, when compared with the year-end positions. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, grew by 9.9% to HK\$526,140 million.

The loan-to-deposit ratio was 66.7% at the end of December 2012, 0.9 percentage points higher than the 65.8% reported at the end of 2011.

行政總裁及高層管理人員報告書

財務回顧

財務表現

於2012年，本集團錄得可歸屬於集團股東溢利達港幣60億5,600萬元，創下新高，較2011年溢利港幣43億5,800萬元增加港幣16億9,800萬元或39.0%。每股基本溢利為港幣2.72元。平均資產回報率為0.9%，而平均股本回報率則為11.9%。

儘管融資成本上漲，但由於本行的貸款量及貿易融資業務均於2012年錄得雙位數的增幅，本集團的淨利息收入增加港幣4億6,100萬元，或5.0%，至港幣97億2,400萬元。

非利息收入增加港幣19億3,300萬元，或56.0%。升幅主要歸因於投資組合表現理想，帶動交易活動及指定為通過損益以反映公平價值金融工具錄得港幣14億2,900萬元的收益。此外，服務費及佣金收入淨額表現轉強，增加港幣3億2,900萬元，或10.8%，至港幣33億7,900萬元。

經營支出上升9.2%，至港幣87億2,500萬元。成本控制仍是本集團的重要目標之一，穩步增長的收益，配合嚴格的成本控制，令本集團成本對收入比率由2011年度的62.9%下跌5.2個百分點，至2012年度的57.7%。若將中國業務之營業稅及附加稅於營業支出撇除而納入稅項計算，本集團之成本對收入比率會由2011年度的59.2%下跌至2012年度的54.2%。由此可見本行持續審慎，在成本控制與業務發展之間取得平衡。

未扣除減值損失之經營溢利上升至港幣63億8,400萬元，比較2011年增加港幣16億6,100萬元，或35.2%。

由於本行為貸款及墊款，以及可供出售金融資產作出撥備，減值損失增加97.2%至港幣2億6,500萬元，但減值損失仍然處於受控的低水平。

已扣除減值損失之經營溢利為港幣61億1,900萬元，升幅達33.4%。

年內，本行完成了出售一家位於美國的附屬銀行之80%權益，就此項交易錄得淨溢利港幣2億300萬元，於2011年出售三家聯營公司，則錄得溢利港幣1億2,200萬元。

物業重估盈利增加至港幣4億5,100萬元，主要受香港及英國地產市場暢旺帶動。此外，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5億3,600萬元，較2011年增長達23.1%。

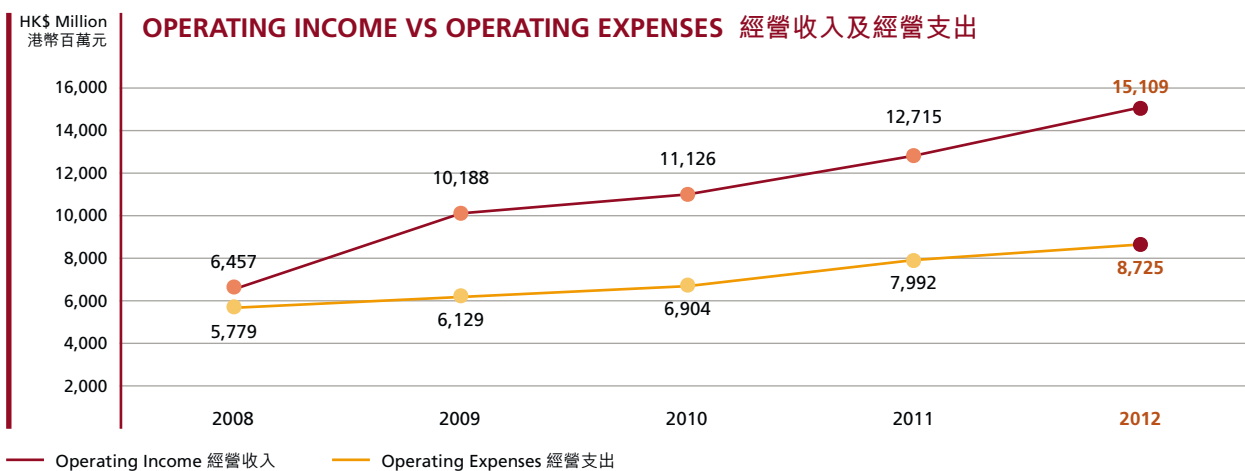
經計及入息稅後，除稅後溢利達港幣61億5,400萬元，相較2011財政年度溢利港幣44億5,100萬元，上升38.3%。經扣除非控股權益後，可歸屬於集團股東溢利則為港幣60億5,600萬元，增加39.0%。

財務狀況

於2012年底，本集團綜合資產總額為港幣6,921億1,400萬元，較2011年底總額港幣6,114億200萬元，上升13.2%。客戶貸款總額上升11.2%至港幣3,507億2,000萬元。因保留盈利以及於2012年12月發行達港幣33億100萬元新股，本行之股本總額因而增加18.4%，至港幣616億3,900萬。

客戶存款為港幣4,987億7,000萬元，升幅為6.7%。與2011年底的結存數字比較，活期存款和往來存款賬戶結餘增加港幣120億5,400萬元，升幅為21.2%。相較2011年底存款數字，儲蓄賬戶存款增加至港幣865億4,900萬元，定期存款則上升3.1%至港幣3,432億7,100萬元。存款總額（包括客戶存款及所有已發行的存款證）增加9.9%至港幣5,261億4,000萬元。

本行於2012年12月底的貸款對存款比率為66.7%，相較2011年底的65.8%增加了0.9個百分點。



REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

RECOGNITION

Ratings

Standard & Poor's

The Bank of East Asia, Limited

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

The Bank of East Asia (China) Limited

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

Moody's Investor Service

The Bank of East Asia, Limited

Long-term Bank Deposit (local and foreign currency)	A2
Short-term Bank Deposit (local and foreign currency)	Prime-1
Bank Financial Strength	C-
Outlook	Stable

Awards

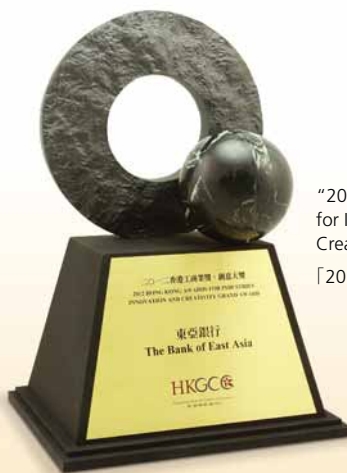
The Bank of East Asia, Limited

- "2012 Best SME's Partner Award" (for the fifth consecutive year)
 - The Hong Kong General Chamber of Small & Medium Business
- "2012 Hong Kong Awards for Industries: Innovation and Creativity Grand Award" (for the design and development of the i-Teller)
 - Hong Kong General Chamber of Commerce
- "The Best World Card Program Launched in 2011 in Hong Kong (BEA SupremeGold World MasterCard) – Winner", "The Highest Growth Rate in 2011 Premium Product Cardholder Spending in Hong Kong – Winner", "The Highest Growth Rate in 2011 Cardholder Spending in Hong Kong – Winner", "The Highest Growth Rate in 2011 Number of Open Cards in Hong Kong – 1st Runner Up", and "The Highest Growth Rate in 2011 Outstandings in Hong Kong – 2nd Runner Up" (for card issuance)
 - MasterCard Worldwide
- "The Highest Market Share in 2011 Cross-border Merchant Purchase Volume in Hong Kong – 2nd Runner Up" and "The Highest Growth Rate in 2011 Merchant Purchase Volume in Hong Kong – 2nd Runner Up" (for merchant acquiring)
 - MasterCard Worldwide
- "Exclusive Visa Acceptance Award"
 - Visa Inc.

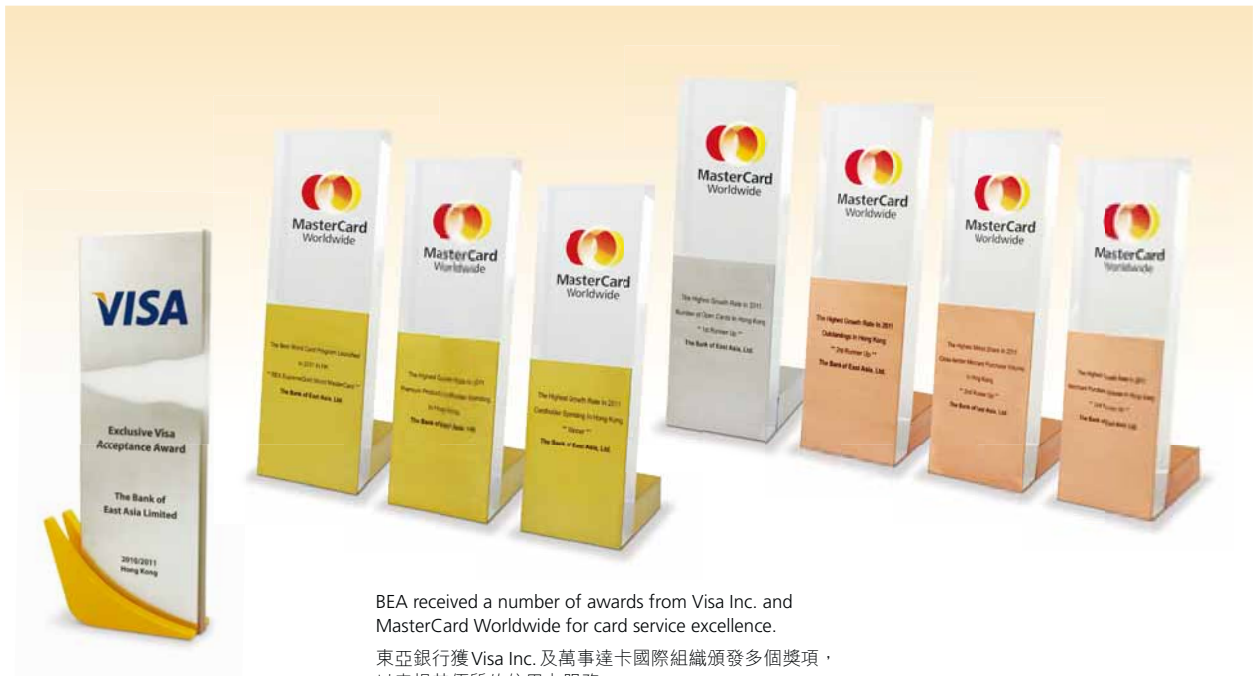
"2012 Best SME's Partner Award"
[2012 中小企業最佳拍檔獎]



"2012 Hong Kong Awards for Industries: Innovation and Creativity Grand Award"
[2012 香港工商業獎：創意大獎]



行政總裁及高層管理人員報告書 (續)



BEA received a number of awards from Visa Inc. and MasterCard Worldwide for card service excellence.
東亞銀行獲 Visa Inc. 及萬事達卡國際組織頒發多個獎項，以表揚其優質的信用卡服務。

榮譽與獎項

評級

標準普爾

東亞銀行有限公司

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

東亞銀行 (中國) 有限公司

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

穆迪投資服務

東亞銀行有限公司

長期銀行存款 (港元及外幣)	A2
短期銀行存款 (港元及外幣)	Prime-1
銀行財務實力	C-
前景	穩定

獎項

東亞銀行有限公司

- 「2012 中小企業最佳拍檔獎」(連續 5 年獲獎)
— 香港中小型企業總商會
- 「2012 香港工商業獎：創意大獎」(「視像櫃員」之設計及應用)
— 香港總商會
- 「2011 年度香港區推出之最佳 World 卡項目 — 東亞銀行顯卓理財 World 萬事達卡」、「2011 年度香港區高端卡最高零售簽賬額增長大獎 — 金獎」、「2011 年度香港區最高零售簽賬額增長大獎 — 金獎」、「2011 年度香港區最高發卡量增長大獎 — 銀獎」，以及「2011 年度香港區最高信用卡結餘增長大獎 — 銅獎」(信用卡發卡業務)
— 萬事達卡國際組織
- 「2011 年度香港區最高跨境商戶簽賬額市場佔有率大獎 — 銅獎」，以及「2011 年度香港區最高商戶簽賬額增長大獎 — 銅獎」(按商戶收單業務)
— 萬事達卡國際組織
- 「認受 Visa PayWave 卡銀行大獎」
— Visa Inc.

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

BEA China received recognition from various organisations for its banking excellence and customer service:

東亞中國為客戶提供卓越的銀行和客戶服務，榮獲不同組織的嘉許：



"2011 Distinctive Financial Services for Small Enterprises among Financial Institutions in China Award"

「2011年度全國銀行業金融機構小微企業金融服務特色產品」獎項



"2012 Best Foreign Retail Bank Award"

「2012年度最佳外資零售銀行」

"Best Cross-border Renminbi Business Bank (Foreign-invested) Award"

「最佳跨境人民幣業務銀行(外資)」



"China Treasury Awards 2012 – Best Foreign Cash Management Bank in China"

「2012中國財資獎 — 最佳外資現金管理銀行」



The Bank of East Asia (China) Limited

- "2011 Distinctive Financial Services for Small Enterprises among Financial Institutions in China Award"
- *China Banking Regulatory Commission*
- "2012 Best Foreign Retail Bank Award"
- *National Business Daily*
- "Best Cross-border Renminbi Business Bank (Foreign-invested) Award"
- *Global Entrepreneur*
- "China Treasury Awards 2012 – Best Foreign Cash Management Bank in China"
- *Treasury China*
- "Golden Award - Most Popular Product Award" for the Bull Bear Series of Investment Financial Products
- *Money Weekly and VNU Exhibitions*
- "UnionPay Award for Business Collaboration"
- *China UnionPay*

Bank of East Asia (Trustees) Limited

- "The Best MPF Scheme Award" in the Prime Awards for Banking and Finance Corporations 2012 programme (for the second consecutive year)
- *metroBox Magazine*

Blue Cross (Asia-Pacific) Insurance Limited

- "The 12th Capital Outstanding Enterprise Awards – Medical and General Insurance"
- *CAPITAL magazine*
- "TVB Most Popular TV Commercial Awards 2012 – Info-service"
- *Television Broadcasts Limited*
- "The Most Favourite Travel Insurance Company Award 2012" (for the eighth consecutive year)
- *Weekend Weekly Magazine*

Credit Gain Finance Company Limited

- "RoadShow Best Loved Brands Award 2012 – Finance and Credit Service"
- *RoadShow Productions Limited*
- "The Best Brand in Loans Award" in the Prime Awards for Banking and Finance Corporations 2012 programme
- *metroBox Magazine*

行政總裁及高層管理人員報告書（續）

東亞銀行（中國）有限公司

- 「2011年度全國銀行業金融機構小微企業金融服務特色產品」獎項
— 中國銀行業監督管理委員會
- 「2012年度最佳外資零售銀行」
— 《每日經濟新聞》
- 「最佳跨境人民幣業務銀行（外資）」
— 《環球企業家》
- 「2012中國財資獎 — 最佳外資現金管理銀行」
— 《中國財資》
- 「牛熊雙盈」投資理財產品獲「金獎 — 最受歡迎理財產品獎」
— 《理財週刊》及上海萬耀企龍
- 「銀聯卡業務合作獎」
— 中國銀聯

東亞銀行（信託）有限公司

- 都市盛世銀行及金融服務企業獎2012之「最佳強積金計劃」（連續2年獲獎）
— 《都市盛世》

藍十字（亞太）保險有限公司

- 「第12屆資本傑出企業成就獎 — 最佳醫療及一般保險」
— 《資本雜誌》
- 「2012 TVB最受歡迎電視廣告大獎 — 最受歡迎資訊系列」
— 電視廣播有限公司
- 「最受歡迎旅遊保險公司大獎2012」（連續8年獲獎）
— 《新假期》

領達財務有限公司

- 「RoadShow一路最愛品牌大獎2012 — 一路最愛信貸財務品牌大獎」
— 路訊通
- 「都市盛世銀行及金融服務企業獎2012」之「最佳信貸財務服務」
— 《都市盛世》



Blue Cross won several awards in recognition of its product and marketing excellence.

藍十字憑藉優秀的產品及市場推廣策略，獲得各界讚許。

“The Best MPF Scheme Award”
「最佳強積金計劃」

“The Best Brand in Loans Award”
「最佳信貸財務服務」

“RoadShow Best Loved Brands Award 2012
— Finance and Credit Service”

「RoadShow 一路最愛品牌大獎2012 — 一路最愛信貸財務品牌大獎」

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Tricor Holdings (Tricor Malaysia)

- “The BrandLaureate – SMEs BestBrands Awards 2012 in Corporate Branding – Best Brands in Services – Corporate Advisory”
- *The Asia Pacific Brands Foundation*

BEA Union Investment Management Limited

- “2012 Best of the Best Performance Awards – Asian Bonds, Hard Currency”*
- *Asia Asset Management*
- “2013 Best Fund in Bond, Asia Pacific”*
- *Lipper Funds Award Hong Kong*

*for the 3-year performance of the BEA Union Investment Asian Bond and Currency Fund

OPERATIONS REVIEW

Europe’s debt crisis continued to weigh heavily on the global economy in 2012, as recession in Europe reduced demand for imports. In Hong Kong, exports grew by a mere 2.9%. However, signs of recovery started to appear in the fourth quarter, in response to a further round of quantitative easing by the United States Federal Reserve, and the commitment by the European Central Bank to support the weaker members of the European Union through the Outright Monetary Transactions programme.

Notwithstanding the weak external economic environment, the Hong Kong economy registered modest growth for the year on the back of solid domestic demand. Tourists from the Mainland continued to provide

strong support for local consumption. Employment remained resilient, with unemployment hovering within the range of 3.2% to 3.4% in 2012. This resilience was partly attributable to the robust demand for business services from the growing number of Mainland Chinese companies using Hong Kong as a base for business expansion overseas.

Meanwhile, property prices rose through much of the year. Responding to growing concern about affordability of housing, the Hong Kong Government introduced tough measures in October 2012 in an attempt to dissuade speculators. However, given the housing shortage and low interest rate environment, the measures have yet to stem steadily rising prices.

Real Gross Domestic Product (“GDP”) is estimated to grow by 1.3% in 2012, while the inflation rate averaged 4.1%.

On the Mainland, weak exports and the ongoing rebalancing of the domestic economy saw real GDP growth fall below 8% in 2012. The Central Government intervened several times during the year to stimulate the economy, introducing expedited approval for infrastructure projects, tax cuts, and a looser monetary policy.

In addition to lowering the benchmark deposit and loan rates twice, in June and July 2012, China took the first step on the road to interest rate liberalisation, with the aim of gradually moving toward market-based pricing of capital. Under the new policy, bank deposit rates can be set up to 10% above their respective benchmark levels, while lending rates can be set as much as 30% below their respective benchmark rates.

行政總裁及高層管理人員報告書（續）



Tricor Malaysia was selected by The Asia Pacific Brands Foundation as the winner of "The BrandLaureate – SMEs Best Brands Awards 2012 in Corporate Branding – Best Brands in Services – Corporate Advisory".

卓佳馬來西亞獲亞太區品牌機構頒發「The BrandLaureate 2012 中小型企業最佳品牌之企業品牌獎 — 頂級品牌企業諮詢服務」。

卓佳集團（卓佳馬來西亞）

- 「The BrandLaureate 2012 中小型企業最佳品牌之企業品牌獎 — 頂級品牌企業諮詢服務」*
— 亞太區品牌機構

東亞聯豐投資管理有限公司

- 「2012年度最佳投資表現獎 — 亞洲債券（硬貨幣）」*
— 亞洲資產管理
- 「最佳亞洲太平洋債券基金」*
— 理柏香港基金年獎

* 按東亞聯豐亞洲債券及貨幣基金過往三年業績

業務回顧

由於歐洲步入衰退，打擊入口需求，歐洲債務危機持續對2012年全球經濟造成重壓。香港出口增長僅為2.9%。儘管如此，由於美國聯儲局實行新一輪量化寬鬆、歐洲央行承諾透過直接貨幣交易計劃方案援助較弱的歐盟成員國，第四季度漸見復甦跡象。

儘管外圍經濟環境疲弱，在堅實內需支持下，年內香港經濟錄得溫和增長。內地旅客持續大力支持本地消

費。就業市場保持平穩，2012年失業率徘徊在3.2%至3.4%之間，這部分歸因於漸多中國內地公司以香港為擴展海外業務的據點，帶動商業服務需求殷切。

與此同時，物業價格於年內大部分時段持續攀升。為回應社會對市民置業困難的關注，香港政府於2012年10月推出一系列強硬措施以打擊炒風。然而，由於房屋短缺及利率偏低，相關措施未能遏止樓價穩步上揚。

2012年實質本地生產總值估計增幅為1.3%，估計平均通脹率則為4.1%。

內地方面，由於出口疲弱及內部經濟持續調整，2012年實質國內生產總值增長低於8%。中央政府於年內曾推出不同政策以期刺激經濟，包括加快批核基建工程、減稅及實施寬鬆貨幣政策。

除於2012年6月及7月兩度下調基準貸款及存款利率外，中國亦就利率市場化踏出首步，向著按市場因素來為資金定價之目標邁進。在新的政策下，銀行可將存款利率上調至最高為基準水平的110%，及可將貸款利率下調至不低於基準利率的70%。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)



Experts shared their views with BEA's clients at the Bank's Economic and Market Outlook Seminar in January 2012.
2012年1月，東亞銀行舉辦「經濟及市場展望」研討會，並請來多位專家與客戶分享市場走勢。

Inflationary pressure eased through much of the year, with the Consumer Price Index dropping to 2.5% in December 2012 from 4.1% in December 2011. A benign rate of inflation provides the Central Government with more room to introduce stimulus measures to revive the economy, if required. While property prices in China were relatively stable through much of the year, the Central Government is not expected to relax the current stringent control measures through at least the first half of 2013.

Following the 18th National Congress of the Communist Party of China in November 2012, it is widely expected that the Central Government will turn its attention to the nation's economy and implement necessary structural reforms, especially in the financial sector. GDP growth is likely to rebound from 7.8% in 2012 to 8.2% in 2013.

Business – Hong Kong

At 31st December, 2012, the aggregate value of loans to customers and trade bills of BEA in Hong Kong was 10% higher than at the end of 2011. Debt investments increased 27.7% in 2012 over the previous year. Customer deposits grew by 2.9%, year on year.

Corporate and Commercial Banking

The portfolio of corporate loans and trade bills of the Bank's Hong Kong operations recorded solid growth of 12.4% during 2012. Growth has not been at the cost of loan quality, however, and the impaired loan ratio remained at a very low level.

BEA's strong cross-border capabilities and extensive networks in both Hong Kong and Mainland China put it in a unique position to serve customers with business interests in both markets, and to benefit from ongoing favourable policy changes in the Mainland. From this strong platform, BEA has built a loyal base of Mainland customers in Hong Kong, and is serving their onshore and offshore financing needs, including property development project financing, loans against Renminbi ("RMB")-denominated assets, and cross-border trade finance. By leveraging these established relationships, BEA has been successful in providing Mainland clients with a growing range of banking products, including treasury and insurance, and will continue this process in order to drive future growth.

The pace of RMB liberalisation quickened in 2012, opening up new growth opportunities for BEA. The Bank marked a significant milestone in early 2013, becoming one of the first lenders to grant a cross-border RMB loan to a company incorporated in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone ("Qianhai"). The deregulation process is set to continue, creating significant long-term potential in offshore RMB business, especially in Qianhai and Hengqin New Area, Zhuhai. BEA is closely monitoring policy changes and remains proactively positioned to take advantage of opportunities as they arise.

行政總裁及高層管理人員報告書（續）

2012年通脹壓力放緩，消費物價指數由2011年12月的4.1%下跌至2012年12月的2.5%。通脹降溫為中央政府提供更多空間以推行刺激經濟措施。內地房地產價格於年內相對穩定，預料中央政府於2013年上半年仍不會放寬現時的嚴控措施。

2012年11月中國共產黨第十八次全國代表大會後，外界普遍預期中央政府會專注國家經濟問題及實施必要的體制改革措施，特別是金融界方面。國內生產總值有望由2012年的7.8%回升至2013年的8.2%。

香港業務

於2012年12月31日，本行香港的客戶貸款及貿易票據較2011年底合共增長10%。對比2011年，債券投資增長27.7%，客戶存款亦增加2.9%。

企業及商業銀行

本行香港業務於2012年內的企業貸款及貿易票據組合增長強勁達12.4%，貸款質素亦得以維持，且減值貸款比率仍然保持於極低水平。

憑藉於香港及中國內地的強大跨境業務優勢及龐大網絡，東亞銀行位佔先機，充分把握內地多項新出台利好政策，為於兩地市場擁有業務的客戶提供妥善周全的服務。本行通過此中港綜合平台，在香港建立穩固的內地客戶基礎，滿足他們對境內外同時融資的需要，包括物業發展項目融資、以人民幣相關資產為抵押的貸款，以及跨境貿易融資。除了提供上述融資服務外，本行亦同時向內地客戶銷售銀行其他產品，包括財資及保險類產品。東亞銀行將循此發展策略，積極帶動未來業務增長。

人民幣自由化的步伐於2012年加快，為東亞銀行開拓業務增長的新機遇。2013年初為本行發展人民幣業務的重要里程碑，期間東亞銀行成為首批授出跨境人民幣貸款予於前海深港現代服務業合作區（「前海」）註冊成立公司的貸款機構之一。隨着有關業務規管逐步放寬，可為離岸人民幣業務帶來龐大商機，特別是對前海及珠海橫琴新區。本行正密切留意出台政策，並積極部署，把握未來的發展商機。



The Bank successfully expanded its SME lending business in 2012.
2012年，本行成功擴展中小企貸款業務。

BEA is well-positioned to take advantage of cross-border opportunities as they arise.

東亞銀行位佔先機，並會繼續運用其競爭優勢，充分發展其跨境業務。



REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Portfolio yield improved over the past year, as low-margin loans were re-priced and replaced. The Bank also increased holdings of high quality corporate notes and bonds, and stayed actively involved in the syndicated loan market, focusing on higher-yield club deal facilities for mid-cap corporate clients.

Domestic corporate customers remain central to BEA's business, particularly the small and medium-sized enterprises ("SMEs") that form the backbone of Hong Kong's economy. BEA successfully expanded its SME lending business in 2012, with 18% growth in the equipment financing portfolio and a 25% increase in loans extended under the "Business Ready Cash" unsecured loan scheme. The Bank introduced a Trade Finance Programme for premier customers, and is launching a Contractor Receivable Finance Programme to take advantage of the growing number of substantial infrastructure projects in the region. BEA was also an active participant in the Hong Kong Mortgage Corporation's enhanced SME Financing Guarantee Scheme under the special concessionary measures launched at the end of May 2012.

Retail Banking

In 2012, BEA continued to build on its excellent reputation among retail customers, actively growing its account base, enhancing the range and standard of services, modernising marketing and delivery channels, while rationalising its branch network.

Throughout the year, BEA expanded its customer base across the market spectrum, with a particular focus on the affluent retail segment. The 10th anniversary of SupremeGold was celebrated with the launch of a series of marketing campaigns to reward the Bank's loyal customers and to attract new accounts, emphasising the warm and caring service provided by BEA staff. At the same time, BEA is laying the seeds for future prosperity by extending its reach among younger clients through targeted credit card promotions, a strong university campus branch presence, and a popular new Facebook Fan Page.



BEA celebrated the opening of its Kennedy Town Branch in November 2012.
東亞銀行堅尼地城分行於2012年11月正式開幕。

行政總裁及高層管理人員報告書（續）



BEA extended its reach to young customers through targeted communications including its popular new Facebook Fan Page and credit card promotions.

東亞銀行透過一連串特定之宣傳渠道，包括廣受歡迎的網上社交平台 Facebook Fan Page 及信用卡推廣計劃，以招攬更多年青客戶。



本行通過為貸款重新定價及替換低利潤貸款，令綜合收益較2011年有所改善。本行亦已增持優質企業票據及債券，並繼續積極參與銀團貸款，專注於為中型企業客戶而設的高收益俱樂部貸款。

本地企業客戶 — 特別是構成本港經濟骨幹的中小型企業（「中小企」），仍是東亞銀行的業務重心對象。於2012年，本行成功擴展中小企貸款業務，設備融資業務增長18%，「營商易」無抵押貸款計劃的貸款則增長25%。本行亦為尊貴客戶推出了貿易融資計劃，並正推行承建商應收賬款融資計劃，把握區內多項大型基建項目帶來的商機。此外，香港按揭證券有限公司在政府的支持下，於2012年5月底在中小企融資擔保計劃下推出特別優惠措施，以支持本地中小企，本行亦積極參與其中。

零售銀行

於2012年，本行憑藉在零售客戶間的卓著聲譽繼續擴展業務，不斷擴充客戶基礎、擴闊服務範圍、提升服務水平、優化市場推廣及服務渠道，並整合分行網絡。

年內，本行零售銀行成功擴大客戶基礎，當中特別著重較富裕的個人客戶。為慶祝顯卓理財成立十周年，本行推出一連串市場推廣活動，回報本行的忠實客戶及招攬新客戶，並強調本行員工為客戶所提供熱誠、稱心的服務。與此同時，本行擁有多個設於大專院校之網點，年內更推出一連串信用卡推廣計劃及廣受歡迎的網上社交平台 Facebook Fan Page，務求招攬更多年青客戶，為未來業務增長奠定根基。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)



Seven i-Financial Centres were in operation by the end of 2012. Award-winning i-Tellers offer personalised service during extended hours. 至2012年底，本行共營運7間i-理財中心，為客戶延長服務時間。i-理財中心備有創新及享譽的「視像櫃員」，以提供適切的個人化服務。

BEA continued to develop its e-banking channels in 2012, improving the ease and convenience of services whilst simultaneously reducing transaction costs. The BEA mobile banking app enjoyed strong take-up during the year, with total downloads and total mobile banking users almost doubling. To complement this, BEA enhanced its Cyberbanking service, expanded its ATM network – now the second largest among JETCO members – and introduced more innovative, award-winning i-Tellers at key locations, offering extended hours and personalised customer service.

The ongoing migration of services to e-banking frees up BEA's retail branch network – consisting of 88 branches, 62 SupremeGold Centres, and 7 i-Financial Centres at the end of 2012 – to focus on absorbing deposits and selling banking products. During the year, the Bank launched a number of initiatives to this end, capturing new business from small local enterprises, attracting low-cost deposits, acquiring new wealth management customers, and cross-selling products such as insurance and investment services, credit cards, mortgages, and consumer loans. By encouraging more clients to open payroll accounts, the Bank registered growth in its current and savings account balance, developing a stable and low-cost deposit base.

BEA introduced a number of competitive mass residential mortgage plans during the year, and took advantage of the pick up in the non-residential property market to expand its higher-yield non-residential mortgage business. During 2012, BEA maintained an average ranking of fifth place in new residential mortgage loan registrations in Hong Kong.

Insurance and MPF Services

BEA's wholly-owned life insurance arm, BEA Life Limited, achieved a solid 23% gain in new premium income during 2012. Short-term savings plans and RMB-denominated products, introduced to meet the growing demand for short-maturity products with guaranteed return, were particularly popular with customers.

Blue Cross (Asia-Pacific) Insurance Limited, BEA's wholly-owned general insurance arm and a leading player in medical and travel insurance, built on its strong position and notched up a 15% increase in premium income during the year. At the end of 2012, the number of medical insurance customers reached more than 179,000, while the number of travel insurance customers stood at 755,000, representing growth of 16% and 7% year on year, respectively.

行政總裁及高層管理人員報告書（續）

本行於2012年繼續拓展及優化電子銀行服務，令客戶享有更便利的銀行服務，亦同時減低銀行營運成本。年內，東亞銀行手機程式大受歡迎，下載總次數及流動電話理財用戶總人數均增長近倍。此外，本行提升電子網絡銀行服務，及擴充自動櫃員機網絡，本行自動櫃員機的數目，在銀通會員銀行中排名第二。本行更在主要地區推出創新及享譽的「視像櫃員」，以提供切合客戶個人需要的服務及延長服務時間。

隨著更多客戶轉用電子銀行服務，本行零售分行網絡（於2012年底包括88間分行、62間顯卓理財中心及7間i-理財中心）得以專注經營吸收存款及銷售理財產品。年內，本行在這方面積極推出多項措施，從本地小型企業爭取新業務、吸納低成本存款、招攬新財富管理客戶，以及交叉銷售保險及投資服務、信用卡、按揭、個人貸款等產品。透過鼓勵更多客戶使用自動轉賬支薪服務，本行的往來賬戶及儲蓄賬戶結餘均錄得增長，得以為銀行提供穩定及低成本的存款基礎。

本行於年內推出多項具競爭力的住宅按揭計劃，並藉著非住宅物業市場的升勢，拓展高收益非住宅按揭業務。於2012年，本行在香港新造按揭貸款登記方面，平均排名繼續名列第五。

保險及強積金服務

於2012年，本行旗下全資壽險附屬公司——東亞人壽保險有限公司的新造保單保費收入取得23%的強勁增長，並透過推出最受客戶歡迎的短期儲蓄計劃及以人民幣為貨幣單位的保險產品，滿足客戶對能提供保證回報的短期儲蓄產品的需求。

本行提供一般保險服務的全資附屬公司——藍十字（亞太）保險有限公司，在醫療及旅遊保險市場繼續穩佔領導地位，2012年的保單保費收入取得15%的增長。截至2012年底，醫療保險客戶人數超過179,000人，旅遊保險客戶人數則為755,000人，分別較上年度增長16%及7%。



Medical insurance services were actively migrated to electronic channels in 2012.

2012年，本行積極轉用電子渠道，作為醫療保險業務之服務平台。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

In general insurance, sales and service are being actively migrated to electronic channels, and premium income generated through e-channels rose by 25% during the year. Utilisation is expected to expand further in 2013 as new mobile services are introduced to provide greater convenience for customers.

The MPF Employee Choice Arrangement was launched in November 2012. To meet market demand, the Bank's wholly-owned MPF service provider, Bank of East Asia (Trustees) Limited, has added new funds, reduced management fees, and introduced a new low-fee Master Trust Scheme. Total membership under the BEA MPF schemes rose to 539,000 at the end of 2012 and assets under management grew to more than HK\$15.2 billion, a rise of 20%, year on year.

Wealth Management

BEA's wealth management business grew strongly in 2012. This trend is expected to continue, with much of the new business originating from Mainland customers, who now account for 25% of total private banking accounts.

Responding to investor sentiment and the low interest rate environment, Private Banking focused on selling

bond-related and income-oriented products. Thematic investments are of growing interest to clients, and in 2012 the Bank launched its first private equity fund, the BEA Blue Sky Real Estate Fund L.P., which invests in real estate projects in the Greater China region. Private Banking revenue for 2012 rose by a solid 17%, while assets under management at the end of 2012 were more than 20% higher than one year earlier.

BEA's mutual fund business registered revenue growth of more than 75% over 2012. Product offerings were shaped to match the economic outlook and customer demand, with an emphasis on selected securities that provide stable income and upside potential, as well as RMB-denominated funds. Meanwhile, as of the end of November 2012, BEA clients may use the BEA mobile app to gain access to the latest market information and fund performance from their smartphone or tablet.

The Bank has also been successful in leveraging its private banking and corporate banking client bases to cross-sell trustee and fiduciary services. In 2012, BEA achieved growth of 11% in the total number of private and corporate trust clients, and 19% in total assets under trustee administration.



BEA Trustees organised several seminars in 2012 to introduce the MPF Employee Choice Arrangement.
2012年，東亞信託舉辦多個講座，為客戶介紹強積金「僱員自選安排」。

行政總裁及高層管理人員報告書（續）



Business from Mainland customers contributed to BEA's strong growth in wealth management services in Hong Kong.
香港財富管理業務增長強勁，當中大部分新造業務乃源自內地客戶。

一般保險方面，本行正積極轉用電子平台銷售產品及提供服務。年內，經電子平台錄得的保單保費收入上升25%。隨著全新流動電話應用程式推出，客戶可享更便捷的服務，預計使用率將於2013年進一步增加。

強積金「僱員自選安排」於2012年11月正式實施。為滿足市場需求，本行的全資附屬強積金服務供應商——東亞銀行（信託）有限公司新增多個基金、調低管理費及推出全新的低收費集成信託計劃。於2012年底，本行強積金計劃的成員人數增加至539,000名，管理的資產值則較2011年增長20%，至超過港幣152億元。

財富管理

於2012年，本行的財富管理業務增長強勁，並預期升勢將會持續，當中大部分新造業務源自內地客戶，而該客戶羣目前佔本行私人銀行整體客戶人數約25%。

鑒於投資者偏好及低息環境，私人銀行偏重向客戶提供債券基金及以收入為主的產品。主題式投資漸受客戶歡迎，為此，本行於2012年推出首個投資於大中華地區房地產項目的私募基金——東亞天駿房地產基金 BEA Blue Sky Real Estate Fund L.P.。於2012年，私人銀行收益穩健上升17%，於2012年底管理的資產值則較2011年底上升超逾20%。

東亞銀行香港互惠基金業務的收益於2012年錄得超逾75%增長。本行精心設計推出的產品，務求切合經濟前景及客戶需求，包括著重能提供穩定收入及具升值潛力的精選證券和以人民幣計價基金。與此同時，於2012年11月底，本行客戶可利用東亞銀行手機程式，在智能手機或平板電腦上查閱最新市場消息及基金表現。

本行運用私人銀行及企業銀行的客戶基礎，成功地交叉銷售信託及資產保管服務。於2012年，本行的私人及企業信託客戶總數錄得11%的增長，信託管理的資產總額則增長19%。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)



Tung Shing Bullion (Brokers) Limited, a member of the BEA Group, celebrated its opening in June 2012.
2012年6月，東亞銀行集團旗下的東盛金業（經紀）有限公司正式開業。

Brokerage Operations

With uncertainties arising from changes in the political leadership of the world's major economies and the continued impact of the European sovereign debt crisis, the local market remained sluggish for most of 2012. Only after the Mainland economy showed signs of picking up toward the end of 2012 did investor interest return and propel the market to close the year at a 52-week high. Nonetheless, the Stock Exchange of Hong Kong still recorded a drop of over 20% in average daily turnover in 2012. Hence, the Bank's commission income derived from securities and futures broking business declined when compared with 2011 while interest income from staggings loans plunged due to a decrease in initial public offerings ("IPOs") as well as poor market sentiment for IPOs.

Despite the sluggish market, BEA continued to invest in IT systems to enhance the products and services it offers to its customers. In 2012, the Bank successfully launched broking services for trading in London gold and global futures, and enhanced its electronic trading platform. New trading options, including trading in stock options and overseas equities, will be gradually rolled out in 2013.

Business – Greater China ex-Hong Kong

Mainland China Operations

The Bank of East Asia (China) Limited ("BEA China"), BEA's locally-incorporated subsidiary bank on the Mainland, faced a challenging year in 2012. The unstable economic environment in the US and Europe weakened China's export sector. On the domestic front, slowing economic growth dampened overall investor sentiment.

Given the unfavourable domestic economic environment, the Central Government injected liquidity into the financial system in 2012 through reverse repurchase agreements, which led to a significant drop in inter-bank borrowing rates and draft rediscount rates. Furthermore, the People's Bank of China liberalised RMB interest rates by lowering the minimum lending rates (including mortgage lending rates) and increasing the maximum deposit rates. These factors had an adverse impact on BEA China's overall net interest margin, which declined to 2.15% in 2012 from 2.5% in 2011.

Nevertheless, despite the challenging environment, BEA China successfully increased its weighted average loan yield from 6.24% in 2011 to 7.02% in 2012. Total loans and deposits also grew 14.34% and 11.41%, year on year, respectively. The loan-to-deposit ratio was maintained within the range of 68% and 73%, which was in compliance with the statutory limit of 75% set by the China Banking Regulatory Commission.

行政總裁及高層管理人員報告書（續）

證券經紀業務

隨著全球主要經濟體系的政治領導人物變動所帶來不確定性，以及歐洲主權債務危機的持續影響，本地市場於2012大部分時間均處於萎靡不振的狀態。在內地經濟於2012年底出現重拾升軌的跡象後，投資者才重投市場，令本地市場於年底回升至52周高位。然而，香港聯交所每日平均成交金額仍於2012年下跌超過20%。因此，本行源自證券及期貨經紀業務的佣金收入與2011年相比有所下跌。同時，由於去年新股發行的上市表現明顯趨弱，投資者總體反應欠佳，導致新股貸款的利息收入下降。

儘管市場萎靡不振，本行繼續投放資源於資訊科技系統，以提升向其客戶提供的產品及服務質素。於2012年，本行成功推出倫敦金及環球期貨經紀服務，並優化其電子交易平台。2013年將陸續推出股票期權及海外股票等全新服務。

大中華地區業務（香港除外）

中國內地業務

本行於內地註冊成立的附屬公司 — 東亞銀行（中國）有限公司（「東亞中國」）於2012年面對重重挑戰。歐美經濟環境不穩，削弱了中國出口行業的表現，而內地的經濟增長放緩亦打擊了整體投資意欲。

面對本土不利的經濟環境，中央政府於2012年透過逆回購操作方式為金融體系注入資金，以致銀行同業拆息及票據轉貼現利率大幅下跌。此外，中國人民銀行分別下調最低貸款利率（包括按揭貸款利率）及上調最高存款利率，此對東亞中國的整體淨息差產生負面影響，由2011年的2.5%下跌至2012年的2.15%。

儘管環境充滿挑戰，東亞中國仍然成功將其加權平均貸款收益率由2011年的6.24%增加至2012年的7.02%。貸款及存款總額亦分別較去年增長14.34%及11.41%。貸款對存款比率維持在68%至73%之間，符合中國銀行業監督管理委員會的75%法定上限。



Dr. David K.P. Li joined Mr. Li Jiheng, Governor of Yunnan Province and other dignitaries at the opening of BEA China's Kunming Branch in December 2012.

2012年12月，李國寶博士及雲南省省長李紀恆先生交換紀念品，慶祝東亞中國昆明分行正式開幕。



REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)



In 2012, BEA China opened four new “cross-location” sub-branches in Guangdong Province, including its Zhanjiang Sub-branch in July.
2012年，東亞中國於廣東省共開設四間新的「異地支行」，其一為於7月開業的湛江支行。

BEA China adopted a focused strategy in 2012 to expand its corporate client base, targeting medium-sized enterprises and seeking opportunities to command higher interest margins. It also continued promoting cross-border financing facilities, assisting its clients in expanding their operations to overseas markets. In 2013, BEA China will launch a new class of domestic trade financing products under a supply chain business model to further broaden its product range.

In treasury sales, BEA China managed to increase its rate of sales penetration among existing customers from a negligible level in 2011 to 7.7% in 2012. BEA China aims to increase this ratio to 10% in 2013 by enhancing product variety and strengthening marketing efforts.

BEA China’s retail customer base has been expanding since 2007. At the end of 2012, retail deposits accounted for approximately 20% of total deposits, providing a stable funding source to fuel business growth. Retail loans increased by 14.6%, year on year. Fee income from personal banking and wealth management rose 35% in 2012 over the previous year.

The difficult business environment on the Mainland led to a money chain rupture in some regions and industries during 2012, which threatened the sustainability of a number of enterprises. Following the rupture, some cash-starved Chinese entrepreneurs were forced to turn to other channels for financing, including trust loans / trust products and entrusted loans. Despite the unfavourable situation, BEA China’s impaired loan ratio remained at a relatively low level, thanks to its proven

credit risk management model, rising from just 0.10% in 2011 to 0.27% in 2012. During the year, BEA China also effectively managed its exposure to local government financing vehicles (“LGFV”), which was another area of concern of the Central Government. BEA China’s outstanding LGFV exposure was substantially reduced in 2012 and repayment records have been satisfactory.

A strong network of strategically located branches and sub-branches has been crucial to BEA China’s sustained growth on the Mainland over the past years. BEA China opened 2 new branches in 2012, in Kunming and Ningbo, as well as 8 new sub-branches including 4 “cross-location” sub-branches in Shunde, Zhanjiang, Shantou, and Foshan in Guangdong Province. With 33 outlets in Guangdong Province, BEA China is well positioned to capture a greater market share of the ever-growing base of affluent customers in southern China.

At the end of 2012, BEA China operated 25 branches, 88 sub-branches, and 9 24-hour self-service banking centres – one of the most extensive networks of any foreign bank operating on the Mainland. Looking ahead, BEA China will continue to expand its network in line with business demand.

In May 2012, BEA China issued RMB senior unsecured bonds in an aggregate principal amount of RMB1 billion to institutional investors and private banking customers in Hong Kong. BEA China used the proceeds raised from the bond issue to support business expansion, enhance its asset and liability structure, and improve overall liquidity management.

行政總裁及高層管理人員報告書（續）

東亞中國於2012年採取針對性策略，擴大其企業客戶基礎，以中型企業為目標，藉此取得較高息差。東亞中國亦繼續推廣跨境融資，協助客戶擴充海外市場業務。於2013年，東亞中國將在供應鏈業務模式下推出新的本土貿易融資產品，進一步擴闊產品種類。

財資產品銷售方面，東亞中國致力增加對現有客戶的銷售滲透率，由2011年的低比率，上升至2012年的7.7%。東亞中國透過擴闊產品種類及加強市場營銷力度，目標為於2013年將該比率提升至10%。

東亞中國自2007年成立以來，一直致力擴展零售客戶基礎。截至2012年底，零售存款佔存款總額約20%，為推動業務增長提供穩定資金來源。零售貸款較去年增加14.6%。來自零售銀行及財富管理業務的服務費收入較去年上升35%。

去年內地的營商環境困難，部分地區及行業的資金鏈斷裂，令不少企業難以持續經營；同時逼使部分資金短缺的企業轉向其他融資渠道，包括信託貸款/信託產品及委託貸款。儘管市況欠佳，但東亞中國憑藉其穩健的信貸風險管理模式，使其減值貸款比率維持在較低的水平，由2011年0.10%的低比率升至2012年

的0.27%。年內，東亞中國亦有效地控制中央政府關注的另一範疇——地方政府融資平台。在2012年，東亞中國的地方政府融資平台貸款餘額大幅減少，還款紀錄令人滿意。

過去多年，本行以策略性部署在國內建立強大的分支行網絡，對東亞中國於內地的持續發展起著關鍵作用。東亞中國於2012年分別在昆明及寧波開設2間分行，並在全國開設8間支行，當中包括於廣東省的順德、湛江、汕頭及佛山開設的4間異地支行。東亞中國憑藉其在廣東省的33個網點穩佔先機，在華南地區不斷擴展的富裕客戶群中爭取更大的市場佔有率。

截至2012年底，東亞中國設有25間分行、88間支行及9間24小時自助銀行中心，是內地網絡最龐大的外資銀行之一。展望未來，東亞中國將因應業務需要繼續擴展網絡。

於2012年5月，東亞中國在香港發行總額達人民幣10億元的人民幣高級無抵押債券予機構投資者及私人銀行客戶。東亞中國利用發行債券所籌集的資金支持業務擴展、優化資產負債結構及提升整體流動資金管理。



BEA's Taiwan Branches reported a rise of 76.90% in profit, year on year, for 2012. 於2012年，台灣分行淨利潤較上年度上升76.90%。



REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)



BEA's Singapore Branch celebrated its 60th Anniversary in May 2012.

東亞銀行於 2012 年 5 月慶祝其新加坡分行成立 60 周年。

Macau and Taiwan Operations

In the face of intense competition for deposits, BEA's operations in Macau ("Macau Branch") focused on delivering a broader range of retail products including the introduction of SupremeGold account services to better serve the affluent customer segment. Macau Branch registered a 26.79% rise in profit for 2012. Looking ahead, BEA will continue to expand its retail product range and increase promotion of its retail services in Macau.

In Taiwan, BEA's branches in Taipei and Kaohsiung (collectively, the "Taiwan Branches") launched custodian services for securities and other investment products in March 2012. In addition, the Taiwan Branches actively promoted cross-border RMB trade settlement services via the Taiwan Offshore Banking Unit. The Taiwan Branches reported a rise of 76.90% in profit, year on year, for 2012.

With the announcement of details on the liberalisation of the RMB business in Taiwan, the Taiwan Branches will strive to provide a wider range of RMB banking services to local enterprises and individuals. In the coming year, the Taiwan Branches will take advantage of the liberalisation measures and leverage the strength of the Group's Greater China network to capture more cross-strait business opportunities.

Business – International

BEA's international operations enjoyed a record-setting year in 2012, in terms of profit, loans, and deposits.

Buoyed by domestic consumer demand and underpinned by government spending on infrastructure projects, BEA's Singapore Branch enjoyed another year of notable growth in business volume and profitability. The Branch also benefited from Singapore's growing trade and investment flows with China, as it recorded a significant rise in its RMB trade financing and ancillary businesses.

Looking ahead, the Singapore Branch will continue to exploit the Group's extensive resources in Southeast Asia and China to capture more business opportunities. This will be achieved by leveraging the Bank's customer relationships in the two regions, emphasising a service-oriented approach, and forging closer co-operation with BEA China. The Singapore Branch will also strengthen collaboration with BEA's associates in Malaysia and Indonesia.

Despite Europe's weak economic fundamentals, BEA's operations in the UK registered satisfactory growth in its mortgage business in 2012. This growth was largely due to sustained demand for prime property in central London from Hong Kong and other Asian investors. In 2013, BEA will expand its presence in the UK market by opening a branch in Manchester.

行政總裁及高層管理人員報告書（續）

澳門及台灣業務

面對存款業務的激烈競爭，本行的澳門業務（「澳門分行」）專注提供廣泛的零售產品，包括推出顯卓理財戶口服務，為富裕客戶提供更佳的服務。於2012年，澳門分行淨利潤錄得26.79%的升幅。展望未來，本行將繼續於澳門擴闊零售產品的種類，並加強推廣澳門的零售服務。

台灣方面，東亞設於台北及高雄的分行（統稱「台灣分行」）於2012年3月推出證券及其他投資產品託管服務。此外，台灣分行積極透過其國際金融業務分行推廣跨境人民幣貿易結算服務。於2012年，台灣分行淨利潤較去年上升76.90%。

根據有關台灣開放人民幣業務的公布，台灣分行將在來年致力向當地企業及個人客戶提供廣泛的人民幣銀行服務，並藉著人民幣開放措施所帶來的商機，充分發揮本集團於大中華地區完善的網絡，以迎接更多兩岸業務的機遇。

國際業務

於2012年，東亞銀行國際業務在溢利、貸款及存款方面，均創新高。

受到本地消費需求及政府基建項目開支的帶動，東亞銀行新加坡分行再次錄得理想的營業額及盈利增長。該分行亦受惠於新加坡增加對華的貿易及投資，在人民幣貿易融資及相關業務方面均錄得大幅增長。

展望未來，新加坡分行將會繼續利用本集團於東南亞及中國的龐大資源及客戶聯繫，與東亞中國更緊密合作，並強調以服務為本的精神，在該兩地尋找更多商機。同時，新加坡分行將會加強與東亞銀行的馬來西亞及印尼聯屬公司的合作關係。

儘管歐洲經濟基調疲弱，於2012年，東亞銀行在英國的按揭業務仍然錄得令人滿意的增長，增幅主要歸因於香港及其他亞洲投資者對倫敦市中心黃金地段物業的持續需求。2013年，東亞銀行將於曼徹斯特開設分行，擴展在英國市場的業務。



BEA plans to expand its presence in the UK by opening a branch in Manchester in 2013.

2013年，東亞銀行將於曼徹斯特開設分行，擴展在英國市場的業務。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

BEA's US operations enjoyed another year of solid performance as the US economic recovery broadened. Both New York and Los Angeles branches achieved good profitability, thanks to an enlarged loan portfolio and lower funding costs due to abundant liquidity in the market.

In July 2012, the Bank completed the disposal of 80% of its stake in The Bank of East Asia (U.S.A.) N.A. to the Industrial and Commercial Bank of China. Following the completion of the transaction, BEA began focusing on its wholesale and corporate banking businesses in the US.

Other Subsidiaries

Credit Gain Finance Company Limited

Despite the challenges of a highly competitive sub-prime loan market in Hong Kong, Credit Gain Finance Company Limited ("Credit Gain") successfully achieved double-digit growth in its total loan portfolio in 2012, year on year. The Company's strong growth can largely be attributed to its diversified sales and marketing channels and enhanced product mix. Looking ahead, Credit Gain will focus on enhancing the value of its services and building its brand in the personal loan market. Beyond Hong Kong, the Company aims to capitalise on the great potential of the Mainland market, and open its first Mainland office, in Shenzhen, in the first half of 2013.

Tricor Holdings Limited

Tricor Holdings Limited ("Tricor") reported 7% growth in annual fee revenue, exceeding the HK\$1 billion mark for the first time and making an important contribution to the BEA Group's fee and commission income. While rising staff costs and increasing overhead expenses remained challenges during the year, every effort was made to improve efficiency.

Facing strong demand for its corporate compliance and company secretarial services, Tricor Hong Kong enjoyed significant growth in its corporate service income. While there were fewer IPOs in Hong Kong's capital market in 2012 than in 2011, Tricor Hong Kong successfully secured the share registration work of 55% of all newly-listed companies in Hong Kong in the year under review.

Tricor's overseas offices continued to be an important contributor to the Company's total revenue. In particular, Tricor Malaysia reported substantial growth in both gross revenue and profit for the year. In May 2012, Tricor Services Europe extended its service in the UK by acquiring Woodside Corporate Services Limited, a fund administration business based in London. In addition to corporate services, Tricor Services Europe now provides fund administration services and acts as receiving agent under government-approved schemes in the UK through its subsidiary.

Tricor now operates in 28 cities and employs over 1,600 people around the world.



Credit Gain successfully achieved double-digit growth in its total loan portfolio in 2012, year on year.
於2012年，領達財務的貸款組合總額錄得兩位數的按年增長。



Tricor Services Europe extended its service in the UK by acquiring Woodside Corporate Services Limited.
Tricor Services Europe 收購在倫敦以基金管理為主的公司 Woodside Corporate Services Limited。

受惠於美國經濟復甦，東亞銀行在當地的業務再次取得穩固表現。因市場上的流動資金充裕，融資成本下降，紐約及洛杉磯分行均能擴大其貸款資產，並錄得理想盈利。

於2012年7月，本行完成了出售所持有美國東亞銀行之80%股權予中國工商銀行。於完成該交易後，東亞銀行會專注發展其美國批發及企業銀行業務。

其他附屬公司

領達財務有限公司

雖然面對著香港次級貸款市場競爭激烈的挑戰，於2012年，領達財務有限公司（「領達財務」）的貸款組合總額仍取得兩位數的按年增長。領達財務的強勁增長，主要由其多元化銷售及市場推廣渠道，以及產品組合提升所帶動。展望未來，領達財務將會致力提升服務價值，並建立在個人貸款市場的品牌地位。至於香港以外地區，領達財務致力把握內地市場的龐大商機，並於2013年上半年在深圳設立首間內地辦事處。

卓佳集團有限公司

卓佳集團有限公司（「卓佳」）的年度費用收入錄得7%的增長，首次超越港幣10億元的關口，為東亞銀行集團費用及佣金收入作出重大貢獻。儘管年內員工及間接成本增加繼續對卓佳的營運帶來挑戰，卓佳仍然盡力提升營運效益。

卓佳香港辦事處受惠於市場對其企業合規及公司秘書服務的殷切需求，其企業服務收入錄得可觀的增長。儘管2012年香港資本市場的新股上市數目較2011年減少，於2012年內，仍有55%的香港新上市公司選用卓佳香港辦事處的股份過戶登記服務。

卓佳的海外辦事處繼續是卓佳總收入的重要來源之一。卓佳馬來西亞辦事處的表現尤其突出，於今年錄得大幅總收入及溢利增長。於2012年5月，Tricor Services Europe 收購在倫敦以基金管理為主的公司 Woodside Corporate Services Limited，擴展英國業務。除一般企業服務外，Tricor Services Europe 目前亦提供基金管理服務，以及透過其附屬公司擔任英國政府批准方案下的收款代理。

卓佳目前在28個城市經營業務，並於全球聘用超過1,600名員工。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

BEA Union Investment Management Limited

BEA Union Investment Management Limited (“BEA Union”) registered a 25% rise in assets under management in 2012. This growth was due in large part to the company’s success in both the retail and institutional sectors. In May 2012, a new unit trust, the BEA Union Investment Asia Pacific Multi Income Fund, was introduced to investors seeking higher dividend payouts from investment in a variety of asset classes.

Our People

As of 31st December, 2012, the BEA Group employed 12,441 people:

	As of 31st December, 2012	As of 31st December, 2011
Hong Kong	5,692	5,709
Greater China ex-Hong Kong	5,608	5,277
Overseas	1,141	1,252
Total	12,441	12,238

Hong Kong’s unemployment rate remained low throughout 2012, leading to intense competition for talent. Operating in this challenging environment, BEA focused on providing attractive remuneration and benefits, opportunities for continuing career growth, and a healthy, supportive work environment. To attract and retain high calibre talents, BEA regularly benchmarks itself against best market practices for remuneration and benefits. The Bank also ensures that its human resources policies and practices are in line with the market.

BEA recognises the importance of ongoing professional development. In 2012, the Bank launched its e-Learning platform, “Learning@BEA”, which enables staff members to enrol in a wide range of online, work-related training programmes. To address specific needs of individual staff members, the Bank’s Training and Development Department also worked closely with various departments to create tailor-made training programmes.



Staff members can enrol in online, work-related training programmes via Learning@BEA, the Bank’s new e-Learning platform.
透過本行推出的「Learning@BEA」，員工可參與一系列網上在職培訓計劃。

行政總裁及高層管理人員報告書（續）



BEA creates tailor-made training programmes to address the specific needs of individual employees.
本行切合個別員工的特別需要，度身訂制所需的培訓計劃。

東亞聯豐投資管理有限公司

東亞聯豐投資管理有限公司（「東亞聯豐」）的管理資產於2012年錄得25%增長。有關增長主要歸因於其在零售及機構業務取得的成果。於2012年5月，該公司新增一個單位基金，名為東亞聯豐亞太區多元收益基金，讓投資者透過投資於一系列資產，從而獲取更高分紅。

人力資源

東亞銀行集團於2012年12月31日的僱員人數為12,441人，分佈如下：

	於2012年 12月31日	於2011年 12月31日
香港	5,692	5,709
大中華地區（香港除外）	5,608	5,277
海外	1,141	1,252
合計	12,441	12,238

香港失業率在2012年內持續偏低，導致人才競爭激烈。在這種充滿挑戰的營商環境下，本行著力為員工提供具吸引力的薪酬及福利、良好的事業發展機會，以及健康和支援充足的工作環境。為進一步吸引及保留優秀人才，本行會定期調整薪酬及福利，以切合市場最佳的指標。另外，本行致力確保所有人力資源政策與措施均符合市場水平。

本行一向重視持續專業發展。自2012年開始，本行推出其網上學習平台「Learning@BEA」，讓員工參與一系列網上在職培訓計劃。為照顧個別員工的特別需要，本行的訓練發展部亦與各部門緊密合作，量身訂制切合員工需要的培訓計劃。

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 on 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 to cover those risks.

The risk management mechanisms are built around a centralised framework and include the 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 the formulation of policies, risk assessment, setting up of procedures and control limits, and ongoing monitoring before the same are reported via the Risk Management Committee to the Board of Directors, to ensure compliance with the Bank's policies, and the legal and regulatory requirements in Hong Kong, China, and overseas.

In particular, the Risk Management Committee regularly reviews the Bank's risk appetite statement, risk management policies, and risk control limits and submits them to the Board of Directors for approval. 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.

Certificates of Deposits and Debt Securities Issued and Loan Capital

In 2012, BEA issued floating rate certificates of deposits and debt securities with a face value of HK\$545 million, US\$338.3 million, and TWD551.76 million, respectively; fixed rate certificates of deposits and debt securities with a face value of HK\$754 million, US\$1,214.2 million, RMB9,698.2 million, GBP418 million, and SGD50 million, respectively; and zero coupon certificates of deposits with a face value of HK\$1,171 million, US\$1,687.8 million, RMB705 million, and SGD27 million, respectively. The Bank redeemed a quantity of certificates of deposits and debt securities amounting to HK\$28,203 million equivalent upon maturity.

At the end of December 2012, the face value of the outstanding certificates of deposits and debt securities issued was HK\$36,070 million equivalent, with a carrying amount equal to HK\$36,027 million.

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、流動資金風險和營運風險，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。

具體而言，風險管理委員會定期審閱本行的風險偏好報告書、風險管理政策及風險控制限額，並將其呈交董事會審批。本行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。

已發行存款證、債務證券及借貸資本

於2012年，東亞銀行發行了面值分別為港幣5億4,500萬元、3億3,830萬美元及5億5,176萬新台幣的浮息存款證及債務證券、面值分別為港幣7億5,400萬元、12億1,420萬美元、人民幣96億9,820萬元、4億1,800萬英鎊及5,000萬新加坡元的定息存款證及債務證券，以及面值分別為港幣11億7,100萬元、16億8,780萬美元、人民幣7億500萬元及2,700萬新加坡元的零息存款證。本行於到期時贖回各類存款證及債務證券達等值港幣282億300萬元。

於2012年12月底，已發行在外的存款證及債務證券面值相等於港幣360億7,000萬元，賬面值則相等於港幣360億2,700萬元。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Maturity Profile of Certificates of Deposits and Debt Securities Issued

As at 31st December, 2012

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity				
		2013	2014	2015	2016	2017
Floating Rate						
HKD	725	260		385	80	
USD	388	140	142	106		
TWD	552	552				
Fixed Rate (Note)						
HKD	2,188	310	600	531	613	134
USD	959	929	10		20	
RMB	11,883	10,613	50	1,220		
GBP	150	150				
SGD	15	15				
Zero Coupon						
USD	647	547	50	50		
RMB	505	250				255
SGD	27	27				
Total Certificates of Deposits and Debt Securities issued in HKD equivalent						
	36,070	28,902	2,228	3,641	848	451

Note:

Associated interest rate swaps have been entered for managing interest rate risk along with long-term Certificates of Deposits and debt securities if deemed necessary

In 2012, BEA issued loan capital with a face value of SGD800 million. The Bank redeemed a quantity of loan capital amounting to HK\$7,886 million equivalent.

At the end of December 2012, the face value of the outstanding loan capital issued was HK\$13,600 million equivalent, with a carrying amount equal to HK\$14,263 million.

Maturity Profile of Loan Capital

As at 31st December, 2012

(All expressed in millions of dollars)

Currency	Total Face Value	Year of Maturity	
		2020	2022
USD (Note 1)	1,100	600	500
SGD (Note 2)	800		800
Total Loan Capital issued in HKD equivalent			
	13,600	4,651	8,949

Notes:

1. US\$500 million loan capital matured in 2022 would be callable on 4th May, 2017
2. Callable on 13th September, 2017

David LI Kwok-po

Chairman & Chief Executive

Hong Kong, 26th February, 2013

行政總裁及高層管理人員報告書（續）

已發行存款證及債務證券的年期

於2012年12月31日
(以百萬元位列示)

	總面值	到期年份				
		2013	2014	2015	2016	2017
浮息						
港元	725	260		385	80	
美元	388	140	142	106		
新台幣	552	552				
定息 (附註)						
港元	2,188	310	600	531	613	134
美元	959	929	10		20	
人民幣	11,883	10,613	50	1,220		
英鎊	150	150				
新加坡元	15	15				
零息						
美元	647	547	50	50		
人民幣	505	250				255
新加坡元	27	27				
所有已發行存款證及債務證券 (港元等值)	36,070	28,902	2,228	3,641	848	451

附註：

已就管理長期存款證及債務證券附帶的利率風險進行認為必要的相關利率掉期

於2012年，東亞銀行發行了面值8億新加坡元的借貸資本。本行贖回的借貸資本等值為港幣78億8,600萬元。

於2012年12月底，已發行的借貸資本面值為港幣136億元，賬面值則相等於港幣142億6,300萬元。

借貸資本的年期

於2012年12月31日
(以百萬元位列示)

貨幣	總面值	到期年份	
		2020	2022
美元 (附註1)	1,100	600	500
新加坡元 (附註2)	800		800
所有已發行借貸資本 (港元等值)	13,600	4,651	8,949

附註：

1. 將於2022年到期的5億美元借貸資本於2017年5月4日可贖回
2. 於2017年9月13日可贖回

主席兼行政總裁
李國寶

香港，2013年2月26日

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 (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), Hon. DLitt (Macquarie), 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, Commandeur dans l'Ordre National de la Légion d'Honneur
Chairman & Chief Executive and Chairman of the Nomination Committee

Sir David, aged 73, 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 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 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. He was a Member of the Legislative Council of Hong Kong from 1985 to 2012.

Sir David is the Chairman of The Chinese Banks' Association, Limited. He is the Honorary Chairman of The Chamber of Hong Kong Listed Companies. Sir David is Vice President of the Council of the Hong Kong Institute of Bankers, Chairman of the Saint Joseph's College Foundation Limited, a Member of the Advisory Board of the Judge Business School at the University of Cambridge and a 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 the Hong Kong Red Cross Advisory Board. He is a Council Member of the Employers' Federation of Hong Kong, a Director of the David Li Kwok-po Charitable Foundation Limited, a Founder Member and an Executive Committee Member of the Heung Yee Kuk Foundation Limited, Chairman and President of The Légion d'Honneur Club Hong Kong Chapter Association Limited and Chairman of the Executive Committee of The Marco Polo Society Limited.

Sir David is a Non-independent Non-executive Director of AFFIN Holdings Berhad (listed in Malaysia), a Director of CaixaBank, S.A.^{Note} (listed in Spain), an Independent Non-executive Director of China Overseas Land & Investment Limited, Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, PCCW Limited, San Miguel Brewery Hong Kong Limited, SCMP Group Limited and Vitasoy International Holdings Limited. He is also a Director of Hong Kong Interbank Clearing Limited and The Hong Kong Mortgage Corporation Limited. He was an Independent Non-executive Director of COSCO Pacific Limited.

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

Dr. Thomas KWOK Ping-kwong
郭炳江博士

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 (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), Hon. DLitt (Macquarie), 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, Commandeur dans l'Ordre National de la Légion d'Honneur

主席兼行政總裁及提名委員會主席

李爵士，現年73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。他在1985年至2012年期間曾出任香港立法會議員。

李爵士是香港華商銀行公會有限公司主席。他是香港上市公司商會名譽會長。李爵士是香港銀行學會議會副會長、聖約瑟書院基金有限公司主席、劍橋大學賈吉商學院諮議委員會成員及Cambridge Commonwealth Trust 和 Cambridge Overseas Trust 之國際諮議會成員。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、Légion d'Honneur Club香港分會主席及會長及The Marco Polo Society Limited執行委員會主席。

李爵士亦出任其他機構董事，計有：AFFIN Holdings Berhad（在馬來西亞上市）之非獨立非執行董事、CaixaBank, S.A. 註（在西班牙上市）之董事、中國海外發展有限公司、粵海投資有限公司、香港中華煤氣有限公司、香港上海大酒店有限公司、電訊盈科有限公司、香港生力啤酒廠有限公司、南華早報集團有限公司及維他奶國際集團有限公司之獨立非執行董事。他亦為香港銀行同業結算有限公司及香港按揭證券有限公司之董事。他曾出任中遠太平洋有限公司之獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Sir David is a Member of the Board of Trustees of the Asia Society International Council, a Member of the Asia Business Council, 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 Federal Reserve Bank of New York's International Advisory Committee and Hospital for Special Surgery. Sir David is the Chairman of the 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 67, was a Director of the Bank (1995-2002) and was re-appointed a Director in January 2008.

Professor Li is a Member of the Executive Council of the Hong Kong Special Administrative Region (he was also a Member during 2002 to June 2007). He is also a Member of the National Committee of the Chinese People's Political Consultative Conference.

Professor Li is an Independent Non-executive Director of Shangri-La Asia Limited, China Flooring Holding Company Limited and The Wharf (Holdings) Limited, a Non-Independent Non-executive Director of AFFIN Holdings Berhad (listed in Malaysia) and a Non-executive Director of BioDiem Ltd. (listed in Australia).

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

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

Professor Li is the brother of Dr. the Hon. Sir David Li Kwok-po, the 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 62, was appointed a Director in 1995. He is the Chairman and Group Chief Executive Officer of VTech Holdings Limited. Dr. Wong is an Independent Non-executive Director of China-Hongkong Photo Products Holdings Ltd. and Li & Fung Ltd.

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

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

Mr. WONG Chung-hin

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

Mr. Wong, aged 79, is a solicitor. He was appointed a Director in 1977. Mr. Wong is the Consultant of P.C. Woo & Co. He is also an Independent Non-executive Director of Power Assets 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)

李爵士為Asia Society International Council 信託委員會的委員、Asia Business Council 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：紐約聯邦儲備銀行國際顧問委員會及Hospital for Special Surgery。李爵士為法國INSEAD 東亞區校董會主席、Edelman Asia-Pacific 的非執行主席以及Metrobank 的資深顧問。

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

李國章教授

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

李教授，現年67歲，曾任本行董事（1995-2002）及在2008年1月再獲委任為本行董事。

李教授是香港特別行政區行政會議成員（他在2002年至2007年6月亦曾出任此職）。他亦是中國人民政治協商會議全國委員會委員。

李教授現為香格里拉（亞洲）有限公司、中國地板控股有限公司及九龍倉集團有限公司之獨立非執行董事、AFFIN Holdings Berhad（在馬來西亞上市）之非獨立非執行董事及BioDiem Ltd.（在澳洲上市）之非執行董事。

李教授曾任香港特別行政區教育及統籌局局長（2002年至2007年6月）。在此之前，他亦曾出任香港中文大學校長（1996-2002），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62歲，在1995年獲委任為本行董事。他是偉易達集團主席兼集團行政總裁。黃博士為中港照相器材集團有限公司及利豐有限公司之獨立非執行董事。

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

黃博士為黃頌顯先生之姪兒。

黃頌顯先生

CBE, JP

獨立非執行董事及審核委員會委員

黃先生，現年79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及和記黃埔有限公司之獨立非執行董事。

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 84, 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 Non-executive Director of Hong Kong Ferry (Holdings) Company Limited.

Mr. Aubrey LI Kwok-sing

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

Mr. Li, aged 63, was appointed a Director in 1995. He is Chairman of MCL Partners Limited, a Hong Kong based financial advisory and investment firm. Mr. Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. He is also an Independent Non-executive Director of Cafe de Coral Holdings Limited, China Everbright International Limited, Kunlun Energy Company Limited, Kowloon Development Co. Ltd, Pokfulam Development Company Limited, Tai Ping Carpets International Limited and a Director of AFFIN Bank Berhad.

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

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

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

Tan Sri Dr. KHOO Kay-peng

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

Tan Sri Dr. Khoo, aged 74, 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 Non-executive 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 Malaysia Tourist Development Corporation (a Government Agency), the Vice Chairman of Malayan Banking Berhad (Maybank) and a Trustee of the National Welfare Foundation, Malaysia.

Dr. Thomas KWOK Ping-kwong

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

Dr. Kwok, aged 61, was appointed a Director in 2001. Dr. Kwok is Chairman and Managing Director of Sun Hung Kai Properties Limited, Chairman of Route 3 (CPS) Company Limited and Joint Chairman of IFC Development Limited. He retired as a Non-executive Director of SUNeVision Holdings Ltd. with effect from the conclusion of its annual general meeting held on 1 November 2012. Dr. 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.

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84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)有限公司之非執行董事。

李國星先生

ScB, 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63歲，在1995年獲委任為本行董事。他是偉業資本有限公司主席，一間以香港為基地的財務顧問及投資公司。李先生於投資銀行、商人銀行及資本市場界具廣泛經驗。他又為大家樂集團有限公司、中國光大國際有限公司、昆侖能源有限公司、九龍建業有限公司、博富臨置業有限公司、太平地氈國際有限公司之獨立非執行董事及AFFIN Bank Berhad之董事。

李先生持有布朗大學土木工程學士學位，及哥倫比亞大學工商管理碩士學位。

李先生是李福全先生之堂姪、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71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。

羅先生曾任中國人民政治協商會議全國委員會委員。他為平平置業有限公司董事。

羅先生是康乃爾大學校董會終身會員。

丹斯里邱繼炳博士

PSM, DPMJ, KMN, JP, Hon. DLitt, Hon. LLD, Hon. Ph.D
非執行董事

丹斯里邱博士，現年74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非執行董事。

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。

郭炳江博士

SBS, MSc (Bus Adm), BSc (Eng), Hon DBA, Hon DEng, FCPA (Aust.), JP
獨立非執行董事、提名委員會委員及薪酬委員會委員

郭博士，現年61歲，在2001年獲委任為本行董事。郭博士現為新鴻基地產發展有限公司主席兼董事總經理、三號幹線(郊野公園段)有限公司主席及IFC Development Limited聯席主席。他在新意網集團有限公司於2012年11月1日舉行之股東周年大會結束後退任為其非執行董事。郭博士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。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Dr. 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 Developers Association of Hong Kong. In July 2007, the Government of the Hong Kong Special Administrative Region awarded Dr. Kwok the Silver Bauhinia Star for his distinguished community service. He is an Honorary Citizen of Guangzhou and a Standing Committee Member of the Chinese People's Political Consultative Conference Shanghai Committee.

In the past, Dr. Kwok served as a government appointed Member of the Commission on Strategic Development, a Member of the Exchange Fund Advisory Committee, the Construction Industry Council, the Council for Sustainable Development, Business Facilitation Advisory Committee and as a Non-official Member of the Provisional Minimum Wage Commission. 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 46, 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 Executive Chairman and an Executive Director of HKT Limited and HKT Management Limited, the Trustee-manager of the HKT Trust. He is also the Chairman and Chief Executive of the Pacific Century Group, an Executive Director and the Chairman of Pacific Century Premium Developments Limited, Chairman of Singapore-based Pacific Century Regional Developments Limited (listed in Singapore) and a Member of the Global Information Infrastructure Commission. Mr. Li was awarded the Lifetime Achievement Award by the Cable & Satellite Broadcasting Association of Asia in November 2011.

Mr. Kenneth LO Chin-ming

MA, BA

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

Mr. Lo, aged 70, 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 Honorary Chairman of the Chailease Group. He is also a Director of Boston Life Science Venture Corp. and Taiwan Cement Corp (listed in Taiwan). 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 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, Taiwan, the Managing Director of the Bankers Association of the Republic of China, a Member of Asian Executive Board of the Sloan School of Management at the Massachusetts Institute of Technology, and a Member of the National Palace Museum Advisory Committee and Taipei Fine Arts Museum Advisory Board. He was the President of Asian Leasing Association, and the Supervisor of the Bankers Association of the Republic of China.

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, Deputy Chairman of the Nomination Committee and Member of the Remuneration Committee

Mr. Li, aged 83, 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 an Independent Non-executive 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 53, 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 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.

董事及高層管理人員的個人資料 (續)

郭博士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。郭博士於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。郭博士為廣州市榮譽市民及中華人民共和國全國政協上海市委員會的常務委員。

郭博士曾獲政府委任為策略發展委員會委員、亦是外匯基金諮詢委員會委員、建造業議會成員、可持續發展委員會、方便營商諮詢委員會之委員及臨時最低工資委員會非官方成員。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46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）、香港電訊有限公司及香港電訊管理有限公司（作為香港電訊信託的託管人 — 經理）執行主席兼執行董事、盈科拓展集團主席兼行政總裁、盈科大衍地產發展有限公司執行董事兼主席、新加坡上市公司盈科亞洲拓展有限公司主席，以及環球資訊基建委員會的成員。李先生於2011年11月獲亞洲有線與衛星電視廣播協會頒發終身成就獎。

駱錦明先生*MA, BA**獨立非執行董事、審核委員會委員及提名委員會委員*

駱先生，現年70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和台灣上市公司台灣水泥公司的董事。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、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和華南商業銀行董事，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、中華民國銀行公會常務理事、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及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、提名委員會副主席及薪酬委員會委員*

李先生，現年83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的獨立非執行董事。

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

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

李國仕先生*BSc (Hons.), ACA**非執行董事*

李先生，現年53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。他出任以英國和歐盟為基地的對沖基金的董事。李先生亦為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。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

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 68, 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, a Director of New World Hotels (Holdings) Limited and Fung Seng Diamond Company 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 General of the Kingdom of Morocco in Hong Kong and Macau.

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

Mr. KUOK Khoon-ean

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

Mr. Kuok, aged 57, was appointed a Director in 2008. He is currently the Chairman and Executive Director of Shangri-La Asia Limited, a Director of Kerry Group Limited and Kerry Holdings Limited. Mr. Kuok is also a Non-executive Director of Wilmar International Limited (listed in Singapore), a Director of Shangri-La Hotel Public Company Limited (listed in Thailand) and a Non-executive Director (Independent) of IHH Healthcare Berhad (listed in Malaysia). He was a Non-executive Director of SCMP Group Limited and a Director of The Post Publishing Public Company Limited (listed in Thailand).

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 67, 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.

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

- (i) CaixaBank, S.A.^{Note}, is an integrated financial group and listed on the Spanish Stock Exchange – with a banking business, insurance activity and investments in international banks – the leader in retail banking in Spain
- (ii) Caja de Ahorros y Pensiones de Barcelona “la Caixa”^{Note}, the first Spanish and European savings bank and controlling shareholder of CaixaBank, S.A.
- (iii) “la Caixa” Foundation
- (iv) Criteria CaixaHolding, is a non-listed investment company that brings together the industrial investments and property assets of “la Caixa”

董事及高層管理人員的個人資料 (續)

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68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及澳門名譽領事。

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

郭孔演先生

獨立非執行董事及提名委員會委員

郭先生，現年57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的非執行董事、泰國上市公司Shangri-La Hotel Public Company Limited的董事，以及馬來西亞上市公司IHH Healthcare Berhad的非執行董事(獨立)。他曾出任南華早報集團有限公司的非執行董事和泰國上市公司The Post Publishing Public Company Limited的董事。

郭先生畢業於英國Nottingham University經濟系。

張建標先生

FCCA, FCA

獨立非執行董事及審核委員會委員

張先生，67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。

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，70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) CaixaBank, S.A.^註，為一家綜合金融集團並在西班牙證券交易所上市——從事銀行業務、保險活動和國際銀行投資——在西班牙的零售銀行業中具領導地位
- (ii) 西班牙巴塞羅那儲蓄銀行^註(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CaixaBank, S.A.的控股股東
- (iii) “la Caixa” 基金
- (iv) Criteria CaixaHolding，為一家集合“la Caixa”的實業投資及物業資產的非上市投資公司

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Dr. Fainé currently holds chairmanships and directorships in other listed companies, where “la Caixa Group” has an interest, 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) Vice Chairman of Repsol, S.A. (formerly known as Repsol YPF, S.A.) (oil company, listed in Spain)
- (iv) Board Member of Banco BPI, S.A. (financial and multi-specialist group focusing on the banking business, listed in Portugal)

Dr. Fainé is Second Vice Chairman of Sociedad General de Aguas de Barcelona, S.A. He was a Director of Grupo Financiero Inbursa, S.A.B. de C.V. (financial and banking group, listed in Mexico) until 2011.

Dr. Fainé is a Member and Controller of the Board of Directors of the Royal Academy of Economics, Science and Finance and of the Royal Academy of Doctors of Science, Chairman of the Confederation 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 is Founder and Chairman of the Círculo Financiero. He has been a Member of the Executive Committee of the Deposit Guarantee Fund for Savings Bank since 2007. In February 2011 he was appointed as a Member of the Executive Committee of the Business Council for Competitiveness (CEC). In December 2011, Dr. Fainé was appointed Vice Chairman of Institut de Prospective Économique du Monde Méditerranéen (IPEMED). He is also Merited Member of the Association of Economists of Catalonia. In 2012 he was awarded “Business Leader of the Year” by the U.S. Chamber of Commerce and was appointed Doctor Honoris Causa by the San Ignacio de Loyola University (Perú), and Member of the International Advisory Board of China Europe International Business School (CEIBS).

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), CEO of Banca Jover (1974) and CEO of Banco Unión (1978).

Note “la Caixa” is the controlling shareholder of CaixaBank, S.A. Each of “la Caixa” and CaixaBank, S.A. 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 CaixaBank, S.A. and Dr. Isidro FAINÉ CASAS is the Chairman of CaixaBank, S.A. and “la Caixa”. Dr. Fainé owns 0.014% interest in CaixaBank, S.A. while he is not aware of any of his associates owning any interest in CaixaBank, S.A. or any of its subsidiaries.

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

SENIOR MANAGEMENT

Mr. Adrian David LI Man-kiu

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

Mr. Li, aged 39, 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, China State Construction International Holdings Limited, COSCO Pacific Limited and Shanghai Fosun Pharmaceutical (Group) Co., Ltd (which is dual listed in Hong Kong and Shanghai). He is an Alternate Independent Non-executive Director of San Miguel Brewery Hong Kong Limited, and an Alternate Director of AFFIN Holdings Berhad (listed in Malaysia).

Mr. Li is a Member of the Guangdong Provincial Committee of the Chinese People’s Political Consultative Conference, a Member of the All-China Youth Federation, Deputy Chairman of the Beijing Youth Federation and a Counsellor of the Hong Kong United Youth Association. He is a Board Member of The Community Chest of Hong Kong, a Member of the HKSAR Government-mandated Banking Industry Training Advisory Committee, Chairman of the VTC’s Banking and Finance Industry Training Board, and a Member of the MPF Industry Schemes Committee of the MPFA. Mr. Li is an Advisory Committee Member of the Hong Kong Baptist University’s School of Business, a Vice President of The Hong Kong Institute of Bankers’ Council and a Steering Committee Member of the Asian

Report of the Directors. Dr. the Hon. Sir David Li Kwok-po is a director of CaixaBank, S.A. and Dr. Isidro FAINÉ CASAS is the Chairman of CaixaBank, S.A. and “la Caixa”. Dr. Fainé owns 0.014% interest in CaixaBank, S.A. while he is not aware of any of his associates owning any interest in CaixaBank, S.A. or any of its subsidiaries.

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 (“la Caixa 集團” 擁有該等公司的權益) 擔任主席及董事職務，詳情如下：

- (i) 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, S.A. (前稱 Repsol YPF, S.A.) 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

范博士是 Sociedad General de Aguas de Barcelona, S.A. 第二副主席。他曾在 Grupo Financiero Inbursa, S.A.B. de C.V. 擔任董事直至2011年，該公司在墨西哥上市，為一家金融及銀行集團。

范博士是皇家經濟、科學及金融學院 (Royal Academy of Economics, Science and Finance) 及皇家科學醫生學院 (Royal Academy of Doctors of Science) 的董事會的成員及控權人、西班牙儲蓄銀行聯盟 (CECA) 主席、歐洲儲蓄銀行集團 (ESBG) 副主席、加泰羅尼亞儲蓄銀行協會主席、西班牙董事及行政人員聯合會 (CEDE) 主席、羅馬俱樂部西班牙分會主席、Círculo Financiero 的創立人及主席，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2011年2月獲委任為競爭力商業委員會 (CEC) 執行委員會委員。於2011年12月，范博士獲委任為 Institut de Prospective Économique du Monde Méditerranéen (IPEMED) 副主席，他亦是加泰羅尼亞經濟學家協會 (Association of Economists of Catalonia) 的優秀會員。於2012年，他榮獲美國商會頒發“年度最佳商業領袖獎”，並獲頒授 San Ignacio de Loyola 大學 (秘魯) 榮譽博士，以及獲委任為中歐國際工商學院 (CEIBS) 國際諮詢委員會成員。

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 擔任行政總裁，以及於1978年在 Banco Unión 擔任行政總裁。

范博士於1982年加入西班牙巴塞羅那儲蓄銀行，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 商學院頒發的行政管理文憑。

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39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的香港業務，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、中國建築國際集團有限公司、中遠太平洋有限公司及上海復星醫藥 (集團) 股份有限公司 (在香港及上海上市) 之獨立非執行董事。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廣東省委員會委員，亦是中華全國青年聯合會港區特邀委員、北京市青年聯合會副主席及香港青年聯會參事。李先生是香港公益金董事、香港特區政府銀行業行業培訓諮詢委員會委員、香港職業訓練局銀行及金融業訓練委員會主席，以及香港強制性公積金計劃管理局強制性公積

註 西班牙巴塞羅那儲蓄銀行為 CaixaBank, S.A. 的控股股東。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及 CaixaBank, S.A. 均為本行的主要股東，詳情在董事會報告書內主要股東及其他人士的權益項下披露。

李國寶爵士為 CaixaBank, S.A. 的董事，而范禮賢博士則是 CaixaBank, S.A. 及西班牙巴塞羅那儲蓄銀行的主席。范博士擁有 CaixaBank, S.A. 0.014% 的權益，他並不知悉其任何聯繫人士擁有 CaixaBank, S.A. 或其任何附屬公司的任何權益。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Financial Forum. He also serves as a Member of the Election Committees responsible for electing the Chief Executive of the HKSAR and deputies of the HKSAR to the 12th National People's Congress. Mr. Li was formerly a Council Member of the VTC, 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 of Management Degree from Kellogg School of Management, Northwestern University in the US, and a Master of Arts Degree and a Bachelor of Arts Degree in Law from the University of Cambridge in Britain. He is a Member of The Law Society of England and Wales, and The Law Society of Hong Kong.

Mr. Li is the son of Dr. the Hon. Sir David Li Kwok-po, the 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, JP
Deputy Chief Executive

Mr. Li, aged 38, 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 Hopewell Highway Infrastructure Limited.

Mr. Li holds a number of public and honorary positions, including being a Member of the National Committee of the Chinese People's Political Consultative Conference, a Member of the Hong Kong-Taiwan Business Cooperation Committee, a Member of the Advisory Committee of the Securities and Futures Commission of Hong Kong, a Member of the HKSAR Small and Medium Enterprises 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.

Mr. Li is a Fellow of the Hong Kong Institute of Certified Public Accountants and a Full Member of the Treasury Markets Association. Mr. Li is also a Fellow of the 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 52, joined the Bank in 1987 as Chief Internal Auditor. He was promoted to Deputy Chief Executive & Chief Investment Officer in April 2009. Mr. Li is primarily responsible for the Bank's investment activities and treasury & broking operations including treasury markets. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board.

Mr. Li is a Fellow of The Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries & Administrators, and The Association of Chartered Certified Accountants. In addition, he is an Associate of the Hong Kong Institute of Certified Public Accountants, 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 53, 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)

金行業計劃委員會委員。他同時是香港浸會大學工商管理學院諮詢委員會成員、香港銀行學會議會副會長及亞洲金融論壇委員會委員。此外，李先生亦為負責推選香港特別行政區行政長官之選舉委員會委員，及香港特別行政區第十二屆全國人民代表大會代表選舉會議成員。李先生曾出任香港職業訓練局理事會委員、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。

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

李先生是李國寶爵士之兒子、李福全先生之堂姪孫、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, JP
副行政總裁

李先生，現年38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，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。

李先生現為港華燃氣有限公司及合和公路基建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，包括中國人民政治協商會議全國委員會委員、香港—台灣商貿合作委員會委員、香港證券及期貨事務監察委員會諮詢委員會委員、香港特區政府中小型企業委員會委員、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財資市場公會專業會員，以及英格蘭及威爾士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52歲，在1987年加入本行為總內部稽核，於2009年4月獲擢升為副行政總裁兼投資總監。李先生主要負責本行的投資活動、資金及經紀業務的運作，包括資金市場。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。

李先生為香港特許秘書公會、英國特許秘書及行政人員公會和英國特許公認會計師公會資深會士、香港會計師公會會士、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53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 DIRECTOR

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
Dr. 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, JP
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
BBS, JP

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
郭炳江博士
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, JP
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
BBS, JP

公司秘書

羅春德先生
FCCA, FCPA, FCIS, FCS

核數師

畢馬威會計師事務所
執業會計師

CORPORATE INFORMATION (CONTINUED)
公司資料 (續)

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



Mr. Samson LI
Kai-cheong
李繼昌先生

Mr. Adrian David LI
Man-kiu
李民橋先生

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

Mr. Brian David LI
Man-bun
李民斌先生

Mr. TONG Hon-shing
唐漢城先生

LIST OF OUTLETS

網絡一覽



1 Head Office – Hong Kong 香港 — 總行

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

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

LIST OF OUTLETS (CONTINUED) 網絡一覽 (續)

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

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

HONG KONG BRANCH NETWORK 香港分行網絡

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

S With SupremeGold Centre
設有顯卓理財中心

i Branch with i-Financial Centre
分行設有i-理財中心

CORPORATE GOVERNANCE REPORT

The Bank of East Asia Limited (“Bank”) and its subsidiaries (“Group”) are committed to maintaining the highest corporate governance standards and consider such commitment essential in balancing the interests of shareholders, customers and employees; and in upholding accountability and transparency.

The Corporate Governance Code (“CG Code”) in Appendix 14 of the Rules Governing the Listing of Securities (“Listing Rules”) issued by The Stock Exchange of Hong Kong Limited (“Stock Exchange”) in October 2011, is the new edition of the Code on Corporate Governance Practices (“Former Code”), and is applicable to financial reports covering the financial period which ends after 1st April, 2012. During the financial year ended 31st December, 2012, the Bank has complied with all the Code Provisions set out in the CG Code during the period from 1st April, 2012 to 31st December, 2012 as well as the Former Code during the period from 1st January, 2012 to 31st March, 2012, except for Code Provision A.2.1 as explained in section A below.

The Hong Kong Monetary Authority (“HKMA”) issued the Supervisory Policy Manual CG-1 on “Corporate Governance of Locally Incorporated Authorized Institutions” (“CG-1”) in September 2001 (“Former CG-1”) and a revised version of the CG-1 (“Revised CG-1”) in August 2012. During the financial year ended 31st December, 2012, the Bank has complied with the module on the Former CG-1. The Bank has also established a comprehensive implementation plan in order to bring the corporate governance policies and practices of the Group in line with the requirements set out in the Revised CG-1.

The Bank has in place a corporate governance framework (“CG Framework”) which sets out a range of governance principles and practices to direct and guide the business conducts and affairs of the Group. The Bank has also adopted a *Corporate Governance Policy* which outlines the corporate governance practices of the Group and incorporates the requirements of CG Code and CG-1, where appropriate. The governance principles and practices under the CG Framework will be reviewed and enhanced regularly to ensure that they are in line with the relevant requirements and the prevailing corporate governance practices.

A. BOARD OF DIRECTORS

The Board

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

The Board is responsible for providing strategic direction and overseeing effective implementation of pre-determined objectives by the Management¹. It delegates the day-to-day operation and administration of the Bank’s business to the Management.

Board meetings are held at least 4 times a year at approximately quarterly intervals. In addition, special Board meetings are held when necessary. Dates of regular Board and Committee meetings are scheduled in the prior year to provide sufficient notice to give all Directors an opportunity to attend. For special Board meetings, reasonable notice is given. Directors are consulted on matters to be included in the agenda for regular Board meetings. All Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors.

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

Minutes of the meetings of the Board, the AC, the RC and the NC are kept by the Company Secretary whereas minutes of the meetings of other Board Committees (as listed under the subject Board Committees in section D on page 80) are kept by the appointed secretary of each Committee.

¹ Management includes the Chief Executive, Deputy Chief Executives and Division Heads of the Bank.

企業管治報告

東亞銀行有限公司(「本行」)及其附屬公司(「本集團」)致力維持最高的企業管治標準，並認為此承諾對於平衡股東、客戶及員工的利益，以及保持問責及透明度，至為重要。

香港聯合交易所有限公司(「聯交所」)於2011年10月發出的證券上市規則(「《上市規則》」)附錄14《企業管治守則》(「《守則》」)是《企業管治常規守則》(「《舊守則》」)之新版本，適用於涵蓋2012年4月1日後結束的財政期間的財務報告。除以下A項所述偏離守則條文A.2.1的行為外，本行在截至2012年12月31日止的財政年度期間內，於2012年4月1日至2012年12月31日期間已遵守《守則》的全部守則條文，及於2012年1月1日至2012年3月31日期間已遵守《舊守則》的全部守則條文。

香港金融管理局(「金管局」)於2001年9月刊發監管政策手冊(「《監管政策手冊》」)CG-1內的《本地註冊認可機構的企業管治》(「《舊CG-1》」)，並於2012年8月發布CG-1的修訂版(「《經修訂CG-1》」)。本行在截至2012年12月31日止的財政年度期間內已遵守《舊CG-1》。本行亦已制訂一項全面的執行計劃，以使本集團所採納的管治原則及實務符合《經修訂CG-1》的規定。

本行已制訂企業管治架構(「企業管治架構」)訂明一系列管治原則及實務，為本集團的商業行為及事務提供指引。本行亦採納一套企業管治政策，該政策概述本集團的企業管治實務，並納入《守則》以及於適當的情況下納入CG-1的要求。本行將定期檢討並修訂企業管治架構的管治原則及實務，以確保符合相關規定及現行的企業管治實務。

A. 董事會

董事會

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

董事會負責提供策略性指引，並進行監督以確保管理層¹有效落實預先訂定的目標。董事會授權管理層負責本行業務的日常營運及管理。

董事會會議每年召開最少4次，大約每季一次。此外，在有需要時會召開董事會特別會議。董事會及委員會定期會議的日期在前一年已安排，以讓所有董事有機會騰空出席。至於召開董事會特別會議，則會發出合理通知。董事會定期會議議程之事項，經諮詢董事後釐定。董事會會議均有大部分董事親身出席，或透過其他電子通訊方法積極參與。

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

董事會、審核委員會、薪酬委員會及提名委員會的會議記錄由公司秘書備存，而其他董事會轄下委員會(列於第81頁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。

¹ 管理層包括本行的行政總裁、副行政總裁及處級主管。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Directors' attendance records

Attendance records of the Directors at Board Meetings ("BM"), Audit Committee Meetings ("ACM"), Remuneration Committee Meeting ("RCM"), Nomination Committee Meetings ("NCM") and Annual General Meeting ("AGM") held in 2012 are as follows:

	Number of meetings attended/held in 2012				
	BM	ACM	RCM	NCM	AGM
<i>Executive Director:</i>					
David LI Kwok-po (Chairman & Chief Executive)	4/4	N/A	N/A	2/2	1/1
<i>Non-executive Directors:</i>					
Arthur LI Kwok-cheung (Deputy Chairman)	3/4	N/A	N/A	N/A	1/1
Aubrey LI Kwok-sing	4/4	N/A	1/1	2/2	1/1
KHOO Kay-peng	4/4	N/A	N/A	N/A	1/1
Richard LI Tzar-kai	4/4	N/A	N/A	N/A	0/1
Eric LI Fook-chuen	4/4	N/A	1/1	2/2	1/1
Stephen Charles LI Kwok-sze	3/4	N/A	N/A	N/A	1/1
Isidro FAINÉ CASAS	4/4	N/A	N/A	2/2	1/1
<i>Independent Non-executive Directors:</i>					
Allan WONG Chi-yun (Deputy Chairman)	4/4	3/3	1/1	2/2	0/1
WONG Chung-hin	3/4	2/3	N/A	N/A	1/1
LEE Shau-kee	2/4	N/A	N/A	0/2	0/1
Winston LO Yau-lai	4/4	3/3	0/1	N/A	1/1
Thomas KWOK Ping-kwong*	3/4	N/A	1/1	1/1	0/1
Kenneth LO Chin-ming*	3/4	2/3	N/A	1/1	1/1
William DOO Wai-hoi	4/4	2/3	N/A	N/A	1/1
KUOK Khoon-ean*	4/4	N/A	N/A	0/1	1/1
Valiant CHEUNG Kin-piu	4/4	3/3	N/A	N/A	1/1
Average attendance rate	90%	84%	80%	78%	76%

* Appointed as a member of Nomination Committee on 21st March, 2012

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 division of responsibilities between the Chairman and the Chief Executive is clearly established and set out in the job mandate of the Chairman & Chief Executive. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting operations of the Bank. There is a strong independent element in the composition of the Board. Out of the 17 Board members, 9 are Independent Non-executive Directors ("INEDs").

The Board believes that the current structure is conducive to strong and consistent leadership, enabling the Bank to make and implement decisions promptly and efficiently. The Board believes that Sir David's appointment to the posts of Chairman and Chief Executive is beneficial to the business prospects and management of the Bank.

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

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

During the year, apart from the 4 Board meetings held, the Chairman, who is also an Executive Director ("ED") of the Bank, held a meeting with the Non-executive Directors ("NED") (including INEDs).

董事會議出席記錄

各董事於2012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：

	於2012年會議出席次數/舉行次數				
	董事會會議	審核委員會會議	薪酬委員會會議	提名委員會會議	股東周年常會
執行董事：					
李國寶 (主席兼行政總裁)	4/4	不適用	不適用	2/2	1/1
非執行董事：					
李國章 (副主席)	3/4	不適用	不適用	不適用	1/1
李國星	4/4	不適用	1/1	2/2	1/1
邱繼炳	4/4	不適用	不適用	不適用	1/1
李澤楷	4/4	不適用	不適用	不適用	0/1
李福全	4/4	不適用	1/1	2/2	1/1
李國仕	3/4	不適用	不適用	不適用	1/1
范禮賢	4/4	不適用	不適用	2/2	1/1
獨立非執行董事：					
黃子欣 (副主席)	4/4	3/3	1/1	2/2	0/1
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	0/2	0/1
羅友禮	4/4	3/3	0/1	不適用	1/1
郭炳江*	3/4	不適用	1/1	1/1	0/1
駱錦明*	3/4	2/3	不適用	1/1	1/1
杜惠愷	4/4	2/3	不適用	不適用	1/1
郭孔演*	4/4	不適用	不適用	0/1	1/1
張建標	4/4	3/3	不適用	不適用	1/1
平均出席率	90%	84%	80%	78%	76%

* 於2012年3月21日獲委任為提名委員會成員

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。主席及行政總裁之間的職責已清楚區分並以書面列載。本行董事會由極具經驗和才幹的成員組成並定期開會，以商討影響本行運作的事項。透過董事會的運作，足以確保權力和職權得到平衡。董事會的組合具有強大的獨立元素，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。主席提倡公開、積極討論的文化，並鼓勵所有董事全力投入董事會事務。他亦以身作則，確保董事會行事符合本行的最佳利益。

主席亦確保董事適時收到充分的本行資訊，而有關資訊為準確、清晰及完備可靠。

年內，除已舉行的4次董事會會議外，本行主席（亦是本行的執行董事）與非執行董事（包括獨立非執行董事）舉行了一次會議。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Board composition

The current Board is composed of 1 ED, 7 NEDs and 9 INEDs. Over one-third of the Directors are INEDs. The Board has a balance of skills and experience appropriate for the requirements of the Bank's business. 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. An updated list of Directors, identifying their roles and functions at the Bank, is available on the Stock Exchange's and the Bank's websites.

The composition of the Board is shown on page 54 under the subject Corporate Information. All Directors of the Bank are expressly identified by categories of ED, NEDs and INEDs in all corporate communications that disclose the names of the Directors.

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

Responsibilities of Directors

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

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

The Bank has adopted the *Directors' Code of Conduct and Policy on Conflict of Interests* which provides guidance to Directors to help them recognise and deal with ethical issues including the handling of conflict of interests and fair dealing, and help foster a culture of honesty and accountability in the best interests of the Group as well as the shareholders of the Bank.

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

Directors & Officers Liability and Company Reimbursement Insurance is arranged to protect the Directors and officers of the Group against claims made against them jointly

and severally for any wrongful act committed or alleged to have been committed in their capacity as directors or officers of the Group.

Directors' Commitments

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

The Bank has received confirmation from each Director that he has spent sufficient time and attention to the affairs of the Bank during the year 2012. Directors have also disclosed to the Bank the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies or organisations and an indication of the time involved. Directors are reminded to notify the Company Secretary in a timely manner any change of such information.

Induction and continuous development

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

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

During the year, the external auditors briefed the AC members on the latest development in accounting and governance standards. The Bank's legal advisers presented to Directors about the new inside information disclosure regime under the Securities and Futures Ordinance. Directors also attended other relevant courses, conferences and seminars at the Bank's expense (where appropriate). All Directors provided to the Bank a record of training they received in 2012.

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。超過三分之一的董事為獨立非執行董事。董事會具備符合本行業務所需的技巧和經驗。董事會組成人員的變動不會帶來不適當的干擾。董事會有強大的獨立元素，能夠有效地作出獨立判斷。本行最新的董事會成員名單(當中訂明其在本行的角色和職能)已載於聯交所及本行網站。

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，明確說明本行各董事身份。

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

董事責任

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

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

本行已採納**董事行為守則及利益衝突政策**，為董事提供指引，協助他們瞭解及處理有關道德操守等事宜(包括處理利益衝突及公平交易)，並協助培養誠信及問責的文化，確保符合本集團及本行股東的最佳利益。

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

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

董事承諾

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

本行已接獲每名董事確認於2012年內付出足夠的時間及充分關注本行事務的聲明。所有董事亦已向本行披露他們於香港或海外上市的公眾公司或組織擔任職位的數目和性質，以及其他重大承擔，並提供了公眾公司或組織的名稱和擔任有關職務所涉及的時間。董事會已提醒各董事，如相關資料有任何變動，須及時通知公司秘書。

就職培訓及持續發展

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

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

於本年度內，外聘核數師向審核委員會成員簡述了會計及管治標準的最新發展。本行的法律顧問向董事介紹根據《證券及期貨條例》新制訂的內幕消息披露制度。董事亦參與其他相關的課程、會議及研討會，相關費用由本行承擔(如適用)。所有董事均已向本行提供其於2012年內所接受培訓的記錄。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Participation by individual Directors in continuous professional development in 2012 is summarised in the table below:

Directors	Reading regulatory updates/ manuals and articles relevant to the Bank's business and directors' duties	Attending briefings/ seminars/ conferences relevant to the Bank's business and directors' duties
<i>Executive Director:</i> David LI Kwok-po (Chairman & Chief Executive)	✓	✓
<i>Non-executive Directors:</i> Arthur LI Kwok-cheung (Deputy Chairman)	✓	✓
Aubrey LI Kwok-sing	✓	✓
KHOO Kay-peng	✓	✓
Richard LI Tzar-kai	✓	✓
Eric LI Fook-chuen	✓	✓
Stephen Charles LI Kwok-sze	✓	✓
Isidro FAINÉ CASAS	✓	✓
<i>Independent Non-executive Directors:</i> Allan WONG Chi-yun (Deputy Chairman)	✓	✓
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	✓	✓
Valiant CHEUNG Kin-piu	✓	✓

Directors' Interests

Directors are required to make declaration of interests in other public companies or organisations upon appointment and provide any material contractual interests in a timely manner to the Company Secretary from time to time. They are also required to declare direct or indirect interests, if any, in the transactions to be considered by the Board and where appropriate, abstain from discussion, voting or otherwise influencing the decision of the Board.

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

The Bank's *Directors' Code of Conduct and Policy on Conflicts of Interests* provides guidance to deal with issues regarding Directors' conflicts of interests.

Directors' Securities Transactions

The Bank has established its own code of securities transactions to be observed by Directors and Chief Executive, i.e. *Policy on Insider Dealing - Directors and Chief Executive* ("Bank's Policy") on terms no less exacting than the required standard set out in Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") of the Listing Rules. Specific enquiries have been made on all Directors of the Bank. All Directors confirmed that they had complied with the required standard set out in the Model Code and the Bank's Policy at all the applicable times during the year ended 31st December, 2012.

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

企業管治報告 (續)

下表概列每名董事於2012年參與持續專業發展的參與記錄：

董事	閱讀與本行業務及董事職責有關的監管更新資料/手冊及文章	出席與本行業務及董事職責有關的簡介會/研討會/會議
執行董事：		
李國寶 (主席兼行政總裁)	✓	✓
非執行董事：		
李國章 (副主席)	✓	✓
李國星	✓	✓
邱繼炳	✓	✓
李澤楷	✓	✓
李福全	✓	✓
李國仕	✓	✓
范禮賢	✓	✓
獨立非執行董事：		
黃子欣 (副主席)	✓	✓
黃頌顯	✓	✓
李兆基	✓	✓
羅友禮	✓	✓
郭炳江	✓	✓
駱錦明	✓	✓
杜惠愷	✓	✓
郭孔演	✓	✓
張建標	✓	✓

董事權益

董事於獲委任時須申報於其他公眾公司或組織的利益，並不時向公司秘書適時披露任何重大的合約權益。董事亦須申報於董事會將予考慮的交易中其直接或間接利益（如有），並（如適用時）避席或避免以其他方式影響董事會的決策。

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

本行的董事行為守則及利益衝突政策提供處理有關董事利益衝突的指引。

董事的證券交易

本行已自行訂立一套與《上市規則》附錄10「上市發行人董事進行證券交易的標準守則」（「標準守則」）所訂標準同樣嚴格的董事及行政總裁證券交易政策，即內幕交易政策—董事及行政總裁（「本行政策」）。本行已經向所有董事明確查詢，所有董事已確認於截至2012年12月31日止年度內之所有適用期，均已遵守標準守則及本行政策中所要求的標準。

本行亦已訂立一項內幕交易政策—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。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Handling and Dissemination of Inside Information

The Bank has in place a *Policy on Handling and Dissemination of Inside Information* ("Policy"), which has been revised taking into account the requirements of the new enactments of Part XIVA (Disclosure of Inside Information) of the Securities and Futures Ordinance and the relevant amendments to Listing Rules in relation to the provision of statutory backing of continuing obligation to disclose inside information. The Policy sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to price the listed securities of the Bank with the latest available information.

This Policy also provides guidelines to staff of the Bank to ensure proper safeguards exist to prevent the Bank from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Dissemination of inside information of the Bank shall be conducted by publishing the relevant information on the websites of the Stock Exchange and the Bank, according to the requirements of the Listing Rules.

Supply of and access to information

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

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

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

Appointments and re-election of Directors

The Bank adopts a nomination procedure in the selection of new Directors and for the succession of appointments to the Board. A proposal for the appointment of a new

Director will be considered and reviewed by the NC. Candidates to be selected and recommended shall be experienced and high calibre individuals who can meet the relevant standards set out in the Listing Rules. In addition, they have to meet the standards set out in CG-1 issued by the HKMA for being a director of an authorised institution. A candidate who is to be appointed as an INED should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

Pursuant to the Articles of Association of the Bank, Directors (including NEDs and INEDs) are appointed for a term of not more than approximately three years and on expiration of their terms, they shall be eligible for re-election. Newly appointed Directors will be subject to re-election by shareholders at the first general meeting after their appointments.

Independence of Independent Non-executive Directors

In determining the independence of the INEDs, the Bank makes reference to the criteria of independence as set out in Rule 3.13 of the Listing Rules. Assessments of the INEDs' independence are carried out upon their appointment, annually and at any other time as appropriate.

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

Nomination Committee

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

The NC is responsible for recommending to the Board on relevant matters relating to appointments, re-appointment, removal and succession planning of Directors, Chief Executive, Senior Management, Division Heads, Chief Compliance Officer and Group Chief Auditor of the Bank.

A majority of the members of the NC are INEDs. The Chairman of NC is David LI Kwok-po and the Deputy Chairman of NC is Eric LI Fook-chuen. The other members are Allan WONG Chi-yun, LEE Shau-kee, Aubrey LI Kwok-sing, Isidro FAINÉ CASAS, Thomas KWOK Ping-kwong, Kenneth LO Chin-ming and KUOK Khoon-ean.

處理及發布內幕消息

本行已訂立一項處理及發布內幕消息政策(「政策」)。按《證券及期貨條例》第XIVA部(內幕消息披露)規定及將持續披露內幕消息的責任賦予法定效力後的相應《上市規則》修訂,本行已對該政策作出修訂。該政策列出處理及發布內幕消息的程序及內部監控,使內幕消息得以適時處理及發布,而不會導致任何人士在證券交易上處於佔優的地位,亦讓市場有時間定出能反映現有實況的本行上市證券價格。

該政策亦為本行員工提供指引,確保設有適當的措施,以預防本行違反法定披露規定。該政策亦載有適當的內部監控及匯報制度,識別及評估潛在的內幕消息。

根據《上市規則》規定,本行發布內幕消息,會透過聯交所及本行網站刊登相關消息。

資料提供及使用

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

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

董事會及董事會轄下委員會定期會議的議程及相關會議文件(在切實可行的情況下)會全部適時送交董事或個別委員會成員,並最少在有關會議日期的3天前送出。

委任及重選董事

本行就甄選新董事及董事繼任採納一套提名董事程序。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及符合《上市規則》所載相關的標準。此外,他們亦須符合金管局所頒佈的CG-1中關於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。

根據本行組織章程細則規定,董事(包括非執行董事及獨立非執行董事)的任期為不超過約3年,在任期屆滿時有資格獲重選,而新任董事須於獲委任後首次股東大會退任,由股東重選。

獨立非執行董事的獨立性

在釐定獨立非執行董事的獨立性時,本行參考《上市規則》第3.13條所列的獨立性準則。本行於委任獨立非執行董事時進行其獨立性評估,並將每年一次以及於適當時另行進行評估。

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

提名委員會

本行已設立一個提名委員會,並以書面訂明具體的職權範圍,清楚說明委員會的職權和責任。提名委員會的職權範圍已包括載於《守則》條文第A.5.2條所指明的特定責任,惟因應需要而作出適當修改。

提名委員會負責就本行董事、行政總裁、高層管理人員、處級主管、法規監管總監及集團總稽核的委任、重選、撤職及繼任安排,向董事會提出建議。

提名委員會的大部分成員為獨立非執行董事。提名委員會的主席為李國寶,副主席為李福全。其他成員包括黃子欣、李兆基、李國星、范禮賢、郭炳江、駱錦明及郭孔演。

CORPORATE GOVERNANCE REPORT (CONTINUED)

The number of meetings held by the NC and the attendance of individual members at NCM in 2012 is recorded on page 60.

The following is a summary of the work performed by the NC during and for the year 2012:

- Reviewed the size, structure and composition of the Board;
- Endorsed the Procedures for Nomination of Directors by shareholders;
- Reviewed the Terms of Reference of the NC;
- Reviewed the Management Succession Policy;
- Reviewed the Management Succession Plans;
- Assessed the independence status of INEDs in particular that of Allan WONG Chi-yun and Winston LO Yau-lai who have served the Board for more than 9 years and will seek re-election at the 2013 AGM; and
- Considered re-election of David LI Kwok-po, Allan WONG Chi-yun, Aubrey LI Kwok-sing, Winston LO Yau-lai, KHOO Kay-peng and Stephen Charles LI Kwok-sze as Directors of the Bank to be proposed for shareholders' approval at the 2013 AGM.

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

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

B. REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

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

The Bank has established an RC with specific written Terms of Reference which deal clearly with its authority and duties. The Terms of Reference of the RC have included the specific duties set out in Code Provision B.1.2 of the CG Code, with appropriate modifications where necessary.

The RC is responsible for making recommendations to the Board regarding the Bank's remuneration policy, and for the formulation and review of the remuneration packages of the Directors, Chief Executive, Senior Management and Key Personnel of the Group.

The 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 Director, Chief Executive or any of their associates will be involved in deciding his own remuneration.

A majority of the members of the RC are INEDs. 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.

The number of meetings held by the RC and the attendance of individual members at RCM in 2012 is recorded on page 60.

The following is a summary of work performed by the RC during and for the year 2012:

- Reviewed the Variable Remuneration for the Chief Executive, Senior Management and Key Personnel for 2011;
- Reviewed the Remuneration Package for the Chief Executive, Senior Management and Key Personnel for 2012;
- Reviewed the vesting of Deferred Variable Remuneration for 2010 Award;
- Considered Annual Salary Review for 2012;
- Considered Second Offer and grant of share options under the Staff Share Option Scheme 2011 to eligible employees including Chief Executive, Senior Management, and Division Heads;
- Reviewed the remuneration packages for newly-appointed General Managers;
- Reviewed the Terms of Reference of the RC;
- Reviewed the Remuneration Policy; and
- Reviewed the audit on the Bank's Remuneration System.

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

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

企業管治報告（續）

提名委員會於2012年舉行的會議次數及個別成員的出席記錄載於第61頁。

提名委員會在年內及為2012年度所做的工作，摘要如下：

- 檢討董事會的人數、架構及組合；
- 確認股東提名董事的程序；
- 檢討提名委員會的職權範圍；
- 檢討管理層繼任政策；
- 檢討管理層繼任安排；
- 評核獨立非執行董事的獨立性，尤其是對已擔任董事超過9年並將會在2013股東周年常會上膺選連任的黃子欣及羅友禮；及
- 考慮在2013股東周年常會上向股東提呈批准重選李國寶、黃子欣、李國星、羅友禮、邱繼炳及李國仕為本行董事的建議。

提名委員會的職權範圍登載於聯交所及本行的網站上，解釋其角色，以及董事會所授予的權力。

提名委員會獲提供充足資源，包括獨立專業公司的意見（如需要），以履行其職責。

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.1.2條所載的特定職責，惟因應需要而作出適當修改。

薪酬委員會負責就本行的薪酬政策，以及就訂立及審議集團董事、行政總裁、高層管理人員及主要管理人員的薪酬待遇，向董事會提出建議。

本行於釐定董事及高級行政人員的酬金時，將參照本港同級銀行及上市公司一般支付予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、行政總裁或任何彼等聯繫人不能自行釐定薪酬。

薪酬委員會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。

薪酬委員會於2012年舉行的會議次數及個別成員的出席記錄載於第61頁。

薪酬委員會在年內及為2012年度所做的工作，摘要如下：

- 檢討2011年度行政總裁、高層管理人員及主要管理人員的浮動薪酬；
- 檢討2012年度行政總裁、高層管理人員及主要管理人員的薪酬組合；
- 檢討2010年度遞延浮動薪酬獎勵的歸屬；
- 檢討2012年度薪酬；
- 考慮根據本行的2011年僱員認股計劃，給予及授出第二批認股權予合資格僱員，包括行政總裁、高層管理人員和處級主管；
- 檢討新任總經理的薪酬組合；
- 檢討薪酬委員會的職權範圍；
- 檢討薪酬政策；及
- 檢討本行的薪酬制度審核。

薪酬委員會職權範圍登載於聯交所及本行的網站上，當中解釋其角色及董事會所授予的權力。

薪酬委員會獲供給充足資源，包括專業公司的意見（如需要），以履行其職責。

CORPORATE GOVERNANCE REPORT (CONTINUED)

The scales of Director's fees, and fees for membership of the AC, NC and RC are outlined below:

	Amount per annum	
	2012	2013
<i>Board of Directors:</i>		
Chairman	HK\$350,000	HK\$400,000
Deputy Chairman	HK\$230,000	HK\$280,000
Other Directors	HK\$230,000	HK\$260,000
<i>Audit Committee:</i>		
Chairman	HK\$120,000	HK\$180,000
Other members	HK\$70,000	HK\$105,000
<i>Nomination Committee:</i>		
Chairman	HK\$60,000	HK\$66,000
Deputy Chairman*	N/A	HK\$50,000
Other members	HK\$35,000	HK\$38,500
<i>Remuneration Committee:</i>		
Chairman	HK\$60,000	HK\$66,000
Other members	HK\$35,000	HK\$38,500

* Newly appointed with effect from 21st March, 2012.

Information relating to the remuneration of each Director for 2012 is set out in Note 20 on the accounts on page 158.

Disclosure of Remuneration Policy

In accordance with the "Guideline on a Sound Remuneration System" (the "Guideline") issued by the HKMA in March 2010, the Bank has reviewed and revised its remuneration policy for employees of the Group, including its overseas branches and subsidiaries. The remuneration policy covers all categories of employees, including the 4 described in paragraph 2.1.1 of the Guideline. The Bank'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 Group promotes effective risk management, and is designed to encourage employee behaviour that supports the Group's business objectives, long-term financial soundness, risk tolerance, and risk management framework.

Remuneration Structure

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

Fixed remuneration refers to an employee's annual salary (including year-end pay), while variable remuneration – comprising cash bonus payments and/or share options – is awarded based on the employee's performance with a view to better aligning incentives with risk and longer-term value creation. Variable remuneration, which is awarded in the form of cash bonus payments and/or share options, is determined according to existing industry practice 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 Group and the extent to which they may affect its overall performance.

Separate bonus schemes apply to risk control personnel, whose awards are not linked to the performances of the business units that they oversee.

Employees' Performance Measurements and the Award of Variable Remuneration

The RC determines the measures and the corresponding target levels of the Group's performance with reference to corporate goals and objectives at the beginning of each financial year and when necessary.

Score-cards comprised of a set of pre-defined and assessable criteria are used to assess the performance of individual employees. The criteria are determined according to the individual's areas of responsibility, as well as relevant financial and non-financial factors. To help ensure a balanced evaluation, a series of compliance and risk management ratings are also taken into account. The major types of risks covered are market, credit, interest

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摘錄如下：

	年度金額	
	2012年	2013年
董事會：		
主席	港幣 35 萬元	港幣 40 萬元
副主席	港幣 23 萬元	港幣 28 萬元
其他董事	港幣 23 萬元	港幣 26 萬元
審核委員會：		
主席	港幣 12 萬元	港幣 18 萬元
其他成員	港幣 7 萬元	港幣 10.5 萬元
提名委員會：		
主席	港幣 6 萬元	港幣 6.6 萬元
副主席*	不適用	港幣 5 萬元
其他成員	港幣 3.5 萬元	港幣 3.85 萬元
薪酬委員會：		
主席	港幣 6 萬元	港幣 6.6 萬元
其他成員	港幣 3.5 萬元	港幣 3.85 萬元

* 新獲委任，自2012年3月21日起生效。

有關各董事2012年度的薪酬資料載於第158頁的賬項附註20。

薪酬政策的披露

按照金管局於2010年3月發出的《穩健的薪酬制度指引》(「《指引》」)，本行已檢討並修訂對本集團(包括其海外分行及附屬公司)僱員的薪酬政策。薪酬政策適用於所有僱員，並包括依據《指引》第2.1.1段所述而劃分的四類員工。本行每年檢討薪酬政策，當中包括重新評估應用於薪酬組合，以及報酬的架構及最終所發放金額的釐定原則。

一般原則

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

薪酬架構

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

固定薪酬乃指僱員的年薪(包括雙糧)，而浮動薪酬(包含現金花紅及/或認股權)則根據僱員的工作表現而發放，使其所獲得的報酬更能配合風險和較長期的價值創造。浮動薪酬(發放的形式包括現金花紅及/或認股權)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、職責和他們所進行的業務對本集團可能帶來的實質或潛在風險，以及該等風險對本集團整體表現的影響程度。

本集團亦設有獨立賞金計劃予風險控制人員，而發放的獎金並非與其所監管的業務部門表現掛鈎。

僱員表現的衡量和浮動薪酬的發放

薪酬委員會於各個財政年度開始時及必要時，參考公司的目的和目標以釐定本集團表現的有關措施及相應目標水平。

本集團使用計分卡來評核個別僱員的工作表現，當中包含一套預設和可供評核的準則。這些準則乃依照僱員的主要職責範圍、相關財務及非財務因素，以及一系列合規和風險管理評級而釐定，確保僱員的工作表現獲平衡考量。主要風險的種類涵蓋市場、信貸、利

CORPORATE GOVERNANCE REPORT (CONTINUED)

rate, liquidity and operational risks. Other risks including legal, reputation and strategic risks are closely monitored at bank level by various risk management committees and adjustment will be made to an individual's variable remuneration when appropriate. The award of variable remuneration to an employee is based on the overall performance of the Group, as well as the performance of the relevant business unit, and that individual employee. Poor performance (either financial or non-financial) will result in a reduction or elimination of variable remuneration. Moreover, performance in relation to non-financial factors, including risk and compliance, forms a significant part of the employee performance appraisal exercise, given that poor performance in these areas can be indicative of significant risks to the Group. Adverse performance in non-financial factors, where appropriate, should override outstanding financial achievements. The overall quality of an employee's performance – as opposed to solely his/her financial performance – can therefore be accurately determined as an integral part of the assessment. This ultimately helps mitigate risk to the Group and ensures the deployment of suitable personnel based on competence.

Senior Executive Compensation

The RC annually reviews the remuneration packages of the Chief Executive, Senior Management, and Key Personnel. The Senior Management consists of the four Deputy Chief Executives while Key Personnel includes 12 division heads, the Executive Director & Chief Executive of The Bank of East Asia (China) Limited, and the Head of Capital Markets & Liquidity Management Department. The RC engaged an external consultant, Towers Watson, to review its Senior Executive Bonus Plan to ensure that it is in line with the guidelines issued by the various regulatory authorities in Hong Kong. In determining the remuneration packages of the Chief Executive, Senior Management, and Key Personnel, the RC also takes into account individual performances, performances of respective divisions and departments, and the Group's overall business goals and objectives.

The aggregate payouts for these 19 senior executives for 2012 are shown in the table below in accordance with the disclosure requirement 3.2.3 of the Guideline.

Total value of remuneration in 2012

Total value of remuneration awards for the current financial year	Non-deferred (HK\$ Million)	Deferred (HK\$ Million)
(i) Chief Executive		
<i>Fixed remuneration</i>		
• Cash-based	9.43	0.00
<i>Variable remuneration</i>		
• Cash-based	10.13	10.78
• Share Options	0.00	4.41
(ii) Senior Management		
<i>Fixed remuneration</i>		
• Cash-based	13.65	0.00
<i>Variable remuneration</i>		
• Cash-based	11.94	6.22
• Share Options	0.00	5.73
(iii) Key Personnel		
<i>Fixed remuneration</i>		
• Cash-based	30.46	0.00
<i>Variable remuneration</i>		
• Cash-based	17.99	9.68
• Share Options	0.00	2.31

Remarks:

- (i) For indicative purpose only, the value of share options is calculated based on the fair value of the Bank's shares on 15th February, 2013.
- (ii) No guaranteed bonuses, sign-on, or severance payments were made to the Chief Executive, Senior Management, and Key Personnel of the Group in 2012.

企業管治報告 (續)

率、流動資金及營運風險。而其他風險包括法律、信譽及策略風險則由不同的風險管理委員會在銀行層面上作出緊密監察，並於適當時調整個別僱員的浮動薪酬。浮動薪酬乃根據本集團的整體表現，以及相關業務部門及個別僱員的表現發放。如僱員表現未如理想（根據財務或非財務因素衡量），其浮動薪酬會有所下調甚至撤銷。由於非財務因素（包括風險和合規）相關的表現未如理想時，可能顯示對本集團帶來重大風險，因此該表現將視作為評核僱員表現的重要考量因素。再者，非財務方面表現欠佳（在適當情況下）將凌駕於其財務方面的傑出表現。此舉使僱員的整體表現（而非僅僅考核其財務指標的表現）能準確地反映於一次完整的考核之中，從而有助減低本集團承受的風險，及確保根據僱員的能力調配人力資源。

高級行政人員的薪酬

薪酬委員會於每個年度檢討行政總裁、高層管理人員及主要管理人員的薪酬組合。高層管理人員由4名副行政總裁組成，而主要管理人員則包括12名處級主管、東亞銀行（中國）有限公司執行董事兼行長，以及資本市場及流動資金管理部門主管。薪酬委員會委聘外部顧問公司——韜睿惠悅——檢討高級行政人員賞金計劃，並確保其符合香港不同監管機構發布的指引。薪酬委員會在釐定行政總裁、高層管理人員及主要管理人員的薪酬組合時所考慮的因素，包括個人工作表現、相關分處及部門的業績表現，以及本集團的整體業務目的和目標。

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2012年度獲得的薪酬總額載於下表。

2012年度薪酬總值

本財政年度發放的薪酬總值	非遞延 (港幣百萬元)	遞延 (港幣百萬元)
(i) 行政總裁		
固定薪酬		
• 薪金	9.43	0.00
浮動薪酬		
• 現金花紅	10.13	10.78
• 認股權	0.00	4.41
(ii) 高層管理人員		
固定薪酬		
• 薪金	13.65	0.00
浮動薪酬		
• 現金花紅	11.94	6.22
• 認股權	0.00	5.73
(iii) 主要管理人員		
固定薪酬		
• 薪金	30.46	0.00
浮動薪酬		
• 現金花紅	17.99	9.68
• 認股權	0.00	2.31

註：

- (i) 認股權價值乃參照本行股份於2013年2月15日的公平價值計算，僅供參考用途。
(ii) 集團於2012年度並無向行政總裁、高層管理人員及主要管理人員支付保證花紅、簽約受聘酬金或遣散費。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Total outstanding deferred remuneration in 2012

Outstanding deferred remuneration	Vested during the year 2012 (HK\$ Million)	Unvested as at the end of 2012 (HK\$ Million)
(i) Chief Executive		
• Cash-based	0.43	2.90
• Share Options	3.41	15.19
(ii) Senior Management		
• Share Options	4.42	19.76
(iii) Key Personnel		
• Cash-based	1.76	8.22
• Share Options	2.30	9.11

Remarks:

- (i) No performance adjustments were made to the unvested deferred remuneration for the Chief Executive, Senior Management, and Key Personnel of the Group in 2012 due to their performance or any other factors.
- (ii) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (iii) The vested cash bonuses and Share Options relate to the 2010 variable remuneration award granted in 2011 and vested in 2012. The total number of Share Options in this grant is 5,950,000 shares.
- (iv) The unvested cash bonuses and Share Options relate to the 2010 and 2011 variable remunerations.

Details of the remuneration payable to members of the Senior Management of the Bank by band are disclosed in Note 21 on the accounts on page 160.

Deferral Arrangements

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

The award of deferred remuneration is subject to a minimum vesting period and pre-defined vesting conditions as determined by the RC and communicated to all relevant employees. Deferred remuneration is awarded in such a manner so as to align employees' incentive awards with long-term value creation and the time horizons of risk. The future performance (both financial and non-financial) of the Group, relevant business units, and individual employees, as well as the creation of value for our shareholders, are taken into consideration when determining vesting conditions. Vesting and payment of deferred remuneration will be made gradually over a period of 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 RC. In certain circumstances, claw back of vested portion of the deferred variable remuneration of that particular year may apply.

Future Review

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

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

2012年度未發放的遞延薪酬總額

未發放的遞延薪酬	於2012年度已歸屬 (港幣百萬元)	於2012年底未歸屬 (港幣百萬元)
(i) 行政總裁		
• 現金花紅	0.43	2.90
• 認股權	3.41	15.19
(ii) 高層管理人員		
• 認股權	4.42	19.76
(iii) 主要管理人員		
• 現金花紅	1.76	8.22
• 認股權	2.30	9.11

註：

- (i) 行政總裁、高層管理人員及主要管理人員的未歸屬遞延薪酬於2012年度並無因彼等工作表現或其他因素而作出調整。
- (ii) 認股權價值乃根據各授予日的公平價值計算。
- (iii) 已歸屬現金花紅及認股權為2011年授予並於2012年歸屬的2010年浮動薪酬。該次授予的認股權總額為5,950,000股。
- (iv) 未歸屬現金花紅及認股權為2010年及2011年浮動薪酬。

按等級披露的高層管理人員的薪酬詳情載於第160頁的賬項附註21內。

遞延安排

行政總裁、高層管理人員及主要管理人員的浮動薪酬依照薪酬委員會所定的遞延安排發放。一般而言，行政總裁、高層管理人員及主要管理人員可予遞延的浮動薪酬比例，會按其本身的職級、職責範圍和其他相關因素而增加。

遞延薪酬的發放受限於薪酬委員會所定並通知各有關僱員的最短歸屬期限和預設的歸屬條件。遞延薪酬的發放應能確保僱員所獲的報酬與長期的價值創造和風險的存在時間相配合。在釐定歸屬條件時，會考慮到集團、相關業務部門和僱員日後在財務及非財務方面的表現，以及為股東所創造的價值。遞延薪酬的歸屬和支付將會在3個年度內分階段及按比例進行。

若日後確定用以衡量某年度工作表現的數據被證實為明顯地錯誤陳述，或有關僱員曾作欺詐、違法或違反內部管控政策等行為，其於該年度內遞延浮動薪酬中的全部或部分未歸屬現金花紅及/或認股權將會按照薪酬委員會的決定予以取消。在若干情況下，該特定年度的已歸屬遞延浮動薪酬可予以收回。

未來檢討

本集團作為香港主要的金融機構，在釐定薪酬政策和組合時不但採取廣泛措施確保符合所有相關原則、規則和規例，並採取積極的措施以確保顧及道德、社會和環境各方面。

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

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 sufficient explanation and information to the Board as will enable the Board to make an informed assessment of the financial and other information presented before the Board for approval. It provides the Board with monthly updates giving a balanced and understandable assessment of the Bank's performance, position and prospects to assist the Board as a whole and each Director to discharge their duties.

The Directors are responsible for 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, 2012, the Directors have:

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

The Bank has announced its annual and interim results within 2 months after the end of the relevant periods, which is earlier than the limit of three months (for annual results) and within the limit of two months (for interim results) as required by Rule 13.49(1) and (6) of the Listing Rules respectively.

A statement by the auditors about their reporting responsibilities is included in the Independent Auditor's Report 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, control and report risks including credit, market, operational, liquidity, interest rate, strategic, legal and reputation risks. Exposure to these risks is monitored by Risk Management Committee, assisted by 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.
- The AC reviews reports (including management letter) submitted by external auditors to the Group's management in connection with the annual audit and internal audit reports submitted by the Group Chief Auditor.
- A *Policy on Handling and Dissemination of Inside Information* is in place, setting out the guiding principles, procedures and internal controls for the handling and dissemination of inside information in a timely manner.
- A *Whistle-blowing Policy* is in place, which encourages employees to raise concerns, in confidence, with the AC about possible improprieties in any matter related to the Bank. The Bank treats all information received confidentially and protects the identity and the interests of all whistle-blowers.

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足夠解釋及資料，讓董事會可以就提交予他們批核的財務及其他資料，作出有根據的評審。管理層每月向董事會提供更新資料，就有關本行的表現、財務狀況及前景提供平衡且易於理解的評估，以協助董事會及各董事履行彼等的職責。

董事負責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2012年12月31日止年度的賬項時，董事已：

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

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

核數師的申報責任聲明載於第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。
- 設有系統及程序去識別、衡量、處理、控制及匯報風險，包括信貸、市場、營運、流動資金、利率、策略、法律以及信譽風險。風險管理委員會，得到信貸委員會、資產及負債管理委員會和營運風險管理委員會協助，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。
- 建立一套處理及發布內幕消息政策，列出指導性原則、程序及內部監控，使內幕消息得以適時處理及發布。
- 建立舉報政策，鼓勵僱員在保密情況下就有關本行的任何事宜向審核委員會舉報可能發生的不當行為。本行會對接獲的所有資料保密，並保護舉報人的身份及權益。

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board, through the AC, 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 AC twice each year. During the year 2012, no major issue but areas for improvement have been identified and appropriate measures taken. The AC 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 AC with specific written Terms of Reference which deal clearly with its authority and duties. The Terms of Reference of the AC have included the duties set out in Code Provisions C.3.3, C.3.7 and D.3.1 of the CG Code, with appropriate modifications where necessary.

The AC is delegated by the Board with the responsibility of monitoring and overseeing the corporate governance functions of the Bank as set out in Code Provision D.3.1 of the CG Code.

As laid down in the Terms of Reference, the AC is responsible for reviewing corporate governance functions, financial controls, internal control and risk management systems, the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting and financial reporting function, annual report and accounts, and half-year interim report.

All the members of the AC are INEDs. 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 and Valiant CHEUNG Kin-piu.

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

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

The number of meetings held by the AC and attendance of individual members at ACM in 2012 is recorded on page 60.

The following is a summary of the work performed by the AC during and for the year 2012:

- Reviewed and endorsed the policies and practices under the Bank's CG Framework, including the Corporate Governance Policy and made recommendations to the Board, where appropriate;
- Reviewed the training and continuous professional development of Directors and Senior Management;
- Reviewed the policies and practices on compliance with legal and regulatory requirements;
- Reviewed the code of conduct and compliance manual applicable to employees and Directors;
- Reviewed the status of compliance with the CG Code and disclosure in the Corporate Governance Report;
- Met with the external auditors to discuss 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 2011, and six months ended 30th June, 2012 for 2012;
- Reviewed and recommended to the Board for approval of the audit fee proposal for the Group for 2012;
- Recommended to the Board to re-appoint KPMG as the Group's external auditors for 2012;
- 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; internal control systems; and compliance with the CG Code;
- Reviewed the Auditor's Report regarding the internal control systems for 2011 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 2012;
- Reviewed the audited accounts and final results announcement for 2012;
- Reviewed and approved Group internal audit plan for 2013;

企業管治報告（續）

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。2012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, C.3.7及D.3.1條所載的職責，惟因應需要而作適當修改。

董事會授權予審核委員會監管及監察本行的企業管治職能的職責，有關職責載於《守則》條文第D.3.1條。

根據其職權範圍，審核委員會負責檢討企業管治職能、財務監控、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、資歷和經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足，並負責檢討審閱年度報告、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、杜惠愷及張建標。

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

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

審核委員會於2012年舉行的會議次數及個別成員的出席記錄載於第61頁。

審核委員會在年內及為2012年度所做的工作，摘要如下：

- 檢討及批准本行企業管治架構下的政策及常規，包括企業管治政策，並於適當情況下向董事會提出建議；
- 檢討董事及高層管理人員的培訓及持續專業發展；
- 檢討在遵守法律及監管規定方面的政策及常規；
- 檢討僱員及董事的操守準則及合規手冊；
- 檢討遵守《守則》的情況及在《企業管治報告》內的披露；
- 會見外聘核數師以商討其核數工作的一般範圍；
- 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；
- 審閱及批准聘用外聘核數師向本集團提供非核數服務；
- 審閱外聘核數師就本行根據《銀行業（披露規則）》作出有關2011年度，及截至2012年6月30日止6個月的財務披露的獨立確認報告；
- 審閱及向董事會推薦批准2012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2012年度的外聘核數師；
- 審閱涵蓋內部監控評估的內部稽核報告，包括本行會計及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；內部監控系統；以及遵守《守則》的情況；
- 審閱《銀行條例》63(3A)條下2011年度內部監控系統核數師報告；
- 審閱截至2012年6月30日止6個月的中期報告及中期業績公告；
- 審閱2012年度經審核賬目及全年業績公告；
- 審閱及批准2013年度集團的內部稽核計劃；

CORPORATE GOVERNANCE REPORT (CONTINUED)

- Reviewed the status of implementation of the enhancement observations identified in the independent review of the internal audit function of the Bank performed by an independent external service provider;
- Noted the review results of the internal audit function of The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank, performed by an independent external service provider; and
- Met with the HKMA to exchange views.

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

The Board agreed with the AC's proposal for the re-appointment of KPMG as the Group's external auditor for 2013. The recommendation will be presented for the approval of shareholders at the AGM to be held on 30th April, 2013.

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

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

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

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

Auditor's Remuneration

During 2012, the fees paid or payable to KPMG, the Bank's external auditor, and its associates for providing non-audit services amounted to approximately HK\$5.9 million, which included the following items:

- Review and consultancy services: HK\$2.2 million;
- Services made at the request of regulators: HK\$0.7 million;
- Taxation services: HK\$0.6 million;

- Ad hoc projects: HK\$0.9 million; and
- Other services: HK\$1.5 million.

The fee paid or payable to KPMG for providing audit service of the Group is HK\$15 million.

D. DELEGATION BY THE BOARD

Board Committees

Board Committees are established to deal with matters as sufficiently prescribed in respective terms of reference. Apart from the AC (particulars are disclosed under section C), the RC (particulars are disclosed under section B) and the NC (particulars are disclosed under section A), the Board has also established the following 9 specialised Board Committees, each of which has specific roles and responsibilities delegated by the Board:

1. Sealing Committee is responsible for directing the usage and custody of the Bank's common seal;
2. Executive Committee is responsible for reviewing all major functions and critical issues relating to the businesses and operations of the Group;
3. Policy Committee is responsible for discussing and formulating various strategies and policies for managing businesses and operations of the Group;
4. Risk Management Committee is responsible for dealing with risk management related issues of the Group;
5. Credit Committee is responsible for dealing with all credit risk related issues of the Group;
6. Operational Risk Management Committee is responsible for dealing with all issues related to operational, legal and reputation risks of the Group;
7. Asset and Liability Management Committee 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 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 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, and The Bank of East Asia, Limited Employees' Provident Fund.

企業管治報告（續）

- 審閱獨立外聘顧問公司對本行內部審核功能進行獨立評估時所作的改進建議的進行情況；
- 檢視獨立外聘顧問公司對本行全資附屬公司東亞銀行（中國）有限公司內部審核功能的評估結果；及
- 與金融管理局會面交換意見。

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2013年度外聘核數師的建議。推薦建議將在2013年4月30日舉行的股東周年常會上提呈予股東批准。

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一年內，擔任核數公司的前任合夥人。

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

審核委員會獲供給充足的資源，包括外聘核數師及內部稽核部的意見，以履行其職責。

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

核數師酬金

2012年內支付或需支付予本行的外聘核數師 — 畢馬威會計師事務所 — 及其聯營公司提供非核數服務的費用為港幣590萬元，其中包括以下事項：

- 審查及顧問服務：港幣220萬元；
- 按監管機構要求所作的服務：港幣70萬元；
- 稅務服務：港幣60萬元；

- 非經常性項目：港幣90萬元；及
- 其他服務：港幣150萬元。

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1,500萬元。

D. 董事會權力的轉授

董事會轄下的委員會

董事會轄下的委員會負責處理相關職權範圍內訂明的事宜。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，每個專責委員會均獲董事會授予特定的角色及職責：

1. 印章委員會負責監督本行之法定印章的使用及保管；
2. 執行委員會負責檢討集團各項有關業務及運作的主要功能和重大事宜；
3. 政策委員會負責商討及制訂策略和政策以管理集團各類業務及運作；
4. 風險管理委員會負責處理集團各項有關風險管理的事宜；
5. 信貸委員會負責處理集團所有與信貸風險有關的事宜；
6. 營運風險管理委員會負責處理集團所有與營運、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的事務時負責危機處理；及
9. 投資委員會負責檢討及制訂本行及東亞銀行有限公司僱員公積金就有關定息債券、股票及其他股票相關投資工具的投資策略。

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Terms of Reference of the AC, the RC and the NC require such Board 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.

Management functions

While the Board is responsible for formulating overall strategy to guide and monitor the performance of the Group, the management of day-to-day operation of the Group has been delegated to the Management.

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

- Financial reports and business plans for achieving the Bank's objectives;
- Appointment, removal and succession planning of Directors and senior executives;
- Job mandates of the Chief Executive, Deputy Chief Executives and Company Secretary;
- Proposal for selection of external auditors;
- Formation of Board Committees;
- Formation and review of policies and codes under the CG Framework of the Bank;
- Public announcements and corporate communications to shareholders;
- Reviewing and monitoring the Group's risk management policies and overall risk strategy; and
- Substantial investment in or disposal of the Group's assets other than those arising in the ordinary course of banking businesses.

E. COMPANY SECRETARY

The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed, and that the Bank's memorandum and articles of association, relevant rules and regulations, including requirements of the Listing Rules, Companies Ordinance and Disclosures of Interests under the Securities and Futures Ordinance, are complied with. The Company Secretary assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes of the Bank. All Directors have access to the advice and services of the Company Secretary.

The Company Secretary assists the Chairman in ensuring efficient information flow within the Board and Board Committees and between Directors and Senior Management. The Company Secretary is responsible for facilitating induction programme of new Directors and the continuous professional development of existing Directors. The Company Secretary assists the Chairman of the Board and Chairmen of the Board Committees in the development of the agendas for the Board and Board Committee meetings. He also attends and prepares minutes for all Board and Board Committee meetings.

The Company Secretary is an employee of the Bank and reports directly to the Chairman & Chief Executive. The Board approves the selection, appointment or dismissal of the Company Secretary. During the year, the Company Secretary undertook over 15 hours of professional training.

F. SHAREHOLDERS' RIGHTS & INVESTOR RELATIONS

Communication with Shareholders

The Bank recognises the importance of maintaining continuous communication with shareholders and has in place a *Shareholders Communication Policy* which sets out the practices in relation to communication with the shareholders and the investment community. Such Policy shall be reviewed by the AC and the Board on a regular basis to ensure its effectiveness.

In order to ensure shareholders and investors have fair, timely and simultaneous access to the Bank's information, the Bank through various channels, including its website (www.hkbea.com), to provide shareholders and investors timely access and continuous disclosure of the Bank's announcements, financial results, and press release. The Bank also hold press conference to present half-year and full-year financial results to the media and analysts.

The Bank welcomes shareholders' views and concerns relating to the Group's management and governance. Shareholders may at any time send their enquiries to the Board by addressing to the Bank's Company Secretary at the Bank's registered address or email at info@hkbea.com.

General Meetings

The Board endeavours to maintain an ongoing dialogue with shareholders and, in particular, uses the AGMs or other general meetings which provide a useful forum for shareholders to exchange views with the Board. The Chairman of each of the AC, NC and RC, external auditors, Senior Management and legal advisors, are also present to answer shareholders' questions.

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。

管理功能

董事會的職責在於制訂整體策略來指導及監察集團的表現，至於日常營運管理等職能則授權管理層進行。

本行已訂立一份保留予董事會決定的事項表（「事項表」），以界定保留予董事會決定及授權管理層和董事會轄下委員會權力的事項，並定期檢討該事項表以確保符合本行的需要。保留予董事會批准事項包括：

- 為實現本行目標而制訂的財務報告及業務計劃；
- 董事及高級行政人員的委任、撤職及繼任安排；
- 行政總裁、副行政總裁及公司秘書的職責；
- 甄選外聘核數師的建議；
- 成立董事會轄下的委員會；
- 訂立及檢討本行企業管治架構下的政策及守則；
- 向股東發出公告及公司通訊；
- 檢討及監察集團的風險管理政策及整體風險策略；及
- 本集團資產的重大投資或出售，但不包括在銀行日常業務上所作的投資或出售。

E. 公司秘書

公司秘書的責任（其中包括）為確保本行遵守董事會程序、本行的組織章程大綱及細則、相關規則及規例（包括《上市規則》的規定、《公司條例》及《證券及期貨條例》下披露權益的規定）。公司秘書須協助主席及董事會執行及加強本行的企業管治實務及程序。所有董事均可取得公司秘書的意見和享用其服務。

公司秘書協助主席確保董事會及董事會轄下委員會之間，以及董事與高層管理人員之間的資訊有效率地交流。公司秘書負責安排新任董事就職培訓及現任董事的持續專業發展。公司秘書協助董事會主席及各董事會轄下委員會主席制訂會議的議程。公司秘書亦出席所有董事會及其轄下委員會會議，並負責編寫會議記錄。

公司秘書為本行僱員，直接向主席兼行政總裁匯報。公司秘書的遴選、委任或解僱由董事會批准。年內，公司秘書已接受超過 15 個小時的專業培訓。

F. 股東權利及投資者關係

與股東的溝通

本行深明與股東保持持續溝通的重要性，並已制訂股東通訊政策，訂明有關與股東及投資人士溝通的政策，並由審核委員會及董事會定期檢討，以確保其成效。

為確保股東及投資者能夠公平、適時及同步地獲取本行最新資訊，本行利用不同渠道，包括本行網站 (www.hkbea.com)，適時及持續地向股東及投資者提供本行的公告、財務業績及新聞稿。本行亦舉行新聞發布會，向傳媒及分析員公布半年及全年業績表現。

本行歡迎股東提出有關本集團管理及企業管治的意見及關注事項。股東如有查詢，可隨時郵寄至本行註冊地址，或電郵至本行郵箱 info@hkbea.com，並註明公司秘書收。

股東常會

董事會致力與股東保持對話，尤其藉股東周年常會或其他股東大會作為一個有效平台與股東直接溝通。審核委員會、提名委員會及薪酬委員會的主席、外聘核數師、高層管理人員及法律顧問須出席並回答股東提問。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Shareholders are informed of details about the AGM through published notices or circulars sent to all shareholders and are requested to participate and openly communicate their views on matters relating to the Bank. Separate resolutions are proposed at general meetings for each substantial issue, including the election and re-election (as the case may be) of individual Directors. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the AGM, to ensure that shareholders are familiar with such procedures.

The Bank has provided detailed information on the Bank's 2012 Annual General Meeting ("2012 AGM") in a circular to shareholders which included Notice of the AGM, information on the retiring Directors who were eligible for re-election at the 2012 AGM, amendments to the Articles of Association and explanatory statement on repurchase of shares. All the resolutions proposed at the 2012 AGM were voted on by poll and approved by the shareholders of the Bank. The Bank has engaged KPMG to act as the scrutineer for the poll voting. The results of the poll voting were posted on the websites of the Stock Exchange and the Bank on the same day of the 2012 AGM.

At the 2012 AGM, amendments to Article 57 of the Articles of Association of the Bank were approved by the shareholders. The revised Article 57 permits the Chairman of the general meeting to allow a resolution relating purely to procedural or administrative matters to be voted on by a show of hands. The amendments comply with the requirements of the Listing Rules and the Laws of Hong Kong.

The Bank's 2013 Annual General Meeting ("2013 AGM") will be held on Tuesday, 30th April, 2013 at 11:30 a.m., the notice of which will be sent to shareholders at least 20 clear business days before the meeting. Please refer to the circular to shareholders for the 2013 AGM which will be despatched to the shareholders on or around 27th March, 2013 for further details.

Convening of extraordinary general meeting on requisition

Directors of the Bank shall on the requisition of shareholders of the Bank who hold at the date of the deposit of the requisition not less than 5% of the paid-up capital of the Bank and carry the right of voting at the general meetings of the Bank, forthwith proceed to convene an extraordinary general meeting of the Bank. The requisition must state the objects of the meeting, the name and contact details of the requisitioner(s) and must be signed by the requisitioner(s) and deposited at the registered office of the Bank.

The Bank will take appropriate actions and make necessary arrangements in accordance with the requirements of the Companies Ordinance once a valid requisition is received.

Putting forward proposals at shareholders' meetings

In accordance with the Companies Ordinance, the following shareholders are entitled to put forward proposals at general meetings, or circulate to other shareholders written statements with respect to matters to be dealt with at general meetings:

- any number of shareholders representing not less than 2.5% of the total voting rights of the Bank on the date of the requisition; or
- not less than 50 shareholders holding shares in the Bank with an average paid-up amount per shareholder of not less than HK\$2,000.

For further details, shareholders may refer to the requirements as set out in the Companies Ordinance.

Shareholders are allowed to propose a person other than a retiring Director of the Bank to be elected as a Director at a general meeting. A notice in writing shall be given to the Company Secretary of the Bank by the shareholder (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected. Such notice must be sent to the Company Secretary of the Bank within 7 days after the day of despatch of the notice of the general meeting (or such other period, being a period of not less than 7 days, commencing no earlier than the day after the despatch of the notice of such meeting and ending no later than 7 days prior to the date appointed for such meeting). The *Procedures for Nomination of Directors by Shareholders* are published on the website of the Bank.

Investor Relations

In accordance with the *Shareholders Communication Policy*, the Bank maintains an open and regular dialogue with institutional and individual shareholders, fund managers, analysts and the media through an effective corporate communication system which provides transparent, regular and timely public disclosures on the Group's latest developments and strategies through different means. Apart from the AGMs, other communication channels include:

- the Group's website at www.hkbea.com;
- annual and interim reports, and press releases;
- announcements, notices and circulars;
- press conferences after the announcement of interim and final results for media and analysts;
- meetings with analysts; and
- roadshows.

股東可透過寄發予全體股東的通告或通函了解股東周年常會的詳情，並參與股東大會表達其對有關本行事務的意見。每項重要之議題包括選舉及重選（視乎情況而定）個別董事，會以獨立議決案形式提呈股東批准。本行亦會於股東周年常會上，向各股東講解有關按點算股數形式進行投票表決之程序，以確保各股東明白有關安排。

有關本行2012年股東周年常會（「2012股東周年常會」）詳情的通函已向股東發出，當中載有股東周年常會通告、於2012股東周年常會建議重選連任董事的資料、組織章程細則的修訂及購回股份授權建議的說明函件。所有於本行2012股東周年常會提呈的決議案均以投票方式表決，並獲本行股東批准通過。本行已聘請畢馬威會計師事務所擔任監票員。投票結果已於2012股東周年常會同日在聯交所及本行網站刊登。

於2012股東周年常會上，本行組織章程細則第57條的修訂已獲股東批准通過。經修訂的第57條批准股東大會主席容許純粹有關程序或行政事宜的決議案以舉手方式表決。該等修訂符合《上市規則》及香港法例的規定。

本行2013年股東周年常會（「2013股東周年常會」）將於2013年4月30日上午11時30分舉行，其通告將於會議前最少足20個營業日寄出。詳情請參閱約於2013年3月27日寄發予股東之2013股東周年常會通函。

應呈請書請求召開特別大會

本行的董事在接獲本行股東呈請書的請求，須安排召開股東特別大會，而該等股東在存放該呈請書當日須持有不少於5%的本行已繳足資本。呈請書必須述明會議的目的、呈請人姓名及聯絡資料，並由呈請人簽署及存放於本行的註冊辦事處。

一旦接獲有效的呈請書，本行將根據《公司條例》的規定採取適當措施及作出必要安排。

於股東大會提呈動議

根據《公司條例》，下列股東有權於股東大會提出動議，或就將於股東大會處理的事務，向其他股東傳閱有關的陳述書：

- 在該呈請書提出日期，任何數目的股東代表不少於本行的總投票權的2.5%；或
- 不少於50名持有本行股份的股東，而每名股東就其所持股份已繳足的平均股款不少於港幣2,000元。

股東欲了解詳情，可參閱《公司條例》所載的規定。

股東可於股東大會上推薦（本行即將退任董事除外）某位人士參選董事。該股東應向本行公司秘書發出一份由該名有權出席並可於會上投票的股東（不得為被推舉者）書面通知書，表明有意推舉某人為董事，並提供該人士簽署同意被推舉的書面通知。該通知書必須於發送股東會議通告後7天內（或其他期限，該期限不少於7天，由發送股東會議通告之後開始計算及不得遲於該股東會議訂定舉行日期之前7天結束）寄發予本行公司秘書。股東提名董事的程序已於本行網站刊載。

投資者關係

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

- 本集團網址 www.hkbea.com；
- 年報及中期報告，以及新聞稿；
- 公告、通告及通函；
- 在中期及年度業績公告後舉行傳媒及分析員新聞發布會；
- 與分析員會面；及
- 巡迴推介。

CORPORATE SOCIAL RESPONSIBILITY REPORT

The Bank of East Asia (“BEA”) Group strives to be a positive, enabling force in the communities it serves. Group members manage active corporate social responsibility (“CSR”) programmes that aim to align the interests of employees, customers, shareholders, other stakeholders, and the society at large.

In this report, we highlight the important initiatives undertaken by the BEA Group in 2012. A comprehensive summary of BEA’s 2012 activities and achievements will be provided in the Bank’s first standalone Global Reporting Initiative-compliant CSR report, which will be issued in May 2013. This report will be available in hardcopy form and in softcopy form via the Bank’s website at www.hkbea.com.

THE BANK OF EAST ASIA

Employees

Healthy Working Environment & Attractive Benefits

We view our employees as our greatest asset, and endeavour to ensure that our staff of over 12,000 enjoys a positive working environment and opportunities for professional fulfilment.

To attract, retain, and motivate highly qualified people, BEA provides a comprehensive range of staff benefits. These include comprehensive hospitalisation and outpatient medical benefits, dental benefits, maternity and paternity leave, compassionate leave, and much more. Staff mortgage loans, overdraft facilities, and personal loans are available at favourable rates.

BEA provides staff members with a positive working environment and opportunities for professional fulfilment.

本行為員工提供良好的工作環境，並讓每位員工在事業上發揮所長。



Personal & Professional Development

The Bank invests in training and development to enhance the professionalism and competence of its employees, and to ensure that all employees have the opportunity to realise their potential. In 2012, more than 150 courses were conducted on a wide range of topics. The Bank’s achievements in manpower training and development were recognised by the Employees Retraining Board of Hong Kong, which named BEA a “Manpower Developer” in April 2012.

Staff Engagement

By harnessing the initiative and creativity of employees, BEA empowers its staff, and is better able to serve customers, shareholders, and the community at large. In July 2012, the Bank launched a “Smart Suggestion Award” Programme. A different theme is chosen each quarter and staff members are encouraged to submit suggestions to improve productivity and efficiency. Winning proposals selected by a judging panel are implemented by the Bank on an ongoing basis.

Staff Relations Programmes

In the event that a staff member has difficulty coping with personal or professional pressures, the Bank offers counselling, advice on stress management, and wellness programmes. To encourage staff members to lead healthy, active lives, the Bank’s Staff Sports and Recreation Club offered more than 50 activities in 2012 that involved more than 26,300 participants.



BEA was named a “Manpower Developer” by the Employees Retraining Board of Hong Kong in April 2012.

本行於2012年4月獲香港僱員再培訓局嘉許為「人才企業」。

企業責任報告



BEA supported a number of charitable events in 2012 including the UNICEF Charity Run 2012 and The Community Chest's 2012/2013 Hong Kong and Kowloon Walk for Millions.

本行於2012年支持了多項慈善活動，包括「聯合國兒童基金會慈善跑2012」，以及香港公益金的2012/2013年度港島、九龍區百萬行。



東亞銀行（「本行」）集團積極履行社會責任，致力在所服務的社群中貢獻一分力量。集團各成員公司主動籌辦多項企業社會責任計劃，以配合員工、客戶、股東、其他持份者，乃至廣大社羣所需。

本報告綜述東亞銀行集團於2012年推行的重要社企活動和措施。本行並將於2013年5月刊發首份依照「全球報告倡議組織」指引編製的企業社會責任獨立報告，全面總結2012年的相關活動和成果。該報告備有印刷本可供索取，另有電子版本可於本行網站 www.hkbea.com 下載。

東亞銀行有限公司

僱員

健康的工作環境及完善福利

我們視僱員為集團的主要資產，並致力為逾12,000位員工提供良好的工作環境，讓員工有發揮所長的機會。

為招攬、保留及激勵人才，東亞銀行提供完善的僱員福利制度，包括周全的住院及門診醫療福利、牙科福利、分娩假、侍產假、喪假等。僱員在按揭貸款、透支及個人貸款方面亦享有優惠利率。

個人及專業發展

本行積極投資開辦培訓及發展計劃，協助員工提升專業技能與才幹，確保所有僱員皆有機會盡展所長。2012年，本行一共開辦逾150個課程，涵蓋題材廣泛。本行在人力資源培訓及發展方面的成果，更喜獲香港僱員再培訓局表揚，於2012年4月獲該局嘉許為「人才企業」。

員工歸屬感

東亞銀行樂於讓每位員工充分發揮才華，員工積極主動的工作態度和創造力，有助本行為客戶、股東及廣大社群提供更優秀的服務。本行於2012年7月推出「精明建議獎勵」計劃，按每季訂立之不同主題，鼓勵員工提出促進生產力及工作效率的建議。評審團定期遴選出得獎提議，再提交本行以落實執行。

員工關係活動

僱員如在個人或工作方面感到困擾，本行會給予適切和周全的協助，包括專業諮詢輔導、壓力處理建議及其他康健訓練計劃等。為鼓勵員工保持健康積極的生活模式，本行的員工康體會在2012年共舉辦了50多項活動，參與人次逾26,300。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)



BEA received The Community Chest's President's Award for the 13th consecutive year.

東亞銀行連續第13年獲香港公益金頒發「公益榮譽獎」。

BEA was recognised as a "Caring Company" by The Hong Kong Council of Social Service for the ninth straight year.

本行連續第9年榮獲香港社會服務聯會嘉許為「商界展關懷」機構。

Recruitment and 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 university students gain work experience by promoting a range of internship programmes, work attachment programmes, work-integrated education schemes, and company visits. We also conduct recruitment talks at universities in Hong Kong throughout the year. Graduates from our Management Trainee and Retail Management Trainee programmes provide the Bank with a steady supply of talented manpower.

Community Involvement

BEA is committed to supporting the communities it serves through donation, volunteering, and many other forms of support.

In recognition of its contributions, BEA and its subsidiaries, Blue Cross (Asia-Pacific) Insurance Limited (Blue Cross") and Credit Gain Finance Company Limited ("Credit Gain"), were named a "Caring Company" by The Hong Kong Council of Social Service ("HKCSS") in

2012 for the ninth, fourth, and second consecutive year, respectively. BEA also received the President's Award from The Community Chest of Hong Kong ("The Community Chest") for the thirteenth straight year.

Education

Education has been a core focus of the Bank for many years. BEA directly supports research at local universities, including the Hong Kong University of Science and Technology's Institute for Advanced Study and The Chinese University of Hong Kong's Institute of Global Economics and Finance.

In 2012, BEA continued to work closely with The Hong Kong Association of Banks and the HKCSS to enhance the content of financial education workshops organised for low-income and single parent families.

Social Welfare

BEA is a long-standing supporter of the Community Chest. In 2012, 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 Casual Day".

企業責任報告（續）

招聘及延伸計劃

東亞銀行作為僱主，致力奉行平等機會之原則。本行制定了嚴格的政策，確保所有應徵者在求職過程中均獲得公平的考慮。員工不論性別、宗教或種族背景為何，他們在機構內均會獲得平等發展事業的機會。

此外，本行推行一系列實習計劃、工作體驗計劃、校企協作教育計劃及企業探訪活動，協助大學生獲取實際工作經驗。年內，本行亦於香港多間大學舉辦職業講座。本行舉辦之「見習管理人員計劃」及「零售業務見習管理人員計劃」，持續地為本行培訓優秀人才。

參與社區事務

本行透過捐贈、義工活動及眾多不同的參與形式，全力支持及投入社區事務。

東亞銀行連同旗下兩家附屬公司 — 藍十字（亞太）保險有限公司（「藍十字」）及領達財務有限公司（「領達財務」）積極服務社群的精神屢獲讚譽，於2012年均榮獲香港社會服務聯會（「社聯」）嘉許為「商界展關懷」

機構，而三家公司已分別連續第9年、4年及2年獲此美譽。此外，東亞銀行更連續第13年獲香港公益金（「公益金」）頒發「公益榮譽獎」。

教育事務

多年來，本行積極支持教育發展。本行直接資助本地大學開展研究項目，受資助的學院包括香港科技大學之高等研究院，以及香港中文大學之全球經濟及金融研究所等。

2012年，東亞銀行繼續與香港銀行公會及社聯緊密合作，為低收入及單親家庭舉辦理財工作坊，致力向他們灌輸正確的理財概念。

社會福利

多年以來，東亞銀行一直熱心支持公益金活動。2012年，本行及員工積極參與不同的慈善項目，包括「商業及僱員募捐計劃」、「公益金百萬行」及「公益金便服日」，為不同的受助社群籌募善款。

The Bank supported The Salvation Army O! Day held in October 2012.

本行支持2012年10月舉行的「救世軍定向日」。



BEA sponsored the Children's Storytelling Competition organised by The Boys' and Girls' Clubs Association of Hong Kong in May 2012. 本行贊助香港小童群益會於2012年5月舉辦的「全港兒童故事演講比賽」。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

In 2012, the Bank sponsored the Children's Storytelling Competition organised by the Boys' and Girls' Clubs Association of Hong Kong and the "Secret Angels" programme organised by the Senior Citizen Home Safety Association ("SCHSA") to encourage students to learn more about social affairs. In addition, BEA sponsored the screening of the movie, "A Simple Life" organised by the Hong Kong Association of Gerontology ("HKAG") to raise funds for the Association's elderly services.

The Bank continues to support the annual fundraising campaigns of the Chi Heng Foundation, Po Leung Kuk, Society for the Promotion of Hospice Care, St. James' Settlement, Tung Wah Group of Hospitals, and more.

Arts & Culture

BEA sponsored a variety of arts and cultural events in 2012, including "Le French May 2012" organised by the Association Culturelle France – Hong Kong Limited, and the Hong Kong Arts Festival – two of the major events on the Hong Kong cultural calendar. The Bank also provided underprivileged children with

the opportunity to attend classical music concerts by sponsoring tickets to performances by the City Chamber Orchestra of Hong Kong.

Staff Volunteering

In 2012, BEA established a cross-divisional Volunteer Team to consolidate Bank-wide volunteering efforts and encourage collaboration. Over 2,200 staff volunteering hours were recorded during the year, on projects such as The Salvation Army Hong Kong and Macau Command's Bradbury Home of Loving Kindness' "My Beautiful Life". Through this programme, volunteers engaged with elderly residents to develop personal "life memory" scrap books to help the residents recall significant and happy memories of their past. In addition, volunteers collected and distributed moon cakes to the elderly in co-operation with the SCHSA during the Mid-autumn Festival, assisted at the Stargaze Camp for the Blind organised by the Volunteering Service of the Social Welfare Department, and refurbished facilities at the New Life Farm operated by the New Life Psychiatric Rehabilitation Association in Tuen Mun.



In March 2012, BEA sponsored the Finale performance of the Hong Kong Arts Festival.

2012年3月，本行贊助香港藝術節的閉幕演出。



The Bank was recognised for its support of the "Secret Angels" programme by the Senior Citizen Home Safety Association in July 2012.

本行積極支持長者安居協會的「秘密天使」活動，並於2012年7月獲得嘉許。



The BEA Volunteer Team actively participated in a number of charitable events in 2012. These included the Bradbury Home of Loving Kindness' vegetarian feast in September 2012 and the refurbishment of facilities at the New Life Farm in November 2012.

東亞銀行義工隊於2012年積極參與多項慈善活動，包括為救世軍白普理慈愛長者之家於9月舉辦的齋宴，以及於11月為新生農場翻新設施。

2012年，本行贊助由香港小童群益會舉辦的「全港兒童故事演講比賽」，以及由長者安居協會主辦的「秘密天使」助老計劃，從而鼓勵學生多關心社會事務。此外，本行贊助了由香港老年學會舉辦的「桃姐」慈善電影籌款晚會，為該會的安老服務籌募經費。

一如既往，本行繼續熱心支持多項周年慈善籌款活動，讓智行基金會、保良局、善寧會、聖雅各福群會，以及東華三院等多個慈善團體得以受惠。

文化藝術

東亞銀行於2012年贊助了一系列文化藝術節目，包括由 Association Culturelle France – Hong Kong Limited 舉辦的「法國五月」，以及香港藝術節這兩項本地年度文化盛事。本行亦贊助認購香港城市室樂團的表演門票，並安排一群來自基層家庭的兒童出席，為他們提供欣賞古典音樂演奏的機會。

義工活動

本行於2012年組建了一支跨部門的義工隊，專責統籌本行各項義工活動，以及鼓勵部門間的協作。年內僱員義工服務時數逾2,200小時。由香港救世軍港澳軍區轄下救世軍白普理慈愛長者之家舉辦的「編寫美麗人生」計劃，便是義工隊曾參與的項目之一。在該項活動中，義工隊與院內長者攜手製作其個人「生命故事書」，讓長者緬懷昔日的美好時光。此外，義工隊與長者安居協會合作，於中秋佳節把收集回來之月餅派發予長者，並參與由社會福利署義務工作統籌課舉辦的「盲人觀星傷健營」活動，以及為新生精神康復會位於屯門的「新生農場」翻新設施。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)



The Bank helped raise funds for the development of environmental education programmes in Hong Kong by supporting the 19th Green Power Hike in January 2012.

本行於2012年1月參加了「第19屆綠色力量環島行」，協助籌募善款支持香港的環境教育工作。

Environment

BEA is committed to integrating environmentally sound practices into all business operations. In 2012, we continued to reduce our carbon footprint as well as our consumption of natural resources through a series of environmental initiatives.

Energy Conservation

BEA's innovative meeting room e-booking system at BEA Tower controls not only the booking of conference rooms, but also the activation of air conditioning and illumination systems. This system has contributed to energy savings of 210,000kWh annually.

Energy reduction targets are set each year for the Bank's Head Office building in Central and BEA Tower in Kwun Tong. In 2012, the Bank reduced energy consumption at these two buildings by 3.6%, year-on-year.

In recognition of our energy saving achievements, BEA's Head Office Building in Central and BEA Tower in Kwun Tong received the "Class of Excellence" and the "Class of Good" distinction, respectively, in the Energywise Label Scheme as part of the Hong Kong Awards for Environmental Excellence ("HKAEE") programme for the second consecutive year. The Head Office building also achieved the 2% energy saving target in the Power Smart

Contest organised by the Friends of the Earth Hong Kong for the second straight year.

Waste Management

For the fourth year in a row, the Bank joined the HKAEE's "Wastewise Label" Scheme, which encourages Hong Kong businesses to adopt measures to reduce the amount of waste generated within their establishments and through the products and services they provide. As a result of the Bank's efforts, more than 604,000 kg of paper, 8,800 aluminium cans, 8,600 plastic bottles, and 3,100 printer cartridges were recycled in 2012.

Environmental Awareness

The Bank actively participates in outreach initiatives organised by environmental groups, in order to help promote environmental awareness among employees and among the public at large. In March 2012, the Bank participated in the World Wide Fund's "Earth Hour 2012" initiative together with its Singapore Branch and Group subsidiaries The Bank of East Asia (China) Limited ("BEA China"), Credit Gain, and BEA Wealth Management Services (Taiwan) Limited, turning off non-essential lighting in selected branches and offices for one hour. The Bank also participated in the 19th Green Power Hike, organised by Green Power in January 2012, to raise funds for the development of environmental education programmes in Hong Kong.

環境保護

東亞銀行一直致力將環保工作融入於業務營運之中。2012年，本行持續實行多項環保措施，以減省天然資源的消耗，及減低業務過程中的碳排放。

節約能源

東亞銀行中心率先採用嶄新的會議室網上預訂管理系統，不但可有效調控會議室的預訂安排，亦可控制室內的空調和照明系統開關。該系統為本行節省每年210,000度耗電量。

本行每年均為設於中環的總行大廈及觀塘的東亞銀行中心訂下節目標。2012年，上述兩座大廈成功按年減省3.6%的耗電量。

鑑於本行的節能成效顯著，中環總行大廈及觀塘東亞銀行中心分別於「香港環保卓越計劃」轄下的「節能標誌計劃」中，連續兩年獲頒發「卓越級別」及「良好級別」節能標誌；而中環總行大廈亦於香港地球之友舉

辦的「知慳惜電」節能比賽中，連續第二年成功達到2%的節能目標。

廢物管理

本行連續4年參加「香港環保卓越計劃」的「明智減廢計劃」，該計劃旨在鼓勵香港企業在營運、生產和提供服務的過程中，採取適當措施減少產生廢物。經過2012年全年的努力，本行合共把逾604,000公斤的辦公室廢紙、8,800個鋁罐、8,600個膠樽及3,100個打印機墨盒，送還供應商安排回收再造。

環保意識

本行積極參與不同環保團體舉行之宣揚環保活動，藉此提高僱員及公眾對環保的關注。2012年3月，本行聯同新加坡分行、集團附屬公司東亞銀行(中國)有限公司(「東亞中國」)、領達財務及位於台灣的東亞證券股份有限公司，參加了由世界自然基金會香港分會舉辦的「地球一小時」節能行動，於指定分行及辦公室關掉非必要使用的燈光及霓虹招牌一小時。此外，本行亦於2012年1月參加了由綠色力量舉辦的「第19屆綠色力量環島行」，協助籌募善款支持香港的環境教育工作。



BEA's meeting room e-booking system has contributed to annual energy savings of 210,000kWh.

本行之會議室網上預訂管理系統，有助每年節省210,000度耗電量。



For the second consecutive year, the Bank's Head Office received the "Class of Excellence" distinction in the Energywise Label Scheme of the Hong Kong Awards for Environmental Excellence programme.

中環總行大廈於「香港環保卓越計劃」轄下的「節能標誌計劃」中，連續兩年獲頒發「卓越級別」節能標誌。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

Other Forms of Support

In addition to providing financial assistance, BEA supports non-governmental organisations (“NGOs”) through payment in kind. In 2012, this included the insertion of donation appeal material from NGOs (such as the Oxfam Hong Kong and Yan Chai Hospital) in the Bank’s statement mailings to customers, and the assignment of branches to serve as collection depots for donations to NGOs.

Customer Initiatives

The Bank participates in a range of initiatives to engage groups that may otherwise be underserved by the banking sector.

Microfinance Scheme for Entrepreneurs

BEA is one of the participating banks in the Microfinance Scheme, launched in June 2012 by the Hong Kong Mortgage Corporation (“HKMC”) in collaboration with banks and NGOs. This Scheme enables people to help themselves, providing funding for a range of self-start programmes, including starting a business, becoming self-employed, enhancing job skills, or obtaining professional certification.

Reverse Mortgage Programme for Senior Citizens

BEA was one of the first banks to participate in the Reverse Mortgage Programme, launched by the HKMC in 2011. This programme enables senior citizens to

mortgage their self-occupied residential properties to the Bank. In return, they receive monthly cash payouts over a payment term to improve their quality of life, and/or a lump-sum payout to accommodate their specific financial needs. BEA accounted for more than 9% of the market share in terms of applications as of December 2012.

The Bank of East Asia Charitable Foundation

Education

The Bank of East Asia Charitable Foundation (“BEA Foundation”) promotes and supports the advancement of education in Hong Kong, particularly at the tertiary level. In 2012, the BEA Foundation awarded scholarships to students in recognition of their outstanding academic achievements.

Palliative Care

Jointly established by the BEA Foundation and “la Caixa” Foundation in 2010, the “Palliative Care in Residential Care Homes for the Elderly” programme is an integrated care programme operated by The Salvation Army and the HKAG for terminally-ill senior citizens. At the end of 2012, six palliative care rooms were operating in residential care homes across Hong Kong. Upon its completion in September 2013, the pilot will have involved 600 professionals and 1,400 senior citizens and their family members, who received palliative care service and life and death education.



The BEA Foundation awards scholarships to students of universities and other institutions of higher learning in Hong Kong, including the Hong Kong Institute of Education.

東亞銀行慈善基金為本港多間大學及專上學院的學生提供獎學金，當中包括香港教育學院。



Public talks on death and dying were held as part of efforts to promote the palliative care programme supported by the BEA Foundation.

東亞銀行慈善基金積極支持「安老院舍完善人生關顧計劃」，而該計劃的其中一項主要服務，乃是就死亡及臨終舒緩之議題舉辦公開講座，讓公眾認識綜合關顧服務之優點。

其他社企支持

除提供資金贊助外，東亞銀行也透過服務或其他形式，支持多個非政府組織機構。2012年，本行協助樂施會及仁濟醫院等非政府組織，把宣傳單張隨附本行的月結單寄發予本行客戶，從而把募捐訊息傳達給廣大社群。本行並選定個別分行，作為慈善機構賣旗籌款的收集站。

以客戶為主的服務計劃

本行透過推出及參與多項計劃，服務一些少為銀行業界關注的社群。

小型貸款計劃

2012年6月，香港按揭證券有限公司（「按揭證券公司」）與銀行及非政府組織機構攜手推出「小型貸款計劃」，而東亞銀行正是參與計劃的銀行之一。該計劃提供資金協助貸款人士創業、自僱、提升職業技能或考取專業資格，以達致讓貸款人士自強自勵的效果。

長者安老按揭計劃

按揭證券公司於2011年推出「安老按揭計劃」，而東亞銀行亦為首批參加計劃的銀行之一。該計劃讓長者把自住物業按揭予銀行，以便於期限內每月收取年

金，藉此改善生活質素，又或可一筆過提取款項，以滿足財務上的特定需要。按截至2012年12月止的申請宗數計算，東亞銀行佔整體安老按揭市場份額逾9%。

東亞銀行慈善基金有限公司

教育

東亞銀行慈善基金有限公司（「東亞銀行慈善基金」）積極支持和推動香港教育的發展，特別是高等教育。2012年，東亞銀行慈善基金向成績優異的學生提供多個獎學金，以茲嘉許。

「安老院舍完善人生關顧計劃」

「安老院舍完善人生關顧計劃」由東亞銀行慈善基金與「la Caixa」基金會於2010年攜手設立，並由救世軍及香港老年學會負責營運和管理，目的是為末期病患長者提供綜合關顧服務。截至2012年底，六間位於本港不同安老院的「完善人生關顧房間」已投入服務。預期在2013年9月計劃試驗期結束時，可涵蓋600位專業服務成員和1,400位長者及其家屬，就舒緩護理和生死教育範疇提供服務。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)



By the end of 2012, 21 Firefly Centres were established in schools in rural areas on the Mainland.

截至2012年底，於內地偏遠地區共興建了21間「螢火蟲樂園」。

THE BANK OF EAST ASIA (CHINA) LIMITED

BEA China, the Bank's wholly-owned subsidiary on the Mainland, supports a wide range of charitable causes through the activities of the Shanghai Soong Ching Ling Foundation – BEA Charity Fund (the "Fund"), and by providing direct financial assistance and staff volunteering support.

Shanghai Soong Ching Ling Foundation – BEA Charity Fund

Jointly established by BEA China and the Shanghai Soong Ching Ling Foundation in 2009, the Fund is dedicated to improving educational opportunities for underprivileged children in rural areas on the Mainland. With the assistance of its employees, clients, and members of the general public, BEA China has raised more than RMB 28 million since the Fund's establishment.

During the year under review, six new Firefly Centres were established in rural schools around the country. These centres provide students with access to learning materials, computers, and school supplies. At the end of 2012, 21 Firefly Centres were operating in 11 provinces, and more than 3,000 "Firefly 60 Backpacks" containing books and stationery had been distributed to students.

On 12th December, 2012, the Fund held its 4th Annual "Firefly Charity Night" in Shanghai. The charity dinner was attended by over 230 guests, whose generosity enabled the Fund to raise more than RMB 7.6 million. During the event, the Fund also announced the establishment of the first Firefly Centre funded exclusively by employees of the BEA Group around the world, located in Zhuzhou, Hunan Province.

In 2012, the Fund also awarded scholarships to outstanding students in need of financial assistance. Scholarships were awarded to students of Fudan University, Sun Yatsen University, Shenzhen Polytechnic, and Jinan University's Shenzhen Tourism College.

BEA China Activities

In February and March 2012, BEA China held the "Book Donations for the New Year" Programme, through which more than 5,300 books and stationery items were donated to primary and middle school students. A volunteer team comprising 330 staff members and customers of BEA China contributed more than 480 volunteer hours.

To celebrate Arbor Day festivities in March 2012, more than 200 employees participated in the "Plant a Land of Green, Beautify the Earth" programme, planting approximately 400 trees in eight cities around the country.

東亞銀行(中國)有限公司

東亞銀行在內地的全資附屬公司 — 「東亞中國」，與上海宋慶齡基金會共同成立「上海宋慶齡基金會 — 東亞銀行公益基金」(「基金」)，透過直接資助及鼓勵員工參與義工活動，致力支持各類社會公益事務。

上海宋慶齡基金會 — 東亞銀行公益基金

基金由東亞中國與上海宋慶齡基金會於2009年共同創立，致力為內地偏遠地區的貧困兒童提供更多接受教育的機會。東亞中國在僱員、客戶及社會大眾的支持下，自基金成立以來，已成功籌得善款逾人民幣2,800萬元。

回顧年內，基金為內地偏遠地區的學校捐建了6所新的「螢火蟲樂園」，為學童提供學習材料、電腦及學校設施。截至2012年底，基金於內地11個省共建設21所「螢火蟲樂園」，並捐贈了逾3,000多個包含書本及文具等學習用品的「螢火蟲60背包」予內地學童。

2012年12月12日，基金在上海舉辦了第4屆「螢火蟲慈善之夜」。逾230位出席慈善晚宴的嘉賓慷慨捐款，為基金籌得逾人民幣760萬元善款。席間，基金宣布由東亞銀行集團全球各地員工籌募興建的第一所「螢火蟲樂園」，已在湖南省株洲市正式落成。

2012年，基金繼續為有經濟困難的優秀學生提供助學金，受惠的學生分別就讀於復旦大學、中山大學、深圳職業技術學院，以及暨南大學深圳旅遊學院。

東亞中國的活動

在2012年2月至3月期間，東亞中國舉行「書本總動員，送暖迎新春」活動，捐贈逾5,300本圖書及文具予中小學生。330位東亞中國的員工及客戶組成義工隊，提供逾480個小時的義工服務。

為慶祝2012年3月的植樹節，200多名員工一起參與了「植下一片綠，美化地球村」活動，在內地8個城市合共種植約400株樹木。

In 2012, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund arranged for volunteers to teach students in Gansu Province.

2012年，「上海宋慶齡基金會 — 東亞銀行公益基金」安排義工到甘肅省的學校進行義務教學。



More than 200 employees of BEA China participated in the “Plant a Land of Green, Beautify the Earth” programme in March 2012.

2012年3月，東亞中國逾200名員工參與了「植下一片綠，美化地球村」活動。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

In recognition of its dedication to society, BEA China received the “Caring Enterprise Award” in the Second Shanghai Charity Awards programme organised by the Shanghai Civil Affairs Bureau, “Best Practice in Social Responsibility Award for the Year 2011” from the China Banking Association, and the “2012 Corporate Social Responsibility Outstanding CSR Case Award” from the China Philanthropy Times and China Association of Social Workers – China Corporate Citizen Committee.

BLUE CROSS (ASIA-PACIFIC) LIMITED

For the second consecutive year, Blue Cross sponsored the “Happy Teens, Full of Fun” Programme organised by the Hong Kong Physically Handicapped and Able-Bodied Association (“PHAB”). Designed to help teenagers with and without disabilities integrate into society, the programme consisted of an ice-breaking opening ceremony, community visits, adventure outings, leadership training, and an award presentation ceremony. Blue Cross volunteers helped organise games and led more than 70 teenaged participants in a series of team-building exercises.

CREDIT GAIN FINANCE COMPANY LIMITED

In co-operation with the Evangelical Lutheran Church Social Service – Hong Kong (“ELCHK”), Credit Gain arranged for its employees to visit disadvantaged elderly residents of Kwai Tsing district in June and organised an outing in October 2012. In addition, Credit Gain employees took part in a Charity Candy Campaign and Charity Walk organised by The Lok Sin Tong Benevolent Society Kowloon (“LST”) in March and December 2012, respectively.

For the second year, Credit Gain earned the right to display the “Heart to Heart Company” logo, issued by The Hong Kong Federation of Youth Groups, in recognition of its charitable contributions to the community. In addition, Credit Gain received the “Caring Enterprise Award” from LST, and was named “Consumer Caring Company” in GS1 Hong Kong’s Consumer Caring Scheme 2012.

TRICOR HOLDINGS LIMITED

Tricor continued to invest in its human resources in 2012, encouraging employees to attain relevant professional qualifications, providing regular in-house training programmes, and sponsoring staff members to attend external job-related courses and seminars. During the year, Tricor offices in Hong Kong and overseas regularly organised sports and recreational activities for their staff members. In April 2012, over 240 Tricor executives attended the 7th Tricor Regional Executive Seminar in Hangzhou, China.

Tricor continued to offer summer and winter internships to college and university students, providing them with invaluable working experience and exposure to the business world. The Company also awarded need-based scholarships to promising university students in Hong Kong.

During the year under review, Tricor’s regional offices provided pro bono corporate services to a number of charitable bodies and NGOs including the Hong Kong Committee for UNICEF, English Speaking Union, and Chi Heng Foundation (Hong Kong); Shine On! Kids (Japan); and Putrajaya Table Tennis Association (Malaysia). Tricor’s senior executives also gave presentations at seminars to share their expertise in corporate compliance and services with members of the general public.



Tricor Hong Kong offered internship opportunities to college and university students, providing them with valuable working experience.

於香港，卓佳為大學及大專院校學生提供實習機會，讓學生能獲取寶貴的工作經驗。



Credit Gain volunteers visited disadvantaged elderly residents of Kwai Tsing District in June 2012.

2012年6月，領達財務的義工探訪葵青區的基層獨居長者。



Blue Cross continued to lend its support to the Hong Kong Physically Handicapped and Able-bodied Association in 2012. 2012 年，藍十字繼續支持香港傷健協會之活動。

東亞中國對社會的投入及貢獻備受各界稱許，先後榮獲上海市民政局頒發「第二屆上海慈善獎——愛心捐贈企業」、中國銀行業協會頒發「2011 年度最佳社會責任實踐案例獎」、《公益時報》社及中國社會工作協會企業公民委員會聯合頒發「2012 企業社會責任 (CSR) 優秀案例獎」。

藍十字 (亞太) 保險有限公司

藍十字連續第二年贊助香港傷健協會舉辦的「樂 TEEN 滿 FUN 計劃」。本著推廣「傷健共融」的理念，該計劃致力幫助傷殘及健全的青少年融入社會，而 2012 年更以一場「破冰」開幕禮為活動掀起序幕。其他活動還包括探訪社區團體、野外探險、領袖訓練及頒獎典禮。藍十字義工隊積極統籌遊戲環節，並帶領 70 多位青少年參與一系列的訓練活動，協助青少年從中學習團隊精神。

領達財務有限公司

領達財務與基督教香港信義會社會服務部（「香港信義會」）合作，安排員工於 2012 年 6 月及 10 月分別探訪葵青區的基層獨居長者及到郊外一天遊。此外，領達財務的員工分別在 2012 年 3 月及 12 月，參加由九龍樂善堂舉行的「樂善『糖』甜心行動」和「萬人行」慈善活動。

領達財務連續第二年榮獲香港青年協會頒發「有心企業」標誌，以表彰其對社區公益活動的貢獻。此外，領達財務亦喜獲九龍樂善堂頒發「愛心企業獎」，並在香港貨品編碼協會的「貼心企業嘉許計劃 2012」活動中，贏得「貼心企業」美譽。

卓佳集團有限公司

在 2012 年，卓佳繼續在其人力資源方面作出投資，鼓勵員工考取相關的認可專業資格，並定期開辦內部培訓課程，以及資助員工在外報讀與工作相關的課程及參加研討會。年內，卓佳設於香港及海外的各辦事處為員工定期舉辦不同的體育和康樂活動。2012 年 4 月，卓佳逾 240 位行政人員並赴杭州參加「第 7 屆卓佳跨地區行政人員研討會」藉此互相交流分享心得。

卓佳一如既往，在暑假及寒假期間為大學及大專院校學生提供實習機會，讓他們親身體驗商業環境，獲取寶貴的工作經驗。此外，卓佳設立獎學金，為成績優異而財政上有需要的本港大學生提供援助。

回顧年內，卓佳各區域辦事處為多個慈善團體及非政府機構提供義務企業服務，受惠機構包括：香港的聯合國兒童基金香港委員會、國際英語聯合會、智行基金會；日本的 Shine On! Kids；以及馬來西亞的布城乒乓總會等。年內，卓佳的高級行政人員亦於多個研討會上擔任講者，與公眾分享公司合規及企業服務方面的專業知識。

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their annual report together with the audited accounts for the year ended 31st December, 2012.

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, 2012 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 265.

TRANSFER TO RESERVES

Profit attributable to equity holders of the Group, before dividends, of HK\$6,056 million (2011: HK\$4,358 million) has been transferred to reserves. Other movements in reserves are set out in Note 41 on the accounts.

An interim dividend of HK\$0.43 per share (2011: HK\$0.43 per share) was paid on 14th September, 2012. The Directors have declared the payment of a second interim dividend (in lieu of final dividend) of HK\$0.63 per share (2011: a second interim dividend of HK\$0.51 per share) in respect of the financial year ended 31st December, 2012.

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\$14 million (2011: HK\$8 million).

FIXED ASSETS

Details of the movements in fixed assets are set out in Note 34 on the accounts.

SHARE CAPITAL

During the year, 23,782,911 ordinary shares of HK\$2.50 each were issued at HK\$28.994 each and 14,872,100 ordinary shares of HK\$2.50 each were issued at HK\$27.4835 each to shareholders who had elected to

receive new shares in lieu of cash dividend in respect of the 2011 second interim dividend and the 2012 interim dividend respectively.

During the year, 795,000 ordinary shares of HK\$2.50 each were issued for cash of HK\$18,341,750 on the exercise of options granted under the approved Staff Share Option Schemes.

On 4th December, 2012, the Bank entered into subscription agreement with Sumitomo Mitsui Banking Corporation ("SMBC") in relation to the subscription as principal of 111,572,600 ordinary shares at HK\$29.59 per new share. The 111,572,600 ordinary shares represent approximately 5.27% of the entire issued share capital of the Bank prior to the subscription and approximately 5.01% of the entire issued share capital of the Bank as enlarged by the subscription subsequent to the allotment date of 12th December, 2012. The subscription price represents a discount of approximately 0.37% to the closing price of HK\$29.70 per share quoted on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 4th December, 2012. The amount raised from the subscription is HK\$3,301.4 million. The Bank intended to apply the net proceeds as general working capital and for the future expansion of the Group.

SUBORDINATED NOTES AND OTHER DEBENTURES

The Bank issued 4.25% subordinated notes (under the US\$3,000 million Euro Medium Term Note Programme) qualifying as supplementary capital with face value of SGD600 million and SGD200 million on 13th March, 2012 and 27th April, 2012 respectively (the two issues altogether, the "2022 Notes"). The 2022 Notes are listed on the Singapore Stock Exchange and will mature on 13th September, 2022. The net proceeds from the issue of the 2022 Notes, approximately SGD796 million, were used for general working capital purposes.

In May 2012, The Bank of East Asia (China) Limited ("BEA China"), a wholly-owned subsidiary of the Bank, issued Renminbi ("RMB") senior unsecured bonds (the "Bonds") for an aggregate principal amount of RMB1 billion in Hong Kong. The Bonds bear an annual interest rate of 3.65% and have a tenor of three years. BEA China fully utilised the limit of RMB1 billion of the Bonds approved by the National Development and Reform Commission of the People's Republic of China and the People's Bank of China. The Bonds, with a Standard & Poor's rating of "A", were issued solely to institutional investors. The net proceeds of approximately RMB999.5 million raised from the bond issue were used for BEA China's working capital and general corporate purposes, including to support BEA China's business development and expansion plans, and to optimise its asset and liability structure.

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2012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2012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265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60億5,600萬元（2011年：港幣43億5,800萬元）已予撥入儲備。至於儲備的其他變動，則載於賬項附註41。

中期股息每股港幣0.43元（2011年：每股港幣0.43元）已於2012年9月14日派發。董事會現宣布派發截至2012年12月31日止年度第二次中期股息（以替代末期股息）每股港幣0.63元（2011年：第二次中期股息每股港幣0.51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1,400萬元（2011年：港幣800萬元）。

固定資產

固定資產的變動詳情載於賬項附註34。

股本

年內，本行分別以每股港幣28.994元發行23,782,911股每股面值港幣2.50元的普通股及以每股港幣27.4835元發行14,872,100股每股面值港幣2.50元的普通股，派發予選擇以新股代替現金收取2011年度第二次中期股息及2012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，發行795,000股每股面值港幣2.50元的普通股，所得現金為港幣18,341,750元。

於2012年12月4日，本行與三井住友銀行就其以主事人身份認購本行111,572,600股普通股股份簽訂認購協議，每股新股份為港幣29.59元。該111,572,600股相當於認購事項前本行全部已發行股本約5.27%，以及於配發日期2012年12月12日經認購事項擴大後本行全部已發行股本約5.01%。認購價較股份於2012年12月4日在香港聯合交易所有限公司（「聯交所」）所報每股股份港幣29.70元的收市價折讓約0.37%。認購事項所得款項總額為港幣33億140萬元。本行計劃把所得款項淨額用於擴充一般營運資金，以及供本集團未來擴充業務之用。

後償票據及其他債權證

本行於2012年3月13日和4月27日（根據其30億美元的歐洲形式中期票據計劃）發行面值6億新加坡元和2億新加坡元評定為附加資本於2022年到期的後償票據（合稱「2022票據」），其孳息率為4.25%。2022票據於新加坡交易所上市，並將於2022年9月13日到期。發行2022票據的淨得款項約為7億9,600萬新加坡元，會作本行一般營運資金用途。

本行全資附屬公司——東亞銀行（中國）有限公司（「東亞中國」）於2012年5月在香港發行本金總額為人民幣10億元的人民幣高級無抵押債券（「債券」）。債券息率為年利率3.65%，期限為3年。東亞中國已將中華人民共和國國家發展和改革委員會及中國人民銀行所批准的本金總額為人民幣10億元的債券額度作全數發行。債券銷售對象為機構投資者，並已獲標準普爾給予A級的信貸評級。發行債券所籌集的資金所得款項淨額約人民幣9億9,950萬元，供東亞中國用作營運資金及一般公司用途，包括支持東亞中國業務發展及擴充用途，以及優化其資產負債結構。

REPORT OF THE DIRECTORS (CONTINUED)

DEALINGS IN LISTED SECURITIES OF THE BANK

During the year ended 31st December, 2012, the Bank fully redeemed GBP262.263 million face value of the 6.125% step-up perpetual subordinated notes (the "Perpetual Notes") qualifying as supplementary capital. The Perpetual Notes were issued on 20th March, 2007 and were listed on the Singapore Stock Exchange. After full redemption on 21st March, 2012, the Perpetual Notes were delisted on 23rd March, 2012. Moreover, the Bank also fully redeemed US\$600 million face value of the floating rate step-up subordinated notes due 2017 (the "2017 Notes") qualifying as supplementary capital. The 2017 Notes were issued on 21st June, 2007 and were listed on the Singapore Stock Exchange. After full redemption on 22nd June, 2012, the 2017 Notes were delisted on 26th June, 2012. Save for the aforesaid redemption of the Perpetual Notes and 2017 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, 2012.

DIRECTORS

The present Directors of the Bank are shown on page 54.

In accordance with the Articles of Association, any Director elected by the Bank by ordinary resolution shall be elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment and on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment. Accordingly, David Li Kwok-po, Allan WONG Chi-yun, Aubrey Li Kwok-sing, Winston LO Yau-lai, KHOO Kay-peng and Stephen Charles Li Kwok-sze will retire, and, being eligible, offer themselves for re-election at the Annual General Meeting to be held on 30th April, 2013 ("2013 AGM").

Details of the Directors to be re-elected at the 2013 AGM are set out in the circular to the shareholders sent together with this Annual Report.

No Director proposed for re-election at the 2013 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 2012 and will expire in March 2015.

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 39 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 Khoo-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, 2012.

CONNECTED TRANSACTION

On 3rd August, 2012, Credit Gain Finance Company Limited ("Credit Gain"), a wholly-owned subsidiary of the Bank, entered into a Shareholders Agreement (the "Agreement") with Finconsum EFC, S.A. ("Finconsum"), a wholly-owned subsidiary of CaixaBank, S.A. and Brilliance China Automotive Holdings Limited ("Brilliance China") in relation to the formation of a joint venture company ("JV"), namely "華晨東亞汽車金融有限公司(Brilliance-BEA Auto Finance Co., Ltd.)" in the People's Republic of China ("PRC") to engage in auto financing business in the PRC (the "Transaction"). The JV is owned as to: 22.5% by Credit Gain; 22.5% by Finconsum and 55% by Brilliance China.

The purpose of the Transaction is for establishing the JV with Brilliance China and Finconsum which would enable the Group to tap into and develop its business in the growing auto financing market in the PRC.

The registered capital of the JV was RMB800 million, of which Credit Gain contributed 22.5% (i.e. RMB180 million), Finconsum contributed 22.5% (i.e. RMB180 million) and Brilliance China contributed 55% (i.e. RMB440 million). The registered capital of the JV was contributed in cash by each party.

Finconsum is a wholly-owned subsidiary of CaixaBank, S.A., a substantial shareholder (as defined in the Listing Rules) of the Bank. Finconsum is therefore an associate (as defined in the Listing Rules) of CaixaBank, S.A., and hence a connected person (as defined in the Listing Rules)

董事會報告書（續）

買賣本行上市證券

本行在截至2012年12月31日止的年度內，全數贖回評定為附加資本面值2億6,226.3萬英鎊孳息率為6.125%的無到期日步陞後償票據（「無到期日票據」）。該無到期日票據在2007年3月20日發行並在新加坡交易所上市。在2012年3月21日全數贖回該無到期日票據後，其上市地位於2012年3月23日已予撤銷。本行亦全數贖回評定為附加資本面值6億美元於2017年到期的浮息步陞後償票據（「2017票據」）。該2017票據在2007年6月21日發行並在新加坡交易所上市。在2012年6月22日全數贖回該2017票據後，其上市地位於2012年6月26日已予撤銷。除前述贖回該無到期日票據及2017票據外，截至2012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。

根據組織章程細則規定，任何在普通決議案獲選的董事，其任期不得超過約3年，並於其獲委任後的第3年的股東周年常會結束時屆滿；其任期屆滿時，將被視為一位卸任董事而有資格重選。根據此規定，李國寶、黃子欣、李國星、羅友禮、邱繼炳及李國仕將於2013年4月30日舉行的股東周年常會（「2013股東周年常會」）上卸任，並願膺選連任。

所有在2013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2013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2012年4月起生效，並將於2015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39所詳載的僱員認股計劃外，本年內本行或其任何附屬公司並無作任何安排，以致本行各董事或行政總裁或他們的配偶或18歲以下子女從中取得本行或其他法人團體的股份或債券而獲益。

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、郭孔演及張建樞的獨立性確認函。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2012年12月31日止財政年度的董事袍金。

關連交易

於2012年8月3日，領達財務有限公司（「領達財務」）（本行的一間全資附屬公司）就其在中華人民共和國（「中國」）成立一間從事汽車融資業務的合資公司（「合資公司」），與Finconsum EFC, S.A.（「Finconsum」）（CaixaBank, S.A. 的一間全資附屬公司）及華晨中國汽車控股有限公司（「華晨汽車」）（「該交易」）簽訂一份股東協議（「該協議」）。合資公司名為「華晨東亞汽車金融有限公司（Brilliance-BEA Auto Finance Co., Ltd.）」。合資公司的股權分佈如下：領達財務佔22.5%；Finconsum佔22.5%及華晨汽車佔55%。

該交易的目的是透過與華晨汽車及Finconsum成立合資公司，使本集團能夠進軍日益增長的中國汽車融資市場，並在該市場開展業務。

合資公司的註冊資本為人民幣8億元，其中領達財務出資22.5%（即人民幣1億8,000萬元）；Finconsum出資22.5%（即人民幣1億8,000萬元）及華晨汽車出資55%（即人民幣4億4,000萬元）。合資公司的註冊資本由各方以現金出資。

Finconsum為CaixaBank, S.A. 的一間全資附屬公司，CaixaBank, S.A. 是本行的一位主要股東（按《上市規則》的定義），因此Finconsum為CaixaBank, S.A. 之聯繫人（按《上市規則》的定義），因此亦為本行之關

REPORT OF THE DIRECTORS (CONTINUED)

of the Bank. Accordingly, the entering into of the joint venture arrangement under the Agreement constituted a connected transaction for the Bank under Rule 14A.32(1) of Chapter 14A of the Listing Rules and is required under the Listing Rules to be reported in the annual report and accounts of the Bank. For details of the Transaction, please refer to the announcement dated 3rd August, 2012 issued by the Bank.

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.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31st December, 2012, 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") (the "Register") 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	55,748,158	57,558,621 ¹	2.58
	Interest of spouse	1,651,316		
	Interest of corporation	159,147		
Arthur LI Kwok-cheung	Beneficial owner	10,272,531	24,684,510 ²	1.11
	Founder of discretionary trust	14,411,979		
Allan WONG Chi-yun	Beneficial owner	366,320	14,103,667 ³	0.63
	Interest of spouse	136		
	Founder of discretionary trust	13,737,211		
WONG Chung-hin	Beneficial owner	51,491	430,035 ⁴	0.02
	Interest of spouse	378,544		
LEE Shau-kee	Beneficial owner	2,092,183	3,192,183 ⁵	0.14
	Interest of corporation	1,100,000		
Aubrey LI Kwok-sing	Beneficial owner	25,730	34,517,984 ⁶	1.55
	Interest of spouse	19,794		
	Beneficiary of discretionary trust	34,472,460		
Winston LO Yau-lai	–	–	Nil	Nil
KHOO Kay-peng	–	–	Nil	Nil
Thomas KWOK Ping-kwong	–	–	Nil	Nil
Richard LI Tzar-kai	Interest of corporation	128,600	128,600 ⁷	0.01
Kenneth LO Chin-ming	–	–	Nil	Nil
Eric LI Fook-chuen	Beneficial owner	4,773,270	37,154,735 ⁸	1.67
	Founder and beneficiary of discretionary trust	23,165,719		
	Interest of corporation	9,215,746		
Stephen Charles LI Kwok-sze	Beneficial owner	11,950,352	14,845,433 ⁹	0.67
	Interest of children	546,631		
	Beneficiary of discretionary trusts	2,348,450		
William DOO Wai-hoi	–	–	Nil	Nil
KUOK Khoon-ean	–	–	Nil	Nil
Valiant CHEUNG Kin-piu	–	–	Nil	Nil
Isidro FAINÉ CASAS	–	–	Nil	Nil

董事會報告書（續）

連人士（按《上市規則》的定義）。因此，根據簽訂該協議而成立合資公司的安排，構成本行於《上市規則》第14A章第14A.32(1)條項下的一項關連交易，並須根據《上市規則》在本行年度報告及帳目中作出披露。有關該交易的詳情，請參閱本行於2012年8月3日所刊發的公告。

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。

董事及行政總裁權益

於2012年12月31日，根據《證券及期貨條例》第352條須予備存的登記冊（「該登記冊」）所記錄，本行各董事及行政總裁於本行及其相聯法團的股份、相關股份及債權證中擁有的權益及淡倉如下：

I. 本行普通股股份權益的好倉：

姓名	身份及性質	股份數目	總數	佔已發行股本的百分率
李國寶	實益擁有人	55,748,158	57,558,621 ¹	2.58
	配偶的權益	1,651,316		
	法團的權益	159,147		
李國章	實益擁有人	10,272,531	24,684,510 ²	1.11
	酌情信託的成立人	14,411,979		
黃子欣	實益擁有人	366,320	14,103,667 ³	0.63
	配偶的權益	136		
	酌情信託的成立人	13,737,211		
黃頌顯	實益擁有人	51,491	430,035 ⁴	0.02
	配偶的權益	378,544		
李兆基	實益擁有人	2,092,183	3,192,183 ⁵	0.14
	法團的權益	1,100,000		
李國星	實益擁有人	25,730	34,517,984 ⁶	1.55
	配偶的權益	19,794		
	酌情信託的受益人	34,472,460		
羅友禮	—	—	無	無
邱繼炳	—	—	無	無
郭炳江	—	—	無	無
李澤楷	法團的權益	128,600	128,600 ⁷	0.01
駱錦明	—	—	無	無
李福全	實益擁有人	4,773,270	37,154,735 ⁸	1.67
	酌情信託的成立人及受益人	23,165,719		
	法團的權益	9,215,746		
李國仕	實益擁有人	11,950,352	14,845,433 ⁹	0.67
	子女的權益	546,631		
	酌情信託的受益人	2,348,450		
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 55,748,158 shares and he was deemed to be interested in 1,651,316 shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 159,147 shares held by David LI Kwok-po Charitable Foundation Limited, a charitable institution of which David LI Kwok-po is a director and the sole member.
- 2 Arthur LI Kwok-cheung was the beneficial owner of 10,272,531 shares. Arthur LI Kwok-cheung made a voluntary disclosure of 14,411,979 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 366,320 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 13,737,211 shares held by a discretionary trust, Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary.
- 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 61.92% 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 19,794 shares through the interests of his spouse, Elizabeth WOO. The remaining 34,472,460 shares were held by The Fook Wo Trust, a discretionary trust in which Aubrey LI Kwok-sing is one of the discretionary beneficiaries.
- 7 Richard LI Tzar-kai was deemed to be interested in 128,600 shares which were held by PineBridge Investments LLC ("PBI LLC") in its capacity as an investment manager. PBI LLC is an indirect subsidiary of Chiltonlink Limited which is 100% owned by Richard LI Tzar-kai.
- 8 Eric LI Fook-chuen was the beneficial owner of 4,773,270 shares, and 23,165,719 shares were held by New Jerico Limited. Eric LI Fook-chuen is the sole director of New Jerico Limited. The only one share in New Jerico Limited is 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 9,215,746 shares held by The Kowloon Dairy Limited of which he is the Chairman and Chief Executive Officer.
- 9 Stephen Charles LI Kwok-sze was the beneficial owner of 11,950,352 shares, and he was deemed to be interested in 546,631 shares through the interests of his children under the age of 18. Of the remaining 2,348,450 shares, (i) 2,150,000 shares were held by a discretionary trust, Settlement of Dr. Simon F. S. LI, of which Stephen Charles LI Kwok-sze, his spouse and his children under the age of 18 were beneficiaries and (ii) 198,450 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, 2012 was shown in the following section under the heading "Information on Share Options".

III. Interests in Hybrid Tier I Capital Instruments:

Allan WONG Chi-yun was the beneficial owner of the following capital instruments^{Note:}

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

Note: In November 2009, the Bank issued capital instruments qualifying as hybrid tier 1 capital with a face value of US\$500 million. The capital instruments comprise 8.5% step-up subordinated notes due 2059 issued by the Bank (the "2059 Notes") stapled with perpetual non-cumulative step-up preference shares issued by Innovate Holdings Limited, a wholly-owned subsidiary of the Bank (the "Innovate Preference Shares"). The 2059 Notes and the Innovate Preference Shares are listed as stapled units on the Singapore Stock Exchange. 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 2059 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)

附註：

- 1 李國寶為55,748,158股的實益擁有人。由於其配偶潘金翠擁有1,651,316股之權益，他亦被視為擁有該等股份。他亦被視為擁有由李國寶慈善基金有限公司持有的159,147股，李國寶為該慈善機構的董事兼唯一成員。
- 2 李國章為10,272,531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14,411,979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366,320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Allan Wong 2011 Trust的成立人及一位合資格受益人，他亦被視為擁有該酌情信託所持有的13,737,211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61.92%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19,794股之權益，他亦被視為擁有該等股份。餘下之34,472,460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 李澤楷被視為擁有由PineBridge Investments LLC (「PBI LLC」) 以投資經理身份所持有的128,600股。PBI LLC是李澤楷全資擁有的Chiltonlink Limited的間接附屬公司。
- 8 李福全為4,773,270股的實益擁有人。而23,165,719股由New Jerico Limited持有，李福全是New Jerico Limited的唯一董事。The New Elico Trust持有New Jerico Limited的全部(一股)股份，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9,215,746股股份，李福全為該公司的主席兼行政總裁。
- 9 李國仕為11,950,352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546,631股。餘下的2,348,450股當中：(i) 2,150,000股由一個酌情信託—Settlement of Dr. Simon F. S. Li持有，李國仕、其配偶及其18歲以下子女皆為該酌情信託的受益人；及(ii) 198,450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割的期權。有關此等認股權在截至2012年12月31日止年度內的資料，見於下列「認股權資料」項下。

III. 混合一級資本工具的權益：

黃子欣為下列資本工具的實益擁有人^{附註}：

發行人	證券種類/類別	債權證數額	股份數目
東亞銀行有限公司	後償票據	7,000,000美元	—
Innovate Holdings Limited	優先股	—	7,000
東亞銀行有限公司	替代優先股(尚未發行)	—	7,000

附註：本行於2009年11月發行面值為5億美元的混合一級資本工具。該資本工具包括由本行發行並於2059年到期的步陞後償票據(票據初期息率為年利率8.5%)(「2059票據」)，以及由本行全資附屬公司Innovate Holdings Limited發行之無面值永久非累積步陞優先股(「Innovate 優先股」)。2059票據連同Innovate 優先股以不可分拆單位形式於新加坡交易所上市。替代優先股(每股面值1,000美元之永久非累積步陞優先股)由本行設立及將於發生替代事件(定義見日期為2009年11月11日本行發出之股東通函)時發行以作為發行2059票據及Innovate 優先股的條款之一。

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, 2012:

Name	Date of Grant	Number of Share Options				Outstanding at 31/12/2012
		Outstanding at 1/1/2012	Granted	Exercised	Lapsed	
David Li Kwok-po	10/5/2007 ^a	1,100,000	-	-	1,100,000	Nil
	05/5/2008 ^a	2,200,000	-	-	-	2,200,000
	06/7/2010 ^a	2,000,000	-	-	-	2,000,000
	05/5/2011 ^b	666,000 ^{T1}	-	-	-	666,000
	05/5/2011 ^b	666,000 ^{T2}	-	-	-	666,000
	05/5/2011 ^b	668,000 ^{T3}	-	-	-	668,000
	10/5/2012 ^c	-	666,000 ^{T1}	-	-	666,000
	10/5/2012 ^c	-	666,000 ^{T2}	-	-	666,000
	10/5/2012 ^c	-	668,000 ^{T3}	-	-	668,000
Aggregate of other Employees*	10/5/2007 ^a	935,000	-	-	935,000	Nil
	05/5/2008 ^a	1,870,000	-	-	-	1,870,000
	05/5/2009 ^a	3,515,000	-	595,000 ^d	-	2,920,000
	06/7/2010 ^a	3,950,000	-	200,000 ^d	-	3,750,000
	05/5/2011 ^b	1,314,000 ^{T1}	-	-	-	1,314,000
	05/5/2011 ^b	1,314,000 ^{T2}	-	-	-	1,314,000
	05/5/2011 ^b	1,322,000 ^{T3}	-	-	-	1,322,000
	10/5/2012 ^c	-	1,314,000 ^{T1}	-	-	1,314,000
	10/5/2012 ^c	-	1,314,000 ^{T2}	-	-	1,314,000
10/5/2012 ^c	-	1,322,000 ^{T3}	-	-	1,322,000	

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

Notes:

a Particulars of share options granted in years 2007 to 2010:

Date of Grant	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
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

b Particulars of share options granted in year 2011:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
05/5/2011	T1	05/5/2011 – 04/5/2012	05/5/2012 – 05/5/2017	32.00
05/5/2011	T2	05/5/2011 – 04/5/2013	05/5/2013 – 05/5/2018	32.00
05/5/2011	T3	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00

c Share options granted in year 2012:

(i) Particulars:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
10/5/2012	T1	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99

(ii) The closing price of the shares of the Bank on 9th May, 2012 (being the business day immediately preceding 10th May, 2012 on which the options were granted) was HK\$28.90.

(iii) Fair value of share options granted during the year ended 31st December, 2012 and the assumptions are set out in Note 39 on the accounts.

董事會報告書 (續)

認股權資料

根據《上市規則》所披露有關認股權的資料如下：

(1) 截至2012年12月31日止年度內認股權的變動：

姓名	授予日期	認股權數目				於31/12/2012 尚未行使
		於1/1/2012 尚未行使	授出	行使	失效	
李國寶	10/5/2007 ^a	1,100,000	-	-	1,100,000	無
	05/5/2008 ^a	2,200,000	-	-	-	2,200,000
	06/7/2010 ^a	2,000,000	-	-	-	2,000,000
	05/5/2011 ^b	666,000 ^{T1}	-	-	-	666,000
	05/5/2011 ^b	666,000 ^{T2}	-	-	-	666,000
	05/5/2011 ^b	668,000 ^{T3}	-	-	-	668,000
	10/5/2012 ^c	-	666,000 ^{T1}	-	-	666,000
	10/5/2012 ^c	-	666,000 ^{T2}	-	-	666,000
	10/5/2012 ^c	-	668,000 ^{T3}	-	-	668,000
其他僱員的總數*	10/5/2007 ^a	935,000	-	-	935,000	無
	05/5/2008 ^a	1,870,000	-	-	-	1,870,000
	05/5/2009 ^a	3,515,000	-	595,000 ^d	-	2,920,000
	06/7/2010 ^a	3,950,000	-	200,000 ^d	-	3,750,000
	05/5/2011 ^b	1,314,000 ^{T1}	-	-	-	1,314,000
	05/5/2011 ^b	1,314,000 ^{T2}	-	-	-	1,314,000
	05/5/2011 ^b	1,322,000 ^{T3}	-	-	-	1,322,000
	10/5/2012 ^c	-	1,314,000 ^{T1}	-	-	1,314,000
	10/5/2012 ^c	-	1,314,000 ^{T2}	-	-	1,314,000
10/5/2012 ^c	-	1,322,000 ^{T3}	-	-	1,322,000	

* 按香港《僱傭條例》所指的「連續合約」工作的僱員。

附註：

a 由2007年至2010年授予的認股權詳情：

授予日期	有效期	行使期	每股行使價 港幣(元)
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

b 於2011年授予的認股權：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
05/5/2011	T1	05/5/2011 – 04/5/2012	05/5/2012 – 05/5/2017	32.00
05/5/2011	T2	05/5/2011 – 04/5/2013	05/5/2013 – 05/5/2018	32.00
05/5/2011	T3	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00

c 於2012年授予的認股權：

(i) 詳情：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
10/5/2012	T1	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99

(ii) 本行股份在2012年5月9日(即2012年5月10日授出認股權當日之前一個營業日)的收市價為港幣28.90元。

(iii) 在截至2012年12月31日止年度內授出認股權的公平價值及假設載於賬項附註39。

REPORT OF THE DIRECTORS (CONTINUED)

d The annual weighted average ("AWA") closing price of the shares of the Bank immediately before the date on which the Options were exercised during the year ended 31st December, 2012:

Date of Grant	No. of Options Exercised	Exercise Price Per Share HK\$	AWA Closing Price HK\$
05/5/2009	595,000	21.25	29.04
06/7/2010	200,000	28.49	29.50

(2) No share options were cancelled during the year ended 31st December, 2012.

(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, 2012, 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 2011 that was adopted on 19th April, 2011 (the "2011 Scheme") disclosed in accordance with the Listing Rules:

1. Purpose of the 2011 Scheme:

- (a) The 2011 Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible persons had made or may make to the Group.
- (b) The 2011 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 2011 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 2011 Scheme and % of issued share capital at 31st December, 2012:

The total number of shares available for issue under the 2011 Scheme is 102,251,616 ordinary shares representing 4.59% of the issued share capital at 31st December, 2012.

4. Maximum entitlement of each participant under the 2011 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 2011 Scheme or any other schemes (which are subject to regulation under Chapter 17 of the Listing Rules) of the Bank (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such new grant exceeding 1% of the issued share capital as at the date of such new grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the 2011 Scheme.

5. The period within which the shares must be taken up under an option:

Beginning on the vesting date of such options, the date on which such option is vested and becomes exercisable, and ending on the fifth anniversary of the vesting date thereof, except as provided otherwise in the rules of the 2011 Scheme.

6. The minimum period for which an option must be held before it can be exercised:

From the Date of Grant of such options up to the day immediately before the vesting date thereof.

董事會報告書（續）

d 在截至2012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)
05/5/2009	595,000	21.25	29.04
06/7/2010	200,000	28.49	29.50

(2) 截至2012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2012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2011年4月19日採納的僱員認股計劃2011(「2011計劃」)的摘要如下：

1. 2011計劃的目的：

- (a) 2011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) 2011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. 2011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. 2011計劃中可予發行的股份數目及其於2012年12月31日佔已發行股本的百分率：

2011計劃中可予發行的股份數目為102,251,616股普通股，佔本行於2012年12月31日已發行股本的4.59%。

4. 2011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2011計劃及本行任何其他計劃（該計劃受《上市規則》第17章的規定所規限）獲授的認股權（包括已行使、已註銷及尚未行使的認股權）時，所獲發行及將予發行的股份總數超出新認股權授出當日的已發行股份的1%，則不得向該位合資格人士再授出新認股權。再度授出超出該上限的認股權，須受載於2011計劃的規則內的若干規定所約束。

5. 可根據認股權認購股份的期限：

除2011計劃的規則另有規定外，由該認股權歸屬日（該認股權被歸屬並變為可行使之日期）開始截至歸屬日的第5周年止。

6. 認股權行使之前必須持有的最短期限：

由認股權授出之日起直至歸屬日之前一日。

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:

- 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;
- 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
- the nominal value of the Bank's ordinary shares.

9. Vesting of Options:

Save as provided otherwise in the rules of the 2011 Scheme, an option granted under the 2011 Scheme shall be vested and become exercisable as follows:

- not more than one third of the option shall be vested and become exercisable on the first anniversary of the Date of Grant;
- not more than one third of the option shall be vested and become exercisable on the second anniversary of the Date of Grant; and
- the remaining balance of the option shall be vested and become exercisable on the third anniversary of the Date of Grant.

10. The remaining life of the 2011 Scheme:

The Scheme Period will end on 18th April, 2016.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31st December, 2012, the interests and short positions of substantial shareholders and other persons in the shares and underlying shares of the Bank as recorded in the register required to be kept under section 336 of the SFO (the "Register") were as follows:

Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of shares	% of issued share capital
CaixaBank, S.A.	Beneficial owner	364,746,530 ¹	16.38
Caja de Ahorros y Pensiones de Barcelona	Interest of corporation	364,746,530 ¹	16.38
Guoco Management Company Limited	Beneficial owner	319,232,772 ^{2,3}	14.34 ⁴
Guoco Group Limited	Interest of corporation	319,232,772 ²	14.34
GuoLine Overseas Limited	Interest of corporation	319,232,772 ²	14.34 ⁴
GuoLine Capital Assets Limited	Interest of corporation	319,232,772 ²	14.34 ⁴
Hong Leong Company (Malaysia) Berhad	Interest of corporation	319,232,772 ^{2,3}	14.34
HL Holdings Sdn Bhd	Interest of corporation	319,232,772 ²	14.34
QUEK Leng Chan	Interest of corporation	319,232,772 ²	14.34
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	319,232,772 ³	14.34
Davos Investment Holdings Private Limited	Interest of corporation	319,232,772 ³	14.34
KWEK Leng Kee	Interest of corporation	319,232,772 ³	14.34
Sumitomo Mitsui Banking Corporation	Beneficial owner	211,553,938 ⁵	9.50
Sumitomo Mitsui Financial Group, Inc.	Interest of corporation	211,553,938 ⁵	9.50

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. 認股權的歸屬：

除2011計劃的規則另有規定外，按2011計劃授出的認股權將被歸屬及成為可行使如下：

- (a) 不多於三分之一的認股權將於授予日的第1周年被歸屬及成為可行使；
- (b) 不多於三分之一的認股權將於授予日的第2周年被歸屬及成為可行使；及
- (c) 餘下的認股權將於授予日的第3周年被歸屬及成為可行使。

10. 2011計劃尚餘的有效期：

計劃期間於2016年4月18日終止。

主要股東及其他人士的權益

於2012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（「該登記冊」）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	身份及性質	股份數目	佔已發行股本的百分率
CaixaBank, S.A.	實益擁有人	364,746,530 ¹	16.38
西班牙巴塞羅那儲蓄銀行	法團的權益	364,746,530 ¹	16.38
國浩管理有限公司	實益擁有人	319,232,772 ^{2,3}	14.34 ⁴
國浩集團有限公司	法團的權益	319,232,772 ²	14.34
GuoLine Overseas Limited	法團的權益	319,232,772 ²	14.34 ⁴
GuoLine Capital Assets Limited	法團的權益	319,232,772 ²	14.34 ⁴
Hong Leong Company (Malaysia) Berhad	法團的權益	319,232,772 ^{2,3}	14.34
HL Holdings Sdn Bhd	法團的權益	319,232,772 ²	14.34
郭令燦	法團的權益	319,232,772 ²	14.34
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	319,232,772 ³	14.34
Davos Investment Holdings Private Limited	法團的權益	319,232,772 ³	14.34
KWEK Leng Kee	法團的權益	319,232,772 ³	14.34
三井住友銀行	實益擁有人	211,553,938 ⁵	9.50
三井住友金融集團	法團的權益	211,553,938 ⁵	9.50

REPORT OF THE DIRECTORS (CONTINUED)

Notes:

- 1 As at 31st December, 2012, *Caja de Ahorros y Pensiones de Barcelona* held a controlling interest in *CaixaBank, S.A.* which directly held the above 364,746,530 shares of the Bank. *Caja de Ahorros y Pensiones de Barcelona* was deemed to be interested in the above 364,746,530 shares of the Bank.
- 2 The references to 319,232,772 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 319,232,772 shares (equivalent to approximately 14.34% of the issued share capital of the Bank at the time of disclosure pursuant to Part XV of the SFO and 14.33% of the issued share capital of the Bank as at 31st December, 2012). *Hong Leong Company (Malaysia) Berhad* was deemed to be interested in the 319,232,772 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 71.52% 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 319,232,772 shares held by *Guoco Management Company Limited*.

Quek Leng Chan was deemed to be interested in the 319,232,772 shares held by *Guoco Management Company Limited* by virtue of his 100% interest in *HL Holdings Sdn Bhd* ("HLH"). *Hong Leong Company (Malaysia) Berhad* was 49.27% owned by *Quek Leng Chan* as to 2.424% under his personal name, 46.534% via *HLH* which was wholly-owned by him and 0.311% via *Newton (L) Limited*.
- 3 The references to 319,232,772 shares of the Bank in Notes 2 and 3 relate to the same block of shares. *Hong Leong Company (Malaysia) Berhad* was 34.69% held by *Hong Leong Investment Holdings Pte. Ltd.* which was in turn 33.59% held by *Davos Investment Holdings Private Limited*. *Hong Leong Investment Holdings Pte. Ltd.* and *Davos Investment Holdings Private Limited* were deemed to be interested in the 319,232,772 shares (equivalent to approximately 14.34% of the issued share capital of the Bank at the time of disclosure pursuant to Part XV of the SFO and 14.33% of the issued share capital of the Bank as at 31st December, 2012) 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 319,232,772 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.
- 5 *Sumitomo Mitsui Financial Group, Inc.* owned a 100% interest in *Sumitomo Mitsui Banking Corporation* which directly held the above 211,553,938 shares of the Bank. *Sumitomo Mitsui Financial Group, Inc.* was deemed to be interested in the above 211,553,938 shares of the Bank.

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, 2012 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, 26th February, 2013

董事會報告書（續）

附註：

- 1 於2012年12月31日，西班牙巴塞羅那儲蓄銀行擁有控制CaixaBank, S.A.的權益，因此而被視為擁有CaixaBank, S.A.所持有上列的364,746,530股本行股份的權益。
- 2 附註2及3所指之319,232,772股本行股份為同一批股份。國浩管理有限公司為319,232,772股（約佔根據《證券及期貨條例》第XV部作出披露時本行已發行的股本的14.34%及佔本行於2012年12月31日已發行股本約14.33%）之實益擁有人。由於Hong Leong Company (Malaysia) Berhad 全資擁有GuoLine Capital Assets Limited、GuoLine Capital Assets Limited全資擁有GuoLine Overseas Limited、GuoLine Overseas Limited持有國浩集團有限公司的71.52%權益及國浩集團有限公司全資擁有國浩管理有限公司，Hong Leong Company (Malaysia) Berhad因此而被視為擁有國浩管理有限公司所持有的319,232,772股的權益。GuoLine Capital Assets Limited、GuoLine Overseas Limited和國浩集團有限公司均被視為擁有國浩管理有限公司所持有的319,232,772股的權益。
郭令燦擁有HL Holdings Sdn Bhd (「HLH」)的全部權益，而郭令燦分別以其個人名義及透過其全資擁有的HLH持有Hong Leong Company (Malaysia) Berhad的2.424%及46.534%權益，以及透過Newton (L) Limited持有0.311%（合共49.27%權益），因此郭令燦被視為擁有國浩管理有限公司持有的319,232,772股股份的權益。
- 3 附註2及3所指之319,232,772股本行股份為同一批股份。Davos Investment Holdings Private Limited持有Hong Leong Investment Holdings Pte. Ltd.的33.59%權益，Hong Leong Investment Holdings Pte. Ltd.則持有Hong Leong Company (Malaysia) Berhad的34.69%權益。Davos Investment Holdings Private Limited和Hong Leong Investment Holdings Pte. Ltd.因持有Hong Leong Company (Malaysia) Berhad的權益而被視為擁有國浩管理有限公司所持有的319,232,772股（約佔根據《證券及期貨條例》第XV部作出披露時本行已發行的股本的14.34%及佔本行於2012年12月31日已發行股本約14.33%）的權益。
KWEK Leng Kee因持有Davos Investment Holdings Private Limited的41.92%權益而被視為擁有國浩管理有限公司所持有之319,232,772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；而國浩管理有限公司則為國浩集團有限公司的全資附屬公司。由於Hong Leong Company (Malaysia) Berhad及國浩集團有限公司已將大股東權益的通知存檔，GuoLine Overseas Limited、GuoLine Capital Assets Limited及國浩管理有限公司根據《證券及期貨條例》中「全資集團豁免條文」毋須將其大股東權益通知存檔。
- 5 三井住友金融集團全資擁有三井住友銀行，因此三井住友金融集團被視為擁有三井住友銀行所持有上列的211,553,938股本行股份的權益。

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2012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，2013年2月26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 265, which comprise the consolidated and the Bank's statements of financial position as at 31st December 2012, 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, 2012 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, 26th February, 2013

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265頁東亞銀行有限公司(「貴銀行」)及其附屬公司(統稱「集團」)的綜合財務報表，此綜合財務報表包括於2012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。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的《香港審計準則》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重大錯誤陳述。

審計涉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計憑證。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的會計政策的合適性及所作出的會計估計的合理性，以及評價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2012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，2013年2月26日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31st December, 2012 截至2012年12月31日止年度

			2012	2011
		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	22,635	20,868
Interest expense	利息支出	5	(12,911)	(11,605)
Net interest income	淨利息收入		9,724	9,263
Fee and commission income	服務費及佣金收入	6	4,159	3,813
Fee and commission expense	服務費及佣金支出		(780)	(763)
Net fee and commission income	服務費及佣金淨額		3,379	3,050
Net trading profits	交易溢利淨額	7	765	175
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	664	(354)
Net hedging loss	對沖虧損淨額	9	(15)	(5)
Other operating income	其他經營收入	10	592	586
Non-interest income	非利息收入		5,385	3,452
Operating income	經營收入		15,109	12,715
Operating expenses	經營支出	11	(8,725)	(7,992)
Operating profit before impairment losses	未扣除減值損失之經營溢利		6,384	4,723
Impairment losses on loans and advances	貸款及墊款減值損失	12	(213)	(75)
Write back of/(Charge for) impairment losses on held-to-maturity investments	持至到期投資減值損失回撥/(支銷)	30	11	(11)
Impairment losses on available-for-sale financial assets	可供出售金融資產減值損失		(63)	(49)
Impairment losses	減值損失		(265)	(135)
Operating profit after impairment losses	已扣除減值損失後之經營溢利		6,119	4,588
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利	13	82	59
Net profit on sale of loans and receivables	出售貸款及應收賬項之淨溢利		35	3
Net profit on sale of subsidiaries/associates	出售附屬公司/聯營公司之淨溢利		203	122
Net profit on sale of fixed assets	出售固定資產之淨溢利	14	139	140
Valuation gains on properties	重估物業盈利	15, 34	451	404
Share of profits less losses of associates	應佔聯營公司溢利減虧損		536	435
Profit for the year before taxation	年度內除稅前溢利		7,565	5,751
Income tax	所得稅	16	(1,411)	(1,300)
Profit for the year after taxation	年度內除稅後溢利		6,154	4,451
Attributable to:	可歸屬於:			
Owners of the parent	本集團股東		6,056	4,358
Non-controlling interests	非控股權益	42	98	93
Profit after taxation	除稅後溢利		6,154	4,451
Earnings per share	每股盈利		HK\$ 港幣	HK\$ 港幣
Basic	基本	19	2.72	1.96
Diluted	攤薄	19	2.72	1.96

The notes on pages 126 to 265 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 18.

第126至265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18。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31st December, 2012 截至2012年12月31日止年度

		2012		2011		
		Notes 附註	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元		
Net Profit	淨溢利		6,154		4,451	
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	41(c)	–		16	
– deferred taxes	– 遞延稅項	41(c)	1		3	
– exchange differences	– 匯兌差額	41(c)	1		(3)	
Available-for-sale investment revaluation reserve:	可供出售投資的重估儲備:					
– fair value changes recognised to/(from) equity	– 計入/(轉自)股東 權益的公平價值變動	41(h)	1,121		(326)	
– fair value changes reclassified 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	41(h)	98		55	
– on disposal	– 出售	41(h)	(113)		5	
– deferred taxes	– 遞延稅項	41(h)	(120)		35	
– exchange differences	– 匯兌差額	41(h)	(1)		–	
Share of changes in equity of associates	應佔聯營公司權益的變動	41(i)	4		7	
Exchange differences on other reserves	其他儲備所產生的匯兌差額	41(d)	15		82	
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	41(f)	379		452	
Other comprehensive income	其他全面收益		1,385		326	
Total comprehensive income	全面收益總額		7,539		4,777	
Total comprehensive income attributable to:	全面收益總額可歸屬於:					
Owners of the parent	本集團股東		7,441		4,684	
Non-controlling interests	非控股權益	42	98		93	
			7,539		4,777	

The notes on pages 126 to 265 form part of these accounts.

第126至265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, 2012 2012年12月31日

			2012	2011
		Notes 附註	HK\$ Mn 港幣百萬元	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	23	85,512	71,761
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	24	50,618	58,598
Trade bills	貿易票據	25	55,740	46,891
Trading assets	交易用途資產	26	7,338	5,600
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	27	15,169	16,663
Advances to customers and other accounts	客戶墊款及其他賬項	28	387,273	341,341
Available-for-sale financial assets	可供出售金融資產	29	64,731	44,910
Held-to-maturity investments	持有到期投資	30	4,320	4,587
Investments in associates	聯營公司投資	32	4,677	3,820
Fixed assets	固定資產	34	12,552	12,639
– Investment properties	– 投資物業		3,100	2,940
– Other property and equipment	– 其他物業及設備		9,452	9,699
Goodwill and intangible assets	商譽及無形資產	33	4,041	4,215
Deferred tax assets	遞延稅項資產	36(b)	143	377
Total Assets	資產總額		692,114	611,402
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		30,597	15,923
Deposits from customers	客戶存款		498,770	467,354
Trading liabilities	交易用途負債	37(a)	3,827	4,548
Certificates of deposit issued	已發行存款證		27,370	11,483
– At fair value through profit or loss	– 通過損益以反映公平價值		6,095	5,272
– At amortised cost	– 攤銷成本		21,275	6,211
Current taxation	本期稅項	36(a)	988	473
Debt securities issued	已發行債務證券		8,657	6,393
– At fair value through profit or loss	– 通過損益以反映公平價值		698	–
– At amortised cost	– 攤銷成本		7,959	6,393
Deferred tax liabilities	遞延稅項負債	36(b)	626	461
Other accounts and provisions	其他賬項及準備	37(b)	45,377	35,982
Loan capital	借貸資本	38	14,263	16,741
– At fair value through profit or loss	– 通過損益以反映公平價值		–	3,178
– At amortised cost	– 攤銷成本		14,263	13,563
Total Liabilities	負債總額		630,475	559,358
Share capital	股本	40	5,568	5,190
Reserves	儲備	41	51,585	42,426
Total equity attributable to owners of the parent	歸屬於本集團股東權益總額		57,153	47,616
Non-controlling interests	非控股權益	42	4,486	4,428
Total Equity	股東權益總額		61,639	52,044
Total Equity and Liabilities	股東權益及負債總額		692,114	611,402

Approved and authorised for issue by the Board of Directors on 26th February, 2013.

Chairman and Chief Executive
DirectorsDavid LI Kwok-po
Allan WONG Chi-yun
WONG Chung-hin
Winston LO Yau-lai

董事會於2013年2月26日核准及授權發布。

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 265 form part of these accounts.

第126至265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, 2012 2012年12月31日

		Notes 附註	2012 HK\$ Mn 港幣百萬元	2011 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	23	19,756	22,570
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	24	19,335	33,370
Trade bills	貿易票據	25	47,931	35,876
Trading assets	交易用途資產	26	3,993	4,159
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	27	14,870	16,453
Advances to customers and other accounts	客戶墊款及其他賬項	28	228,226	203,593
Amounts due from subsidiaries	附屬公司欠款	35	15,566	11,498
Available-for-sale financial assets	可供出售金融資產	29	45,016	28,629
Held-to-maturity investments	持至到期投資	30	3,219	2,880
Investments in subsidiaries	附屬公司投資	31	13,958	13,754
Investments in associates	聯營公司投資	32	2,565	2,466
Fixed assets	固定資產	34	6,836	6,878
– Investment properties	– 投資物業		2,428	2,433
– Other property and equipment	– 其他物業及設備		4,408	4,445
Goodwill and intangible assets	商譽及無形資產	33	1,460	1,460
Deferred tax assets	遞延稅項資產	36(b)	130	153
Total Assets	資產總額		422,861	383,739
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		10,607	10,064
Deposits from customers	客戶存款		306,653	290,445
Trading liabilities	交易用途負債	37(a)	3,080	3,827
Certificates of deposit issued	已發行存款證		29,570	13,683
– At fair value through profit or loss	– 通過損益以反映公平價值		6,095	5,272
– At amortised cost	– 攤銷成本		23,475	8,411
Amounts due to subsidiaries	欠附屬公司款項	35	3,105	2,416
Current taxation	本期稅項	36(a)	872	297
Debt securities issued	已發行債務證券		1,200	241
– At fair value through profit or loss	– 通過損益以反映公平價值		698	–
– At amortised cost	– 攤銷成本		502	241
Deferred tax liabilities	遞延稅項負債	36(b)	600	454
Other accounts and provisions	其他賬項及準備	37(b)	7,033	6,221
Loan capital	借貸資本	38	18,673	20,766
– At fair value through profit or loss	– 通過損益以反映公平價值		4,410	7,203
– At amortised cost	– 攤銷成本		14,263	13,563
Total Liabilities	負債總額		381,393	348,414
Share capital	股本	40	5,568	5,190
Reserves	儲備	41	35,900	30,135
Total equity attributable to owners of the Bank	歸屬於本行股東權益總額		41,468	35,325
Total Equity and Liabilities	股東權益及負債總額		422,861	383,739

Approved and authorised for issue by the Board of Directors on 26th February, 2013.

Chairman and Chief Executive
DirectorsDavid LI Kwok-po
Allan WONG Chi-yun
WONG Chung-hin
Winston LO Yau-lai

董事會於2013年2月26日核准及授權發布。

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 265 form part of these accounts.

第126至265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

For the year ended 31st December, 2012 截至2012年12月31日止年度

	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, 2012 於2012年1月1日	5,190	12,037	140	2,390	27	1,032	86	13,744	2,202	10,768	47,616	4,428	52,044
Changes in equity 權益變動													
Profit for the year 年度內溢利	-	-	-	-	-	-	-	-	-	6,056	6,056	98	6,154
Other comprehensive income 其他全面收益	-	-	-	379	985	2	-	-	19	-	1,385	-	1,385
Total comprehensive income 全面收益總額	-	-	-	379	985	2	-	-	19	6,056	7,441	98	7,539
Shares issued in lieu of dividend 以股代息發行的股份	97	1,002	-	-	-	-	-	-	-	-	1,099	-	1,099
Subscription of new shares 發行新股	279	3,022	-	-	-	-	-	-	-	-	3,301	-	3,301
Shares issued under Staff Share Option Schemes 根據僱員認股計劃發行的股份	2	16	-	-	-	-	-	-	-	-	18	-	18
Equity settled share-based transaction 以股份為基礎作支付之交易	-	-	22	-	-	-	-	-	-	-	22	-	22
Transfer 轉賬	-	6	(27)	-	-	(58)	48	79	390	(485)	(47)	47	-
Dividends declared or approved during the year 年度內已宣佈或核准派發股息	-	-	-	-	-	-	-	-	-	(2,293)	(2,293)	(68)	(2,361)
Reversal due to disposal of a subsidiary 因出售一間附屬公司的反沖	-	-	-	-	-	-	(4)	-	-	-	(4)	-	(4)
Exchange adjustments 匯兌調整	-	-	-	-	-	-	-	-	-	-	-	(19)	(19)
At 31st December, 2012 於2012年12月31日	5,568	16,083	135	2,769	1,012	976	130	13,823	2,611	14,046	57,153	4,486	61,639

* Other reserves include statutory reserve and other reserves.

* 其他儲備包括法定儲備及其他儲備。

The notes on pages 126 to 265 form part of these accounts.

第126至265頁之附註屬本賬項之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 31st December, 2011 截至2011年12月31日止年度

	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	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, 2011 於2011年1月1日													
– As previously reported – 如前報告	5,105	9,331	165	1,938	258	1,023	86	15,453	2,043	8,841	44,243	4,400	48,643
– Reclassification from general reserve to share premium – 由一般儲備重新分類至股份溢價	–	2,181	–	–	–	–	–	(2,181)	–	–	–	–	–
– As restated – 重報	5,105	11,512	165	1,938	258	1,023	86	13,272	2,043	8,841	44,243	4,400	48,643
Changes in equity 權益變動													
Profit for the year 年度內溢利	–	–	–	–	–	–	–	–	–	4,358	4,358	93	4,451
Other comprehensive income 其他全面收益	–	–	–	452	(231)	16	–	–	89	–	326	–	326
Total comprehensive income 全面收益總額	–	–	–	452	(231)	16	–	–	89	4,358	4,684	93	4,777
Shares issued in lieu of dividend 以股息發行的股份	77	416	–	–	–	–	–	441	–	–	934	–	934
Shares issued under Staff Share Option Schemes 根據僱員認股計劃發行的股份	8	85	–	–	–	–	–	–	–	–	93	–	93
Equity settled share-based transaction 以股份為基礎作支付之交易	–	–	20	–	–	–	–	–	–	–	20	–	20
Transfer 轉賬	–	24	(45)	–	–	(7)	–	31	70	(73)	–	–	–
Dividends declared or approved during the year 年度內已宣佈或核准派發股息	–	–	–	–	–	–	–	–	–	(2,358)	(2,358)	(61)	(2,419)
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	–	–	–	–	–	–	–	–	–	–	–	2	2
Exchange adjustments 匯兌調整	–	–	–	–	–	–	–	–	–	–	–	(6)	(6)
At 31st December, 2011 於2011年12月31日	5,190	12,037	140	2,390	27	1,032	86	13,744	2,202	10,768	47,616	4,428	52,044

* Other reserves include statutory reserve and other reserves.

* 其他儲備包括法定儲備及其他儲備。

The notes on pages 126 to 265 form part of these accounts.

第126至265頁之附註屬本賬項之一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31st December, 2012 截至2012年12月31日止年度

		2012	2011
		Notes 附註	Restated 重報
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
OPERATING ACTIVITIES	經營業務活動		
Profit for the year before taxation	年度內除稅前溢利	7,565	5,751
Adjustments for:	調整:		
Charge for impairment losses on loans and advances	貸款及墊款減值損失支銷	12 213	75
Charge for impairment allowances on held-to-maturity investments, available-for-sale financial assets and associates	持至到期投資、可供出售金融資產和聯營公司的減值準備支銷	52	60
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(536)	(435)
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產淨溢利	(82)	(59)
Net profit on sale of subsidiaries and associates	出售附屬公司及聯營公司淨溢利	(203)	(122)
Net profit on sale of fixed assets	出售固定資產之淨溢利	(139)	(140)
Interest expense on loan capital and certificates of deposit	已發行借貸資本及存款證利息支出	1,534	978
Depreciation on fixed assets	固定資產折舊	11, 34 657	636
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入	(42)	(89)
Amortisation of intangible assets	無形資產攤銷	11 33	33
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	110	60
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	298	711
Valuation gains on investment properties	重估投資物業盈利	34 (454)	(404)
Revaluation loss on bank premises	重估行址虧損	3	-
Equity-settled share-based payment expenses	以股份為基礎作支付費用	22	20
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	營運資金變動前的經營溢利	9,031	7,075
(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	(811)	(10,076)
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	8,715	(25,165)
Trade bills	貿易票據	(8,849)	(28,353)
Trading assets	交易用途資產	(1,738)	245
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	1,494	(471)
Advances to customers	客戶墊款	(40,074)	(18,383)
Advances to banks and other financial institutions	銀行及其他金融機構墊款	47	1,127
Held-to-maturity debt securities	持至到期債務證券	379	1,276
Available-for-sale financial assets	可供出售金融資產	(12,256)	259
Other accounts and accrued interest	其他賬項及應計利息	(10,578)	(4,364)
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	14,715	5,929
Deposits from customers	客戶存款	35,710	47,521
Trading liabilities	交易用途負債	(607)	1,447
Other accounts and provisions	其他賬項及準備	9,382	7,296
Exchange adjustments	匯兌調整	368	619
NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS	經營活動現金流入/(流出)淨額	4,928	(14,018)
Income tax paid	已付所得稅		
Hong Kong profits tax paid	已付香港利得稅	(50)	(69)
Outside Hong Kong profits tax paid	已付海外利得稅	(746)	(817)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	源自/(用於)經營業務活動之現金淨額	4,132	(14,904)

The notes on pages 126 to 265 form part of these accounts.

第126至265頁之附註屬本賬項之一部分。

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

綜合現金流量表(續)

For the year ended 31st December, 2012 截至2012年12月31日止年度

		2012	2011
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
		Notes 附註	
INVESTING ACTIVITIES	投資活動		
Dividends received from associates	收取聯營公司股息		117
Dividends received from available-for-sale equity securities	收取可供出售股份證券股息		89
Purchase of equity securities	購入股份證券		(606)
Proceeds from sale of equity securities	出售股份證券所得款項		988
Purchase of fixed assets	購入固定資產	34	(577)
Purchase of investment properties	購入投資物業		(8)
Proceeds from disposal of fixed assets	出售固定資產所得款項		519
(Purchase)/disposal of shareholding in associates	(購入)/出售聯營公司權益		116
Purchase of subsidiaries	購入附屬公司	46(a)	(75)
Proceeds from sale of interest in a subsidiary	出售一間附屬公司權益所得款項	46(b)	-
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		2
NET CASH GENERATED FROM INVESTING ACTIVITIES	源自投資活動之現金淨額		565
FINANCING ACTIVITIES	融資活動		
Ordinary dividends paid	支付普通股股息		(1,157)
Distribution to Hybrid Tier 1 issue holders	派發予混合一級資本工具持有人		(328)
Issue of ordinary share capital	發行普通股股本	40	93
Subscription of new shares	認購新股		-
Issue of certificates of deposit	發行存款證		19,380
Issue of debt securities	發行債務證券		6,148
Issue of loan capital	發行借貸資本		3,867
Redemption of certificates of deposit issued	贖回已發行存款證		(13,608)
Redemption of debt securities issued	贖回已發行債務證券		(4,929)
Redemption of loan capital	贖回已發行借貸資本		(449)
Interest paid on loan capital	支付借貸資本利息		(572)
Interest paid on certificates of deposit issued	支付已發行存款證利息		(129)
Interest paid on debt securities issued	支付已發行債務證券利息		(162)
NET CASH GENERATED FROM FINANCING ACTIVITIES	源自融資活動之現金淨額		8,154
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及等同現金項目淨增/(減)額		(6,185)
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	於1月1日之現金及等同現金項目	46(c)	85,366
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	於12月31日之現金及等同現金項目	46(c)	79,181
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		19,938
Interest paid	利息支出		9,718
Dividend received	股息收入		129

The notes on pages 126 to 265 form part of these accounts.

第126至265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, 2012 comprise the Group and the Group's interest in associates.

The measurement basis used in the preparation of the accounts is historical cost except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

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

The preparation of accounts in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(a) 符合指引聲明

本賬項乃按照香港會計師公會頒佈所有適用的《香港財務報告準則》，其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2012年12月31日止年度的賬項包括本集團及其應佔聯營公司之權益。

除以下資產及負債是以公平價值列賬外，本賬項是以原值成本作為計量基準。有關詳情載列於下列會計政策：

- 分類作交易用途、指定通過損益以反映公平價值及可供出售的金融工具(附註2(f)(ii))；及
- 投資物業(附註2(h)(ii))。

按《香港財務報告準則》之要求，在編製賬項時，管理層須作判斷、估計及假設從而影響政策實施及資產和負債、及收入與支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計不盡相同。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Details of judgements made by management in the application of HKFRSs that have significant effect on the accounts and major sources of estimation uncertainty are discussed in Note 52.

(c) Basis of Consolidation

These consolidated accounts cover the consolidated position of the Bank and all subsidiaries unless otherwise stated and the Group's interest in associates. For information required to be reported in accordance with the Banking (Disclosures) Rules, the basis of consolidation is set out in the Notes (1) and (2) in the Unaudited Supplementary Financial Information.

(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 Bank, 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.

有關估計及假設須持續檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來會計期，則於修訂期及未來會計期內確認。

在附註52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

本綜合賬項包括本行及其所有附屬公司(除另外陳述外)及本集團所佔聯營公司之權益的綜合狀況。根據《銀行業(披露)規則》所要求匯報的資料，所採納的綜合基準已在未經審核補充財務資料附註(1)及附註(2)列載。

(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。跟未實現盈利相同，因集團之間交易所產生的未實現虧損亦同樣被抵銷，但只局限於未有減值證據。

非控股權益(以往稱為「少數權益」)指無論是直接或間接並不歸屬於本行之附屬公司的權益部份，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變動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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(f)) or, when appropriate, the cost on initial recognition of an investment in an associate (Note 2(c)(ii)).

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost less any impairment losses (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 unless it is classified as held-for-sale, 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.

本集團將不導致喪失控股權之附屬公司權益的變動按權益交易方式入賬，即只調整在綜合權益內之控股及非控股權益的金額以反映其相關權益的變動，但不調整商譽及確認盈虧。

當本集團喪失對一附屬公司之控股權，將按出售該附屬公司之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失控股權日仍保留該前度附屬公司之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(f))的公平價值，或(如適用)按成本初始確認一聯營公司投資(附註2(c)(ii))。

在本行的財務狀況表中，附屬公司投資是以成本減除減值損失(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。

除非分類為持有作出售用途，聯營公司投資是以權益會計法在綜合賬內入賬。入賬方法是先以成本另調整本集團於購入後應該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2(k))所載有關投資的減值損失。任何超出於收購日之成本、本集團應佔聯營公司收購後和已除稅的業績及年度內的任何減值損失均在綜合收益表內確認，而本集團應佔聯營公司收購後和已除稅之其他全面收益項目則在綜合全面收益表內確認。

除本集團對該聯營公司所作具法律或推定義務或替該公司償付的承擔外，當本集團應佔該聯營公司的虧損超出本集團應佔該聯營公司之權益時，超出的虧損將不被確認，而本集團應佔該聯營公司之權益將被減值至零。因此，本集團應佔該聯營公司權益即按權益會計法計算投資賬面值，及實質上構成本集團應佔該聯營公司淨資產的長期權益。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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)).

(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 end of the reporting period. 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.

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 end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1st January, 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

本集團與聯營公司交易而產生之未實現溢利及虧損，按本集團應佔該聯營公司之權益為限作沖銷。若有證據顯示未實現虧損屬資產轉讓的減值損失，則須立即於損益賬內確認。

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。

(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報告期結束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，並在股東權益內分開累計。

海外業務之業績按交易日相約的匯率折算為港幣。資產負債表項目，包括於2005年1月1日或以後因收購海外業務而在綜合時所產生的商譽，按報告期結束日的匯率折算為港幣。產生的匯兌差額直接在其他全面收益內確認，並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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

On disposal of a foreign enterprise, the cumulative amount of the exchange differences which relate to that foreign enterprise is included in the calculation of the profit or loss on disposal.

計算出售海外企業的損益包括截至出售日因該海外企業產生的累計匯兌差額。

(e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(e) 收入確認

收入按已收或應收價款的公平價值釐定。假設經濟利益有可能流向本集團及收入 and 支出(如適用)屬可靠計量的，在收益表內確認收入的方法如下：

Interest income for all interest-bearing financial instruments, except those classified as held for trading or designated at fair value through profit or loss, is recognised as interest income in the income statement on an accruals basis using the effective interest method.

除分類為持有作交易或指定通過損益以反映公平價值外，所有帶息金融工具的利息收入按有效利率方法於收益表內以應計基準列作利息收入。

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

有效利率方法是一種計算攤銷成本及分配利息收入於相關期間的方法。有效利率是可準確將金融工具在預計年內產生之未來現金支出或收入折算為現值，或在較短期內折算為該金融工具賬面值的利率(如適用)。當計算有效利率時，本集團在估計現金流須考慮金融工具的所有合約條款，但不包括未來信貸損失。有效利率組成部分的計算包括所有合約對手之間的費用及基點支出或收入、交易成本及其他所有溢價或折扣。

For impaired loans, the accrual of interest income based on the original terms of the loan is discontinued, but any increase in the present value of impaired loans due to the passage of time is reported as interest income.

就減值貸款而言，根據貸款原本條款計算的應計利息收入終止，但因隨時間過去令致減值貸款之現值增加則列作利息收入。

Net income from financial instruments designated at fair value through profit or loss and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with dividend income attributable to those financial instruments.

指定通過損益以反映公平價值金融工具的淨收入及淨交易收入包括所有金融資產及金融負債之公平價值變動產生的盈虧(減除應計利息)，以及應歸屬於該等金融工具的股息收入。

Fee and commission income is recognised in the income statement when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the costs or risk is incurred and is accounted for as interest income.

服務費及佣金收入在有關服務提供時確認在收益表內，但如服務費是為彌補持續為客戶提供一項服務的成本或承受風險而收取或費用性質為利息則除外。在此情況下，服務費在成本或風險產生的會計期內列作收入，並按利息收入入賬。

Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. If the commitment expires without the Group making a loan, the fee is recognised as revenue on a straight-line basis over the commitment period.

因本集團開展或購入金融資產而產生之開立或承擔服務費收入/支出須遞延及確認為有效利率之調整。如承擔期滿而本集團毋須貸款，該服務費按承擔期限以直線法列作收入。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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.

(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.

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。或有租金以賺取該收入的會計期間列作收入。

非上市投資股息收入在股東收取權被確立時才予以確認。上市投資股息收入則在該投資的股價除息時才被確認。

(f) 金融工具

(i) 初始確認

本集團根據購入資產或產生負債時之原定用途，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，但不包括沒有市場報價的股份證券投資，及其公平價值是不能夠可靠計量的。

作交易用途的金融工具包括購入金融資產或產生金融負債，主要是作短期出售或屬可辨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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

Financial instruments are designated at fair value through profit or loss upon initial recognition when:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract; or
- the separation of the embedded derivatives from the financial instrument is not prohibited.

Financial assets and financial liabilities under this category are carried at fair value. Changes in the fair value are included in the income statement in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than (a) those that the Group intends to sell immediately or in the near term, which will be classified as held for trading; (b) those that the Group, upon initial recognition, designates as at fair value through profit or loss or as available-for-sale; or (c) those where the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which will be classified as available-for-sale. Loans and receivables mainly comprise placements with banks and other financial institutions, trade bills and loans and advances to customers.

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)).

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合約產生的現金流；或
- 將嵌入衍生工具從金融工具內分開是不被禁止的。

屬於此類別的金融資產及金融負債按公平價值入賬。因公平價值變動產生之未實現盈利和虧損計入在期內發生的收益表。於出售或重購時，出售所得或淨支付款項與賬面值的差額計入收益表。

貸款和應收賬款

貸款和應收賬款為固定或可確定付款金額及沒有活躍市場報價的非衍生金融資產，但不包括(a)本集團有計劃於短期內出售而被區分為持有作交易用途；(b)本集團於初始期已指定為通過損益以反映公平價值或可供出售；或(c)本集團可能不能收回大部分初始投資(但不包括因信貸轉壞的原因)，則須分類為可供出售。貸款和應收賬款主要包括在銀行及其他金融機構的存款、貿易票據及客戶貸款及墊款。

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))。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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)).

If, as a result of a change in intention or ability, it is no longer appropriate to classify an investment as held-to-maturity, it shall be reclassified as available-for-sale and remeasured at fair value.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other three categories above. They include financial assets intended to be held for an indefinite period of time, but which may be sold in response to needs for liquidity or changes in the market environment.

Available-for-sale financial assets are carried at fair value. 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 end of the reporting period without any deduction for estimated future selling costs.

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))。

若因意向或能力改變而引致不再適合分類為持至到期投資，則將重新分類為可供出售並按公平價值計量。

可供出售金融資產

可供出售金融資產是被指定為可供出售的非衍生金融資產，或並非分類為以上三種類別的金融資產。它包括計劃作不定期限持有的金融資產，但可能因應流動資金之需要或市場環境轉變而出售。

可供出售金融資產按公平價值列賬。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報告期結束日根據其市場報價但未減除將來的估計出售成本。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

如沒有公眾知悉的最後交易價格或在認可交易所的市場報價，或從經紀／交易員獲得屬於非交易所買賣的金融工具報價，又或該市場並不活躍，此工具的公平價值按估值模式估值，而該估值模式可根據實際市場交易提供可靠的估計價格。

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

當採用現金流折讓價格模式，估計將來現金流按管理層的最佳估計及採用的貼現率是在報告期結束日適用於相同條款工具的市場利率。當採用其他價格模式時，輸入參數是在報告期結束日的市場價格資料。

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset, together with substantially all the risks and rewards of ownership, have been transferred.

(iv) 終止確認

當從金融資產獲得現金流的法定權利屆滿或已將重大風險及回報擁有權同時轉移後，本集團終止確認金融資產。

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

當合約的義務已被履行、取消或期滿，本集團終止確認金融負債。

The Group uses the weighted average method to determine realised gains and losses to be recognised in the income statement on derecognition.

本集團採用加權平均法以釐定在終止確認時須在收益表確認的已實現盈利和虧損。

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(v) 抵銷

如具法定權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，金融資產和金融負債互相抵銷，而在財務狀況表內以淨額列示。

(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that includes both the derivative and a host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The embedded derivatives are separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; and (b) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in the income statement.

(vi) 嵌入衍生工具

嵌入衍生工具屬於一種混合(結合)式工具的組成部分，該工具包括衍生工具及一主合約，並可改變該結合式工具的現金流，其作用類似一張獨立的衍生工具。當(a)該嵌入衍生工具的經濟特性及風險與主合約並非緊密關連的；及(b)混合(結合)式工具並非按公平價值計量及將公平價值變動於收益表內確認，嵌入衍生工具將與主合約分開並按衍生工具入賬。

When the embedded derivative is separated, the host contract is accounted for in accordance with note (ii) above.

當嵌入衍生工具被分開處理，主合約根據上述附註(ii)入賬。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(g) Hedging

Hedge accounting recognizes the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. The Group discontinues prospectively hedge accounting when (a) the hedging instrument expires or is sold, terminated or exercised; (b) the hedge no longer meets the criteria for hedge accounting; or (c) the Group revokes the designation.

(i) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, or the foreign currency risk of a committed future transaction, the effective part of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss at that point remains in equity until the transaction occurs and is recognised in the income statement. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to the income statement immediately.

(ii) Fair value hedge

A fair value hedge seeks to offset risks of changes in the fair value of recognised asset or liability that will give rise to a gain or loss being recognised in the income statement.

The hedging instrument is measured at fair value, with fair value changes recognised in the income statement. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of hedging instrument attributable to the risk being hedged. This adjustment is recognised in the income statement to offset the effect of the gain or loss on the hedging instrument.

When a hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting, or the Group revokes designation of the hedge relationship, any adjustment up to that point, to a hedged item for which the effective interest method is used, is amortised to the income statement as part of the recalculated effective interest rate of the item over its remaining life.

(g) 對沖

會計對沖法是確認因用作對沖工具與被對沖項目因公平價值變動而產生之相互抵銷損益的影響。於衍生工具開始列作對沖工具及在對沖期間，本集團會評估及記錄用作對沖交易的金融工具是否有效地對沖相關項目的公平價值變動或現金流之風險。當(a)該用作對沖工具到期或已出售、終止或行使；(b)該對沖交易不再符合會計對沖法的要求；或(c)本集團取消對沖指定，本集團會停止繼續採用會計對沖法。

(i) 現金流量對沖

當衍生金融工具被指定對沖已確認資產或負債的不既定現金流量，或是甚有可能發生的預計交易，或已承諾未來交易之外匯風險，其有效對沖部份的盈利或虧損或重新計量衍生金融工具至公平價值會在其他全面收益內確認，並在股東權益中的對沖儲備內分開累計。而無效對沖部份的盈利或虧損則立即在收益表內確認。

當用作對沖工具到期或已出售，或當對沖不再符合會計對沖法的要求，截至此期間所累計的盈利或虧損仍保留在股東權益內，直至交易發生及在收益表內確認。如預計對沖交易不會發生，在股東權益內的累計盈利或虧損會立即由股東權益轉入收益表。

(ii) 公平價值對沖

公平價值對沖用作抵銷已確認資產或負債因公平價值變動產生須在收益表內入賬的盈利和虧損的風險。

對沖工具按公平價值列賬，而公平價值的變動在收益表內入賬。被對沖項目的賬面值按對沖工具所對沖之風險的價格變動予以調整。此調整在收益表內入賬以抵銷對沖工具產生的盈利和虧損。

當用作對沖工具到期或已出售、終止或行使，或當對沖不再符合會計對沖法的要求，或本集團取消對沖指定關係，所有截至此期間內按有效利率方式調整的被對沖項目，會按該項目餘下年期當作重新計算有效利率在收益表內攤銷。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

(iii) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

The documentation of each hedge relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

For fair value hedge relationships, the Group utilises the cumulative dollar offset method or regressive analysis as effectiveness testing methodologies. For cash flow hedge relationship, the Group utilises the change in variable cash flow method or the cumulative dollar offset method using the hypothetical derivative approach.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the range of 80 per cent to 125 per cent for the hedge to be deemed effective.

(h) Properties

- (i) Bank premises are stated in the statement of financial position at cost or at Directors' valuation, by reference to an independent professional valuation, less accumulated depreciation and accumulated impairment loss (Note 2(k)).

When a deficit arises on revaluation, it will be charged to the income statement, to the extent that it exceeds the amount held in the bank premises revaluation reserve in respect of that same asset immediately prior to the revaluation; and when a surplus arises on revaluation, it will be credited to the income statement, to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the income statement.

In preparing these accounts, advantage has been taken of the transitional provisions set out in paragraph 80A of HKAS 16 "Property, Plant and Equipment" issued by the HKICPA, with the effect that bank premises have not been revalued to fair value at the end of the reporting period.

(iii) 對沖效用測試

為符合對沖會計法，本集團必須進行兩種測試：在開始對沖時進行「預計效用」測試，顯示預期成效極高；在對沖期內持續進行「追溯效用」測試，證明實際有效。

有關各對沖關係之文件載有如何評估對沖效用。本集團採納之對沖效用評估方法，是按照既定風險管理策略而實施。

對於公平價值對沖關係，本集團採用累計價值抵銷法作為效用測試之方法。對於現金流量對沖關係，本集團會測試現金流量的變動或對沖組合的規模是否充足，或以模擬衍生工具方式，運用累計價值抵銷法測試。

就預計效用而言，對沖工具必須被預期為在劃定對沖期間內，能高度有效地抵銷對沖風險之公平價值或現金流量之變動。就實際效用而言，公平價值或現金流量之變動抵銷額在80%至125%範圍才被視為有效。

(h) 物業

- (i) 行址是按成本或董事參照獨立專業評估作出的估值，減除累計折舊及減值損失(附註2(k))後於財務狀況表中列賬。

當重估出現虧損時，於收益表支銷的金額，只限於超過以往因重估相同行址而存入行址重估儲備的結餘；當重估出現盈餘時，存入收益表內的金額不可超過以往因重估相同行址曾於收益表支銷的重估虧損。

在編製此等賬項時，由於可採用香港會計師公會頒佈的《香港會計準則》第16號「物業、廠房及設備」第80A段所載的過渡條款，故行址並未在報告期結束日重估至公平價值。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

- (ii) Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Investment properties are valued annually by external independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in Note 2(e).

When a bank property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the bank property immediately prior to transfer and its fair value is recognised as a revaluation of bank premises as described in Note 2(h)(i).

If an investment property becomes owner-occupied, it is reclassified as bank premises and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

A property interest under an operating lease is classified and accounted for as an investment property when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in Note 2(l).

- (iii) Profit or loss on disposal of bank premises and investment properties is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the income statement upon disposal. Any surplus that is included in the bank premises revaluation reserve related to the bank premises disposed is transferred to the general reserve.

(i) Amortisation and Depreciation

- (i) Bank premises

Freehold land is not amortised. Leasehold land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease. Leasehold land is amortised on a straight line basis over the remaining term of the lease. Buildings are depreciated on a straight line basis at rates calculated to write off the cost or valuation of each building over its estimated useful life of 50 years or the remaining lease period of the land on which it is situated, whichever is the shorter.

Investment properties are not depreciated.

- (ii) 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。

因公平價值變動而產生的損益在收益表內入賬。投資物業租金收入按附註2(e)所載計算。

如附註2(h)(i)所載，當一項物業因其用途改變而須轉作投資物業時，該物業於轉賬日前的賬面值與公平價值之差額視作行址重估。

如一投資物業轉為自用，該物業須重新分類為行址。於重新分類日的公平價值視作日後作會計用途的成本值。

本集團以經營租賃方式持有用作租金收入或資本增值或二者皆是的物業權益分類為投資物業。此等以經營租賃方式持有的物業權益按公平價值列賬。租金支出按附註2(l)所載入賬。

- (iii) 出售行址及投資物業的損益是以出售所得款項淨額與資產賬面值的差價計算，並在出售時於收益表內入賬。任何有關之重估行址盈餘於出售時從行址重估儲備撥入一般儲備內。

(i) 攤銷及折舊

- (i) 行址

永久業權之土地不予攤銷。用作經營租賃的租賃土地，而其公平價值是不能夠與租賃於初始時已存在之建築物的公平價值分開計量，則當作持有融資租賃入賬。租賃土地以直線法按租賃剩餘年期攤銷。建築物的成本或估值以直線法按其預計使用年限50年或其座落土地剩餘租賃期兩者中的較短期限計算折舊。

投資物業是不予折舊。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

(ii) Other fixed assets

Other fixed assets are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, which is calculated on a straight line basis to write off the assets over their estimated useful lives from 4 to 20 years.

(j) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (Note 2(k)).

On disposal of a cash generating unit, or an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit and loss on disposal.

Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

(k) Impairment of Assets

At each end of the reporting period, the carrying amount of the Group's assets are reviewed to determine whether there is objective evidence of impairment. If internal and external sources of information indicate such evidence exists, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognised in the income statement.

(i) Loans and receivables

The impairment losses of loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets). Receivables with a short duration are not discounted if the effect of discounting is immaterial.

The total allowance for impairment losses consists of two components: individual impairment allowances, and collective impairment allowances.

(ii) 其他固定資產

其他固定資產是按成本減累計折舊及減值損失於財務狀況表中列賬。該等資產是以直線法按照由4年至20年的預計使用年期計算折舊。

(j) 商譽

商譽指

(i) 對價轉讓的公平價值、任何被購入者的非控股權益金額及以往本集團曾經持有該被購入者的股東權益公平價值的總和；超出

(ii) 本集團在收購日計量應佔該被購入者之可辨別資產及負債的公平價值淨額。

當(ii)是大於(i)時，此超出金額立即在損益賬確認為一項議價收購的盈利。

商譽按成本減除累計減值損失列賬。因商業合併而產生的商譽被分配予每一現金生產單位，或一組合之現金生產單位，而預計該現金生產單位是可從商業合併中獲得協同效應，以及須每年接受減值測試(附註2(k))。

在年度內出售單一現金生產單位或聯營公司，計算出售溢利時計入任何可歸屬購入商譽的金額。

由內部產生之商譽及品牌的開支按在發生期間內確認為支出。

(k) 資產減值損失

本集團須於報告期結束日檢討資產的賬面值以判斷是否有客觀減值證據。如對內及對外資料來源均顯示減值證據存在，須減低賬面值至可收回金額，而減值損失於收益表內入賬。

(i) 貸款和應收賬款

貸款和應收賬款的減值損失，是根據資產賬面值及估計未來現金流按資產原本之有效利率(即於初始時確認該等資產之有效利率)折算為現值，以二者之差額計算。如果折算現值後的影響不大，不會折算短期應收賬款。

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The individual impairment allowance is based upon management's best estimate of the present value of the cash flows which are expected to be received discounted at the original effective interest rate. In estimating these cash flows, management makes judgements about the borrower's financial situation and the net realisable value of any underlying collateral or guarantees in favour of the Group. Each impaired asset is assessed on its own merits.

In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the impairment allowances the Group makes depends on how well the Group can estimate future cash flows for individually assessed impairment allowances and the model assumptions and parameters used in determining collective impairment allowances. While this necessarily involves judgment, the Group believes that the impairment allowances on loans and advances to customers are reasonable and supportable.

All loans and receivables are reviewed and analysed periodically. Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that can be linked objectively to an event occurring after the write-down, will result in a change in the impairment allowances on loans and receivables and will be charged or credited to the income statement. A reversal of impairment losses is limited to the loans and receivables' carrying amount that would have been determined had no impairment loss been recognised in prior years.

Where there is no reasonable prospect of recovery, the loan and the related interest receivables are written off.

Loans and receivables with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Renegotiated loans and receivables are subject to ongoing monitoring to determine whether they remain impaired or past due.

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。已作個別減值評估的資產而減值損失已持續確認，該資產不會包括於整體減值評估內。

個別減值準備是根據管理層的最佳估計將可能收回之現金流按原本的有效利率折算為現值。在估計現金流時，管理層須判斷借款人的財政狀況及給予本集團的抵押品或擔保之可變現淨值。並須評估每宗減值資產的自身價值。

當評估所需的整體減值損失準備時，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。

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過往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。

經重訂條款的貸款和應收賬款是因借款人的財政狀況惡化而須重組的貸款，而本集團已顧及借款人的財政狀況而有所讓步，否則會不作此考慮。經重訂的貸款和應收賬款須持續受監控以判斷它們是否仍然已減值或逾期。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

(ii) Held-to-maturity investments

Impairment on held-to-maturity investments is considered at both an individual and collective level. The individual impairment allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at asset's original effective interest rate, where the effect of discounting is material.

All significant assets found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets with similar risk characteristics.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the income statement. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

(iii) Available-for-sale financial assets

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in the fair value reserve is reclassified to the income statement. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the equity securities and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, where the effect of discounting is material.

Impairment losses recognised in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognised directly in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the income statement.

(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。

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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(iv) Other assets

Internal and external sources of information are reviewed at each end of the reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment (other than properties carried at revalued amounts);
- investments in subsidiaries and associates;
- goodwill; and
- intangible assets

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(iv) 其他資產

在報告期結束日，須檢討對內及對外資料來源以辨別以下資產是否有減值徵兆或，除商譽外，以往已確認之減值損失是否仍然存在或可能已經減少：

- 物業及設備(以重估金額列賬的物業除外)；
- 附屬及聯營公司投資；
- 商譽；及
- 無形資產

如任何該等徵兆存在，須估計該資產的可收回金額。此外，商譽須每年估計可收回金額以確定是否有減值徵兆。

可收回金額之計算

可收回金額是公平價值減出售成本及使用價值二者中之較高者。在評估使用價值時，會採用一項當時市場評估的時間值及相對於該資產的風險的稅前折扣率將估計未來現金流量折實為現在價值。當某資產未能大部分地獨立於其他資產產生現金流量，其可收回金額取決於可獨立地產生現金流量的最小資產組合(即單一現金生產單位)。

減值損失之確認

當資產的賬面值或其所屬的現金生產單位超過可收回金額時，須於收益表內確認減值損失。有關確認現金生產單位減值損失時，首先減低分配予現金生產單位(或其單位群組)之賬面值，其後再按比例減低在該單位(或其單位組別)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價值(如可確定的話)。

減值損失之轉回

除商譽外的有關資產，如在用來釐定可收回金額的估計發生有利的變化，則減值損失會被轉回。商譽的減值損失不可轉回。

減值損失轉回只局限至該資產的賬面值，猶如該等減值損失從未在往年被確認。

減值損失轉回在該被確認的年度計入收益表內。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

(v) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (Note 2(k)(i) to (iv)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not the income statement.

(l) Leased Assets

Leases of assets under which the lessee assumes substantially all the risks and benefits of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

(i) Assets held under finance leases

The amounts due from lessees in respect of finance leases are recorded in the statement of financial position as advances to customers at the amounts of net investment which represent the total rentals receivable under finance leases less unearned income. Revenue arising from finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2(e).

(ii) Assets held for use in operating leases

Where the Group leases out assets under operating leases, the leased assets are included in the statement of financial position according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in Note 2(i). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 2(k). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2(e).

(iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

(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。

(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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(m) Repossession of Assets

In the recovery of impaired loans and advances, the Group may take possession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group's accounting policy set out in Note 2(k), impairment allowances for impaired loans and advances are maintained after taking into account the net realisable value of the collateral assets, usually resulting in a partial write-off of the loans and advances against impairment allowances. Repossessed assets are reported under other assets if it is highly probable that their carrying amount will be recovered through a sale transaction rather than through continuing use and the assets are available for sale in their present condition. Related loans and advances are then written off.

Repossessed assets are recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses on initial classification and on subsequent remeasurement are recognised in the 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 end of the reporting period, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing deductible temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

(m) 收回資產

在收回減值貸款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2(k)所載的會計政策，計算減值貸款之減值準備已顧及抵押品資產之可變現淨值，通常引致須在減值準備內撇銷部分貸款。如大有可能須透過變賣資產而不是持續使用資產，及該資產可在現況下出售，可收回資產視作其他資產列賬。有關貸款隨後撇銷。

收回資產按有關貸款的金額或於轉換日已減除出售成本後之公平價值，按兩者之較低者入賬。收回資產毋須折舊或攤銷。

在初始期分類及後期再計量所引致的減值損失於收益表確認。

(n) 所得稅

- (i) 本年度所得稅包括本期及遞延稅項資產和負債的變動。除該稅款與其他全面收益或股東權益有關而須在其他全面收益或股東權益確認的金額外，本期稅項及遞延稅項資產和負債的變動計入收益表內。
- (ii) 本期稅項為年度應課稅收入按報告期結束日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。
- (iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅損及稅項抵免。

除了若干有限的例外情況外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在同期內該可扣稅之暫時性差異轉回或在若干期限內由該遞延稅項資產產生的稅損可以收回或留存。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計在某期間內因該稅損或稅免可使用而轉回時，會計入該等差異。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(h)(ii), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

在有限例外情況下，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、初始時已確認不影響會計及應課稅溢利的資產或負債(須不是商業合併的一部分)、及有關投資附屬公司的暫時性差異，就應課稅差異而言，不超過本集團可控制該差異轉回的時間而該差異在可見將來不會轉回；而就扣稅差異而言，除非該差異在可見將來可以轉回。

當投資物業根據附註2(h)(ii)所載按公平價值列賬，除該物業是需折舊的及以一商業模式持有，而其目的是要透過時間使用而並非出售該物業以獲取隱含於該物業之重大經濟利益，確認遞延稅項的金額按該物業於結算日假設以賬面值出售的稅率計算。在其他情況下，確認遞延稅項的金額是根據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。

於報告期結束日，本行須重新檢視有關的遞延稅項資產的賬面金額，對預期不再足夠的應課稅溢利以實現相關稅務利益予以扣減。可轉回之金額不可超過預期將來出現足夠的應課稅溢利。

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

(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，或同時間變現及償還。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(o) Insurance Reserves and Provisions for Outstanding Claims

Insurance reserves, except those attributable to long term business, represent the proportion of retained premiums written in the year relating to the period of risk from 1st January in the following year to the subsequent date of expiry of policies which is carried forward as a provision for unearned premiums and calculated on a daily basis.

The insurance reserve for long term business is ascertained by actuarial valuation.

Full provision is made for the estimated cost of claims notified but not settled at the end of the reporting period and for the estimated cost of claims incurred but not reported by that date, after deducting the amounts due from reinsurers. Provision has also been made for the estimated cost of servicing claims notified but not settled at the end of the reporting period and to meet expenses on claims incurred but not reported at the end of the reporting period.

These reserves and provisions are classified as other accounts and provisions.

(p) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(q) Employee Benefits

(i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are recognised when the absences occur.

(ii) Performance-related bonus plan

Liabilities for performance-related bonus plan, which are due wholly within twelve months after the end of the reporting period, are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(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單部分，而有關的風險是屬於下年度1月1日至保單到期日為止，該保留保單視作未賺取保費準備並按每日計算。

長期業務的保險基金是按精算估值。

本集團已就在報告期結束日止已通知但未償付以及已發生但未匯報的索償，經扣除了分保人欠款，作出了充足的準備。此外，已就在報告期結束日已通知但未償付的索償及已發生但未匯報索償而引致的估計費用作出了充足的準備。

此等基金及準備分類為其他賬項及準備。

(p) 準備及或然負債

當負債的限期或金額不確定，但有可能因過去事項構成法律或推定義務而須付出經濟利益以償責任，並能對此作可靠估計，此負債便確認為準備。當金額的時間值屬重大的，準備金額須按估計清償負債支出的現值列賬。

倘可能不需要付出經濟利益，或不能對金額作可靠估計，除非付出的機會是極微，則此項責任會視作或然負債披露。如潛在義務的存在須視乎會否發生一項或多項未來事件才獲確定，除非付出經濟利益的機會是極微，此潛在義務亦視作或然負債披露。

(q) 僱員福利

(i) 薪酬、花紅及假期福利

僱員應享有的薪酬、年終花紅、有薪年假、旅行假期及其他同種類之非金錢性質福利於確立時確認。至報告期結束日已撥備因僱員提供服務所享有之年假的估計負債。

僱員應享有的病假及分娩假於發生時確認。

(ii) 表現獎勵花紅計劃

因僱員提供服務而本集團有現存法律或推定義務於報告期結束日後12個月內須全數支付表現獎勵花紅計劃的負債，對此並能作可靠估計，便須予以確認為負債。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

(iii) Retirement benefits

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under either the Mandatory Provident Fund Exempted ORSO Scheme ("MPFEOS") or the Mandatory Provident Fund Scheme ("MPFS"). Both are defined contribution schemes. The employer's monthly contributions to both schemes are at a maximum of 10% of each employee's monthly salary.

The pension schemes covering all the Group's PRC and overseas employees are defined contribution schemes at various funding rates, and are in accordance with local practices and regulations.

The cost of all these schemes is charged to the 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 quotation sheet on the date of grant of the relevant options;
- (b) an amount equivalent to the average closing price of the Bank's shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant options; and
- (c) the nominal value of the Bank's shares.

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

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

(iii) 退休福利

本集團為其合資格的員工提供退休福利。香港員工可獲得強積金豁免的職業退休計劃或強制性公積金計劃的保障。此兩個計劃同時是定額供款計劃。僱主對兩項計劃的每月供款，上限是每位僱員月薪的10%。

本集團為所有國內及海外員工而設的退休計劃是定額供款計劃，供款率按當地慣例及規定而制定。

上述所有計劃的成本計算在相關期間的收益表內。所有此類計劃的資產均與本集團的資產分開處理。強積金豁免的退休保障計劃中，僱主的供款不會因某些僱員於未完全享有僱主的供款前離開計劃所沒收的供款而減少。而強制性公積金計劃方面，僱主的供款則會因某些僱員於未完全享有僱主的供款前離開計劃所沒收的供款而減少。

(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；
- (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)。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

屬股東權益金額確認為資本儲備內，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) Related Parties

For the purposes of these accounts, a party is considered to be related to the Group if:

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
 - (iii) Both entities are joint venture of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(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.

(r) 關聯人士

在編製本賬項時，與本集團關聯人士是指：

- (a) 個人或該個人之近親家庭成員，如該個人在以下情況下視為與本集團有關聯：
 - (i) 可控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；
 - (iii) 是本集團或本集團之母公司的主要管理人員之成員；
- (b) 在以下任何情況下一實體會視為與本集團有關聯：
 - (i) 該實體及本集團皆是同一集團成員(即每一間母公司、附屬公司及同系附屬公司與其他有關聯)。
 - (ii) 一實體是另一實體的聯營公司或合營公司(或該聯營公司或合營公司與該另一實體均屬同一集團)。
 - (iii) 兩個實體是同一第三者的合營公司。
 - (iv) 一實體是一第三者的合營公司而另一實體則是該第三者的聯營公司。
 - (v) 該實體是提供福利予本集團或與本集團有關聯之實體的僱員離職後之福利計劃。
 - (vi) 該實體受在(a)項中所辨別的個人所控制或共同控制。
 - (vii) 在(a)(i)項中所辨別的個人而該個人對該實體有重大影響力，或該個人是該實體(或是該實體的母公司)的主要管理人員之成員。

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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

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.

(u) Deposits, Debt Securities Issued and Subordinated Liabilities

Deposits, debt securities issued and subordinated liabilities are the Group's sources of debt funding.

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Group's redeemable preference shares bear non-discretionary coupons and are redeemable by the holder, and are therefore included within subordinated liabilities.

Subsequent to initial recognition deposits, debt securities issued and subordinated liabilities are measured at their amortised cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss.

3. CHANGES IN ACCOUNTING POLICIES 會計政策之變動

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group and the Bank. Of these, the following developments are relevant to the Group's accounts:

- Amendments to HKFRS 7, *Financial instruments: Disclosures – transfers of financial assets*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The impact of the above developments is as follows:

Amendments to HKFRS 7, *Financial instruments: Disclosures*

The amendments to HKFRS 7 require certain disclosures to be included in the annual financial statements in respect of all transferred financial assets that are not derecognized and for any continuing involvement in a transferred asset existing at the reporting date, irrespective of when the related transfer transaction occurred. However, an entity needs not to provide the disclosures for the comparative period in the first year of adoption.

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。

(u) 存款、已發行債務證券及後償負債

存款、已發行債務證券及後償負債是本集團籌募資金的來源。

本集團按該工具合約條款的實質分類資本工具為金融負債或股本權益。本集團之可贖回優先股的票面息率是無條件的並由持有人贖回，所以，該等優先股列作後償負債。

在初始確認後，除本集團指定為通過損益的負債外，存款、已發行債務證券及後償負債按有效利率方式計算攤銷成本。

香港會計師公會頒佈多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》。下列為其中對本集團財務賬項相關之最新發展：

- 經修訂之《香港財務報告準則》第7號「金融工具：披露－轉讓金融資產」

本集團並未採納任何於本年度尚未生效的新準則或詮釋。以上發展的影響如下：

經修訂之《香港財務報告準則》第7號「金融工具：披露」

經修訂之《香港財務報告準則》第7號要求在每年之財務報表中，須披露於報告日有關所有已轉讓但未被取消確認的金融資產，無論有關之轉讓交易是何時發生而仍須持續地參予該等資產。但是，實體毋須在首年採納中披露同期比較金額。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

4. INTEREST INCOME 利息收入

		2012	2011
		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	464	388
Trading assets	交易用途資產		
– listed	– 上市	18	27
– unlisted	– 非上市	218	73
Interest rate swaps	利率掉期合約	1,576	3,327
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	433	473
– unlisted	– 非上市	220	229
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	19,706	16,351
Total interest income	利息收入總額	22,635	20,868

Included above is interest income accrued on impaired financial assets of HK\$85 million (2011: HK\$62 million) which includes interest income on unwinding of discount on loan impairment losses of HK\$20 million (2011: HK\$17 million) (Note 28(b)) for the year ended 31st December, 2012.

以上包括截至2012年12月31日止年度減值金融資產的應計利息港幣85,000,000元(2011年:港幣62,000,000元),其中包括釋放貸款減值損失之折扣的利息收入港幣20,000,000元(2011年:港幣17,000,000元)(附註28(b))。

5. INTEREST EXPENSE 利息支出

		2012	2011
		HK\$ Mn 港幣百萬元	Restated 重報 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	9,754	7,225
Debt securities issued	已發行債務證券	360	209
Subordinated notes carried at amortised cost	按攤銷成本列賬的後償票據	730	373
Interest rate swaps	利率掉期合約	1,877	3,439
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	170	341
Other borrowings	其他借款	20	18
Total interest expense	利息支出總額	12,911	11,605

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：

		2012	2011
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Corporate services	企業服務	1,041	979
Credit cards	信用卡	860	793
Loans, overdrafts and guarantees	貸款、透支及擔保	599	502
Trade finance	貿易融資	400	409
Other retail banking services	其他零售銀行服務	369	273
Securities and brokerage	證券及經紀	279	385
Trust and other fiduciary activities	信託及其他代理業務	152	122
Others	其他	459	350
Total fee and commission income	服務費及佣金收入總額	4,159	3,813
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)	3,396	3,061
Fee income	服務費收入	4,159	3,813
Fee expenses	服務費支出	(763)	(752)

7. NET TRADING PROFITS 交易溢利淨額

		2012	2011
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
(Loss)/Profit on dealing in foreign currencies	外幣買賣(虧損)/溢利	(68)	326
Profit/(Loss) on trading securities	交易用途證券溢利/(虧損)	275	(290)
Net gain on derivatives	衍生工具淨溢利	526	99
Dividend income from listed trading securities	交易用途上市證券的股息收入	32	40
Total net trading profits	淨交易溢利總額	765	175

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

		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Revaluation gain/(loss) on debts issued	重估已發行債務溢利/(虧損)	17	(158)
Net loss on sale of other financial instruments 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工具的淨虧損	(113)	(103)
Profit/(Loss) on redemption of subordinated notes issued	贖回後償票據盈利/(虧損)	24	(4)
Revaluation gain/(loss) on other financial assets designated at fair value through profit or loss	重估其他指定為通過損益以反映公平價值金融資產的盈利/(虧損)	736	(94)
Dividend income from 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的股息收入	-	5
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	664	(354)

9. NET HEDGING LOSS 對沖虧損淨額

		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Fair value hedges	公平價值對沖		
- Net loss on hedged items attributable to the hedged risk	- 可歸屬於被對沖項目之對沖風險產生的淨虧損	(229)	(553)
- Net gain on hedging instruments	- 用作對沖工具的淨盈利	214	548
		(15)	(5)

There was insignificant ineffectiveness recognised in the Group's income statement arising from cash flow hedge for the year 2012 (2011: Nil).

於2012年(2011年:無), 因現金流對沖所產生並已在本集團收益表內確認之無效部份是不重大的。

10. OTHER OPERATING INCOME 其他經營收入

		2012	2011
		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	8	36
- unlisted	- 非上市	34	53
Rental from safe deposit boxes	保險箱租金收入	78	80
Net revenue from insurance activities	保險業務淨收入	241	199
Rental income on properties	物業租金收入	142	129
Others	其他	89	89
Total other operating income	其他經營收入總額	592	586

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

11. OPERATING EXPENSES 經營支出

		2012 HK\$ Mn 港幣百萬元	2011 HK\$ Mn 港幣百萬元
Contributions to defined contribution plan*	定額供款公積金供款*		
– Hong Kong	– 香港	142	120
– Outside Hong Kong	– 香港以外	264	198
Equity-settled share-based payment expenses	以股份為基礎作支付的費用	22	21
Salaries and other staff costs	薪金及其他員工成本	4,372	4,045
Total staff costs	員工成本總額	4,800	4,384
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	573	549
– Maintenance, repairs and others	– 保養、維修及其他	561	549
Total premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出總額	1,134	1,098
Depreciation on fixed assets (Note 34)	固定資產折舊(附註34)	657	636
Amortisation of intangible assets (Note 33(b))	無形資產攤銷(附註33(b))	33	33
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	580	491
– Communications, stationery and printing	– 通訊、文具及印刷	325	299
– Advertising expenses	– 廣告費	272	252
– Legal and professional fees	– 法律及專業服務費	252	251
– Business promotions and business travel	– 業務推廣及商務旅遊	176	158
– Card related expenses	– 有關信用卡支出	160	69
– Insurance expenses	– 保險費	32	35
– Audit fee	– 核數師酬金	15	15
– Administration expenses of corporate services	– 企業服務的行政費	14	14
– Donations	– 捐款	14	8
– Membership fees	– 會員費	12	12
– Bank charges	– 銀行收費	12	11
– Bank licence	– 銀行牌照費	4	4
– Others	– 其他	233	222
Total other operating expenses	其他經營支出總額	2,101	1,841
Total operating expenses***	經營支出總額***	8,725	7,992

* Forfeited contributions totalling HK\$8 million (2011: HK\$18 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 (2011: Nil).

** PRC denotes the People's Republic of China.

*** Included in operating expenses are direct operating expenses of HK\$22 million (2011: HK\$19 million) in respect of investment properties which generated rental income during the year.

* 年內沒收之供款共港幣8,000,000元(2011年:港幣18,000,000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(2011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22,000,000元(2011年:港幣19,000,000元)。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

12. IMPAIRMENT LOSSES ON LOANS AND ADVANCES 貸款及墊款減值損失

		2012	2011
		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	– 新撥備	398	247
– releases	– 回撥	(111)	(125)
– recoveries	– 收回	(112)	(74)
		175	48
Collective impairment loss	整體減值損失		
– new provisions (Note 28(b))	– 新撥備(附註28(b))	38	27
Net charge to income statement	於收益表支銷淨額	213	75

13. NET PROFIT ON SALE OF AVAILABLE-FOR-SALE FINANCIAL ASSETS 出售可供出售金融資產之淨溢利

		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net revaluation gain/(loss) transferred from reserves (Note 41(h))	由儲備轉撥的重估盈利/(虧損)淨額(附註41(h))	113	(5)
(Loss)/Profit arising in current year	年度內產生的(虧損)/溢利	(31)	64
		82	59

14. NET PROFIT ON SALE OF FIXED ASSETS 出售固定資產之淨溢利

		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net profit on sale of investment properties	出售投資物業之淨溢利	137	6
Net profit on sale of bank premises, furniture, fixtures and equipment	出售行址、傢俬、裝修及設備之淨溢利	2	134
		139	140

15. VALUATION GAINS ON PROPERTIES 重估物業盈利

		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Investment properties	投資物業	454	404
Bank premises	行址	(3)	–
		451	404

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

16. INCOME TAX 所得稅

(a) Taxation in the consolidated income statement represents:

(a) 綜合收益表內的稅項指：

		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Current tax – Hong Kong (Note 36(a))	本期稅項 – 香港(附註36(a))		
Tax for the year	本年度稅項	533	250
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)	35	(122)
		568	128
Current tax – outside Hong Kong	本期稅項 – 香港以外		
Tax for the year	本年度稅項	752	744
(Write back of over-provision)/Under-provision in respect of prior years	往年度(撥備過剩的回撥)/撥備不足	(22)	111
		730	855
Deferred tax (Note 36(b))	遞延稅項(附註36(b))		
Origination and reversal of temporary differences	暫時性差異的產生及轉回	113	317
		1,411	1,300

The provision for Hong Kong profits tax is calculated at 16.5% (2011: 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%(2011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。

(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：

		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Profit before tax	除稅前溢利	7,565	5,751
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	1,373	1,168
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	306	317
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(307)	(305)
Tax effect of tax losses not recognised	未確認的稅損的稅項影響	23	15
Recognition of deferred tax assets on prior year tax losses	往年稅損確認為遞延稅項資產	(2)	(4)
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)	13	(11)
Others	其他	5	120
Actual tax expense	實際稅項支出	1,411	1,300

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

17. 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\$2,894 million (2011: HK\$1,881 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2,894,000,000元(2011年:港幣1,881,000,000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

		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Amount of consolidated profit attributable to equity holders dealt with in the Bank's accounts	已計入本行賬項之可歸屬於本集團股東綜合溢利	2,894	1,881
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	103	93
Bank's profit for the year	本行年度內溢利	2,997	1,974

18. DIVIDENDS 股息

(a) Dividends attributable to the year

(a) 應屬本年度股息

		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interim dividend declared and paid of HK\$0.43 per share on 2,100 million shares (2011: HK\$0.43 per share on 2,059 million shares) (Note 41(j))	已宣佈派發及支付中期股息予2,100,000,000股每股港幣0.43元(2011年:2,059,000,000股每股港幣0.43元)(附註41(j))	903	885
Final dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the end of the reporting period and before the close of the Register of Members of the Bank, of HK\$0.56 per share	已支付在報告期結束後及本行股票過戶登記截止日前根據認股計劃發行股份屬上年度每股港幣0.56元的末期股息	-	1
Second interim dividend in lieu of the final dividend of HK\$0.63 per share on 2,227 million shares (2011: HK\$0.51 per share on 2,076 million shares)	代替末期股息之第二次中期股息予2,227,000,000股每股港幣0.63元(2011年:2,076,000,000股每股港幣0.51元)	1,403	1,059
		2,306	1,945

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

於報告期結束後擬派發代替末期股息之第二次中期股息並未確認為負債。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

18. DIVIDENDS (CONTINUED) 股息(續)

(b) Dividends attributable to the previous financial year, approved and paid during the year

(b) 於年度核准及支付屬上年度股息

		2012		2011	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Second interim dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.51 per share on 2,076 million shares	年度內核准及支付予2,076,000,000股每股港幣0.51元的上年度第二次中期股息		1,059		-
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.56 per share on 2,042 million shares	年度內核准及支付予2,042,000,000股每股港幣0.56元的上年度末期股息		-		1,144

(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

		2012		2011	
		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 38 and Note 41(j)	應付予混合一級資本工具持有人的利息，詳情已在附註38及附註41(j)內披露		331		328

19. 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\$5,725 million (2011: HK\$4,030 million) after the distribution of HK\$331 million (2011: HK\$328million) to Hybrid Tier 1 issue holders and on the weighted average of 2,105 million (2011: 2,059 million) ordinary shares outstanding during the year, calculated as follows:

Weighted average number of ordinary shares

(a) 每股基本盈利

每股基本盈利乃按照已派發予混合一級資本工具持有人港幣331,000,000元(2011年:港幣328,000,000元)後之溢利港幣5,725,000,000元(2011年:港幣4,030,000,000元)及年度內已發行普通股份的加權平均數2,105,000,000股(2011年:2,059,000,000股)·計算之方法如下:

普通股份的加權平均數

		2012		2011	
		Number of Shares 股份數目 million 百萬	Number of Shares 股份數目 million 百萬	Number of Shares 股份數目 million 百萬	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	2,076	2,042		
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	29	17		
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	2,105	2,059		

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on earnings of HK\$5,725 million (2011: HK\$4,030 million) after the distribution of HK\$331 million (2011: HK\$328 million) to Hybrid Tier 1 issue holders and on 2,106 million (2011: 2,060 million) ordinary shares, being the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of all dilutive potential shares.

Weighted average number of ordinary shares (diluted)

(b) 每股攤薄盈利

每股攤薄盈利乃按照已派發予混合一級資本工具持有人港幣331,000,000元(2011年:港幣328,000,000元)後之溢利港幣5,725,000,000元(2011年:港幣4,030,000,000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2,106,000,000股(2011年:2,060,000,000股)計算。

普通股份的加權平均數(攤薄)

		2012	2011
		Number of Shares	Number of Shares
		股份數目	股份數目
		million 百萬	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	2,105	2,059
Effect of deemed issue of ordinary shares under the Bank's share option schemes for nil consideration	假設按認股權計劃發行但不計價款的普通股份之影響	1	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)	2,106	2,060

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

20. 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	2012 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
Chairman and Chief Executive 主席兼行政總裁						
Dr. the Hon. Sir David LI Kwok-po 李國寶爵士	0.4	9.4	20.9	7.4	0.9	39.0
Non-executive Directors 非執行董事						
Prof. Arthur LI Kwok-cheung 李國章教授	0.2	-	-	-	-	0.2
Mr. Aubrey LI Kwok-sing 李國星先生	0.3	-	-	-	-	0.3
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
Independent Non-executive Directors 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
Dr. Thomas KWOK Ping-kwong 郭炳江博士	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	0.5	-	-	-	-	0.5
	5.2	9.4	20.9	7.4	0.9	43.8

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share options	Retirement scheme contributions	2011 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
Chairman and Chief Executive		主席兼行政總裁					
Dr. the Hon. Sir David LI Kwok-po	李國寶爵士	0.4	9.0	15.0	7.0	0.8	32.2
Non-executive Directors		非執行董事					
Prof. Arthur LI Kwok-cheung	李國章教授	0.2	–	–	–	–	0.2
Mr. Aubrey LI Kwok-sing	李國星先生	0.3	–	–	–	–	0.3
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
Independent Non-executive Directors		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
Dr. Thomas KWOK Ping-kwong	郭炳江博士	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	0.5	–	–	–	–	0.5
		5.2	9.0	15.0	7.0	0.8	37.0

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 39.

上述酬金包括執行董事根據本行的僱員認股計劃獲授予認股權。有關此等實物收益的詳情載於董事會報告書的「認股權資料」及賬項附註39內。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

21. FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

		2012		2011	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Salaries and other emoluments	薪金及其他酬金	24		23	
Performance-related bonuses	表現獎勵花紅	39		28	
Share options	認股權	17		16	
Pension contributions	退休金供款	2		2	
		82		69	

The remuneration of the five top-paid employees is within the following bands:

5名薪酬最高的僱員的金額範圍如下：

HK\$港幣	2012		2011	
	Number of employees	僱員人數	Number of employees	僱員人數
9,000,001 – 9,500,000	–		4	
10,500,001 – 11,000,000	3		–	
11,000,001 – 11,500,000	1		–	
32,000,001 – 32,500,000	–		1	
38,500,001 – 39,000,000	1		–	

Included in the emoluments of the five top-paid employees were the emoluments of 1 (2011: 1) Director and all senior management members (2011 and 2012). His director's emoluments have been included in Note 20 above.

5名薪酬最高的僱員中包括1位(2011年：1位)董事及所有高層管理人員(2011年及2012年)。他的董事酬金已包括於上述附註20內。

22. SEGMENT REPORTING 分部報告

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

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

(a) Business segments

The Group has identified the following nine reportable segments.

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

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

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

(a) 營業分部

本集團已辨識以下九個可匯報分部。

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

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款及證券業務貸款。

財資市場包括在香港之財資運作及證券買賣。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

財富管理包括提供予在香港之私人銀行業務及相關資產。

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

金融機構包括在香港之全球同業間的銀行代理行及金融貿易業務。

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

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

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

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

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

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

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

企業服務包括公司秘書服務、股票登記及商業服務、以及離岸企業及信託服務。

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

其他業務包括與地產有關的業務、香港業務之後勤單位、投資物業、行址、聯營公司的淨表現及其他在香港之附屬公司(除已包括在其他香港銀行業務之附屬公司)。

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

在評估分部表現及分配分部間的資源時，本集團的高級行政管理層根據以下基準監控可歸屬於每一可匯報分部之業績、資產及負債：

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

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

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

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

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

除接收有關稅前溢利的分部資料外，有關分部收入(包括分部間之借款)、利息支出、折舊、攤銷及減值損失和提供予分部營運之非流動分部資產的增置等資料亦提供予管理層。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

22. SEGMENT REPORTING (CONTINUED) 分部報告(續)

(a) Business segments (continued)

(a) 營業分部(續)

		2012												
		Hong Kong banking operations 香港銀行業務									Total reportable segments 可匯報 分部總額 HK\$ Mn	Inter- segment elimination 分部間之 交易抵銷 HK\$ Mn		Total 總額 HK\$ Mn
		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	Financial institutions 金融機構 HK\$ Mn 港幣百萬元	Others 其他 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	Transaction elimination 交易抵銷 HK\$ Mn 港幣百萬元	
Net interest income/(expense)	淨利息收入/(支出)	2,095	2,364	(1,271)	342	172	174	4,865	1,042	4	9,787	(43)	(20)	9,724
Non-interest income/(expense)	非利息收入/(支出)	643	551	756	289	18	510	966	396	1,049	5,178	549	(342)	5,385
Operating income/(expense)	經營收入/(支出)	2,738	2,915	(515)	631	190	684	5,831	1,438	1,053	14,965	506	(362)	15,109
Operating expenses	經營支出	(1,536)	(179)	(122)	(157)	(12)	(484)	(3,594)	(536)	(729)	(7,349)	(1,706)	330	(8,725)
Operating profit/(loss) before impairment losses	未扣除減值損失之 經營溢利/(虧損)	1,202	2,736	(637)	474	178	200	2,237	902	324	7,616	(1,200)	(32)	6,384
(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	(51)	(79)	60	13	-	(4)	(159)	58	(8)	(170)	51	(94)	(213)
(Charge for)/Write back of 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(支銷)/ 回撥	-	-	(61)	-	-	(1)	-	10	-	(52)	-	-	(52)
Operating profit/(loss) after impairment losses	已扣除減值損失後之 經營溢利/(虧損)	1,151	2,657	(638)	487	178	195	2,078	970	316	7,394	(1,149)	(126)	6,119
Profit/(Loss) on sale of fixed assets, available-for-sale financial assets and loans and receivables	出售固定資產、可供 出售金融資產及 貸款和應收賬項	(7)	3	70	-	-	7	11	-	-	84	172	-	256
Profit on sale of subsidiaries	出售附屬公司之溢利	-	-	-	-	-	-	-	203	(4)	199	4	-	203
Valuation gains on properties	重估物業盈利	-	-	-	-	-	-	50	38	-	88	429	(66)	451
Share of profits less losses of associates	應佔聯營公司溢利減 虧損	-	-	-	-	-	9	107	420	-	536	-	-	536
Profit/(Loss) before taxation	除稅前溢利/(虧損)	1,144	2,660	(568)	487	178	211	2,246	1,631	312	8,301	(544)	(192)	7,565
Depreciation for the year	年內折舊	(71)	(2)	(5)	(3)	(1)	(17)	(354)	(22)	(22)	(497)	(160)	-	(657)
Segment assets	分部資產	46,544	143,869	121,226	21,989	7,372	13,268	329,605	70,989	2,897	757,759	27,659	(97,981)	687,437
Investments in associates	聯營公司投資	-	-	-	-	-	59	513	4,105	-	4,677	-	-	4,677
Total assets	資產總額	46,544	143,869	121,226	21,989	7,372	13,327	330,118	75,094	2,897	762,436	27,659	(97,981)	692,114
Total liabilities	負債總額	252,630	1,606	55,176	17,427	-	9,837	305,303	60,201	715	702,895	2,514	(74,934)	630,475
Capital expenditure incurred during the year	年度內資本開支	69	-	2	1	-	24	201	33	28	358	71	-	429

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註 (續)

		2011 Restated 重報												
		Hong Kong banking operations 香港銀行業務								Total reportable segments 可匯報 分部總額	Inter- segment elimination 分部間之 交易抵銷		Total 總額	
		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	Financial institutions 金融機構 HK\$ Mn 港幣百萬元	Others 其他 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		Total 總額 HK\$ Mn 港幣百萬元
Net interest income/(expense)	淨利息收入/(支出)	1,762	2,033	(796)	279	111	217	4,812	921	3	9,342	(57)	(22)	9,263
Non-interest income/(expense)	非利息收入/(支出)	603	429	(704)	276	12	525	830	388	981	3,340	438	(326)	3,452
Operating income/(expense)	經營收入/(支出)	2,365	2,462	(1,500)	555	123	742	5,642	1,309	984	12,682	381	(348)	12,715
Operating expenses	經營支出	(1,321)	(165)	(113)	(153)	(12)	(457)	(3,306)	(589)	(664)	(6,780)	(1,538)	326	(7,992)
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	1,044	2,297	(1,613)	402	111	285	2,336	720	320	5,902	(1,157)	(22)	4,723
(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	(63)	33	4	15	-	(6)	(161)	51	(7)	(134)	-	59	(75)
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	-	-	-	-	-	(43)	-	(11)	-	(54)	(6)	-	(60)
Operating profit/(loss) after impairment losses	已扣除減值損失後之經營溢利/(虧損)	981	2,330	(1,609)	417	111	236	2,175	760	313	5,714	(1,163)	37	4,588
Profit/(Loss) on sale of fixed assets, available-for-sale financial assets and loans and receivables	出售固定資產、可供出售金融資產及貸款和應收賬項	1	-	39	-	-	45	112	4	(2)	199	3	-	202
Profit on sale of associates	出售聯營公司之溢利	-	-	-	-	-	-	-	122	-	122	-	-	122
Valuation gains on properties	重估物業溢利	-	-	-	-	-	-	48	2	-	50	388	(34)	404
Share of profits less losses of associates	應佔聯營公司溢利減虧損	-	-	-	-	-	(3)	38	400	-	435	-	-	435
Profit/(Loss) before taxation	除稅前溢利/(虧損)	982	2,330	(1,570)	417	111	278	2,373	1,288	311	6,520	(772)	3	5,751
Depreciation for the year	年內折舊	(68)	(1)	(5)	(2)	(1)	(18)	(325)	(28)	(19)	(467)	(171)	2	(636)
Segment assets	分部資產	47,797	124,066	113,094	19,133	12,345	10,917	278,991	60,684	2,881	669,908	13,676	(76,002)	607,582
Investments in associates	聯營公司投資	-	-	-	-	-	49	313	3,458	-	3,820	-	-	3,820
Total assets	資產總額	47,797	124,066	113,094	19,133	12,345	10,966	279,304	64,142	2,881	673,728	13,676	(76,002)	611,402
Total liabilities	負債總額	245,027	1,026	44,395	17,199	-	8,154	256,521	50,275	762	623,359	2,342	(66,343)	559,358
Capital expenditure incurred during the year	年度內資本開支	66	8	8	6	1	18	313	2	89	511	124	-	635

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

22. SEGMENT REPORTING (CONTINUED) 分部報告(續)

(b) Geographical segments

The information concerning geographical analysis has been classified by the location of the principal operations of the subsidiaries, or in the case of the Bank itself, by the location of the branches of the Bank responsible for reporting the results or booking the assets.

(b) 地區分部

按地區分部之資料是根據附屬公司的主要業務所在地點，或就本行而言，則按負責報告業績或將資產入賬之分行地點予以劃分。

		2012					
		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
The Group	集團						
Operating income	經營收入	7,799	5,921	907	888	(406)	15,109
Profit before taxation	除稅前溢利	3,767	2,328	852	810	(192)	7,565
Total assets	資產總額	384,001	329,794	48,072	37,412	(107,165)	692,114
Total liabilities	負債總額	339,368	305,644	42,635	29,916	(87,088)	630,475
Contingent liabilities and commitments	或然負債及承擔	67,258	133,508	4,863	4,151	-	209,780
Capital expenditure during the year	年度內資本開支	192	201	13	23	-	429

		2011 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
The Group	集團						
Operating income	經營收入	5,595	5,821	745	906	(352)	12,715
Profit before taxation	除稅前溢利	1,961	2,538	728	521	3	5,751
Total assets	資產總額	356,493	278,610	33,413	37,031	(94,145)	611,402
Total liabilities	負債總額	318,241	256,494	28,707	29,214	(73,298)	559,358
Contingent liabilities and commitments	或然負債及承擔	56,617	84,176	4,554	3,134	-	148,481
Capital expenditure during the year	年度內資本開支	253	313	69	-	-	635

23. CASH AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (NOTE 46(c))
現金及在銀行和其他金融機構的結存(附註46(c))

		The Group 集團				The Bank 銀行			
		2012		2011		2012		2011	
		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	1,420		1,828		910		1,237	
Balances with central banks	在中央銀行的結存	69,139		45,315		6,874		984	
Balances with banks and other financial institutions	在銀行和其他金融機構的結存	14,953		24,618		11,972		20,349	
		85,512		71,761		19,756		22,570	

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

24. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (NOTE 46(c)) 在銀行及其他金融機構的存款(附註46(c))

		The Group 集團				The Bank 銀行			
		2012		2011		2012		2011	
				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
Placements with banks and authorised institutions	在銀行及認可金融機構的存款	50,381		57,371		19,098		32,570	
Placements with central banks	在中央銀行的存款	237		1,227		237		800	
		50,618		58,598		19,335		33,370	
Maturing	到期期限								
- within one month	- 1個月內	25,409		17,956		12,698		13,603	
- between one month and one year	- 1個月至1年內	25,209		40,642		6,637		19,767	
		50,618		58,598		19,335		33,370	

25. TRADE BILLS 貿易票據

		The Group 集團				The Bank 銀行			
		2012		2011		2012		2011	
				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
Gross trade bills	貿易票據總額	55,744		46,903		47,935		35,880	
Less: Individual impairment allowances	減：個別減值準備	(4)		(12)		(4)		(4)	
		55,740		46,891		47,931		35,876	

Movement of individual impairment allowances

個別減值準備的變動

		The Group 集團				The Bank 銀行			
		2012		2011		2012		2011	
		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	12		-		4		-	
New provisions charged to income statement	收益表內支銷的新準備	1		12		1		4	
Net provisions released back to income statement	撥回收益表的準備淨額	(1)		(2)		(1)		(2)	
Amounts written off	撇銷額	(8)		-		-		-	
Recoveries	收回額	-		2		-		2	
At 31st December	於12月31日	4		12		4		4	

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

26. TRADING ASSETS 交易用途資產

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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 46(c))	國庫債券(包括外匯基金票據) (附註46(c))	9	–	9	–
Debt securities (Note 46(c))	債務證券(附註46(c))	3,048	1,317	561	715
Equity securities	股份證券	1,138	1,051	1,138	1,051
Investment funds	投資基金	18	17	18	17
Trading securities	交易用途證券	4,213	2,385	1,726	1,783
Positive fair values of derivatives (Note 45(b)(ii))	衍生工具的正公平值 (附註45(b)(ii))	3,125	3,215	2,267	2,376
		7,338	5,600	3,993	4,159
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	26	551	26	11
Public sector entities	公營機構	336	10	12	10
Banks and other financial institutions	銀行及其他金融機構	681	374	323	374
Corporate entities	企業實體	3,152	1,433	1,347	1,371
Other entities	其他實體	18	17	18	17
		4,213	2,385	1,726	1,783
Analysed by place of listing:	按上市地區分析:				
Debt securities	債務證券				
Listed in Hong Kong	在香港上市	15	54	15	54
Listed outside Hong Kong	在香港以外地區上市	342	449	342	449
		357	503	357	503
Unlisted	非上市	2,700	814	213	212
		3,057	1,317	570	715
Equity securities	股份證券				
Listed in Hong Kong	在香港上市	904	793	904	793
Listed outside Hong Kong	在香港以外地區上市	234	258	234	258
		1,138	1,051	1,138	1,051
Investment funds	投資基金				
Listed in Hong Kong	在香港上市	8	7	8	7
Listed outside Hong Kong	在香港以外地區上市	10	10	10	10
		18	17	18	17
		4,213	2,385	1,726	1,783

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

27. 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	
		2012	2011	2012	2011
		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 46(c))	債務證券(附註46(c))	14,751	16,330	14,751	16,330
Equity securities	股份證券	412	329	119	123
Investment funds	投資基金	6	4	-	-
		15,169	16,663	14,870	16,453
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	450	452	450	452
Banks and other financial institutions	銀行及其他金融機構	6,794	8,036	6,775	8,020
Corporate entities	企業實體	7,920	8,171	7,645	7,981
Other entities	其他實體	5	4	-	-
		15,169	16,663	14,870	16,453
Analysed by place of listing:	按上市地區分析:				
Debt securities	債務證券				
Listed in Hong Kong	在香港上市	3,330	3,495	3,330	3,495
Listed outside Hong Kong	在香港以外地區上市	6,792	7,437	6,792	7,438
		10,122	10,932	10,122	10,933
Unlisted	非上市	4,629	5,398	4,629	5,397
		14,751	16,330	14,751	16,330
Equity securities	股份證券				
Listed in Hong Kong	在香港上市	224	194	119	123
Listed outside Hong Kong	在香港以外地區上市	188	135	-	-
		412	329	119	123
Investment funds	投資基金				
Unlisted	非上市	6	4	-	-
		15,169	16,663	14,870	16,453

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

28. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS 客戶墊款及其他賬項

(a) Advances to customers and other accounts

(a) 客戶墊款及其他賬項

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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
(i)	Advances to customers 客戶墊款	350,720	315,281	221,572	197,923
	Less: Impairment allowances 減：減值準備				
	– Individual – 個別	(238)	(205)	(128)	(130)
	– Collective – 整體	(681)	(763)	(474)	(535)
		349,801	314,313	220,970	197,258
(ii)	Other accounts 其他賬項				
	Advances to banks and other financial institutions * 銀行及其他金融機構墊款*	146	193	146	192
	Less: Impairment allowances 減：減值準備 – 個別	(4)	(3)	(4)	(3)
		142	190	142	189
	Notes and bonds (Note 46(c)) 債券(附註46(c))	1	–	–	–
	Certificates of deposit held (Note 46(c)) 持有的存款證(附註46(c))	77	39	77	39
	Accrued interest 應計利息	2,688	3,136	1,292	1,790
	Bankers acceptances 銀行承兌匯票	24,633	18,381	296	219
	Other accounts 其他賬項	9,962	5,374	5,452	4,101
		37,361	26,930	7,117	6,149
	Less: Impairment allowances 減：減值準備				
	– Individual – 個別	(28)	(88)	(3)	(3)
	– Collective – 整體	(3)	(4)	–	–
		37,330	26,838	7,114	6,146
		387,273	341,341	228,226	203,593

* 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, 2012, the fair value of financial assets accepted as collateral that the Group is permitted to sell or re-pledge under such terms is Nil (2011: 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2012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(2011年：無)。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(b) Impairment allowances against advances and other accounts for 2012 (b) 2012年墊款及其他賬項之減值準備

		The Group 集團							
		Advances to customers 客戶墊款		Advances to banks 銀行墊款		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	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	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	205	763	3	-	88	4	296	767
New provisions charged to income statement	收益表內支銷的新準備	346	38	1	-	50	-	397	38
Net provisions released back to income statement	撥回收益表的準備淨額	(178)	-	-	-	(24)	-	(202)	-
Amounts written off	撇銷額	(288)	(101)	-	-	(12)	(1)	(300)	(102)
Recoveries	收回額	112	-	-	-	-	-	112	-
Effect of discounting (Note 4)	計算折扣的影響(附註4)	(20)	-	-	-	-	-	(20)	-
Transfer	轉賬	75	-	-	-	(75)	-	-	-
Reversal due to disposal of a subsidiary	因出售一間附屬公司的反沖	(17)	(30)	-	-	-	-	(17)	(30)
Exchange adjustments	匯兌調整	3	11	-	-	1	-	4	11
At 31st December	於12月31日	238	681	4	-	28	3	270	684

		The Bank 銀行							
		Advances to customers 客戶墊款		Advances to banks 銀行墊款		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	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	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	130	535	3	-	3	-	136	535
New provisions charged to income statement	收益表內支銷的新準備	172	23	1	-	6	-	179	23
Net provisions released back to income statement	撥回收益表的準備淨額	(118)	-	-	-	-	-	(118)	-
Amounts written off	撇銷額	(136)	(93)	-	-	(6)	-	(142)	(93)
Recoveries	收回額	92	-	-	-	-	-	92	-
Effect of discounting	計算折扣的影響	(14)	-	-	-	-	-	(14)	-
Exchange adjustments	匯兌調整	2	9	-	-	-	-	2	9
At 31st December	於12月31日	128	474	4	-	3	-	135	474

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

28. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶墊款及其他賬項(續)

(b) Impairment allowances against advances and other accounts for 2011 (b) 2011年墊款及其他賬項之減值準備

		The Group 集團							
		Advances to customers 客戶墊款		Advances to banks 銀行墊款		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	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	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	282	819	-	-	38	3	320	822
New provisions charged to income statement	收益表內支銷的新準備	171	26	3	-	61	1	235	27
Net provisions released back to income statement	撥回收益表的準備淨額	(172)	-	-	-	(8)	-	(180)	-
Amounts written off	撇銷額	(131)	(87)	-	-	(3)	-	(134)	(87)
Recoveries	收回額	72	-	-	-	-	-	72	-
Effect of discounting (Note 4)	計算折扣的影響(附註4)	(17)	-	-	-	-	-	(17)	-
Exchange adjustments	匯兌調整	-	5	-	-	-	-	-	5
At 31st December	於12月31日	205	763	3	-	88	4	296	767

		The Bank 銀行							
		Advances to customers 客戶墊款		Advances to banks 銀行墊款		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	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	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	226	654	-	-	3	-	229	654
New provisions charged to income statement	收益表內支銷的新準備	78	-	3	-	-	-	81	-
Net provisions released back to income statement	撥回收益表的準備淨額	(129)	(39)	-	-	-	-	(129)	(39)
Amounts written off	撇銷額	(95)	(79)	-	-	-	-	(95)	(79)
Recoveries	收回額	60	-	-	-	-	-	60	-
Effect of discounting	計算折扣的影響	(9)	-	-	-	-	-	(9)	-
Exchange adjustments	匯兌調整	(1)	(1)	-	-	-	-	(1)	(1)
At 31st December	於12月31日	130	535	3	-	3	-	136	535

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(c) Advances to customers – by industry sectors

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

(c) 客戶墊款 – 按行業分類

按行業分類的客戶墊款總額及有抵押墊款的百分比是按照香港金融管理局所採用的類別和定義。

		2012		2011 Restated 重報	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率	墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率
The Group	集團				
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	13,460	71.28	10,946	69.03
– Property investment	– 物業投資	39,522	90.10	41,747	89.63
– Financial concerns	– 金融企業	11,557	86.79	9,430	78.35
– Stockbrokers	– 股票經紀	804	85.26	422	85.95
– Wholesale and retail trade	– 批發與零售業	10,232	41.50	7,790	33.58
– Manufacturing	– 製造業	6,331	34.07	5,392	42.40
– Transport and transport equipment	– 運輸與運輸設備	5,414	64.01	4,642	76.38
– Recreational activities	– 娛樂活動	215	44.22	272	26.60
– Information technology	– 資訊科技	1,170	8.28	589	60.57
– Others	– 其他	7,580	47.25	5,758	44.02
– Sub-total	– 小計	96,285	72.25	86,988	73.73
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	1,171	100.00	1,379	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	25,337	99.98	27,246	99.97
– Credit card advances	– 信用卡墊款	3,802	0.00	3,649	0.00
– Others	– 其他	16,297	75.17	14,457	70.71
– Sub-total	– 小計	46,607	83.15	46,731	83.11
Total loans for use in Hong Kong	在香港使用的貸款總額	142,892	75.80	133,719	77.01
Trade finance	貿易融資	5,156	41.08	5,948	43.44
Loans for use outside Hong Kong*	在香港以外使用的貸款*	202,672	70.42	175,614	71.22
Total advances to customers	客戶墊款總額	350,720	72.18	315,281	73.15

* 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。

		2012		2011 Restated 重報	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率	墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率
Property development	物業發展	27,835	55.35	26,038	50.83
Property investment	物業投資	29,895	98.45	23,123	92.69
Wholesale and retail trade	批發與零售業	26,872	74.89	22,492	81.35
Manufacturing	製造業	10,116	46.81	10,712	60.34
Others	其他	57,015	63.41	48,870	68.31
		151,733	69.76	131,235	70.72

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

28. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶墊款及其他賬項(續)

(c) Advances to customers – by industry sectors (continued)

(c) 客戶墊款 – 按行業分類(續)

		2012		2011	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率	墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率
The Bank	銀行				
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	13,450	71.33	10,933	69.11
– Property investment	– 物業投資	39,437	90.08	41,640	89.61
– Financial concerns	– 金融企業	11,557	86.80	9,429	78.35
– Stockbrokers	– 股票經紀	804	85.26	422	85.95
– Wholesale and retail trade	– 批發與零售業	9,875	39.39	7,701	32.82
– Manufacturing	– 製造業	6,288	33.63	5,341	41.85
– Transport and transport equipment	– 運輸與運輸設備	5,386	63.82	4,642	76.38
– Recreational activities	– 娛樂活動	215	44.22	272	26.60
– Information technology	– 資訊科技	1,170	8.28	586	60.35
– Others	– 其他	7,061	43.37	5,327	39.48
– Sub-total	– 小計	95,243	71.95	86,293	73.54
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	1,171	100.00	1,379	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	25,331	99.98	27,190	99.97
– Credit card advances	– 信用卡墊款	3,802	0.00	3,649	0.00
– Others	– 其他	14,944	75.11	13,134	70.53
– Sub-total	– 小計	45,248	83.36	45,352	83.40
Total loans for use in Hong Kong	在香港使用的貸款總額	140,491	75.63	131,645	76.94
Trade finance	貿易融資	4,606	36.28	5,352	39.07
Loans for use outside Hong Kong*	在香港以外使用的貸款*	76,475	56.59	60,926	53.96
Total advances to customers	客戶墊款總額	221,572	68.24	197,923	68.84

* 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。

		2012		2011	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率	墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率
Property development	物業發展	11,905	4.82	11,064	6.87
Property investment	物業投資	805	96.85	1,193	67.46
Wholesale and retail trade	批發與零售業	3,640	78.27	2,187	63.26
Manufacturing	製造業	3,415	52.47	2,889	51.72
Others	其他	5,932	12.81	3,748	15.73
		25,697	26.28	21,081	23.87

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

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

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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	166	274	156	264
b.	Individual impairment allowance	21	39	11	29
c.	Collective impairment allowance	59	61	35	38
d.	Provision charged to income statement				
	– individual impairment loss	7	11	7	10
	– collective impairment loss	18	16	8	7
e.	Written off	8	7	8	5
(ii)	Property investment	(ii)	物業投資		
a.	Individually impaired loans	174	388	131	181
b.	Individual impairment allowance	7	35	7	21
c.	Collective impairment allowance	177	226	133	156
d.	Provision charged to income statement				
	– individual impairment loss	12	29	7	21
	– collective impairment loss	56	87	42	74
e.	Written off	19	18	14	12
(iii)	Loans for purchase of residential properties	(iii)	購買其他住宅物業的貸款		
a.	Individually impaired loans	102	238	83	232
b.	Individual impairment allowance	1	–	–	–
c.	Collective impairment allowance	54	56	31	37
d.	Provision charged to income statement				
	– individual impairment loss	5	1	1	1
	– collective impairment loss	8	20	3	7
e.	Written off	1	1	1	1
(iv)	Wholesale and retail trade	(iv)	批發與零售業		
a.	Individually impaired loans	264	170	61	78
b.	Individual impairment allowance	77	73	33	42
c.	Collective impairment allowance	94	89	58	54
d.	Provision charged to income statement				
	– individual impairment loss	170	63	40	26
	– collective impairment loss	24	30	11	12
e.	Written off	120	30	15	29

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

28. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶墊款及其他賬項(續)

(d) Advances to customers – by geographical areas

The information concerning the breakdown of the gross amount of advances to customers by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

(d) 客戶墊款 – 按區域分類

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

		The Group 集團 2012				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶墊款總額	逾期3個月以上的 客戶墊款	減值客戶墊款	個別減值準備	整體減值準備
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Hong Kong	香港	159,038	171	338	84	208
People's Republic of China	中華人民共和國	151,588	375	453	119	232
Other Asian Countries	其他亞洲國家	19,446	29	43	17	118
Others	其他	20,648	81	304	18	123
Total	總額	350,720	656	1,138	238	681
% of total advances to customers	佔客戶墊款總額的百分比			0.32%		
Market value of security held against impaired advances to customers	減值墊款抵押品市值			2,947		

		The Group 集團 2011 Restated 重報				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶墊款總額	逾期3個月以上的 客戶墊款	減值客戶墊款	個別減值準備	整體減值準備
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Hong Kong	香港	149,309	179	558	66	254
People's Republic of China	中華人民共和國	129,757	21	216	24	204
Other Asian Countries	其他亞洲國家	15,625	20	33	24	131
Others	其他	20,590	31	668	91	174
Total	總額	315,281	251	1,475	205	763
% of total advances to customers	佔客戶墊款總額的百分比			0.47%		
Market value of security held against impaired advances to customers	減值墊款抵押品市值			3,267		

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		The Bank 銀行 2012				
		Total advances to customers	Advances overdue for over three months 逾期3個月以上的	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
Hong Kong	香港	143,354	149	304	74	182
People's Republic of China	中華人民共和國	39,563	98	127	19	53
Other Asian Countries	其他亞洲國家	18,863	29	43	17	117
Others	其他	19,792	80	303	18	122
Total	總額	221,572	356	777	128	474
% of total advances to customers	佔客戶墊款總額的百分比			0.35%		
Market value of security held against impaired advances to customers	減值墊款抵押品市值			2,262		

		The Bank 銀行 2011				
		Total advances to customers	Advances overdue for over three months 逾期3個月以上的	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
Hong Kong	香港	133,412	158	526	56	226
People's Republic of China	中華人民共和國	34,724	5	129	1	48
Other Asian Countries	其他亞洲國家	14,432	20	32	24	129
Others	其他	15,355	14	447	49	132
Total	總額	197,923	197	1,134	130	535
% of total advances to customers	佔客戶墊款總額的百分比			0.57%		
Market value of security held against impaired advances to customers	減值墊款抵押品市值			2,694		

Impaired loans and advances are individually assessed loans with objective evidence of impairment on an individual basis. The above information by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk.

減值貸款及墊款是個別出現客觀減值證據而須個別評估的貸款。以上按國家或區域分類的資料，是根據交易對手的所在地並已顧及轉移風險因素。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

28. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶墊款及其他賬項(續)

(e) Advances to customers – net investment in finance leases

Advances to customers include net investment in equipment leased under finance leases. The total minimum lease payments receivable under finance leases and their present values at the year end are as follows:

(e) 客戶墊款 – 融資租賃的淨投資額

客戶墊款包括以融資租賃形式租出的設備。根據融資租賃應收的最低租賃付款總額，及其現值如下：

		The Group and The Bank 集團及銀行					
		2012			2011		
		Present	Interest	Total	Present	Interest	Total
		value of the	income	minimum	value of the	income	minimum
		minimum	relating	lease	minimum	relating	lease
		lease	to future	payments	lease	to future	payments
		payments	periods	payments	payments	periods	payments
		最低租賃	相關未來	最低租賃	最低租賃	相關未來	最低租賃
		付款現值	利息收入	付款總額	付款現值	利息收入	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	1,298	167	1,465	1,157	155	1,312
After one year	1年以後至						
but within five years	5年內	1,576	215	1,791	1,506	206	1,712
After five years	5年以後	1,857	261	2,118	2,023	262	2,285
		4,731	643	5,374	4,686	623	5,309
Less: Individual impairment allowances	減：個別減值準備	(8)			(1)		
Net investment in finance leases	融資租賃的淨投資額	4,723			4,685		

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)

29. AVAILABLE-FOR-SALE FINANCIAL ASSETS 可供出售金融資產

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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) (Note 46(c))	國庫債券(包括外匯基金票據) (附註46(c))	22,873	14,106	22,873	14,095
Certificates of deposit held (Note 46(c))	持有的存款證(附註46(c))	2,914	3,120	1,609	1,931
Debt securities (Note 46(c))	債務證券(附註46(c))	36,546	25,671	19,330	11,641
Equity securities	股份證券	2,307	1,910	1,132	878
Investment funds	投資基金	91	103	72	84
		64,731	44,910	45,016	28,629
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	23,087	17,751	22,363	15,184
Public sector entities	公營機構	2,198	1,917	66	-
Banks and other financial institutions	銀行及其他金融機構	20,855	14,202	11,121	8,419
Corporate entities	企業實體	18,462	10,900	11,394	4,942
Other entities	其他實體	129	140	72	84
		64,731	44,910	45,016	28,629
Analysed by place of listing:	按上市地區分析:				
Debt securities	債務證券				
Listed in Hong Kong	在香港上市	5,450	1,291	4,303	975
Listed outside Hong Kong	在香港以外地區上市	12,519	5,482	10,108	3,515
		17,969	6,773	14,411	4,490
Unlisted	非上市	44,364	36,124	29,401	23,177
		62,333	42,897	43,812	27,667
Equity securities	股份證券				
Listed in Hong Kong	在香港上市	553	470	142	139
Listed outside Hong Kong	在香港以外地區上市	978	783	282	190
		1,531	1,253	424	329
Unlisted	非上市	776	657	708	549
		2,307	1,910	1,132	878
Investment funds	投資基金				
Listed outside Hong Kong	在香港以外地區上市	19	19	-	-
Unlisted	非上市	72	84	72	84
		91	103	72	84
		64,731	44,910	45,016	28,629

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

30. HELD-TO-MATURITY INVESTMENTS (NOTE 46(c)) 持至到期投資(附註46(c))

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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)	615	445	615	445
Certificates of deposit held	持有的存款證	1,070	1,165	1,039	1,107
Debt securities	債務證券	2,635	2,988	1,565	1,339
		4,320	4,598	3,219	2,891
Less: Impairment allowances	減: 減值準備	-	(11)	-	(11)
		4,320	4,587	3,219	2,880
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	1,552	1,372	1,548	1,368
Public sector entities	公營機構	316	428	168	169
Banks and other financial institutions	銀行及其他金融機構	1,108	2,335	390	1,243
Corporate entities	企業實體	1,344	452	1,113	100
		4,320	4,587	3,219	2,880
Analysed by place of listing:	按上市地區分析:				
Debt securities	債務證券				
Listed in Hong Kong	在香港上市	627	289	570	216
Listed outside Hong Kong	在香港以外地區上市	1,527	2,192	1,096	1,522
		2,154	2,481	1,666	1,738
Unlisted	非上市	2,166	2,106	1,553	1,142
		4,320	4,587	3,219	2,880
Fair value:	公平價值:				
Listed securities	上市證券	2,295	2,549	1,783	1,778
Unlisted securities	非上市證券	2,179	2,109	1,553	1,144
		4,474	4,658	3,336	2,922

Movement of impairment allowances

減值準備的變動

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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	11	-	11	-
Charge for the year	年度內支銷	-	11	-	11
Written back	回撥	(11)	-	(11)	-
At 31st December	於12月31日	-	11	-	11

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

31. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

		The Bank 銀行	
		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Unlisted shares, at cost	非上市股份(原值)	14,093	13,987
Less: Impairment allowances	減: 減值準備	(135)	(233)
		13,958	13,754

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary.

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。此等股份屬普通股股份。

Details of these companies are as follows:

此等公司的詳情如下：

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行所佔權益	The Group 集團所佔權益	
Ample Delight Limited 承悅有限公司	Hong Kong 香港	HK\$港幣450,000,000元		100%	Investment holding 投資控股
Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司	Hong Kong 香港	HK\$港幣150,000,000元	100%		Trustee 信託服務
BEA 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
Blue Cross (Asia- Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Hong Kong 香港	HK\$港幣625,000,000元	100%		Insurance 保險
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273,200,000元		100%	Wealth management services 財富管理服務
Central Town Limited 滙中興業有限公司	Hong Kong 香港	HK\$港幣2元	100%		Property investment 物業投資
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
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370,000,000元	100%		Money lenders 放債人
Crystal Gleaming Limited	BVI 英屬處女群島	HK\$港幣929,752,849元	100%		Investment holding 投資控股

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

31. INVESTMENTS IN SUBSIDIARIES (CONTINUED) 附屬公司投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行所佔權益	The Group 集團所佔權益	
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 Holding Company, Inc.	U.S.A. 美國	US\$5美元	100%		Bank holding company 銀行控股公司
East Asia International Trustees Limited	BVI 英屬處女群島	US\$1,301,000美元	100%		Trustees services 信託服務
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 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
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
Keen Sight Development Limited	BVI 英屬處女群島	US\$26,200,000美元	100%		Investment holding 投資控股
Powerhouse Worldwide Limited	BVI 英屬處女群島	US\$26,200,000美元		100%	Investment holding 投資控股
Skyray Holdings Limited	BVI 英屬處女群島	HK\$港幣450,000,000元	100%		Investment holding 投資控股
Shaanxi Fuping BEA Rural Bank Corporation 陝西富平東亞村鎮銀行 有限責任公司	PRC 中華人民共和國	CNY人民幣20,000,000元	100%		Banking and other financial businesses 銀行及其他金融業務
Speedfull Limited	BVI 英屬處女群島	HK\$港幣450,000,000元		100%	Investment holding 投資控股

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 銀行所佔權益	The Group 集團所佔權益	
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
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 (Malaysia) Sdn. Bhd.	Malaysia 馬來西亞	RM馬幣5,672,484元		68.05%	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.
- * Company not audited by KPMG. The accounts of the subsidiaries not audited by KPMG reflect total net assets and total income constituting approximately 0.2% and 0.1% respectively of the related consolidated totals.

附註:

1. 指一全資擁有外資企業。
- * 非由畢馬威會計師事務所審核的公司。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0.2%及0.1%。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

32. INVESTMENTS IN ASSOCIATES 聯營公司投資

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Listed shares, at cost	上市股份(原值)	-	-	2,040	2,040
Unlisted shares, at cost	非上市股份(原值)	-	-	525	426
Share of net assets	應佔淨資產	4,322	3,569	-	-
Goodwill	商譽	355	251	-	-
		4,677	3,820	2,565	2,466
Less: Impairment allowances	減: 減值準備	-	-	-	-
		4,677	3,820	2,565	2,466

Loans to associates amounting to HK\$233 million (2011: HK\$233 million) are included under placements with banks and other financial institutions.

聯營公司貸款共港幣233,000,000元(2011年: 港幣233,000,000元)已包括在在銀行及其他金融機構的存款。

Share of associates' taxation for the year amounted to HK\$173 million (2011: HK\$148 million).

年度內應佔聯營公司稅項為港幣173,000,000元(2011年: 港幣148,000,000元)。

Shareholdings in associates held by the Bank include listed investments of HK\$2,040 million (2011: HK\$2,040 million). As at the end of the reporting period, the fair value of these investments held by the Group, based on quoted market prices, was HK\$3,063 million (2011: HK\$2,652 million).

本行持有之聯營公司股權包括上市投資港幣2,040,000,000元(2011年: 港幣2,040,000,000元)。於報告期結束日, 本集團所持此等投資按市場報價計算之公平價值為港幣3,063,000,000元(2011年: 港幣2,652,000,000元)。

The following list contains only the particulars of associates which principally affected the results or assets of the Group:

以下摘要只包括對本集團的業績或資產有重大影響的聯營公司:

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary shares 普通股 held by		Nature of business 業務性質
		The Bank 銀行所佔權益	The Group 集團所佔權益	
Listed 上市				
AFFIN Holdings Berhad	Malaysia 馬來西亞	23.52%		Investment holding 投資控股
Unlisted 非上市				
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) 中國工商銀行(加拿大)有限公司	Canada 加拿大	20%		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 普通股 held by		Nature of business 業務性質
		The Bank 銀行所佔權益	The Group 集團所佔權益	
Industrial and Commercial Bank of China (USA) N.A. 中國工商銀行(美國)	U.S.A. 美國		20%	Banking services 銀行服務
Platinum Holdings Company Limited	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
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

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 HK\$ Mn 港幣百萬元	Liabilities 負債 HK\$ Mn 港幣百萬元	Equity 股東權益 HK\$ Mn 港幣百萬元	Revenue 收入 HK\$ Mn 港幣百萬元	Profit 溢利 HK\$ Mn 港幣百萬元
2012						
100 per cent	百分之一百	166,760	145,836	20,924	5,550	2,315
Group's effective interest	本集團的有效權益	38,621	34,300	4,321	1,293	536
2011						
100 per cent	百分之一百	143,878	126,984	16,894	4,482	1,765
Group's effective interest	本集團的有效權益	33,621	30,052	3,569	1,074	435

33. 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	
		2012	2011	2012	2011
		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	2,743	2,882	1,460	1,460
Acquired intangible assets	購入無形資產	1,298	1,333	-	-
		4,041	4,215	1,460	1,460

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

33. GOODWILL AND INTANGIBLE ASSETS (CONTINUED) 商譽及無形資產(續)

(a) Goodwill

(a) 商譽

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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	2,882	2,822	1,460	1,460
Additions through acquisition of subsidiaries	經收購附屬公司的增置	11	68	-	-
Reversal due to disposal of a subsidiary	因出售一間附屬公司的反沖	(172)	-	-	-
Exchange adjustments	匯兌調整	22	(8)	-	-
At 31st December	於12月31日	2,743	2,882	1,460	1,460

Impairment tests for cash-generating units containing goodwill

包含商譽的現金生產單位之減值測試

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segments as follows:

本集團按業務分部分配商譽予可辨別的現金生產單位如下：

		2012	2011
		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	1,235	1,210
Others	其他	48	212
		2,743	2,882

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流作估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

The pre-tax discount rate used for value-in-use calculations is 11.39%-12.5% (2011: 10%-12.28%) and the long-term growth rate is 4%-10% (2011: 2%-10%).

用於計算使用價值的除稅前折扣率為11.39%-12.5% (2011: 10%-12.28%) 及長期增長率為4%-10% (2011: 2%-10%)。

Management determined the budgeted net profit based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the internal forecasts.

管理層根據過往表現及預計市場發展以釐定預算淨溢利。所採用的加權平均增長率與內部預測是一致的。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(b) Intangible assets (other than goodwill)

Intangible assets include acquired core deposits. Intangible assets are stated at cost less accumulated amortisation and impairment loss (Note 2(k)(iv)).

Amortisation of intangible assets with finite useful lives is charged to the income statement over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available to use and their estimated useful lives are as follows:

Acquired core deposits: 10 years

Naming rights: Over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

(b) 無形資產(商譽除外)

無形資產包括購入核心存款。無形資產按成本減除累計攤銷及減值損失列賬(附註2(k)(iv))。

有限定可用期的無形資產按其估計可用期於收益表內攤銷。以下有限定可用期的無形資產由可供使用日起按以下的估計可用期攤銷：

購入核心存款為10年

冠名權按建築物或土地兩者較短的租賃期

每年須檢討其期限及攤銷方法。

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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	1,433	1,433	-	-
Reversal due to disposal of a subsidiary	因出售一間附屬公司的反沖	(14)	-	-	-
At 31st December	於12月31日	1,419	1,433	-	-
Accumulated amortisation	累計攤銷				
At 1st January	於1月1日	(100)	(67)	-	-
Amortisation charge for the year (Note 11)	年度內攤銷(附註11)	(33)	(33)	-	-
Reversal due to disposal of a subsidiary	因出售一間附屬公司的反沖	12	-	-	-
At 31st December	於12月31日	(121)	(100)	-	-
Carrying amount at 31st December	於12月31日賬面值	1,298	1,333	-	-

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

34. FIXED ASSETS 固定資產

		2012 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, 2012	於2012年1月1日	2,940	8,991	4,563	13,554	16,494
Additions	增置	17	22	386	408	425
Revaluation surplus (Note 15)	重估盈餘(附註15)	454	-	-	-	454
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	36	(36)	-	(36)	-
Revaluation loss on bank premises (Note 15)	由行址轉入投資物業 (附註15)	-	(3)	-	(3)	(3)
Redevelopment cost	重建成本	21	28	-	28	49
Reversal due to disposal of a subsidiary	因出售一間附屬公司 的反沖	-	-	(116)	(116)	(116)
Disposals	出售	(375)	(25)	(183)	(208)	(583)
Exchange adjustments	匯兌調整	7	77	21	98	105
At 31st December, 2012	於2012年12月31日	3,100	9,054	4,671	13,725	16,825
Accumulated depreciation and amortisation	累計折舊及 攤銷					
At 1st January, 2012	於2012年1月1日	-	1,012	2,843	3,855	3,855
Charge for the year (Note 11)	年度內支銷(附註11)	-	168	489	657	657
Reversal due to disposal of a subsidiary	因出售一間附屬公司的 反沖	-	-	(78)	(78)	(78)
Write back on disposals	出售時回撥	-	(16)	(163)	(179)	(179)
Exchange adjustments	匯兌調整	-	6	12	18	18
At 31st December, 2012	於2012年12月31日	-	1,170	3,103	4,273	4,273
Net book value at 31st December, 2012	賬面淨值 於2012年12月31日	3,100	7,884	1,568	9,452	12,552
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	-	8,242	4,671	12,913	12,913
At Directors' valuation	按董事估值					
- 1989	- 1989年	-	812	-	812	812
At professional valuation	按專業估值					
- 2012	- 2012年	3,100	-	-	-	3,100
		3,100	9,054	4,671	13,725	16,825

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		2012 The Bank 銀行 Furniture, Fixtures and equipment 傢俬、裝修 及設備				
		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, 2012	於2012年1月1日	2,433	4,071	2,576	6,647	
Additions	增置	-	-	168	168	
Revaluation surplus	重估盈餘	361	-	-	361	
Redevelopment cost	重建成本	9	28	-	37	
Disposals	出售	(375)	-	(134)	(509)	
Exchange adjustments	匯兌調整	-	39	7	46	
At 31st December, 2012	於2012年12月31日	2,428	4,138	2,617	6,755	
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2012	於2012年1月1日	-	444	1,758	2,202	
Charge for the year	年度內支銷	-	48	217	265	
Write back on disposals	出售時回撥	-	-	(122)	(122)	
Exchange adjustments	匯兌調整	-	1	1	2	
At 31st December, 2012	於2012年12月31日	-	493	1,854	2,347	
Net book value at 31st December, 2012	賬面淨值 於2012年12月31日	2,428	3,645	763	4,408	
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	-	3,326	2,617	5,943	
At Directors' valuation	按董事估值					
- 1989	- 1989年	-	812	-	812	
At professional valuation	按專業估值					
- 2012	- 2012年	2,428	-	-	2,428	
		2,428	4,138	2,617	6,755	
					9,183	

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

34. FIXED ASSETS (CONTINUED) 固定資產(續)

		2011 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	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, 2011	於2011年1月1日	2,574	9,031	4,160	13,191	15,765
Additions	增置	-	61	506	567	567
Additions through acquisition	經收購的增置	-	-	3	3	3
Revaluation surplus (Note 15)	重估盈餘(附註15)	404	-	-	-	404
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	-	14	-	14	14
Transfer from bank premises to investment properties	由行址轉入 投資物業	25	(25)	-	(25)	-
Redevelopment cost	重建成本	8	10	-	10	18
Disposals	出售	(94)	(306)	(161)	(467)	(561)
Exchange adjustments	匯兌調整	23	206	55	261	284
At 31st December, 2011	於2011年12月31日	2,940	8,991	4,563	13,554	16,494
Accumulated depreciation and amortisation	累計折舊及 攤銷					
At 1st January, 2011	於2011年1月1日	-	877	2,474	3,351	3,351
Additions through acquisition	經收購的增置	-	-	2	2	2
Charge for the year (Note 11)	年度內支銷(附註11)	-	164	472	636	636
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	-	(2)	-	(2)	(2)
Write back on disposals	出售時回撥	-	(45)	(137)	(182)	(182)
Exchange adjustments	匯兌調整	-	18	32	50	50
At 31st December, 2011	於2011年12月31日	-	1,012	2,843	3,855	3,855
Net book value at 31st December, 2011	賬面淨值 於2011年12月31日	2,940	7,979	1,720	9,699	12,639
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	-	8,178	4,563	12,741	12,741
At Directors' valuation	按董事估值					
- 1989	- 1989年	-	813	-	813	813
At professional valuation	按專業估值					
- 2011	- 2011年	2,940	-	-	-	2,940
		2,940	8,991	4,563	13,554	16,494

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		Investment properties	Bank premises	2011 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, 2011	於2011年1月1日	2,173	4,081	2,430	6,511	8,684
Additions	增置	–	–	219	219	219
Revaluation surplus	重估盈餘	338	–	–	–	338
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	–	9	–	9	9
Transfer from bank premises to investment properties	由行址轉入 投資物業	13	(13)	–	(13)	–
Redevelopment cost	重建成本	3	10	–	10	13
Disposals	出售	(94)	(8)	(72)	(80)	(174)
Exchange adjustments	匯兌調整	–	(8)	(1)	(9)	(9)
At 31st December, 2011	於2011年12月31日	2,433	4,071	2,576	6,647	9,080
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2011	於2011年1月1日	–	398	1,595	1,993	1,993
Charge for the year	年度內支銷	–	49	221	270	270
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	–	(2)	–	(2)	(2)
Write back on disposals	出售時回撥	–	(1)	(57)	(58)	(58)
Exchange adjustments	匯兌調整	–	–	(1)	(1)	(1)
At 31st December, 2011	於2011年12月31日	–	444	1,758	2,202	2,202
Net book value at 31st December, 2011	賬面淨值 於2011年12月31日	2,433	3,627	818	4,445	6,878
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	–	3,258	2,576	5,834	5,834
At Directors' valuation	按董事估值					
– 1989	– 1989年	–	813	–	813	813
At professional valuation	按專業估值					
– 2011	– 2011年	2,433	–	–	–	2,433
		2,433	4,071	2,576	6,647	9,080

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

34. FIXED ASSETS (CONTINUED) 固定資產(續)

The net book value of bank premises and investment properties comprises:

行址及投資物業的賬面淨值包括：

		The Group 集團			
		2012		2011 Restated 重報	
		Investment properties	Bank premises	Investment properties	Bank premises
		投資物業	行址	投資物業	行址
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	195	742	97	750
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)	2,083	1,664	2,127	1,646
On medium-term lease (10–50 years)	中期租約(10至50年)	365	1,300	313	1,335
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)	–	40	–	40
On medium-term lease (10–50 years)	中期租約(10至50年)	457	4,138	403	4,208
		3,100	7,884	2,940	7,979

		The Bank 銀行			
		2012		2011 Restated 重報	
		Investment properties	Bank premises	Investment properties	Bank premises
		投資物業	行址	投資物業	行址
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	–	707	–	674
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)	1,771	1,637	1,877	1,618
On medium-term lease (10–50 years)	中期租約(10至50年)	657	1,194	556	1,225
Held outside Hong Kong	在香港以外地區				
On medium-term lease (10–50 years)	中期租約(10至50年)	–	107	–	110
		2,428	3,645	2,433	3,627

The carrying amount of the bank premises of the Group and the Bank would have been HK\$6,217 million (2011 (restated): HK\$6,268 million) and HK\$2,040 million (2011 (restated): HK\$2,017 million) respectively had they been stated at cost less accumulated depreciation.

假設本集團及本行以成本減累計折舊入賬，行址的賬面值將分別為港幣6,217,000,000元(2011年(重報)：港幣6,268,000,000元)及港幣2,040,000,000元(2011年(重報)：港幣2,017,000,000元)。

Investment properties were valued by independent valuers. Investment properties in Hong Kong were valued at HK\$2,448 million as at 31st December, 2012 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, 2012 and it was performed on an open market value basis.

投資物業是按獨立估值師估值。於2012年12月31日，香港投資物業的估值為港幣2,448,000,000元。該等物業由獨立估值師一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2012年12月31日之賬項內。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 10 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

Rental income receivable from investment properties held for use under operating leases amounted to HK\$142 million in 2012 (2011: HK\$129 million). There was no contingent rental recognised during the year 2012 (2011: 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142,000,000元(2011年：港幣129,000,000元)。2012年年度內未有確認或有租金(2011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	
		2012	2011	2012	2011
		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	122	128	57	63
After one year but within five years	1年以後至5年內	82	123	21	33
After five years	5年以後	-	-	-	-
		204	251	78	96

35. 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：

		The Bank 銀行	
		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Amounts due from subsidiaries	附屬公司欠款	15,566	11,498
Amounts due to subsidiaries	欠附屬公司款項	3,105	2,416
		12,461	9,082

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

35. AMOUNTS DUE FROM AND DUE TO SUBSIDIARIES (CONTINUED) 附屬公司欠款及欠附屬公司款項(續)

		The Bank 銀行	
		2012	2011
		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	5,809	545
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	2,319	1,582
Trading assets	交易用途資產	166	248
Other assets	其他資產	8,790	10,292
		17,084	12,667
Liabilities	負債		
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	1,825	824
Deposits from customers	客戶存款	2,508	2,312
Trading liabilities	交易用途負債	113	162
Other liabilities	其他負債	177	287
		4,623	3,585
		12,461	9,082

36. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION
財務狀況表內的所得稅

(a) Current taxation in the statement of financial position represents: (a) 資產負債表內的本期稅項為：

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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 16(a))	本年度香港利得稅準備(附註16(a))	533	250	484	189
Impact of leasing partnerships	合夥租賃的影響	(19)	(189)	(19)	(189)
		514	61	465	–
Provisional profits tax paid	已付暫繳利得稅	(52)	(58)	–	–
		462	3	465	–
Balance of profits tax provision relating to prior years	以往年度利得稅準備結餘	206	202	189	156
Taxation outside Hong Kong	海外稅項	320	268	218	141
		988	473	872	297

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(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:

Deferred tax arising from: 遞延稅項源自:		The Group 集團						
		Depreciation allowances in excess of related depreciation 超過有關折舊的折舊免稅額 HK\$ Mn 港幣百萬元	Revaluation of properties 物業重估 HK\$ Mn 港幣百萬元	Impairment losses on financial assets 金融資產的減值損失 HK\$ Mn 港幣百萬元	Revaluation of available-for-sale securities 可供出售證券重估 HK\$ Mn 港幣百萬元	Tax losses 稅損 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
At 1st January, 2012	於2012年1月1日	366	150	(94)	(57)	(25)	(256)	84
Charged to income statement (Note 16(a))	收益表內支銷 (附註16(a))	26	13	21	-	15	38	113
(Credited)/charged to reserves (Notes 41(c) and (h))	(存入)/支銷儲備內 (附註41(c)及(h))	-	(1)	-	120	-	-	119
Reversal due to disposal of a subsidiary	因出售一間附屬公司的反沖	-	-	31	-	-	134	165
Exchange and other adjustments	匯兌及其他調整	-	1	-	-	-	1	2
At 31st December, 2012	於2012年12月31日	392	163	(42)	63	(10)	(83)	483

Deferred tax arising from: 遞延稅項源自:		The Group 集團						
		Depreciation allowances in excess of related depreciation 超過有關折舊的折舊免稅額 HK\$ Mn 港幣百萬元	Revaluation of properties 物業重估 HK\$ Mn 港幣百萬元	Impairment losses on financial assets 金融資產的減值損失 HK\$ Mn 港幣百萬元	Revaluation of available-for-sale securities 可供出售證券重估 HK\$ Mn 港幣百萬元	Tax losses 稅損 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
At 1st January, 2011	於2011年1月1日	322	145	(131)	(19)	(147)	(366)	(196)
Charged to income statement (Note 16(a))	收益表內支銷 (附註16(a))	44	6	34	-	123	110	317
Credited to reserves (Notes 41(c) and (h))	存入儲備內 (附註41(c)及(h))	-	(3)	-	(35)	-	-	(38)
Exchange and other adjustments	匯兌及其他調整	-	2	3	(3)	(1)	-	1
At 31st December, 2011	於2011年12月31日	366	150	(94)	(57)	(25)	(256)	84

Deferred tax arising from: 遞延稅項源自:		The Bank 銀行						
		Depreciation allowances in excess of related depreciation 超過有關折舊的折舊免稅額 HK\$ Mn 港幣百萬元	Revaluation of properties 物業重估 HK\$ Mn 港幣百萬元	Impairment losses on financial assets 金融資產的減值損失 HK\$ Mn 港幣百萬元	Revaluation of available-for-sale securities 可供出售證券重估 HK\$ Mn 港幣百萬元	Tax losses 稅損 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
At 1st January, 2012	於2012年1月1日	354	90	(129)	(12)	(13)	11	301
Charged to income statement	收益表內支銷	22	-	14	-	14	18	68
(Credited)/charged to reserves (Notes 41(c) and (h))	(存入)/支銷儲備內 (附註41(c)及(h))	-	(1)	-	99	-	-	98
Exchange and other adjustments	匯兌及其他調整	-	-	-	-	-	3	3
At 31st December, 2012	於2012年12月31日	376	89	(115)	87	1	32	470

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

36. 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)

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	The Bank 銀行	
							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	HK\$ Mn
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2011	於2011年1月1日	314	91	(177)	43	(61)	(208)	2
Charged to income statement	收益表內支銷	40	-	49	-	48	215	352
Credited to reserves (Notes 41(c) and (h))	存入儲備內 (附註41(c)及(h))	-	(1)	-	(54)	-	-	(55)
Exchange and other adjustments	匯兌及其他調整	-	-	(1)	(1)	-	4	2
At 31st December, 2011	於2011年12月31日	354	90	(129)	(12)	(13)	11	301

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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	(143)	(377)	(130)	(153)
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	626	461	600	454
		483	84	470	301

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$965 million (2011: HK\$842 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965,000,000元(2011年：港幣842,000,000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：

		2012		2011	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Expiring within 5 years	於五年內到期	29	30		
Expiring more than 5 years	五年後到期	122	101		
No expiry date	無到期日	814	711		
		965	842		

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

37. OTHER LIABILITIES 其他負債

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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	21	10	21	10
Negative fair value of derivatives (Note 45(b)(ii))	衍生工具的 負公平價值 (附註45(b)(ii))	3,806	4,538	3,059	3,817
		3,827	4,548	3,080	3,827
(b) Other accounts and provisions	(b) 其他賬項及準備				
Accrued interest payable	應計應付利息	3,912	3,897	1,399	1,716
Acceptance draft payable	應付承兌票據	24,633	18,381	296	219
Other accounts	其他賬項	16,832	13,704	5,338	4,286
		45,377	35,982	7,033	6,221

38. LOAN CAPITAL 借貸資本

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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
GBP262 million 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262,000,000英鎊無到期日步陞後償票據	-	3,178	-	3,178
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	-	4,659	-	4,659
USD500 million Hybrid Tier 1	500,000,000美元混合一級資本工具	-	-	4,410	4,025
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	5,139	5,031	5,139	5,031
USD500 million subordinated notes (under the Euro Medium Term Note Programme), measured at amortised cost	按攤銷成本列賬的500,000,000美元後償票據(按歐洲形式中期票據計劃)	3,976	3,873	3,976	3,873
SGD800 million subordinated notes (under the Euro Medium Term Note Programme), measured at amortised cost	按攤銷成本列賬的800,000,000新加坡幣後償票據(按歐洲形式中期票據計劃)	5,148	-	5,148	-
		14,263	16,741	18,673	20,766

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

38. LOAN CAPITAL (CONTINUED) 借貸資本(續)

The carrying amount of financial liabilities designated at fair value through profit or loss for the Group as at 31st December, 2012 was Nil (2011: HK\$15 million higher than the contractual amount at maturity) and for the Bank was HK\$534 million (2011: HK\$156 million) higher 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 was Nil (2011: HK\$853 million) and for the Bank were HK\$67 million (2011: HK\$1,521 million). The change for the year ended 31st December, 2012 for the Group was HK\$853 million (2011: HK\$202 million) and for the Bank was HK\$1,588 million (2011: HK\$555 million).

Hybrid Tier 1 capital instruments comprising step-up subordinated notes ("Notes") of face value HK\$3,876 million (USD500 million) and carrying amount of HK\$4,410 million and HK\$3,876 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.

Two tranches of loan capital of face value totalling HK\$4,651 million (USD600 million) and carrying amount totalling HK\$5,139 million (2011: HK\$5,031 million) were issued on 16th July, 2010 (USD450 million) and on 23rd July, 2010 (USD150 million) by the Bank. These subordinated notes carrying a coupon rate of 6.125% qualifying as supplementary capital are listed on the Singapore Stock Exchange and will mature on 16th July, 2020. Hedge ineffectiveness of HK\$0.3 million loss in 2012 (2011: HK\$3 million loss) was recorded under fair value hedge accounting.

Loan capital of face value of HK\$3,876 million (USD500 million) and carrying amount of HK\$3,976 million (2011: HK\$3,873 million) represents 6.375% subordinated notes (under the Euro Medium Term Note Programme) qualifying as supplementary capital issued on 4th November, 2011 by the Bank. The notes are listed on the Singapore Stock Exchange and will mature on 4th May, 2022. Hedge ineffectiveness of HK\$8 million profit in 2012 (2011: HK\$2 million loss) was recorded under the fair value hedge accounting for the USD400 million subordinated notes. The fair value as of 31st December, 2012 for the USD100 million subordinated notes was HK\$772 million (USD99.6 million).

於2012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為無(2011年：比合約到期日的金額上升港幣15,000,000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534,000,000元(2011年：港幣156,000,000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無(2011年：港幣853,000,000元)及港幣67,000,000元(2011年：港幣1,521,000,000元)。在截至2012年12月31日止年度本集團及本行的變動金額分別為港幣853,000,000元(2011年：港幣202,000,000元)及港幣1,588,000,000元(2011年：港幣555,000,000元)。

混合一級資本工具包括分別由本行發行面值港幣3,876,000,000元(500,000,000美元)及賬面值港幣4,410,000,000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3,876,000,000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。

兩宗票面值總額港幣4,651,000,000元(600,000,000美元)及賬面值總額港幣5,139,000,000元(2011年：港幣5,031,000,000元)的借貸資本，是指由本行於2010年7月16日(450,000,000美元)及於2010年7月23日(150,000,000美元)發行年息6.125%，並評定為二級資本的後償票據。該票據於新加坡交易所上市，並將於2020年7月16日到期。在2012年，因採用公平價值對沖會計法而錄得的無效對沖部份虧損為港幣300,000元(2011年：港幣3,000,000元虧損)。

票面值港幣3,876,000,000元(500,000,000美元)，即賬面值港幣3,976,000,000元(2011年：港幣3,873,000,000元)的借貸資本，是指由本行於2011年11月4日發行年息6.375%，並評定為附加資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於新加坡交易所上市，並將於2022年5月4日到期。就其中400,000,000美元後償票據而言，在2012年，因採用公平價值對沖會計法而錄得的無效對沖部份溢利為港幣8,000,000元(2011年：港幣2,000,000元虧損)。於2012年12月31日，其中100,000,000美元後償票據的公平價值則為港幣772,000,000元(99,600,000美元)。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

Loan capital of face value of HK\$5,073 million (SGD800 million) and carrying amount of HK\$5,148 million represents two tranches of 4.25% subordinated notes (under the Euro Medium Term Note Programme) qualifying as supplementary capital issued on 13th March, 2012 (SGD600 million) and on 27th April, 2012 (SGD200 million) by the Bank. The notes are listed on the Singapore Stock Exchange and will mature on 13th September, 2022. Hedge ineffectiveness of approximately HK\$18 million loss in 2012 was recorded under the fair value hedge accounting.

票面值港幣5,073,000,000元(800,000,000新加坡元)及賬面值港幣5,148,000,000元的借貸資本，是指由本行於2012年3月13日(600,000,000新加坡元)及於2012年4月27日(200,000,000新加坡元)發行兩宗年息4.25%，並評定為附加資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於新加坡交易所上市，並將於2022年9月13日到期。在2012年，因採用公平價值對沖會計法而錄得的無效對沖部份虧損約港幣18,000,000元。

On 21st March, 2012, the Bank redeemed the HK\$3,230 million (GBP262 million) 6.125% step-up perpetual subordinated notes which were issued on 20th March, 2007 and which qualified as supplementary capital.

於2012年3月21日，本行贖回由本行於2007年3月20日發行面值港幣3,230,000,000元(262,000,000英鎊)年息6.125%，並評定為附加資本的無到期日步陞後償票據。

On 22nd June, 2012, the Bank redeemed the HK\$4,656 million (USD600 million) floating rate step-up subordinated notes which were issued on 21st June, 2007 and which qualified as supplementary capital.

於2012年6月22日，本行贖回由本行於2007年6月21日發行面值港幣4,656,000,000元(600,000,000美元)，並評定為附加資本的浮息步陞後償票據。

39. EQUITY SETTLED SHARE-BASED TRANSACTIONS 以股份為基礎作支付的交易

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Directors and Chief Executive, of the Group options to subscribe for ordinary shares of the Bank. Except as provided otherwise in the rules of the relevant Schemes, share options granted under Staff Share Option Schemes 2002 and 2007, 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 while share options granted under the Staff Share Option Scheme 2011 and after may be exercised beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date. All options were granted for nil consideration.

本行所採納的僱員認股計劃是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，以認購本行普通股股份。除有關計劃的規則另有規定外，根據僱員認股計劃2002及2007所授予的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，而根據僱員認股計劃2011及以後所授予的認股權的行使期限為歸屬日開始至歸屬日的第5周年止。所有認股權均以不計價款形式發出。

(a) Particulars of share options:

(i) Share options granted under Staff Share Option Schemes 2002 and 2007:

(a) 認股權詳情：

(i) 根據僱員認股計劃2002及2007所授予的認股權：

Date of grant 授予日期	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
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)

39. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED) 以股份為基礎作支付的交易(續)

(a) Particulars of share options: (continued)

(ii) Share options granted under Staff Share Option Scheme 2011:

Date of grant 授予日期	Tranche 部分	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
05/5/2011	T1	05/5/2011 – 04/5/2012	05/5/2012 – 05/5/2017	32.00
05/5/2011	T2	05/5/2011 – 04/5/2013	05/5/2013 – 05/5/2018	32.00
05/5/2011	T3	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00

(iii) Share options granted under Staff Share Option Scheme 2012:

Date of grant 授予日期	Tranche 部分	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
10/5/2012	T1	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99

(a) 認股權詳情：(續)

(ii) 根據僱員認股計劃2011所授予的認股權：

(iii) 根據僱員認股計劃2012所授予的認股權：

(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：

		2012		2011	
		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	31.83	22	31.81	21
Exercised during the year	年度內行使	23.07	(1)	27.53	(3)
Granted during the year	年度內授予	28.99	6	32.00	6
Lapsed during the year	年度內失效	42.84	(2)	41.01	(2)
Outstanding at the end of the year	年末結餘	30.49	25	31.83	22
Exercisable at the end of the year	年末可供行使	30.73	15	31.76	16

The weighted average share price at the date of exercise for share options exercised during the year was HK\$28.71 (2011: HK\$30.61).

年度內於行使認股權當日的加權平均股價為港幣28.71元(2011年：港幣30.61元)。

The options outstanding at 31st December, 2012 had an exercise price from HK\$21.25 to HK\$42.84 (2011: from HK\$21.25 to HK\$42.84) and a weighted average remaining contractual life of 3.61 years (2011: 3.38 years).

於2012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(2011年：由港幣21.25元至港幣42.84元)，及剩餘合約年期之加權平均數為3.61年(2011年：3.38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。

		2012	2011
Fair value at measurement date	於計量日的公平價值		
– Tranche 1	– 部分1	HK\$港幣3.95元	HK\$港幣5.12元
– Tranche 2	– 部分2	HK\$港幣4.02元	HK\$港幣5.34元
– Tranche 3	– 部分3	HK\$港幣3.99元	HK\$港幣5.48元
Share price	股價	HK\$港幣28.90元	HK\$港幣31.60元
Exercise price	行使價	HK\$港幣28.99元	HK\$港幣32.00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)	22.08%	21.78%
Option life	認股權年期		
– Tranche 1	– 部分1	6 years年	6 years年
– Tranche 2	– 部分2	7 years年	7 years年
– Tranche 3	– 部分3	8 years年	8 years年
Expected dividends	預計股息	3.87%–3.94%	2.98%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(根據外匯基金票據)	0.45%	1.66%

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

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

預計波幅是根據過往之波幅(以認股權的加權剩餘年期計算)，再調整因公眾知悉的資訊影響未來波幅的預計變動。預計股息按過往的股息。主觀輸入假設的變動可能重大影響公平價值的估計。

認股權的授予須符合服務條件。該服務條件並未納入計算於授予日獲得服務的公平價值。授予認股權與市場情況並無關係。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

40. SHARE CAPITAL 股本

		2012		2011	
		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	4,000	HK\$港幣10,000,000,000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	2,076	5,190	2,042	5,105
Shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份	1	2	3	8
Subscription for new shares	發行新股	111	279	-	-
Shares issued in lieu of dividends	以股代息發行的股份	39	97	31	77
At 31st December	於12月31日	2,227	5,568	2,076	5,190

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. Except as provided otherwise in the rules of the relevant Schemes, the share options granted under the Schemes 2002 & 2007 will be exercisable between the first and the fifth anniversaries of the date of grant while share options granted under Scheme 2011 and after will be exercisable on the Vesting Date and ending on the fifth anniversary of the Vesting Date.

(a) Shares issued under Staff Share Option Scheme

During the year, options were exercised to subscribe for 1 million ordinary shares in the Bank at a consideration of HK\$18 million of which HK\$2 million was credited to share capital and the balance of HK\$16 million was credited to the share premium account (Note 41). HK\$6 million has been transferred from the capital reserve to the share premium account in accordance with policy set out in Note 2(q)(iv).

根據已核准的僱員認股權計劃(「計劃」)，認股權授予合格僱員以認購本行的普通股份。認股權行使價與相關股份於授予日的公平價值相同。除在有關計劃的規則另有規定外，根據計劃2002及2007所授予的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，而根據計劃2011及以後所授予的認股權的行使期限則由歸屬日開始至歸屬日的第5周年止。

(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1,000,000股之代價為港幣18,000,000元，其中港幣2,000,000元存入股本，餘數港幣16,000,000元存入股份溢價(附註41)。根據附註2(q)(iv)所載，已由資本儲備轉撥港幣6,000,000元往股份溢價內。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(b) Terms of unexpired and unexercised share options at the end of the reporting period (b) 於報告期結束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	2012	2011
		No. of shares 股份數目	No. of shares 股份數目
10/5/2007	HK\$港幣42.84元	–	2,035,000
05/5/2008	HK\$港幣40.09元	4,070,000	4,070,000
05/5/2009	HK\$港幣21.25元	2,920,000	3,515,000
06/7/2010	HK\$港幣28.49元	5,750,000	5,950,000
05/5/2011 (T1)	HK\$港幣32.00元	1,980,000	1,980,000
05/5/2011 (T2)	HK\$港幣32.00元	1,980,000	1,980,000
05/5/2011 (T3)	HK\$港幣32.00元	1,990,000	1,990,000
10/5/2012 (T1)	HK\$港幣28.99元	1,980,000	–
10/5/2012 (T2)	HK\$港幣28.99元	1,980,000	–
10/5/2012 (T3)	HK\$港幣28.99元	1,990,000	–
		24,640,000	21,520,000

41. RESERVES 儲備

		2012	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
(a) Share premium	(a) 股份溢價		
At 1st January	於1月1日	12,037	12,037
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	16	16
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	6	6
Subscription of new shares	認購新股	3,022	3,022
Shares issued in lieu of dividends	以股代息發行的股份	1,002	1,002
As 31st December	於12月31日	16,083	16,083
(b) General reserve	(b) 一般儲備		
At 1st January	於1月1日	13,744	13,376
Transfer from retained profits	撥自留存溢利	21	–
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	58	58
At 31st December	於12月31日	13,823	13,434

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

41. RESERVES (CONTINUED) 儲備(續)

		2012	
		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	1,032	971
Recognition of deferred tax liabilities (Note 36(b))	確認遞延稅項負債 (附註36(b))	1	1
Realised surplus on disposals transferred to general reserve	已實現出售物業盈餘撥入 一般儲備	(58)	(58)
Exchange adjustments	匯兌調整	1	-
At 31st December	於12月31日	976	914
(d) Statutory reserves	(d) 法定儲備		
At 1st January	於1月1日	2,142	2
Transfer from/(to) retained profits	撥自/(撥入)留存溢利	390	(2)
Exchange adjustments	匯兌調整	15	-
At 31st December	於12月31日	2,547	-
(e) Capital reserve	(e) 資本儲備		
At 1st January	於1月1日	86	-
Transfer from retained profits	撥自留存溢利	48	-
Disposal of a subsidiary	出售附屬公司	(4)	-
At 31st December	於12月31日	130	-
(f) Exchange revaluation reserve	(f) 匯兌重估儲備		
At 1st January	於1月1日	2,390	22
Exchange adjustments	匯兌調整	379	82
At 31st December	於12月31日	2,769	104
(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	140	140
Transfer of the fair value of options to share premium	認股權公平價值撥入股份溢價	(6)	(6)
Forfeited options transferred to retained profits	已失效的認股權轉入 留存溢利	(21)	(21)
Additions	增加	22	22
At 31st December	於12月31日	135	135

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		2012	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
(h)	Investment revaluation reserve	(h)	投資重估儲備
	At 1st January	27	67
	Changes in fair value of securities	1,121	635
	Reversal upon disposal (Note 13)	(113)	(15)
	Recognition of deferred tax liabilities (Note 36(b))	(120)	(99)
	Impairment loss and amortisation	98	61
	Exchange adjustments	(1)	3
	At 31st December	1,012	652
(i)	Other reserves	(i)	其他儲備
	At 1st January	60	-
	Share of changes in equity of associates	4	-
	At 31st December	64	-
(j)	Retained profits	(j)	留存溢利
	At 1st January	10,768	3,520
	Net profit for the year	6,056	2,997
	Transfer to general reserve	(21)	-
	Transfer (to)/from statutory reserve	(390)	2
	Transfer to capital reserve	(48)	-
	Forfeited options transferred to retained profits	21	21
	Transfer to non-controlling interests	(47)	-
	Dividends (Note 18)		
	– Interim dividend	(903)	(903)
	– Second interim dividend	(1,059)	(1,059)
	– Hybrid Tier 1 USD 500M	(331)	-
	At 31st December	14,046	4,578
(k)	Total reserves	(k)	儲備總額
		51,585	35,900

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

41. RESERVES (CONTINUED) 儲備(續)

		2011	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
(a) Share premium	(a) 股份溢價		
At 1st January	於1月1日		
– As previously reported	– 如前報告	9,331	9,331
– Reclassification from general reserve to share premium	– 由一般儲備重新分類至股份溢價	2,181	2,181
– As restated	– 重報	11,512	11,512
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	85	85
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	24	24
Shares issued in lieu of dividends	以股代息發行的股份	416	416
As 31st December	於12月31日	12,037	12,037
(b) General reserve	(b) 一般儲備		
At 1st January	於1月1日		
– As previously reported	– 如前報告	15,453	15,109
– Reclassification from general reserve to share premium	– 由一般儲備重新分類至股份溢價	(2,181)	(2,181)
– As restated	– 重報	13,272	12,928
Transfer from retained profits	撥自留存溢利	24	–
Shares issued in lieu of dividends	以股代息發行的股份	441	441
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	7	7
At 31st December	於12月31日	13,744	13,376
(c) Revaluation reserve on bank premises	(c) 行址重估儲備		
At 1st January	於1月1日	1,023	965
Recognition of deferred tax liabilities (Note 36(b))	確認遞延稅項負債(附註36(b))	3	1
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	16	12
Realised surplus on disposals transferred to general reserve	已實現出售物業盈餘撥入一般儲備	(7)	(7)
Exchange adjustments	匯兌調整	(3)	–
At 31st December	於12月31日	1,032	971
(d) Statutory reserves	(d) 法定儲備		
At 1st January	於1月1日	1,990	7
Transfer from retained profits	撥自留存溢利	70	(5)
Exchange adjustments	匯兌調整	82	–
At 31st December	於12月31日	2,142	2
(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	–

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		2011	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
(f)	Exchange revaluation reserve	(f)	匯兌重估儲備
	At 1st January	1,938	96
	Exchange adjustments	452	(74)
	At 31st December	2,390	22
(g)	Capital reserve – staff share options issued	(g)	資本儲備 – 已發行僱員認股權
	At 1st January	165	165
	Transfer of the fair value of options to share premium	(24)	(24)
	Forfeited options transferred to retained profits	(21)	(21)
	Additions	20	20
	At 31st December	140	140
(h)	Investment revaluation reserve	(h)	投資重估儲備
	At 1st January	258	141
	Changes in fair value of securities	(326)	(123)
	Reversal upon disposal (Note 13)	5	(5)
	Recognition of deferred tax liabilities (Note 36(b))	35	54
	Impairment loss and amortisation	55	–
	At 31st December	27	67
(i)	Other reserves	(i)	其他儲備
	At 1st January	53	–
	Share of changes in equity of associates	7	–
	At 31st December	60	–
(j)	Retained profits	(j)	留存溢利
	At 1st January	8,841	3,550
	Net profit for the year	4,358	1,974
	Transfer to general reserve	(24)	–
	Transfer to statutory reserve	(70)	5
	Forfeited options transferred to retained profits	21	21
	Dividends (Note 18)		
	– Interim dividend	(885)	(885)
	– Final dividend in respect of previous year	(1,145)	(1,145)
	– Hybrid Tier 1 USD 500M	(328)	–
	At 31st December	10,768	3,520
(k)	Total reserves	(k)	儲備總額
		42,426	30,135

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

General reserve was set up from the transfer of retained earnings and the realized revaluation surplus on disposal of properties.

股份溢價賬目的運用是受香港《公司條例》第48B條所規管。

一般儲備的建立，包括來自留存溢利及出售物業時的已實現重估盈餘。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

41. RESERVES (CONTINUED) 儲備(續)

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.

Statutory reserves are set up to supplement the paid-up capital until the sum of paid-up capital and the statutory reserves are equal to the registered capital for a branch, subsidiary and certain associates.

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 reserves represent 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, 2012, HK\$4,580 million (2011: HK\$4,065 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, 2012, the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$12,473 million (2011: HK\$11,427 million). After the end of the reporting period the directors declared a second interim dividend of HK\$0.63 per ordinary share (2011: HK\$0.51 per share), amounting to HK\$1,403 million (2011: HK\$1,059 million). The dividend has not been recognised as a liability at the end of the reporting period.

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。

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。

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2012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4,580,000,000元(2011年：港幣4,065,000,000元)，但派發前須諮詢香港金融管理局。

於2012年12月31日，可派發予本行股東的儲備總額為港幣12,473,000,000元(2011年：港幣11,427,000,000元)。在報告期結束後董事宣布派發第二次中期股息每股普通股港幣0.63元(2011年：每股港幣0.51元)，總額達港幣1,403,000,000元(2011年：港幣1,059,000,000元)。於報告期結束日並未確認該股息為負債。

42. NON-CONTROLLING INTERESTS 非控股權益

		2012	2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	4,428	4,400
– sale of interests in businesses to non-controlling interests investors	– 出售商業權益予非控股投資者	–	2
– final dividend in respect of previous year	– 上年度末期股息	(68)	(61)
– transfer from retained profits	– 撥自留存溢利	47	–
– exchange adjustments	– 匯兌調整	(19)	(6)
Profit for the year	年度內溢利	98	93
At 31st December	於12月31日	4,486	4,428

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT 財務風險管理

This section presents information on the Group's management of principal risks.

本部分載述有關本集團財務風險管理的資料。

The Group has in place a risk management system to identify, measure, monitor, control and report on the various types of risk that the Group faces and, where appropriate, to set strategy and allocate capital to cover those risks.

本集團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。

The risk mechanisms are built around a centralised framework and include the Risk Management Committee, specialised risk management committees and the Risk Management Division.

本集團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、專責風險管理委員會及風險管理處。

The Risk Management Committee comprises the Group's Chairman and Chief Executive, Senior Advisors, Deputy Chief Executives and the Group Chief Risk Officer.

風險管理委員會由本集團主席兼行政總裁、高級顧問、副行政總裁及集團風險總監組成。

The specialised risk management committees include Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee. These committees comprise the Group's Senior Advisors, Deputy Chief Executives, the Group Chief Risk Officer and where appropriate division heads from the relevant areas.

專責風險管理委員會包括信貸委員會、資產負債管理委員會和營運風險管理委員會。這些委員會由本集團高級顧問、副行政總裁、集團風險總監及(在適當情況下)其他有關方面的處級主管組成。

An independent centralised risk management unit, Risk Management Division, is responsible for monitoring the activities relating to the principal risks. The internal auditors also perform regular audits on business units to check compliance with policies and procedures.

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。

In particular, the Risk Management Committee regularly reviews the Bank's risk appetite statement, risk management policies, and risk control limits and submits them to the Board of Directors for approval.

具體而言，風險管理委員會定期審閱本行的風險偏好報告書、風險管理政策及風險控制限額，並將其呈交董事會審批。

The risk appetite statement covers the major risks faced by the Group including credit risk, market risk, interest rate risk, liquidity risk, operational risk, legal risk, reputation risk and strategic risk. The related risk levels, where appropriate, are laid down in the risk management policies.

風險偏好報告書涵蓋本集團承受的主要風險，包括信貸風險、市場風險、利率風險、流動資金風險、營運風險、法律風險、信譽風險及策略性風險。在適當的情況下，本集團已將此等水平詳列於風險管理政策內。

Each new product launch has to go through an evaluation process including business and financial analysis and risk assessment. Approval on launching such new products will be obtained from the New Product Development Working Group chaired by the Bank's Group Chief Risk Officer, with other members being heads of support and control units.

每一個新產品的推出，會通過評估過程，包括業務和財務分析和風險評估。這些新產品的批准將由新產品發展工作組負責。該工作組主席為集團風險總監，其他成員包括支援及監控職能的部門主管。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(a) Credit risk management

Credit risk arises from the possibility that a customer or counterparty in a transaction may default. Such risk may arise from counterparty risks from loans and advances, issuer risks from the securities business and counterparty risks from trading activities.

The 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 when setting all limits. 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 assessment 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, control and report on credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Risk Management Manual. These guidelines stipulate delegated lending authorities, credit 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.

Stress tests on the Group's credit risk are conducted regularly. The results are reviewed by the Credit Committee and reported to the Risk Management Committee and to the Board of Directors regularly. If necessary, remedial actions will be taken.

The Credit Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to credit risk.

(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。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

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評核程序，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、控制及匯報本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸風險管理手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收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。

本集團對信貸風險定期進行壓力測試。壓力測試的結果由信貸委員會審閱及定期向風險管理委員會及董事會匯報。如有需要，本集團將採取適當的補救措施。

本集團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)

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 monitored on a regular basis.

(ii) Retail credit risk

The Group's retail credit policy and approval process are designed for the fact that there are high volumes of relatively homogeneous and small value transactions in each retail loan category. The design of internal rating system and formulation of credit policies are primarily based on the demographic factors and the loss experience of the loan portfolios. The Group monitors its own and industry experience to determine and periodically revise product terms and desired customer profiles.

(iii) Credit for treasury transactions

The credit risk of the Group's treasury transactions is managed in the same way as the Group manages its corporate and bank lending risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

(iv) Credit-related commitment

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

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

本集團採用企業及銀行信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

(iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請，組合保存和抵押要求。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(a) Credit risk management (continued)

(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 credit portfolio is diversified along geographic, industry and product sectors.

The Group monitors its concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

(vi) Maximum exposure

The maximum exposure to credit risk at the end of the reporting period without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial assets in the statement of financial position after deducting any impairment allowance. A summary of the maximum exposure is as follows:

(a) 信貸風險管理(續)

(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區、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的信貸組合分散覆蓋不同地區、行業和產品。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

(vi) 最高風險

於報告期結束日並未計算任何抵押品或其他信貸提升的最高信貸風險，即指每一項已減除任何減值準備的金融資產在財務狀況表的賬面值。最高風險摘要如下：

	The Group 集團		The Bank 銀行	
	2012	2011 Restated 重報	2012	2011
	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	84,092	69,933	18,846	21,333
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	50,618	58,598	19,335	33,370
Trade bills 貿易票據	55,740	46,891	47,931	35,876
Trading assets 交易用途資產	6,182	4,532	2,837	3,091
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	14,751	16,330	14,751	16,330
Loans and advances to customers 客戶貸款及墊款	349,801	314,313	220,970	197,258
Available-for-sale financial assets 可供出售金融資產	62,333	42,897	43,812	27,667
Held-to-maturity investments 持至到期投資	4,320	4,587	3,219	2,880
Other assets 其他資產	36,502	25,979	6,518	5,538
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	17,597	13,936	7,239	9,017
Loan commitments and other credit related commitments 貸款承擔及其他與信貸有關的承擔	192,183	134,545	74,479	59,489
	874,119	732,541	459,937	411,849

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(vii) Credit quality of loans and advances

Loans and advances to banks are only made to banks with good credit standing. The credit quality of loans and advances to customers can be analysed as follows:

(vii) 貸款及墊款的信貸質素

銀行貸款及墊款只提供予信貸信譽優良之銀行。客戶貸款及墊款的信貸質素分析如下：

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
			Restated		
			重報		
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Gross loans and advances to customers	客戶貸款及墊款總額				
– neither past due nor impaired	– 無逾期及減值	349,294	313,645	220,696	196,675
– past due but not impaired	– 有逾期但未有減值	288	161	99	114
– impaired	– 已減值	1,138	1,475	777	1,134
		350,720	315,281	221,572	197,923

Of which:

其中：

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
			Restated		
			重報		
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Gross loans and advances to customers that are neither past due nor impaired	無逾期及減值的客戶貸款及墊款總額				
– pass	– 合格	348,019	311,890	219,706	195,622
– special mention	– 需要關注	1,275	1,755	990	1,053
		349,294	313,645	220,696	196,675

The Group classifies the loans and advances in accordance with the loan classification system required to be adopted for reporting to the Hong Kong Monetary Authority.

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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(a) Credit risk management (continued)

(vii) Credit quality of loans and advances (continued)

The ageing analysis of loans and advances to customers that are past due but not impaired is as follows:

	The Group 集團		The Bank 銀行	
	2012	2011	2012	2011
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Gross loans and advances to customers that are past due but not impaired				
有逾期但未有減值的客戶貸款及墊款總額				
– overdue 3 months or less	288	161	99	114
– 逾期3個月以下				

Loans and advances that would be past due or impaired had the terms not been renegotiated amounted to HK\$91 million as at 31st December, 2012 (2011: HK\$392 million).

於2012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91,000,000元(2011年：港幣392,000,000元)。

(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 and bank lending risk and risk gradings are applied to the counterparties with individual counterparty limits set.

(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及銀行借貸的方法一致及風險級別是適用於設有個別對手限額的對手。

At the end of the reporting period, the credit quality of investment in debt securities analysed by designation of external credit assessment institution, Moody's Investor Services, or equivalent, is as follows:

於報告期結束日，按照外部信貸評級機構，穆迪投資服務，或相同等級的評級機構，所指定之債務證券投資的信貸質素分析如下：

	The Group 集團		The Bank 銀行	
	2012	2011	2012	2011
	HK\$ Mn	Restated 重報 HK\$ Mn	HK\$ Mn	Restated 重報 HK\$ Mn
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Aaa	15,637	12,632	10,243	7,636
Aa1 to Aa3	35,387	30,202	26,816	22,183
A1 to A3	13,711	11,963	11,234	10,011
P-1 (Short term)	1,280	572	–	572
Baa1 to Baa3	9,371	6,348	5,306	3,867
Below Baa3	2,395	258	2,089	167
(NB)	77,781	61,975	55,688	44,436
Unrated	6,758	3,195	6,741	3,195
Total	84,539	65,170	62,429	47,631
總額				

NB As at 31st December 2012, the Group has debt securities of HK\$7,710 million with investment grade assigned by PRC local rating agencies (2011: HK\$6,683 million).

註 於2012年12月31日，本集團持有中國國內評級機構給予投資級別之債務證券價值港幣7,710,000,000元(2011年：港幣6,683,000,000元)。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(ix) Collateral and other credit enhancements

The Group has established guidelines on the acceptability of various classes of collateral and determined the corresponding valuation parameters. The guidelines and collateral valuation parameters are subject to regular reviews to ensure their effectiveness over credit risk management.

The extent of collateral coverage over the Group's loans and advances to customer depends on the type of customers and the product offered. Types of collateral include residential properties (in the form of mortgages over property), other properties, other registered securities over assets, cash deposits, standby letters of credit and guarantees. Collateral generally is not held over balances and placements with banks and other financial institutions, and loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. The Group takes possession of collateral through court proceedings or voluntary delivery of possession by the borrowers during the course of the recovery of impaired loans and advances. These repossessed assets are reported in the statement of financial position within "other assets" (Note 2(m)). If the recovery from the repossessed assets exceeds the corresponding exposure, the surplus fund is made available either to repay the borrower's other secured loans with lower priority or is returned to the borrower.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-based securities and similar instruments, which are secured by pools of financial assets. However the credit risk may be implicit in the terms or reflected in the fair value of the corresponding instruments.

The Group's preferred agreement for documenting derivatives activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement, if either party defaults or following other pre-agreed termination events. It is also common for the Group to execute a Credit Support Annex in conjunction with the ISDA Master Agreement with the counterparty under which collateral is passed between the parties to mitigate the market contingent counterparty risk inherent in the outstanding position.

(ix) 抵押品及其他信用提升

本集團已制訂可接受不同類別抵押品的指引，並釐定相關估值參數。本集團會定期檢討指引及抵押品估值參數，以確保信貸風險管理的成效。

本集團客戶貸款及墊款的抵押品範圍乃視乎客戶類別及所提供產品而定。抵押品類別包括住宅物業(以物業按揭形式)、其他物業、其他登記抵押資產、現金存款、備用信用證及擔保。除持有用作反向回購及證券借貸活動的抵押品外，在銀行及其他金融機構的結存及存款，以及銀行貸款及墊款一般不需要抵押品。在收回減值貸款及墊款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品。該等收回資產於財務狀況表中以「其他資產」列賬(附註2(m))。倘從收回資產所得之追收額超出相關風險承擔時，則會使用盈餘資金償還借款人優先次序較低的已抵押貸款或退回予借款人。

持有用作非貸款及墊款金融資產的抵押品，是按照工具之性質決定。除以一籃子金融資產作抵押的資產融資證券及相同工具外，債務證券、庫券及其他認可票據一般俱屬無抵押的。然而，信貸風險可能隱含於相關工具的條款內或於相關工具的公平價值中反映。

ISDA的主合約為本集團處理衍生交易文件的優先合約，當中涵蓋合約框架，而在合約框架之下，本集團可進行一系列的場外產品交易活動，如其中一方違約或發生其他預先協定的終止事件，則按合約約束參與者以淨額結算合約涵蓋的所有未履行交易。本集團亦會在簽訂ISDA的主合約的同時，與交易對手簽訂信貸附約，據此，抵押品可於訂約方之間轉交，以降低出現在未履約情況下的內在市場或然交易對手風險。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(a) Credit risk management (continued)

(ix) Collateral and other credit enhancements (continued)

For contingent liabilities and commitments that are unconditionally cancellable (Note 45), the Group will assess the necessity to withdraw the credit line when there is a concern over the credit quality of the customers. Accordingly, the exposure to significant credit risk is considered as minimal. For commitments that are not unconditionally cancellable, the Group assesses the necessity of collateral depending on the type of customer and the product offered.

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:

(a) 信貸風險管理(續)

(ix) 抵押品及其他信用提升(續)

對於或然負債及可無條件取消的承擔(附註45)，如本集團對客戶的信貸質素有疑慮，則會評估是否需要撤回信貸額。因此，本集團面臨重大信貸風險機會視為微乎其微。對於不可無條件取消的承擔，本集團會視乎客戶類別及所提供產品評估是否需要進行抵押。

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	
	2012 HK\$ Mn 港幣百萬元	2011 HK\$ Mn 港幣百萬元	2012 HK\$ Mn 港幣百萬元	2011 HK\$ Mn 港幣百萬元
Fair value of collateral and other credit enhancements held against financial assets that are:				
– neither past due nor impaired	251,750	233,040	150,244	134,323
– past due but not impaired	287	157	98	111
	252,037	233,197	150,342	134,434

(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 aim in managing market risk is to reduce the Group's exposure to the volatility inherent in financial instruments.

Management of the Group's market risk is governed by the market risk management policies which are approved by the Board of Directors or the Asset and Liability Management Committee. The Board of Directors has delegated the responsibility for day-to-day 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 Department under the Risk Management Division of the Group is responsible for monitoring activities relating to market risk.

The Asset and Liability Management Committee deals with all market risk and liquidity risk related issues of the Group. It is also responsible for conducting a regular review of interest rates trend and deciding the corresponding future business strategy.

(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。

本集團的市場風險管理乃由董事會或資產負債管理委員會核准的市場風險管理政策監管。董事會授權資產負債管理委員會負責持續進行日常市場風險管理。資產負債管理委員會經風險管理委員會向董事會匯報。本集團風險管理處轄下的資產負債管理部，負責監控與市場風險有關的活動。

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，亦負責定期檢討利率走勢及釐定相應的未來業務策略。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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. The Group's non-structural foreign currency exposures are dominated in USD and for other currencies, their currency concentrations are below 10% of the total net position in all non-structural foreign currencies of the Group. 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.

The Group had the following net structural positions which were not less than 10% of the total net structural foreign currency position at the end of the reporting period:

		The Group and The Bank 集團及銀行			
		2012		2011	
		USD	RMB	USD	RMB
		美元	人民幣	美元	人民幣
		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
Net structural position	結構性持倉淨額	2,488	8,703	2,573	8,631

(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 or the Asset and Liability Management Committee. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分程序。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場外交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，需要管理的主要風險類別如下：

(i) 貨幣風險

本集團的外幣風險源自外匯買賣、商業銀行業務和結構性外匯風險。本集團的非結構性外幣風險是以美元為單位，而其他外幣方面，該等貨幣風險佔本集團所有非結構性外幣的淨持倉總額低於百分之十。所有外幣持倉均維持在董事會所核准的限額內。

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。

於報告期結束日，本集團的結構性持倉淨額不低於結構性外幣淨持倉總額百分之十如下：

(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或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(b) Market risk management (continued)

(iii) Equity risk

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

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

In this connection, the Asset and Liability Management Committee monitors the related market risk arising from 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.

Stress tests on the Group's market risk are conducted regularly. The results are reviewed by the Asset and Liability Management Committee and reported to the Risk Management Committee and to the Board of Directors regularly. If necessary, remedial actions will be taken.

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.

(b) 市場風險管理(續)

(iii) 股份風險

本集團的股份持倉來自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會或資產負債管理委員會批准的限額範圍進行日常管理。

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。

本集團對市場風險定期進行壓力測試。壓力測試的結果由資產負債管理委員會審閱及定期向風險管理委員會及董事會匯報。如有需要，本集團將採取適當的補救措施。

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)

Value-at-risk statistics

風險數額統計

		2012			
		At 31st December 於12月31日 HK\$ Mn 港幣百萬元	Maximum 最高 HK\$ Mn 港幣百萬元	Minimum 最低 HK\$ Mn 港幣百萬元	Mean 平均 HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	16	38	16	26
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	4	8	3	5
VaR for interest rate trading positions	利率交易持倉的風險數額	1	5	1	3
VaR for equity trading positions	股份交易持倉的風險數額	12	32	12	21

		2011			
		At 31st December 於12月31日 HK\$ Mn 港幣百萬元	Maximum 最高 HK\$ Mn 港幣百萬元	Minimum 最低 HK\$ Mn 港幣百萬元	Mean 平均 HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	40	75	28	46
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	13	13	1	4
VaR for interest rate trading positions	利率交易持倉的風險數額	2	8	2	4
VaR for equity trading positions	股份交易持倉的風險數額	31	70	25	41

* 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。

		2012			
		At 31st December 於12月31日 HK\$ Mn 港幣百萬元	Maximum 最高 HK\$ Mn 港幣百萬元	Minimum 最低 HK\$ Mn 港幣百萬元	Mean 平均 HK\$ Mn 港幣百萬元
Stressed VaR for total trading activities	交易活動的受壓風險數額總額	68	106	65	80

A Stressed VaR measure is intended to replicate a VaR calculation that would be generated on current market risk portfolio if the relevant market factors were experiencing a period of stress.

受壓風險值採用現行風險數額的計算方法，根據受壓期間的相關市場因素，對投資組合計算的風險值。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(c) Operational risk management

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

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

The Group has implemented a centralised operational risk management framework. All units are required to manage operational risk within the operational risk management policies which are approved by the Board of Directors or the Operational Risk Management Committee. The Board of Directors has delegated the responsibility for day-to-day operational risk management to the Operational Risk Management Committee. The Operational Risk Management Committee regularly reports the status of operational risk management to the Board of Directors via the Risk Management Committee. The Operational Risk Management Department under the 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.

Moreover, stress tests on the Group's operational risk are conducted regularly. The results are reviewed by the Operational Risk Management Committee and reported to the Risk Management Committee and to the Board of Directors regularly. If necessary, remedial actions are taken.

Furthermore, the Operational Risk Management Department under the 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 Internal Audit Department.

(d) Liquidity risk management

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

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

(c) 營運風險管理

營運風險是指由於內部流程、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識別、評估、監控及匯報營運風險，以及遵守相關監管規定的要求。

本集團已實施中央的營運風險管理架構。所有單位須依據由董事會或營運風險管理委員會所批核的營運風險管理政策來管理營運風險。董事會已授權營運風險管理委員會，負責營運風險的日常管理。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。

而且，本集團對營運風險定期進行壓力測試。壓力測試的結果由營運風險管理委員會審閱及定期向風險管理委員會及董事會匯報。如有需要，本集團將採取適當的補救措施。

此外，本集團風險管理處轄下的營運風險管理部亦就本集團是否符合香港金管局監管政策手冊關於業務操作風險管理的規定進行自我評估，並經內部稽核部獨立審閱後得出滿意的結果。

(d) 流動資金風險管理

流動資金與本集團履行到期責任的能力有關。融資流動風險管理關鍵在於是否能夠在不影響日常營運或財務狀況的情況下，滿足預期及未能預期、目前及未來的現金流量及抵押品需求。市場流動性風險管理著眼於是否能夠在市場深度不足或市場失序時，按市場價格平倉。

流動資金風險管理是為了確保本集團維持充足的現金流量以配合所有財務承擔，並掌握業務擴展的機會，當中包括確保本集團能夠在即時或合約期滿時滿足客戶的提款要求；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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The management of the Group's liquidity risk is governed by the liquidity risk management policies and principle as approved by the Board of Directors or the Asset and Liability Management Committee. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Group's liquidity risk management. The Asset and Liability Management Committee sets the strategy, policy and limits for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Regular meeting is held to review the compliance status of the monitoring matrix established and the needs of change in strategy and policy. Liquidity is managed daily by the Capital Markets & Liquidity Management Department under the Treasury Markets Division within the limits. The Asset and Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to liquidity risk. The Internal Audit Department performs periodic reviews to make sure the liquidity risk management functions are carried out effectively.

Our strong retail customer base forms a significant portion of our funding and we strive to maintain its stability. It constitutes a broad spectrum of depositors with whom we have maintained in-depth relationship. Funding diversification is achieved by issuance of certificates of deposit, medium term notes and subordinated debts. Professional markets are accessed for the purposes of providing additional funding, maintaining a presence in local money markets and optimising asset and liability maturities.

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

In addition to observing the statutory liquidity ratio, the Group has established different liquidity metrics, including but not limited to the liquidity ratio, loan-to-deposit ratio, cumulative mismatch ratio, funding concentration ratios, intra-group exposure threshold and cross currency funding ratio to measure and analyse our liquidity risks. As a majority of our liquidity risk arises from the maturity mismatch gap between the Group's asset and liability portfolios, the Group manages liquidity risk by conducting cash flow analysis and cash flow projection arising from on- and off-balance sheet assets and items over a set of time horizons on a regular basis to identify funding needs in specific time bucket. We also hold sufficient liquid assets (e.g. cash, short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudent limits. Contingent funding sources are maintained to provide strategic liquidity to meet unexpected and material cash outflows.

本集團的流動資金風險管理受經董事會或資產負債管理委員會批准的流動資金風險管理政策及原則監管。資產負債管理委員會獲董事會授權，負責監察本集團的流動資金風險管理。資產負債管理委員會制訂管理流動資金風險的策略、政策及限額，以及確保執行有關策略與政策的措施。委員會定期舉行會議，檢討各方面是否符合所設立的監管架構，以及是否有需要改變策略及政策。流動資金狀況由資金市場處轄下的資本市場及流動資金管理部每日按限額範圍進行管理。本集團風險管理處轄下的資產負債管理部，負責監控與流動資金風險相關的活動。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。

穩健的零售客戶基礎構成本集團大部分的資金，本集團一直致力維持穩定的客戶基礎，當中包括各類型的存戶，而我們與存戶一直保持深厚的關係。本集團透過發行存款證、中期票據及後償債項使資金來源更多元化，亦會透過專業市場獲取額外資金，並維持於當地金融市場的地位及優化資產及負債的期限。

至於內部，集團內公司間的融資交易乃按一般正常交易原則進行，處理方式與其他第三方交易一致，並接受定期監督及適當控制。

除緊守法定的流動資金比率外，本集團已設立不同的流動資金標準以衡量及分析流動資金風險，包括(但不限於)流動資金比率、貸存比率、累積錯配比例、資金集中比率、集團內公司間風險限額及跨貨幣資金比率。由於本集團大部分流動資金風險來自資產與負債組合之間的期限錯配差距，本集團會定期透過對一系列時間內的資產負債表內外資產及項目進行現金流量分析及預測，確定特定時間內的資金需要，從而管理流動資金風險。本集團維持充足的流動資產，例如適量的現金、短期資金和證券數量，以確保能在經審慎釐定的限額內符合短期資金要求。本集團維持或有融資來源，能提供策略性的流動資金，以應付未能預計的大量資金需求。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(d) Liquidity risk management (continued)

The Group also conducts stress testing regularly to analyse liquidity risk. In our stress test, both on- and off-balance sheet items with cash flow impact are considered, with applicable hypothetical as well as historical assumptions. Both funding and market liquidity risks are addressed. Three stress scenarios, namely the institution-specific crisis, the general market crisis and the combined crisis are adopted with minimum survival period defined according to Hong Kong Monetary Authority's latest Supervisory Policy Manual "Sound Systems and Controls for Liquidity Risk Management".

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

The Contingency Funding Plan is designed to be pro-active and pre-emptive, and stipulates the following 3 stages:

In the first stage, the Group utilises early warning indicators, which cover both qualitative and quantitative measures, monitoring both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position the management would be informed for their consideration.

In the second stage, Crisis Management Committee, which is chaired by Senior Management, is formed to handle the crisis. Strategy and procedures in obtaining contingency funding, as well as roles and responsibilities of parties concerned are clearly stated.

In the final stage, review on the issues and necessary improvement would be made to avoid future incidents of nature.

Annual drill test would be conducted and the Contingency Funding Plan would be subject to regular review in order to cope with the change of business environment. Any significant changes to the Contingency Funding Plan would be approved by the Board.

(d) 流動資金風險管理(續)

本集團會定期進行壓力測試，以分析流動資金風險。透過運用適當的虛擬及歷史假設，本集團的壓力測試均已考慮資產負債表內外會對現金流量造成影響的項目。融資及市場流動資金風險均列入考慮範圍。三個壓力情景(即個別銀行危機、整體市場危機及綜合危機)均採用香港金融管理局最新監管政策手冊「穩健的流動資金風險管理系統及管控措施」界定的最短存活期。

本集團會參照壓力測試結果，確認集團內的潛在弱點，並制訂應急融資計劃，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。

應急融資計劃旨在提供防患未然的積極措施，並訂明以下三個階段：

第一階段，本集團運用預早警報指標，當中包括質量性及數量性的措施，藉以監督內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知管理層以供考慮。

第二階段，本集團已設立危機管理委員會，並由高層管理人員擔任主席，專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。

於最後階段，本集團會對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境的轉變，本集團會每年進行演習測試，並會定期檢討應急融資計劃。應急融資計劃如有任何重大變動均須取得董事會批准。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

Analysis of assets and liabilities by remaining maturity:

資產及負債的剩餘期限分析：

The Group**集團**

		2012							
		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
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	55,308	46	70	91	-	-	29,997	85,512
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	25,409	5,581	19,628	-	-	-	50,618
Trade bills	貿易票據	5	7,758	9,295	38,673	-	-	9	55,740
Trading assets	交易用途資產	-	72	400	1,327	1,165	93	4,281	7,338
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	-	-	129	1,447	10,804	2,371	418	15,169
Advances to customers and other accounts	客戶墊款及其他賬項	5,791	46,793	33,877	84,085	132,032	77,479	7,216	387,273
Available-for-sale financial assets	可供出售金融資產	-	14,589	7,500	5,907	29,307	5,030	2,398	64,731
Held-to-maturity investments	持至到期投資	107	1,102	201	985	1,879	46	-	4,320
Undated assets	無註明日期資產	-	-	-	-	-	-	21,413	21,413
Total assets	資產總額	61,211	95,769	57,053	152,143	175,187	85,019	65,732	692,114
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	1,128	19,221	4,306	5,801	141	-	-	30,597
Deposits from customers	客戶存款	157,048	144,532	84,329	98,893	13,968	-	-	498,770
- Demand deposits and current accounts	- 活期存款及往來賬戶	68,950	-	-	-	-	-	-	68,950
- Savings deposit	- 儲蓄存款	86,549	-	-	-	-	-	-	86,549
- Time, call and notice deposits	- 定期及通知存款	1,549	144,532	84,329	98,893	13,968	-	-	343,271
Trading liabilities	交易用途負債	-	-	-	-	-	-	3,827	3,827
Certificates of deposit issued	已發行存款證	-	3,122	3,548	14,907	5,793	-	-	27,370
Current taxation	本期稅項	-	-	-	988	-	-	-	988
Debt securities issued	已發行債務證券	-	-	3,146	4,152	1,359	-	-	8,657
Loan capital	借貸資本	-	-	-	-	9,124	5,139	-	14,263
Other liabilities	其他負債	1,090	6,373	11,122	12,347	5,150	2,174	7,747	46,003
Total liabilities	負債總額	159,266	173,248	106,451	137,088	35,535	7,313	11,574	630,475
Net gap	淨差距	(98,055)	(77,479)	(49,398)	15,055	139,652	77,706		

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(d) Liquidity risk management (continued)

(d) 流動資金風險管理(續)

The Group

集團

		Repayable on demand	Within 1 month	3 months	1 year	5 years	Undated or overdue	Total	
				or less but over 1 month	or less but over 3 months	or less but over 1 year			or less but over 5 years
		即時還款	1個月內 至3個月	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 或逾期	總額	
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
Assets	資產								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	40,392	210	43	125	-	-	30,991	71,761
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	1,027	16,930	12,721	27,920	-	-	-	58,598
Trade bills	貿易票據	55	6,958	16,292	23,581	-	-	5	46,891
Trading assets	交易用途資產	-	-	-	572	683	62	4,283	5,600
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	-	-	648	826	12,119	2,737	333	16,663
Advances to customers and other accounts	客戶墊款及其他賬項	5,465	32,874	32,848	74,190	117,734	73,070	5,160	341,341
Available-for-sale financial assets	可供出售金融資產	107	3,382	7,990	7,950	20,149	3,319	2,013	44,910
Held-to-maturity investments	持至到期投資	-	1,088	339	1,307	1,622	231	-	4,587
Undated assets	無註明日期資產	-	-	-	-	-	-	21,051	21,051
Total assets	資產總額	47,046	61,442	70,881	136,471	152,307	79,419	63,836	611,402
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	711	4,688	1,425	8,485	423	-	191	15,923
Deposits from customers	客戶存款	135,783	137,548	101,956	76,692	15,375	-	-	467,354
- Demand deposits and current accounts	- 活期存款及往來賬戶	56,896	-	-	-	-	-	-	56,896
- Savings deposit	- 儲蓄存款	77,452	-	-	-	-	-	-	77,452
- Time, call and notice deposits	- 定期及通知存款	1,435	137,548	101,956	76,692	15,375	-	-	333,006
Trading liabilities	交易用途負債	-	-	-	-	-	-	4,548	4,548
Certificates of deposit issued	已發行存款證	-	1,110	1,658	5,386	3,329	-	-	11,483
Current taxation	本期稅項	-	-	-	473	-	-	-	473
Debt securities issued	已發行債務證券	-	-	-	241	6,152	-	-	6,393
Loan capital	借貸資本	-	-	3,178	4,659	-	8,904	-	16,741
Other liabilities	其他負債	1,926	4,775	7,036	9,820	312	1	12,573	36,443
Total liabilities	負債總額	138,420	148,121	115,253	105,756	25,591	8,905	17,312	559,358
Net gap	淨差距	(91,374)	(86,679)	(44,372)	30,715	126,716	70,514		

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The Bank

銀行

		2012							
		Repayable	Within	3 months	1 year	5 years	Undated	Total	
		on demand	1 month	but over	or less	or less	or overdue		
				1 month	3 months	1 year	Over 5 years		
				1個月以上	3個月以上	1年以上	5年以上	無註明日期	
		即時還款	1個月內	至3個月	至1年	至5年	5年以上	或逾期	
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
Assets	資產								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	19,307	-	-	-	-	-	449	19,756
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	12,698	3,559	3,078	-	-	-	19,335
Trade bills	貿易票據	-	4,564	6,639	36,728	-	-	-	47,931
Trading assets	交易用途資產	-	10	51	73	417	19	3,423	3,993
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	-	-	129	1,447	10,804	2,371	119	14,870
Advances to customers and other accounts	客戶墊款及其他賬項	4,986	37,962	15,304	37,537	83,084	44,380	4,973	228,226
Available-for-sale financial assets	可供出售金融資產	-	14,402	6,876	3,673	17,010	1,851	1,204	45,016
Held-to-maturity investments	持至到期投資	107	1,058	171	747	1,136	-	-	3,219
Undated assets	無註明日期資產	-	-	-	-	-	-	40,515	40,515
Total assets	資產總額	24,400	70,694	32,729	83,283	112,451	48,621	50,683	422,861
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	1,123	2,259	3,645	3,580	-	-	-	10,607
Deposits from customers	客戶存款	107,181	117,138	46,963	34,804	567	-	-	306,653
- Demand deposits and current accounts	- 活期存款及往來賬戶	21,690	-	-	-	-	-	-	21,690
- Savings deposit	- 儲蓄存款	85,279	-	-	-	-	-	-	85,279
- Time, call and notice deposits	- 定期及通知存款	212	117,138	46,963	34,804	567	-	-	199,684
Trading liabilities	交易用途負債	-	-	-	-	-	-	3,080	3,080
Certificates of deposit issued	已發行存款證	-	3,122	3,548	14,907	5,793	2,200	-	29,570
Current taxation	本期稅項	-	-	-	872	-	-	-	872
Debt securities issued	已發行債務證券	-	-	661	423	116	-	-	1,200
Loan capital	借貸資本	-	-	-	-	9,124	9,549	-	18,673
Other liabilities	其他負債	8	1,478	281	201	10	-	8,760	10,738
Total liabilities	負債總額	108,312	123,997	55,098	54,787	15,610	11,749	11,840	381,393
Net gap	淨差距	(83,912)	(53,303)	(22,369)	28,496	96,841	36,872		

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. 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

		2011							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
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	20,758	172	-	-	-	-	1,640	22,570
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	1,027	12,576	9,790	9,977	-	-	-	33,370
Trade bills	貿易票據	55	9,006	10,506	16,304	-	-	5	35,876
Trading assets	交易用途資產	-	-	-	31	622	62	3,444	4,159
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	-	-	648	826	12,119	2,737	123	16,453
Advances to customers and other accounts	客戶墊款及其他賬項	4,747	25,888	18,890	33,869	71,368	43,778	5,053	203,593
Available-for-sale financial assets	可供出售金融資產	107	3,345	7,721	6,069	9,321	1,104	962	28,629
Held-to-maturity investments	持至到期投資	-	917	219	1,164	580	-	-	2,880
Undated assets	無註明日期資產	-	-	-	-	-	-	36,209	36,209
Total assets	資產總額	26,694	51,904	47,774	68,240	94,010	47,681	47,436	383,739
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	696	4,150	1,201	3,826	-	-	191	10,064
Deposits from customers	客戶存款	89,884	109,183	64,900	24,736	1,742	-	-	290,445
- Demand deposits and current accounts	- 活期存款及往來賬戶	15,844	-	-	-	-	-	-	15,844
- Savings deposit	- 儲蓄存款	73,317	-	-	-	-	-	-	73,317
- Time, call and notice deposits	- 定期及通知存款	723	109,183	64,900	24,736	1,742	-	-	201,284
Trading liabilities	交易用途負債	-	-	-	-	-	-	3,827	3,827
Certificates of deposit issued	已發行存款證	-	1,110	1,658	5,386	3,329	2,200	-	13,683
Current taxation	本期稅項	-	-	-	297	-	-	-	297
Debt securities issued	已發行債務證券	-	-	-	241	-	-	-	241
Loan capital	借貸資本	-	-	3,178	4,659	-	12,929	-	20,766
Other liabilities	其他負債	8	1,072	308	136	22	-	7,545	9,091
Total liabilities	負債總額	90,588	115,515	71,245	39,281	5,093	15,129	11,563	348,414
Net gap	淨差距	(63,894)	(63,611)	(23,471)	28,959	88,917	32,552		

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

As the trading and available-for-sale portfolios may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於作交易及可供出售用途的組合可能於到期前出售或客戶存款可能在到期前被提取，合約到期日並非代表未來現金流的預計日期。

The following tables provide an analysis of the undiscounted cashflow projection of the financial liabilities of the Group at the end of the reporting period based on the dates of their contractual payment obligations:

下表展示於報告期結束日集團的未經折扣之金融負債的預計現金流按其合約支付債務之日期分析：

The Group

集團

		2012							
		Carrying amount	Gross cash outflow	Repayable on demand	Between			More than five years	Undated
					Less than three months	three months and one year	Between one and 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	30,597	30,626	1,128	23,540	5,817	141	-	-
Deposits from customers	客戶存款	498,770	504,752	157,739	230,245	101,448	15,320	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	68,950	69,620	69,620	-	-	-	-	-
- Savings deposit	- 儲蓄存款	86,549	86,550	86,550	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	343,271	348,582	1,569	230,245	101,448	15,320	-	-
Trading liabilities	交易用途負債	3,827	3,827	-	-	-	-	-	3,827
Certificates of deposit issued	已發行存款證	27,370	27,896	-	6,741	15,196	5,959	-	-
Current taxation	本期稅項	988	988	-	-	988	-	-	-
Debt securities issued	已發行債務證券	8,657	8,966	-	3,184	4,355	1,427	-	-
Loan capital	借貸資本	14,263	18,847	-	249	497	12,108	5,993	-
Interest rate swaps	利率掉期合約	6,605	6,605	-	540	1,036	4,435	594	-
Other liabilities	其他負債	46,003	46,003	1,090	17,495	12,347	5,150	2,174	7,747
Total	總額	637,080	648,510	159,957	281,994	141,684	44,540	8,761	11,574

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(d) Liquidity risk management (continued)

(d) 流動資金風險管理(續)

The Group		集團							
		2011							
		Carrying amount	Gross cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years	Undated
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	15,923	15,957	711	6,133	8,496	426	-	191
Deposits from customers	客戶存款	467,354	470,311	135,853	240,178	77,864	16,416	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	56,896	56,934	56,934	-	-	-	-	-
- Savings deposit	- 儲蓄存款	77,452	77,453	77,453	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	333,006	335,924	1,466	240,178	77,864	16,416	-	-
Trading liabilities	交易用途負債	4,548	4,548	-	-	-	-	-	4,548
Certificates of deposit issued	已發行存款證	11,483	11,743	-	2,812	5,453	3,478	-	-
Current taxation	本期稅項	473	473	-	-	473	-	-	-
Debt securities issued	已發行債務證券	6,393	6,861	-	25	398	6,438	-	-
Loan capital	借貸資本	16,741	23,435	-	3,431	5,392	3,452	11,160	-
Interest rate swaps	利率掉期合約	4,817	4,817	-	423	789	2,673	932	-
Other liabilities	其他負債	36,443	36,443	1,926	11,811	9,820	312	1	12,573
Total	總額	564,175	574,588	138,490	264,813	108,685	33,195	12,093	17,312

The Bank

銀行

		2012							
		Carrying amount	Gross cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years	Undated
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	10,607	10,629	1,123	5,910	3,596	-	-	-
Deposits from customers	客戶存款	306,653	307,147	107,183	164,283	35,102	579	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	21,690	21,692	21,692	-	-	-	-	-
- Savings deposit	- 儲蓄存款	85,279	85,279	85,279	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	199,684	200,176	212	164,283	35,102	579	-	-
Trading liabilities	交易用途負債	3,080	3,080	-	-	-	-	-	3,080
Certificates of deposit issued	已發行存款證	29,570	30,096	-	6,741	15,196	5,959	2,200	-
Current taxation	本期稅項	872	872	-	-	872	-	-	-
Debt securities issued	已發行債務證券	1,200	1,220	-	675	429	116	-	-
Loan capital	借貸資本	18,673	25,563	-	249	826	13,426	11,062	-
Interest rate swaps	利率掉期合約	6,466	6,466	-	411	1,026	4,435	594	-
Other liabilities	其他負債	10,738	10,858	8	1,768	219	103	-	8,760
Total	總額	387,859	395,931	108,314	180,037	57,266	24,618	13,856	11,840

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The Bank

銀行

		2011							
		Carrying amount	Gross cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years	Undated
		賬面值	總額	即時還款	或以下	至1年	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	10,064	10,075	696	5,359	3,829	-	-	191
Deposits from customers	客戶存款	290,445	290,985	89,885	174,379	24,951	1,770	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	15,844	15,845	15,845	-	-	-	-	-
- Savings deposit	- 儲蓄存款	73,317	73,317	73,317	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	201,284	201,823	723	174,379	24,951	1,770	-	-
Trading liabilities	交易用途負債	3,827	3,827	-	-	-	-	-	3,827
Certificates of deposit issued	已發行存款證	13,683	13,943	-	2,812	5,453	3,478	2,200	-
Current taxation	本期稅項	297	297	-	-	297	-	-	-
Debt securities issued	已發行債務證券	241	243	-	1	242	-	-	-
Loan capital	借貸資本	20,766	27,460	-	3,431	5,392	3,452	15,185	-
Interest rate swaps	利率掉期合約	4,368	4,368	-	305	627	2,514	922	-
Other liabilities	其他負債	9,091	9,110	8	1,381	137	39	-	7,545
Total	總額	352,782	360,308	90,589	187,668	40,928	11,253	18,307	11,563

(e) Interest rate risk management

The management of the Group's interest rate risk is governed by the interest rate risk management policies which are approved by the Board of Directors or the Asset and Liability Management Committee. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Group'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 or the Asset and Liability Management Committee. The Asset and Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to interest rate risk. The Internal Audit Department performs periodic review to make sure the interest rate risk management functions are implemented effectively.

The Group 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 Group's financial positions. Repricing gap limits are set to control the Group's interest rate risk.

Stress tests on the Group's interest rate risk are conducted regularly. The results are reviewed by the Asset and Liability Management Committee and reported to the Risk Management Committee and to the Board of Directors regularly. If necessary, remedial actions will be taken.

(e) 利率風險管理

本集團的利率風險管理受經董事會或資產負債管理委員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，負責監察本集團的利率風險管理，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或資產負債管理委員會批核的限額範圍進行管理。本集團風險管理處轄下的資產負債管理部，負責監控利率風險相關的活動。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。

本集團管理銀行賬冊利率風險的主要方法是集中於重訂息率的錯配。差距分析可讓本集團從靜態角度瞭解財報狀況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集團的利率風險。

本集團會對利率風險定期進行壓力測試。有關結果交由資產負債管理委員會檢討並定期向風險管理委員會及董事會匯報。如有需要，本集團將採取適當的補救措施。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(e) Interest rate risk management (continued)

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 Group's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee, Risk Management Committee and the Board of Directors on a regular basis.

Sensitivity analysis on interest rate risk

The Group uses sensitivity analysis to measure the potential effect of changes in interest rates on our net interest income and economic value change:

(e) 利率風險管理(續)

有關利率變動對盈利和經濟價值影響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。本集團設有敏感度限額，以控制本集團的盈利及經濟價值兩方面的利率風險承擔。有關結果定期向資產負債管理委員會、風險管理委員會及董事會匯報。

利率風險敏感度分析

本集團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：

		2012			2011		
		HKD港元 HK\$ Mn 港幣百萬元	USD美元 HK\$ Mn 港幣百萬元	RMB人民幣 HK\$ Mn 港幣百萬元	HKD港元 HK\$ Mn 港幣百萬元	USD美元 HK\$ Mn 港幣百萬元	RMB人民幣 HK\$ Mn 港幣百萬元
Impact on earnings over the next 12 months if interest rates rise by 200 basis points	倘利率上調200個基點對未來12個月的盈利影響	235	(74)	475	116	(12)	346
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	(126)	8	58	(156)	195	126

This sensitivity analysis, which is based on a static interest rate risk profile of assets and liabilities, is used for risk management purposes only. The analysis is based on the following assumptions:

- (i) there is a parallel shift in the yield curve and in interest rates;
- (ii) there are no other changes to the portfolio;
- (iii) no loan prepayment is assumed as the majority of loans is on a floating rate basis; and
- (iv) deposits without fixed maturity dates are assumed to be repriced on the next day.

Actual changes in the Group's net interest income and the economic value resulting from the increases in interest rates may differ from the results of this sensitivity analysis.

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。

利率上調而導致本集團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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The following table indicates the expected next repricing dates (or maturity dates whichever are earlier) for the interest bearing assets and liabilities at the end of the reporting period:

下表顯示於報告期結束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

		2012					
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月 以上至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以 上至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non- interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	80,508	91	8	-	4,905	85,512
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	31,486	19,132	-	-	-	50,618
Trade bills	貿易票據	36,317	19,416	-	-	7	55,740
Trading assets	交易用途資產	610	1,327	1,017	93	4,291	7,338
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	554	1,291	10,535	2,371	418	15,169
Advances to customers and other accounts	客戶墊款及其他賬項	291,083	42,152	15,886	1,667	36,485	387,273
Available-for-sale financial assets	可供出售金融資產	30,052	5,236	22,268	4,773	2,402	64,731
Held-to-maturity investments	持至到期投資	1,524	985	1,765	46	-	4,320
Non-interest bearing assets	非帶息資產	-	-	-	-	21,413	21,413
Total assets	資產總額	472,134	89,630	51,479	8,950	69,921	692,114
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	28,585	360	-	-	1,652	30,597
Deposits from customers	客戶存款	373,704	98,532	10,409	-	16,125	498,770
Trading liabilities	交易用途負債	-	-	-	-	3,827	3,827
Certificates of deposit issued	已發行存款證	6,818	14,760	5,792	-	-	27,370
Debt securities issued	已發行債務證券	3,146	4,152	1,359	-	-	8,657
Loan capital	借貸資本	-	-	9,125	5,138	-	14,263
Non-interest bearing liabilities	非帶息負債	-	-	-	-	46,991	46,991
Total liabilities	負債總額	412,253	117,804	26,685	5,138	68,595	630,475
Interest rate sensitivity gap	利率敏感度差距	59,881	(28,174)	24,794	3,812		

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. 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

		2011 Restated 重報					Total
		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	
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	66,976	125	8	-	4,652	71,761
Placements with banks and other financial institutions	在銀行及其他金融 機構的存款	33,654	24,944	-	-	-	58,598
Trade bills	貿易票據	24,848	20,774	1,127	-	142	46,891
Trading assets	交易用途資產	-	572	684	61	4,283	5,600
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	1,208	826	11,559	2,737	333	16,663
Advances to customers and other accounts	客戶墊款及其他 賬項	270,793	33,637	9,120	1,291	26,500	341,341
Available-for-sale financial assets	可供出售金融資產	17,465	7,243	15,257	2,961	1,984	44,910
Held-to-maturity investments	持至到期投資	1,907	827	1,622	231	-	4,587
Non-interest bearing assets	非帶息資產	-	-	-	-	21,051	21,051
Total assets	資產總額	416,851	88,948	39,377	7,281	58,945	611,402
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構 的存款及結餘	14,147	880	43	-	853	15,923
Deposits from customers	客戶存款	368,135	74,389	11,123	-	13,707	467,354
Trading liabilities	交易用途負債	-	-	-	-	4,548	4,548
Certificates of deposit issued	已發行存款證	6,242	4,195	1,046	-	-	11,483
Debt securities issued	已發行債務證券	241	-	6,152	-	-	6,393
Loan capital	借貸資本	7,837	-	-	8,904	-	16,741
Non-interest bearing liabilities	非帶息負債	-	-	-	-	36,916	36,916
Total liabilities	負債總額	396,602	79,464	18,364	8,904	56,024	559,358
Interest rate sensitivity gap	利率敏感度差距	20,249	9,484	21,013	(1,623)		

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The Bank

銀行

		2012					
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月 以上至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以 上至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non- interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	16,188	-	-	-	3,568	19,756
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	16,753	2,582	-	-	-	19,335
Trade bills	貿易票據	25,953	21,971	-	-	7	47,931
Trading assets	交易用途資產	51	73	417	19	3,433	3,993
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	554	1,291	10,535	2,371	119	14,870
Advances to customers and other accounts	客戶墊款及其他賬項	197,604	9,524	12,883	1,294	6,921	228,226
Available-for-sale financial assets	可供出售金融資產	28,335	3,002	10,877	1,594	1,208	45,016
Held-to-maturity investments	持至到期投資	1,450	747	1,022	-	-	3,219
Non-interest bearing assets	非帶息資產	-	-	-	-	40,515	40,515
Total assets	資產總額	286,888	39,190	35,734	5,278	55,771	422,861
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	8,595	360	-	-	1,652	10,607
Deposits from customers	客戶存款	255,714	35,222	476	-	15,241	306,653
Trading liabilities	交易用途負債	-	-	-	-	3,080	3,080
Certificates of deposit issued	已發行存款證	6,818	14,760	5,792	2,200	-	29,570
Debt securities issued	已發行債務證券	661	423	116	-	-	1,200
Loan capital	借貸資本	-	-	9,125	9,548	-	18,673
Non-interest bearing liabilities	非帶息負債	-	-	-	-	11,610	11,610
Total liabilities	負債總額	271,788	50,765	15,509	11,748	31,583	381,393
Interest rate sensitivity gap	利率敏感度差距	15,100	(11,575)	20,225	(6,470)		

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. 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

		2011					
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月 以上至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以 上至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non- interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	19,655	-	-	-	2,915	22,570
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	26,368	7,002	-	-	-	33,370
Trade bills	貿易票據	15,934	19,918	-	-	24	35,876
Trading assets	交易用途資產	-	31	622	62	3,444	4,159
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	1,208	826	11,559	2,737	123	16,453
Advances to customers and other accounts	客戶墊款及其他賬項	181,987	10,621	4,445	460	6,080	203,593
Available-for-sale financial assets	可供出售金融資產	17,170	5,352	4,429	746	932	28,629
Held-to-maturity investments	持至到期投資	1,616	685	579	-	-	2,880
Non-interest bearing assets	非帶息資產	-	-	-	-	36,209	36,209
Total assets	資產總額	263,938	44,435	21,634	4,005	49,727	383,739
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	8,947	264	-	-	853	10,064
Deposits from customers	客戶存款	250,659	24,736	1,742	-	13,308	290,445
Trading liabilities	交易用途負債	-	-	-	-	3,827	3,827
Certificates of deposit issued	已發行存款證	6,242	4,195	1,046	2,200	-	13,683
Debt securities issued	已發行債務證券	241	-	-	-	-	241
Loan capital	借貸資本	7,837	-	-	12,929	-	20,766
Non-interest bearing liabilities	非帶息負債	-	-	-	-	9,388	9,388
Total liabilities	負債總額	273,926	29,195	2,788	15,129	27,376	348,414
Interest rate sensitivity gap	利率敏感度差距	(9,988)	15,240	18,846	(11,124)		

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	
		2012	2011	2012	2011
		%	%	%	%
Assets	資產				
Cash and short-term funds and placements with banks and other financial institutions	現金及在銀行和其他金融機構的結存，及在銀行及其他金融機構的存款	0-5.92	0-5.72	0-5.08	0.01-5.43
Trade bills, advances to customers and advances to banks and other financial institutions	貿易票據，客戶墊款及銀行及其他金融機構的墊款	0.44-50.14	0.31-53.39	0.44-17.36	0.31-21.49
Securities (Note)	證券(附註)	0.06-7.25	0.10-7.75	0.06-6.79	0.10-7.75
Liabilities	負債				
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	0.03-5.26	0.01-7.41	0.03-4.44	0.01-7.41
Deposits from customers	客戶存款	0-7.18	0-8.11	0-6.25	0-6.25
Certificates of deposit issued and loan capital	已發行存款證及借貸資本	0.5-8.54	0.67-8.44	0.5-8.54	0.67-8.44

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 management of the Group's strategic risk is governed by the strategic risk management policies which are approved by the Board of Directors or the Asset and Liability Management Committee. The Board of Directors 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. The Risk Management Division monitors the activities under the Bank's prevailing interest earning assets mix and funding strategies and regularly reports the status to the Asset and Liability Management Committee and 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。

本集團的策略性風險管理受經董事會或資產負債管理委員會批准的策略性風險管理政策監管。董事會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。風險管理處監控本集團現行生息資產組合及融資策略下的活動，並定期向資產負債管理委員會及風險管理委員會匯報有關情況。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

43. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(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 Group's customer base, business or revenue.

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

All units are required to manage legal risk and reputation risk within the legal risk management policies and reputation risk policies respectively which are approved by the Board of Directors or the Operational Risk Management Committee. The Board of Directors has delegated the responsibility for ongoing risk management of these risks to the Operational Risk Management Committee. The Operational Risk Management Committee reports to the Board of Directors via the Risk Management Committee.

(h) Capital management

The Hong Kong Monetary Authority ("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 HKMA supervises the Group on a consolidated basis, which sets capital requirements and receives information of capital adequacy on a regular basis for the Group as a whole. Individual branches are directly regulated by respective domestic banking supervisors, who set and monitor their capital adequacy requirements. In certain jurisdictions, non-banking financial subsidiaries are also subject to the supervision and capital requirements of domestic regulatory authorities.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

(g) 法律風險和信譽風險管理

法律風險是指由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的潛在風險。

信譽風險則源自公眾對本集團一宗或多宗有關營商規則、行為或財務狀況事件的負面報導。此等報導，不管真確與否，有可能影響公眾對本集團的信心，因而可能導致高昂的訴訟費用，令本集團之客戶基礎下跌、業務或收入減少。

此等風險管理的目的，在於識別、評估、監控及匯報各項風險，以及遵守相關監管規定的要求。

所有單位須依據由董事會或營運風險管理委員會所批核的法律風險管理政策及信譽風險管理政策來管理法律風險及信譽風險。董事會已授權營運風險管理委員會負責持續管理此等風險。營運風險管理委員會經風險管理委員會向董事會匯報。

(h) 資本管理

香港金融管理局(「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。

香港金融管理局按綜合基準以監管本集團，並制訂資本要求及定期收集本集團整體性的資本充足資料。個別分行分別由當地的銀行監管機關直接監管，並制訂及監控其資本充足要求。在某些地區，非銀行財務附屬公司是受當地監管機關規管及資本要求。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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 ratios 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, 2012 and 31st December, 2011 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, 2012 and 31st December, 2011 and the Group are well above the minimum required ratio set by the HKMA.

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。

2012年12月31日及2011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2012年12月31日及2011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。

44. 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.

(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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

44. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(a) Financial instruments carried at fair value (continued)

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.

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.

(a) 以公平價值列賬的金融工具(續)

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。

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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The table below analyses financial instruments carried at fair value, by valuation method:

下表是根據估值方法，分析金融工具之公平價值：

		2012							
		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
Assets	資產								
Trading assets	交易用途資產	4,009	2,775	554	7,338	1,522	2,077	394	3,993
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	10,416	4,753	-	15,169	10,122	4,748	-	14,870
Available-for-sale financial assets	可供出售金融資產	51,988	11,978	765	64,731	34,135	10,184	697	45,016
		66,413	19,506	1,319	87,238	45,779	17,009	1,091	63,879
Liabilities	負債								
Trading liabilities	交易用途負債	21	3,244	562	3,827	21	2,564	495	3,080
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	-	6,793	-	6,793	4,410	6,793	-	11,203
		21	10,037	562	10,620	4,431	9,357	495	14,283

		2011							
		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
Assets	資產								
Trading assets	交易用途資產	2,363	2,886	351	5,600	1,761	2,260	138	4,159
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	10,784	5,879	-	16,663	10,578	5,875	-	16,453
Available-for-sale financial assets	可供出售金融資產	35,860	8,374	676	44,910	21,265	6,796	568	28,629
		49,007	17,139	1,027	67,173	33,604	14,931	706	49,241
Liabilities	負債								
Trading liabilities	交易用途負債	18	4,197	333	4,548	18	3,489	320	3,827
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	3,178	5,272	-	8,450	7,203	5,272	-	12,475
		3,196	9,469	333	12,998	7,221	8,761	320	16,302

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

44. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(a) Financial instruments carried at fair value (continued)

During the year there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy.

(1) Valuation of financial instruments with significant unobservable inputs

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

(a) 以公平價值列賬的金融工具(續)

年內，根據第1級及第2級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移。

(1) 使用重要而非可觀察之輸入參數的金融工具估值

已列賬並含有重要而非可觀察輸入參數的工具，其公平價值之變動如下：

		The Group 集團		
		Trading assets – Positive fair value of derivatives 交易用途資產 – 衍生工具之 正公平價值 HK\$ Mn 港幣百萬元	Available-for-sale financial assets 可供出售 金融資產 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Assets	資產			
At 1st January, 2012	於2012年1月1日	351	676	1,027
Purchases	購入	–	136	136
Settlements	結算	(87)	(76)	(163)
Changes in fair value recognised in the income statement	公平價值變動確認於 收益表	290	(62)	228
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	–	89	89
Exchange adjustments	匯兌調整	–	2	2
At 31st December, 2012	於2012年12月31日	554	765	1,319
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the end of the reporting period	於報告期結束日持有之資產 而已計入年度內其他全面收益 之可供出售公平價值儲備 之收益或虧損總額	–	89	89
Total gains or losses for the year included in the income statement for assets held at the end of the reporting period recorded in net trading income	於報告期結束日持有之資產 而已計入年度內收益表 之交易收入淨額	290	(62)	228

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

		The Bank 銀行		
		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 HK\$ Mn 港幣百萬元	可供出售 金融資產 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
Assets	資產			
At 1st January, 2012	於2012年1月1日	138	568	706
Purchases	購入	–	136	136
Settlements	結算	(14)	(34)	(48)
Changes in fair value recognised in the income statement	公平價值變動確認於 收益表	270	(62)	208
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	–	89	89
At 31st December, 2012	於2012年12月31日	394	697	1,091
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the end of the reporting period	於報告期結束日持有之資產 而已計入年度內其他全面收益 之可供出售公平價值儲備 之收益或虧損總額	–	89	89
Total gains or losses for the year included in the income statement for assets held at the end of the reporting period recorded in net trading income	於報告期結束日持有之資產 而已計入年度內收益表 之交易收入淨額	270	(62)	208

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

44. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(a) Financial instruments carried at fair value (continued)

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

(a) 以公平價值列賬的金融工具(續)

(1) 使用重要而非可觀察之輸入參數的金融工具估值(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, 2011	於2011年1月1日	294	619	913
Purchases	購入	–	94	94
Settlements	結算	(104)	(117)	(221)
Changes in fair value recognised in the income statement	公平價值變動確認於 收益表	161	–	161
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	–	80	80
At 31st December, 2011	於2011年12月31日	351	676	1,027
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the end of the reporting period	於報告期結束日持有之資產 而已計入年度內其他全面收益 之可供出售公平價值儲備 之收益或虧損總額	–	80	80
Total gains or losses for the year included in the income statement for assets held at the end of the reporting period recorded in net trading income	於報告期結束日持有之資產 而已計入年度內收益表 之交易收入淨額	161	–	161

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(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	
Assets	資產			
At 1st January, 2011	於2011年1月1日	204	544	748
Purchases	購入	–	44	44
Settlements	結算	(57)	(106)	(163)
Changes in fair value recognised in the income statement	公平價值變動確認於 收益表	(9)	–	(9)
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	–	86	86
At 31st December, 2011	於2011年12月31日	138	568	706
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the end of the reporting period	於報告期結束日持有之資產 而已計入年度內其他全面收益 之可供出售公平價值儲備 之收益或虧損總額	–	86	86
Total gains or losses for the year included in the income statement for assets held at the end of the reporting period recorded in net trading income	於報告期結束日持有之資產 而已計入年度內收益表 之交易收入淨額	(9)	–	(9)

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

44. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(a) Financial instruments carried at fair value (continued)

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

(a) 以公平價值列賬的金融工具(續)

(1) 使用重要而非可觀察之輸入參數的金融工具估值(續)

		The Group 集團 Trading liabilities – Negative fair value of derivatives 交易用途負債 – 衍生工具之負公平價值 HK\$ Mn 港幣百萬元	The Bank 銀行 Trading liabilities – Negative fair value of derivatives 交易用途負債 – 衍生工具之負公平價值 HK\$ Mn 港幣百萬元
Liabilities	負債		
At 1st January, 2012	於2012年1月1日	333	320
Settlements	結算	(87)	(75)
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	316	250
At 31st December, 2012	於2012年12月31日	562	495
Total gains or losses for the year included in the income statement for liabilities held at the end of the reporting period recorded in net trading income	於報告期結束日持有之負債而已計入年度內收益表之交易收入淨額	316	250

		The Group 集團 Trading liabilities – Negative fair value of derivatives 交易用途負債 – 衍生工具之負公平價值 HK\$ Mn 港幣百萬元	The Bank 銀行 Trading liabilities – Negative fair value of derivatives 交易用途負債 – 衍生工具之負公平價值 HK\$ Mn 港幣百萬元
Liabilities	負債		
At 1st January, 2011	於2011年1月1日	278	256
Settlements	結算	(123)	(118)
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	178	182
At 31st December, 2011	於2011年12月31日	333	320
Total gains or losses for the year included in the income statement for liabilities held at the end of the reporting period recorded in net trading income	於報告期結束日持有之負債而已計入年度內收益表之交易收入淨額	178	182

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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

(2) 因重要而非可觀察之假設變動至合理可行之另類假設所產生的影響

		2012			
		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	46	(46)	-	-
Available-for-sale financial assets	可供出售金融資產	-	-	64	(64)
		46	(46)	64	(64)
Trading liabilities	交易用途負債	47	(47)	-	-

		2011			
		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	29	(29)	-	-
Available-for-sale financial assets	可供出售金融資產	-	-	56	(56)
		29	(29)	56	(56)
Trading liabilities	交易用途負債	28	(28)	-	-

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

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

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

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

- (i) The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the end of the reporting period.
- (ii) The fair value of variable rate financial instruments is assumed to be approximated by their carrying amounts and, in the case of loans and unquoted debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the impairment allowances from both the carrying amount and fair value.

(b) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假定，以釐定如下的金融工具的公平價值：

- (i) 不設指定期限的活期存款和儲蓄賬戶的公平價值，乃假定為於報告期結束日可按要求而支付的金額。
- (ii) 浮息金融工具的公平價值，乃假定為與其賬面值相若。如此等工具為貸款和非上市債務證券，由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，因此其公平價值不能反映其信貸素質的改變。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

44. 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)

- (iii) The fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value.
- (iv) The fair value of unquoted equity investments is estimated, if possible, using the applicable dividend discount model, or share of net asset value in the investment, or applying a discount to the market value of investments with a lock-up period.
- (v) The fair value of unlisted open-ended investment funds is estimated using the net asset value per share as reported by the managers of such funds.
- (vi) The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

The carrying amount of the Group's and the Bank's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31st December, 2012 and 2011 except as follows:

The Group

		2012		2011	
		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	4,320	4,474	4,587	4,658
Financial liabilities	金融負債				
Certificates of deposits issued	已發行存款證	21,275	21,289	6,211	6,236
Debt securities issued	已發行債務證券	7,959	8,103	6,393	6,515
Subordinated liabilities	後償負債	14,263	15,105	13,563	13,559

(b) 以公平價值以外列賬的金融工具公平價值(續)

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

除下列者外，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2012年12月31日及2011年同日之公平價值相若。

集團

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The Bank

銀行

		2012		2011	
		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	3,219	3,336	2,880	2,922
Financial liabilities	金融負債				
Certificates of deposits issued	已發行存款證	23,475	23,489	8,411	8,436
Debt securities issued	已發行債務證券	502	502	241	241
Subordinated liabilities	後償負債	14,263	15,105	13,563	13,559

45. 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	
		2012 HK\$ Mn 港幣百萬元	2011 HK\$ Mn 港幣百萬元	2012 HK\$ Mn 港幣百萬元	2011 HK\$ Mn 港幣百萬元
Direct credit substitutes	直接信貸替代品	13,303	10,456	4,756	6,464
Transaction-related contingencies	與交易有關的或然項目	2,364	1,159	1,224	880
Trade-related contingencies	與貿易有關的或然項目	1,930	2,321	1,259	1,673
Commitments that are unconditionally cancellable without prior notice	可無條件取消而毋須事先通知的承擔	52,631	41,114	47,885	40,246
Other commitments with an original maturity	其他承擔的原到期日：				
- up to 1 year	- 1年或以下	103,119	76,774	7,091	4,299
- over 1 year	- 1年以上	36,433	16,657	19,503	14,944
		209,780	148,481	81,718	68,506
Credit risk weighted amounts	信貸風險加權金額	71,525	49,965	18,063	15,514

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)

45. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(b) Derivatives

(i) Notional amount of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivative for the Group and the Bank:

The Group

(b) 衍生工具

(i) 衍生工具的名義金額

衍生工具是指由一項或多項潛在資產或指數價值釐定價值的財務合約。

集團及銀行的每項衍生工具主要類別的名義金額摘要如下：

集團

		2012					
		Trading	Managed in conjunction with financial instruments designated as qualifying for hedge accounting	at fair value through profit or loss	Others	Non-trading Total	Total
		交易	符合對沖會計法	按通過損益以反映公平價值金融工具模式管理	其他	非交易總額	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
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	35,512	129	-	4	133	35,645
Swaps	掉期交易	154,871	-	-	130,756	130,756	285,627
Options purchased	購入期權	2,726	-	-	39,689	39,689	42,415
Options written	沽出期權	3,691	-	-	39,742	39,742	43,433
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	-	-	-	860	860	860
Swaps	掉期交易	79,973	16,886	20,318	32,115	69,319	149,292
Equity contracts	股份合約						
Swaps	掉期交易	61	-	-	8,748	8,748	8,809
Options purchased	購入期權	266	-	-	2,417	2,417	2,683
Options written	沽出期權	430	-	-	1,751	1,751	2,181
Others	其他	-	-	-	3,478	3,478	3,478
		277,530	17,015	20,318	259,560	296,893	574,423

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The Group

集團

		2011 Restated 重報						
		Trading	Qualifying for hedge accounting	Managed in conjunction with financial instruments designated at fair value through profit or loss	Others	Non-trading Total	Total	
		交易	符合對沖 會計法	按通過損益 以反映公平 價值金融工具 模式管理	其他	非交易總額	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	87,776	-	-	-	-	87,776	
Swaps	掉期交易	75,636	-	-	98,900	98,900	174,536	
Options purchased	購入期權	1,707	-	-	50,120	50,120	51,827	
Options written	沽出期權	2,383	-	-	49,974	49,974	52,357	
Interest rate contracts	利率合約							
Forwards and futures	遠期交易及期貨	-	-	-	1,689	1,689	1,689	
Swaps	掉期交易	53,225	7,767	15,995	64,665	88,427	141,652	
Equity contracts	股份合約							
Swaps	掉期交易	-	-	-	7,089	7,089	7,089	
Options purchased	購入期權	168	-	-	2,558	2,558	2,726	
Options written	沽出期權	275	-	-	1,894	1,894	2,169	
Others	其他	-	-	-	3,091	3,091	3,091	
		221,170	7,767	15,995	279,980	303,742	524,912	

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

45. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(i) Notional amount of derivatives (continued)

The Bank

(b) 衍生工具(續)

(i) 衍生工具的名義金額(續)

銀行

		2012				
		Trading	Managed in conjunction with financial instruments designated at fair value through profit or loss	Others	Non-trading Total	Total
		Qualifying for hedge accounting	at fair value through profit or loss			
		符合對沖會計法	按通過損益以反映公平價值金融工具模式管理	其他	非交易總額	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
Exchange rate contracts	匯率合約					
Forwards and futures	遠期交易及期貨	28,912	-	-	-	28,912
Swaps	掉期交易	58,676	-	-	130,408	189,084
Options purchased	購入期權	2,726	-	-	39,689	42,415
Options written	沽出期權	3,692	-	-	39,742	43,434
Interest rate contracts	利率合約					
Forwards and futures	遠期交易及期貨	-	-	-	860	860
Swaps	掉期交易	15,866	16,886	20,318	32,100	65,170
Equity contracts	股份合約					
Swaps	掉期交易	61	-	-	8,799	8,860
Options purchased	購入期權	266	-	-	2,417	2,683
Options written	沽出期權	430	-	-	2,414	2,844
Others	其他	-	-	-	3,475	3,475
		110,629	16,886	20,318	259,904	407,737

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

The Bank

銀行

		2011 Restated 重報						
		Trading	Managed in conjunction with financial instruments designated at fair value through profit or loss 按通過損益以反映公平價值金融工具 符合對沖會計法 HK\$ Mn 港幣百萬元		Others	Non-trading Total	Total	
		交易 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	其他 HK\$ Mn 港幣百萬元	非交易總額 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元	
Exchange rate contracts	匯率合約							
Forwards and futures	遠期交易及期貨	73,543	-	-	-	-	73,543	
Swaps	掉期交易	28,324	-	-	98,142	98,142	126,466	
Options purchased	購入期權	1,707	-	-	50,120	50,120	51,827	
Options written	沽出期權	2,383	-	-	49,974	49,974	52,357	
Interest rate contracts	利率合約							
Forwards and futures	遠期交易及期貨	-	-	-	1,689	1,689	1,689	
Swaps	掉期交易	3,602	7,767	15,995	61,828	85,590	89,192	
Equity contracts	股份合約							
Swaps	掉期交易	-	-	-	6,796	6,796	6,796	
Options purchased	購入期權	168	-	-	2,558	2,558	2,726	
Options written	沽出期權	275	-	-	2,558	2,558	2,833	
Others	其他	-	-	-	3,081	3,081	3,081	
		110,002	7,767	15,995	276,746	300,508	410,510	

Derivatives arise from futures, forward, swap and option transactions undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the end of the reporting period; they do not represent amounts at risk.

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

衍生工具是由本集團及本行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在報告期結束日仍未完成的交易量，但並不代表所承受風險的金額。

前述資產負債表以外風險的公平價值及信貸風險加權金額如下。這些金額並未計入雙邊淨額安排的影響。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

45. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(ii) Fair value and credit risk weighted amounts of derivatives

(b) 衍生工具(續)

(ii) 衍生工具之公平價值及信貸風險加權金額

		The Group 集團			
		2012		2011 Restated 重報	
		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 26 and 37)	公平價值(附註26及37)				
Exchange rate contracts	匯率合約	1,279	1,559	1,446	2,236
Interest rate contracts	利率合約	1,502	1,924	1,305	1,898
Equity contracts	股份合約	191	170	337	292
Others	其他	153	153	127	112
		3,125	3,806	3,215	4,538

		The Bank 銀行			
		2012		2011 Restated 重報	
		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 26 and 37)	公平價值(附註26及37)				
Exchange rate contracts	匯率合約	607	1,052	990	1,915
Interest rate contracts	利率合約	1,349	1,751	1,087	1,502
Equity contracts	股份合約	161	103	179	288
Others	其他	150	153	120	112
		2,267	3,059	2,376	3,817

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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	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	2,878	3,168	2,101	2,854
Interest rate contracts	利率合約	1,618	1,256	1,443	1,067
Equity contracts	股份合約	574	328	637	383
Others	其他	301	108	303	111
		5,371	4,860	4,484	4,415

* 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, 2012.

* 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2012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 end of the reporting period. The credit risk weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules.

(iii) Fair values of derivatives designated as hedging instruments

The following is a summary of the fair values of derivatives held for hedging purposes by product type:

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。

公平價值是在報告期結束日該等合約的略計信貸風險。信貸風險加權金額是指按照《銀行業(資本)規則》計算。

(iii) 指定為對沖工具之衍生工具的公平價值

用作對沖用途之衍生工具的公平價值按產品種類摘要如下：

		The Group and The Bank 集團及銀行			
		2012		2011	
		Assets 資產		Assets 資產	
		Liabilities 負債		Liabilities 負債	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Exchange rate contracts	匯率合約	-	-	-	-
Interest rate contracts	利率合約	712	89	409	-
		712	89	409	-

(a) Cash flow hedges

The Group's cash flow hedge principally consists of foreign exchange contracts that are used to hedge against the variability in cash flows of certain debt securities subject to foreign exchange rate movement.

At 31st December, 2012, the net fair value of derivatives held as cash flow hedges was insignificant (2011: Nil).

(a) 現金流對沖

本集團之現金流對沖主要包括外匯合約，其作用是對沖若干受外幣匯率波動影響現金流改變的債務證券。

於2012年12月31日，持有作為現金流對沖之衍生工具的公平價值淨額是不重大的(2011年：無)。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

45. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(b) Derivatives (continued)

(iii) Fair values of derivatives designated as hedging instruments (continued)

(a) Cash flow hedges

The time periods in which the hedged cash flows are expected to occur and affect the consolidated statement of comprehensive income are as follows:

The Group

		Within one year 1年以內		Over one year but within five year 1年以上至5年		Over five years 5年以上	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
At 31st December, 2012	於2012年12月31日						
Cash inflows from assets	來自資產的現金流		-	102		27	
Cash inflows from liabilities	來自負債的現金流		-	-		-	
Net cash inflows	淨現金流入		-	102		27	
At 31st December, 2011	於2011年12月31日						
Cash inflows from assets	來自資產的現金流		-	-		-	
Cash inflows from liabilities	來自負債的現金流		-	-		-	
Net cash inflows	淨現金流入		-	-		-	

(b) Fair value hedges

The Group's fair value hedge principally consists of interest rate swaps that are used to protect against changes in the fair value of fixed rate long-term financial instruments due to movements in market interest rates.

At 31st December, 2012, the net fair value of interest rate swaps was \$623 million (2011: HK\$409 million) comprising assets of HK\$712 million (2011: HK\$409 million) and liabilities of HK\$89 million (2011: Nil).

(b) 衍生工具(續)

(iii) 指定為對沖工具之衍生工具的公平價值(續)

(a) 現金流對沖

影響綜合全面收益表及所對沖之現金流預期會發生的期間如下：

集團

(b) 公平價值對沖

本集團的公平價值對沖主要包括利率掉期，其作用是保障受市場利波動而影響長期定息金融工具的公平價值變動。

於2012年12月31日，利率掉期的公平價值淨額為港幣623,000,000元（2011年：港幣409,000,000元），包括資產港幣712,000,000元（2011年：港幣409,000,000元）及負債港幣89,000,000元（2011年：無）。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(iv) Remaining life of derivatives

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the end of the reporting period.

(iv) 衍生工具之剩餘期限

下表分析在報告期結束日本集團根據到期期限歸類之剩餘結算期限有關衍生工具的名義金額。

		The Group 集團							
		Notional amounts with remaining life of 剩餘期限的名義金額							
		2012				2011 Restated 重報			
		Over 1 year			Total	Over 1 year			Total
		1 year or less	to 5 years	Over 5 years		1 year or less	to 5 years	Over 5 years	
		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	86,001	53,932	10,219	150,152	86,698	41,601	15,042	143,341
Currency derivatives	貨幣衍生工具	345,390	60,930	800	407,120	282,468	83,951	77	366,496
Other derivatives	其他衍生工具	5,690	10,945	516	17,151	6,312	8,625	138	15,075
		437,081	125,807	11,535	574,423	375,478	134,177	15,257	524,912

		The Bank 銀行							
		Notional amounts with remaining life of 剩餘期限的名義金額							
		2012				2011 Restated 重報			
		Over 1 year			Total	Over 1 year			Total
		1 year or less	to 5 years	Over 5 years		1 year or less	to 5 years	Over 5 years	
		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	41,776	34,035	10,219	86,030	52,020	23,827	15,034	90,881
Currency derivatives	貨幣衍生工具	242,613	60,432	800	303,845	221,057	83,136	-	304,193
Other derivatives	其他衍生工具	5,756	11,473	633	17,862	6,275	8,906	255	15,436
		290,145	105,940	11,652	407,737	279,352	115,869	15,289	410,510

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

45. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

(c) Capital commitments

Capital commitments outstanding at 31st December and not provided for in the accounts were as follows:

(c) 資本承擔

於2012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：

	The Group 集團				The Bank 銀行			
	2012		2011		2012		2011	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Expenditure authorised and contracted for	已核准支出並已簽約	403	171	329	117			
Expenditure authorised but not contracted for	已核准支出但未簽約	124	213	26	175			
		527	384	355	292			

(d) Operating lease commitments

At 31st December, 2012, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

(d) 經營租賃承擔

於2012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			
	2012		2011		2012		2011	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Properties	物業							
Within one year	1年以內	480	472	181	174			
After one year but within five years	1年至5年內	911	986	170	150			
After five years	5年以後	212	300	-	-			
		1,603	1,758	351	324			

	The Group 集團				The Bank 銀行			
	2012		2011		2012		2011	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Equipment	設備							
Within one year	1年以內	6	6	2	2			
After one year but within five years	1年至5年內	11	11	1	2			
		17	17	3	4			

The Group and the Bank lease certain properties and equipment under operating leases. The leases run for an initial period of one to twenty five years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually adjusted annually to reflect market rentals. None of the leases includes contingent rentals.

本集團及本行以經營租賃形式租入若干物業和設備。租賃年期由1年至25年，到期日後可再續約但其他條款須另議。租賃付款金額通常每年調整以反映市值租金。所有租約並不包括或有租金。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

46. 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

		2012		2011	
		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	-		15	
Advances and other accounts less provisions	已扣除準備之墊款及其他賬項	1		18	
Fixed assets	固定資產	-		1	
Current taxation	本期稅項	-		(2)	
Other accounts and provisions	其他賬項及準備	(1)		(10)	
		-		22	
Goodwill arising on consolidation	賬項綜合時產生的商譽	11		68	
Total purchase price	以現金支付的購入價	11		90	
Less: Cash and cash equivalents acquired	減: 購入的現金及等同現金項目	-		(15)	
Cash flow on acquisition net of cash acquired	已扣除所購入現金的現金流	11		75	

(b) Disposal of subsidiary

(b) 出售附屬公司

		2012		2011	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Net assets disposed of	已出售淨資產				
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	436		-	
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	287		-	
Advances and other accounts less provisions	已扣除準備之墊款及其他賬項	4,447		-	
Available-for-sale financial assets	可供出售金融資產	43		-	
Held-to-maturity investments	持至到期投資	45		-	
Fixed assets	固定資產	38		-	
Deferred tax assets	遞延稅項資產	165		-	
Goodwill and intangible assets	商譽及無形資產	174		-	
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	(41)		-	
Deposits from customers	客戶存款	(4,294)		-	
Trading liabilities	交易用途負債	(114)		-	
Other accounts and provisions	其他賬項及準備	(86)		-	
		1,100		-	
Add: Gain on disposal	加: 出售盈利	203*		-	
Less: Transferred to investment in associates	減: 轉入聯營公司投資	(283)*		-	
Less: Cash and cash equivalents disposed	減: 出售現金及等同現金項目	(436)		-	
Cash flow on disposal of subsidiary	出售附屬公司的現金流	584		-	

* Included HK\$55 million of gain that attributable to recognizing any investment retained in the former subsidiary at its fair value at the date when control is lost.

* 包括港幣55,000,000元屬於喪失控制權當日按公平價值確認保留在一前度附屬公司投資的盈利。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

46. 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

		2012		2011	
		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	55,981		43,041	
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	26,360		25,338	
Treasury bills with original maturity within three months	原本期限為3個月以內的國庫債券	16,425		9,791	
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	972		911	
Debt securities with original maturity within three months	原本期限為3個月以內的債務證券	-		100	
		99,738		79,181	

(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

(ii) Reconciliation with the consolidated statement of financial position

(ii) 與綜合財務狀況表的對賬

		2012		2011	
		HK\$ Mn	港幣百萬元	Restated 重報	HK\$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions (Note 23)	現金及在銀行及其他金融機構的結存(附註23)	85,512		71,761	
Placements with banks and other financial institutions (Note 24)	在銀行及其他金融機構的存款(附註24)	50,618		58,598	
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 26)	- 交易用途資產(附註26)	3,057		1,317	
- designated at fair value through profit or loss (Note 27)	- 指定為通過損益以反映公平價值(附註27)	14,751		16,330	
- advances and other accounts (Note 28(a))	- 墊款及其他賬項(附註28(a))	78		39	
- available-for-sale (Note 29)	- 可供出售(附註29)	62,333		42,897	
- held-to-maturity (Note 30)	- 持至到期(附註30)	4,320		4,598	
		84,539		65,181	
Amounts shown in the consolidated statement of financial position	在綜合財務狀況表出現的金額	220,669		195,540	
Less: Amounts with an original maturity of beyond three months	減：原本期限為3個月以上的金額	(91,400)		(87,639)	
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	(29,531)		(28,720)	
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	99,738		79,181	

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

47. ASSETS PLEDGED AS SECURITY 用作抵押品的資產

The following assets have been pledged as collateral for own liabilities at the end of the reporting period:

於報告期結束日，以下資產經已用作本身負債之抵押品：

		The Group 集團		The Bank 銀行	
		2012	2011	2012	2011
		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	9,633	3,631	2,649	3,621
Assets pledged:	抵押資產：				
Advances to customers and other accounts	客戶墊款及其他賬項	1,599	2,976	1,450	1,631
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	1,793	2,474	1,793	2,474
Available-for-sale financial assets	可供出售金融資產	6,836	138	-	127
Held-to-maturity investments	持至到期投資	792	1,087	792	1,087
		11,020	6,675	4,035	5,319

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	
		2012	2011	2012	2011
		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	-	39	-	39
Margin accounts for open futures and forward contracts	用作開立期貨及遠期合約的孖展賬戶	1,085	1,464	1,077	1,431
		1,085	1,503	1,077	1,470

These transactions are conducted under terms that are usual and customary to standard lending and securities borrowing and lending activities.

此等交易之條款是按一般及慣常標準借款及證券借貸交易進行。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

48. 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：

		2012		2011	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Aggregate amount of relevant loans outstanding at 31st December	相關貸款於12月31日的結欠總額				
By the Bank	由銀行借出		2,368		3,427
By subsidiaries	由附屬公司借出		1,296		851
			3,664		4,278
The maximum aggregate amount of relevant loans outstanding during the year	年度內相關貸款之最高結欠總額				
By the Bank	由銀行借出		5,382		6,365
By subsidiaries	由附屬公司借出		1,431		1,230
			6,813		7,595

There was no interest due but unpaid nor any impairment allowance made against these loans at 31st December, 2012 and 31st December, 2011.

於2012年12月31日及2011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。

49. MATERIAL RELATED PARTY TRANSACTIONS 關聯人士的重大交易

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Bank's directors as disclosed in Note 20 and certain of the highest paid employees as disclosed in Note 21, is as follows:

(a) 主要管理人員薪酬

本集團之主要管理人員薪酬，已包括在附註20中所披露支付予本行董事及在附註21中所披露支付予本行若干最高薪酬僱員的金額如下：

		2012		2011	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Short-term employee benefits	短期僱員福利		123		95
Post-employment benefits	僱員退休福利		5		5
Equity compensation benefits	股份補償福利		22		37
			150		137

(b) The Group maintains certain retirement benefit schemes for its staff as per Note 2(q)(iii). In 2012, the total amount of contributions the Group made to the schemes was HK\$145 million (2011: HK\$131 million).

(b) 本集團為其職員提供若干退休保障計劃，並已於附註2(q)(iii)披露。於2012年內，本集團對該等計劃的供款總數為港幣145,000,000元（2011年：港幣131,000,000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。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

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2012年，本集團從關聯人士所收取與支付予他們的利息，及在2012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	
		2012	2011	2012	2011	2012	2011
			Restated 重報				
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Interest income	利息收入	123	84	412	253	11	19
Interest expense	利息支出	54	50	125	157	-	-
Amounts due from	關聯人士的欠款	6,450	6,020	15,566	11,498	390	585
Amounts due to	欠關聯人士的款項	4,616	5,285	3,105	2,416	228	203
Maximum amounts due from	關聯人士的最高欠款	9,683	9,650	17,890	18,802	503	1,018
Maximum amounts due to	欠關聯人士的最高款項	9,656	10,699	3,142	3,013	485	203
Committed facilities to	信貸承諾予	4,247	3,271	1,079	835	10	10

50. 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 ordinary shares of the Bank. All options were granted for nil consideration.

本行所採納的僱員認股計劃是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，以認購本行普通股股份。所有認股權均以無計價款形式發出。

(a) Particulars of share options

(a) 認股權詳情

Date of grant 授予日期	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$港幣
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
05/5/2011(T1)	05/5/2011 – 04/5/2012	05/5/2012 – 05/5/2017	32.00
05/5/2011(T2)	05/5/2011 – 04/5/2013	05/5/2013 – 05/5/2018	32.00
05/5/2011(T3)	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00
10/5/2012(T1)	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012(T2)	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012(T3)	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

50. EQUITY COMPENSATION PLANS (CONTINUED) 股份補償計劃(續)

(b) Movement of share options during the period

(b) 期內認股權之變動

2012		Number of share options 認股權數目					Outstanding at
Date of grant	Tranche	Option Price	Outstanding at 1/1/2012	Granted	Exercised	Lapsed	31/12/2012
授予日期	部分	認股價	於2012年1月1日 尚未行使	已授予	已行使	已失效	於2012年12月31日 尚未行使
10/5/2007		42.84*	2,035,000	-	-	2,035,000	-
05/5/2008		40.09*	4,070,000	-	-	-	4,070,000
05/5/2009		21.25	3,515,000	-	595,000	-	2,920,000
06/7/2010		28.49	5,950,000	-	200,000	-	5,750,000
05/5/2011	T1	32.00	1,980,000	-	-	-	1,980,000
05/5/2011	T2	32.00	1,980,000	-	-	-	1,980,000
05/5/2011	T3	32.00	1,990,000	-	-	-	1,990,000
10/5/2012	T1	28.99	-	1,980,000	-	-	1,980,000
10/5/2012	T2	28.99	-	1,980,000	-	-	1,980,000
10/5/2012	T3	28.99	-	1,990,000	-	-	1,990,000
Total 總額			21,520,000	5,950,000	795,000	2,035,000	24,640,000

* After adjusting for the bonus issue one for ten in April 2009.

* 經調整2009年4月所發行的10送1紅股。

2011		Number of share options 認股權數目					Outstanding at
Date of grant	Tranche	Option Price	Outstanding at 1/1/2011	Granted	Exercised	Lapsed	31/12/2011
授予日期	部分	認股價	於2011年1月1日 尚未行使	已授予	已行使	已失效	於2011年12月31日 尚未行使
03/5/2006		30.04*	2,420,000	-	2,420,000	-	-
10/5/2007		42.84*	2,585,000	-	-	550,000	2,035,000
05/5/2008		40.09*	5,170,000	-	-	1,100,000	4,070,000
05/5/2009		21.25	4,480,000	-	965,000	-	3,515,000
06/7/2010		28.49	5,950,000	-	-	-	5,950,000
05/5/2011	T1	32.00	-	1,980,000	-	-	1,980,000
05/5/2011	T2	32.00	-	1,980,000	-	-	1,980,000
05/5/2011	T3	32.00	-	1,990,000	-	-	1,990,000
Total 總額			20,605,000	5,950,000	3,385,000	1,650,000	21,520,000

* After adjusting for the bonus issue one for ten in April 2009.

* 經調整2009年4月所發行的10送1紅股。

(c) No share options were cancelled during the years ended 31st December, 2012 and 2011.

(c) 截至2012年12月31日及2011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)

(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	
		2012	2011
March 3月	03/5/2006	–	2,255,000
	05/5/2009	60,000	765,000
April 4月	05/5/2009	50,000	20,000
May 5月	03/5/2006	–	165,000
June 6月	05/5/2009	–	100,000
July 7月	05/5/2009	135,000	–
August 8月	05/5/2009	160,000	–
November 11月	05/5/2009	10,000	80,000
December 12月	05/5/2009	180,000	–
	06/7/2010	200,000	–
		795,000	3,385,000

51. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD 毋須調整的報告期結束日後的事件

After the end of the reporting period the directors declared a second interim dividend. Further details are disclosed in Note 18(a).

董事於報告期結束後擬派發第二次中期股息。詳情已在附註18(a)作披露。

52. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

The preparation of accounts requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these accounts and the reported amounts of revenues and expenses for the years presented. Changes in assumptions may have a significant impact on the accounts in the periods where the assumptions are changed. The application of assumptions and estimates means that any selection of different assumptions would cause the Group's reporting to differ. The Group believes that the assumptions that have been made are appropriate and that the accounts therefore present the financial position and results fairly, in all material respects.

在編製本集團的賬項時，管理層必須作出若干於該等賬項的日期，對所匯報資產及負債之金額和或然資產及負債披露有影響的估計和假定，同時亦須作出若干對報告年度內收入及支出之金額有影響的估計和假定。如本集團更改該等假設，便可能對作出有關改變期間的賬項產生重大影響。採用此等不同的假設和估計意味本集團之報告會有所不同。在各個重要環節方面，本集團認為已作出適當之假設，而本集團的財務報表均能公平地反映其財政狀況和業績。

Management discussed with the Audit Committee the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

管理層已與審核委員會商討關於本集團重要會計政策及估計的制定、選擇和披露，以及該等政策和估計的應用。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

52. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED) 會計估計及判斷(續)

(a) Key sources of estimation uncertainty

Notes 33, 39 and 44 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 its net asset values as provided by the SIV's manager.

(a) 估計不穩定因素的主要來源

附註33、39和44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。特別投資工具之公平價值是根據特別投資工具之管理人所提供該工具的資產淨值。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

(b) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

(i) Held-to-maturity investments

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Group evaluates its intention and ability to hold such investments till maturity.

If the Group fails to hold these investments to maturity other than for certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale, as such class is deemed to have been tainted.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

(ii) Recognition of deferred tax assets

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The Group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

(b) 本集團應用會計政策的重要會計判斷

本集團應用會計政策的若干重要會計判斷如下：

(i) 持至到期投資

本集團將設有固定或可確定付款金額和固定到期日，以及本集團有確信的意向及能力持有至到期日的非衍生金融資產，分類為持至到期投資。在作出有關判斷時，本集團會評估本身是否有意向及能力持有該等投資至到期日。

除若干特殊情況外，若本集團未能持有該等投資至到期日，本集團會將整個可持至到期日的投資組合，重新分類為可供出售。這是由於此類投資已被蒙污。

以上之情況會導致原以攤銷成本計量的可持至到期投資改以公平價值計量。

(ii) 遞延稅項資產之確認

須在未來可能有應課稅溢利予以抵銷遞延稅項資產的情況下，本集團才確認遞延稅項資產。在釐定未來應課稅溢利的金額及其可能性時，須估計及判斷在可見之將來該未來應課稅溢利可否支持確認該遞延稅項資產。本集團使用所有已有的資料，包括根據合理及可支持之假設和對收入及支出成本的估計，以釐定未來應課稅溢利。此等估計的變動可能對遞延稅項資產確認的時間及資產確認的金額有重大影響。

53. COMPARATIVE FIGURES 比較數字

The 2011 figures in Note 6 and 7 – Fee and Commission Income and Net Trading Profits have been restated to better reflect upfront income and expense in respect of certain derivatives entered into in relation to structured deposit products.

The 2011 figures in Note 22 – Segment Reporting have been restated as one reportable segment has been added under Hong Kong banking operations in 2012 and certain local entities have been reported separately to the Group's most senior executive management with effect from 2012.

For other restatements, the comparative figure has been restated to conform with current year's presentation.

由於須更合適地反映若干與結構性存款產品有關的衍生工具所產生的前期收入與支出，在附註6－服務費及佣金收入及附註7－交易溢利淨額內2011年的金額已作重報。

由2012年開始，由於在香港銀行業務項下新增加一個可匯報分部，並將若干本地實體分別匯報予本集團的最高管理層，在附註22－分部報告內2011年的數字已作重報。

就其他重報而言，比較數字已作重報以符合本期的呈報方式。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

54. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2012 在截至2012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 five new standards which are not yet effective for the year ended 31st December, 2012 and which have not been adopted in these accounts. These include the following which may be relevant to the group.

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及五項新標準；但該等修訂和新標準則於截至2012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。可能與本集團有關之修訂和新標準以下。

	Effective for accounting periods beginning on or after 由會計期開始或以後起生效
Amendments to HKAS 1, <i>Presentation of financial statements</i> – <i>Presentation of items of other comprehensive income</i>	1st July, 2012
經修訂《香港會計準則》第1號「財務報表呈報 – 其他全面收益項目之呈報」	2012年7月1日
HKFRS 10, <i>Consolidated financial statements</i>	1st January, 2013
《香港財務報告準則》第10號「綜合財務報表」	2013年1月1日
HKFRS 12, <i>Disclosure of interests in other entities</i>	1st January, 2013
《香港財務報告準則》第12號「其他實體權益之披露」	2013年1月1日
HKFRS 13, <i>Fair value measurement</i>	1st January, 2013
《香港財務報告準則》第13號「釐定公平價值」	2013年1月1日
<i>Annual Improvements to HKFRSs 2009–2011 Cycle</i>	1st January, 2013
每年對《香港財務報告準則》之提升2009至2011循環	2013年1月1日
Amendments to HKFRS 7, <i>Financial instruments: Disclosures – Disclosures</i> – <i>Offsetting financial assets and financial liabilities</i>	1st January, 2013
經修訂《香港財務報告準則》第7號「金融工具披露 – 金融資產及金融負債抵銷」	2013年1月1日
Amendments to HKAS 32, <i>Financial instruments: Presentation</i> – <i>Offsetting financial assets and financial liabilities</i>	1st January, 2014
經修訂《香港會計準則》第32號「金融工具呈報 – 金融資產及金融負債抵銷」	2014年1月1日
HKFRS 9, <i>Financial instruments</i>	1st January, 2015
《香港財務報告準則》第9號「金融工具」	2015年1月1日

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. HKFRS 13 is effective as from 1 January 2013, but retrospective adoption is not required. The Group estimates that the adoption of HKFRS 13 will not have any significant impact on the fair value measurements of its assets and liabilities, but additional disclosures may need to be made in the 2013 financial statements.

本集團正在評估該等修訂對首個應用期可能產生的影響。除以下所述外，至今所得結論是若採納該等修訂對本集團的綜合財務報表不可能構成重大影響：

《香港財務報告準則》第13號「釐定公平價值」

《香港財務報告準則》第13號取代現行個別香港財務報告準則指引中有關單一釐定公平價值來源的指引。《香港財務報告準則》第13號亦包含廣泛有關對金融工具及非金融工具釐定公平價值的披露要求。《香港財務報告準則》第13號於2013年1月1日生效，但不須作追溯應用。本集團估計採納《香港財務報告準則》第13號對其資產及負債的公平價值並不構成重大影響，惟在2013年的財務報表中可能需要作額外披露。

NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

HKFRS 9, Financial Instruments

HKFRS 9 was issued in November 2009 and establishes new principles for the classification and measurement of financial assets. In December 2010, the HKICPA issued additions to HKFRS 9 dealing with financial liabilities. The main changes to the requirements of HKAS 39 are summarised below.

All financial assets are classified into two measurement categories: amortised cost or fair value on the basis of both an entity's business model for managing groups of financial assets and the contractual cash flow characteristics of the individual assets. These two categories replace the four categories under the current HKAS 39, *Financial instruments: Recognition and Measurement*.

Financial assets are measured at fair value through profit or loss, if they do not meet the criteria specified for measurement at amortised cost or if doing so significantly reduces or eliminates an accounting mismatch. An entity has the option to designate all subsequent changes in fair value of an equity instrument not held for trading at fair value through other comprehensive income with no recycling of gains or losses to the income statement. Dividend income would continue to be recognised in the income statement.

Financial assets which contain embedded derivatives are to be classified in their entirety either at fair value or amortised cost depending on whether the contracts as a whole meet the relevant criteria under HKFRS 9.

HKFRS 9 retains all the existing requirements for derecognition of financial instruments and most of the requirements for financial liabilities, except that for financial liabilities designated under the fair value option other than loan commitments and financial guarantee contracts, fair value changes attributable to changes in own credit risk are to be presented in the statement of other comprehensive income, and are not subsequently reclassified to income statement but may be transferred within equity.

HKFRS 9 is mandatory for annual periods beginning on or after 1 January 2015 with earlier application permitted. In December 2011, the amendment to HKFRS 9 and HKFRS 7 issued by HKICPA provided relief from the requirement to restate prior period comparative information and required additional disclosures on transition from HKAS39 to HKFRS 9. The Group is presently studying the implications of applying HKFRS 9 but it is impracticable to quantify its effect as at the date of publication of these consolidated financial statements.

《香港財務報告準則》第9號「金融工具」

《香港財務報告準則》第9號於2009年11月頒佈及建立新原則以分類及計量金融資產。於2010年10月，香港會計師公會頒佈《香港財務報告準則》第9號有關處理金融負債的增訂本。其主要對《香港會計準則》第39號所要求的變動簡述如下：

所有金融資產按兩種計量類別分類：攤銷成本或公平價值並根據該實體管理金融資產組合及個別資產的合約現金流特徵之商業模式。該兩種類別取代現時按《香港會計準則》第39號「金融工具：確認與計量」之四種類別。

如它們不符合按攤銷成本計算的要求或如其做法會重大減低或抵銷會計錯配，金融資產會按通過損益以反映公平價值計量。實體有權選擇指定非作交易用途的股份工具往後公平價值變動是通過全面收益表反映，而不是通過收益表來反映盈虧。股息收入仍繼續於收益表內確認。

包含嵌入衍生工具的金融資產會全數分類為按公平價值或攤銷成本，視乎其合約整體上能否符合《香港財務報告準則》第9號之要求。

《香港財務報告準則》第9號保留現時終止確認金融工具之所有要求以及大部份金融負債的要求，除根據公平價值選擇權指定金融負債（不包括貸款承擔及財務擔保合約）外，屬本身信貸風險之公平價值變動在全面收益表內呈報，及不會轉入往後的收益表，但可能會在股東權益內轉賬。

《香港財務報告準則》第9號必須於2015年1月1日起的會計期生效，而提早採納是容許的。在2011年12月，香港會計師公會頒佈經修訂之《香港財務報告準則》第9號及《香港財務報告準則》第7號提供豁免須重報前期比較資料之要求及有關過度至《香港會計準則》第39號及《香港財務報告準則》第9號之額外披露要求。本集團現正在研究應用《香港財務報告準則》第9號之影響，但於刊登此等綜合財務報表之日須量化其影響是不切實際的。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

未經審核補充財務資料

The following information is disclosed as part of the accompanying information to the accounts and does not form part of the audited accounts.

The preparation of supplementary financial information is in accordance with the Banking (Disclosure) Rules and consolidated supervision arrangement approved by the Hong Kong Monetary Authority (“HKMA”).

以下所披露的資料只屬於賬項的附帶資料而並不構成已審核賬項之一部分。

編製補充財務資料是根據《銀行業(披露)規則》及香港金融管理局核準的綜合監管要求。

(1) CAPITAL ADEQUACY RATIO AND CAPITAL BASE 資本充足比率及資本基礎

(a) Capital adequacy ratio

		2012 % 百分率	2011 % 百分率
Capital adequacy ratio as at 31st December	於12月31日的資本充足比率	14.3	13.7
Core capital adequacy ratio as at 31st December	於12月31日的核心資本充足比率	10.7	9.4

Capital adequacy ratios at 31st December, 2012 and 31st December, 2011 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 regulatory purposes is different from the basis of consolidation for accounting purposes. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with section 98(2) of the Banking Ordinance. Subsidiaries not included in consolidation for regulatory purposes are securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Banking (Capital) Rules and the Banking Ordinance. The Bank’s shareholdings in these subsidiaries are deducted from its core capital and supplementary capital as determined in accordance with Part 3 of the Banking (Capital) Rules.

With respect to Note 31, the principal subsidiaries that are not included in consolidation for regulatory purposes are:

Blue Cross (Asia-Pacific) Insurance Limited

BEA Life Limited

East Asia Futures Limited

East Asia Securities Company Limited

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

(a) 資本充足比率

於2012年12月31日及2011年12月31日之資本充足比率，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。

用作監管用途之綜合基礎與作會計用途之綜合基礎是不相同的。包括在用作監管用途之附屬公司乃按香港金融管理局根據香港《銀行條例》第98(2)條所頒佈的通知內列載。不包括在用作監管用途之綜合基礎之附屬公司為已核准和受一監管機構規管的證券及保險公司，對該等公司有關係持足夠資本以支持商業活動的監管安排，與按照適用於「資本規則」及香港《銀行條例》的金融機構之標準相符。本行於該等公司的權益已從其核心資本及按「資本規則」第3部份所計算之附加資本中扣除。

就附註31而言，不包括在用作監管用途的綜合基礎之主要附屬公司如下：

藍十字(亞太)保險有限公司

東亞人壽保險有限公司

東亞期貨有限公司

東亞證券有限公司

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

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

		2012	2011
		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	5,568	5,190
Share premium	股份溢價	16,083	12,037
Reserves	儲備	19,545	17,847
Profit or loss account	損益賬	2,107	2,169
Non-controlling interests	非控股權益	3,544	3,555
Deduct: Goodwill	減：商譽	(1,494)	(1,658)
Net deferred tax assets	淨遞延稅項資產	(142)	(377)
Other intangible assets	其他無形資產	(22)	(26)
		45,189	38,737
Less: Core capital items deductions	減：核心資本的扣減項目	(3,358)	(3,319)
Total core capital	核心資本總額	41,831	35,418
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	970
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	278	32
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	331	2
Regulatory reserve for general banking risks	一般銀行業風險的法定儲備	211	163
Collectively assessed impairment allowances	整體評估減值準備	69	93
Surplus provisions	過剩準備	1,869	1,849
Perpetual subordinated debt	無到期日的後償債項	-	3,163
Term subordinated debt	有期後償債項	13,532	13,146
		17,260	19,418
Less: Supplementary capital items deductions	減：附加資本的扣減項目	(3,358)	(3,319)
Total supplementary capital	附加資本總額	13,902	16,099
Total capital base	資本基礎總額	55,733	51,517

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

		2012	2011
		% 百分率	% 百分率
Average liquidity ratio for the year	年度內平均流動資金比率	46.6	42.8

The average liquidity ratio for the year is the simple average of each calendar month's average liquidity ratio, which is computed on the consolidated basis as required by the Hong Kong Monetary Authority for its regulatory purposes, and is in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

年度內平均流動資金比率是每月平均比率的簡單平均數，其計算是根據香港金融管理局訂定用作規管用途的綜合基準及香港《銀行條例》(附表4)。

(3) CROSS-BORDER CLAIMS 跨國債權

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

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

		2012			
		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	HK\$ Mn 港幣百萬元
The Group	集團				
People's Republic of China	中華人民共和國	42,804	2,480	67,285	112,569
Asian countries, excluding People's Republic of China	其他亞洲國家 (不包括中華人民共和國)	17,941	8,570	23,401	49,912
North America	北美洲	7,946	316	3,328	11,590
Western Europe	西歐	6,754	306	3,608	10,668

		2011			
		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	HK\$ Mn 港幣百萬元
The Group	集團				
People's Republic of China	中華人民共和國	38,220	2,122	69,168	109,510
Asian countries, excluding People's Republic of China	其他亞洲國家 (不包括中華人民共和國)	18,329	5,056	19,734	43,119
North America	北美洲	7,009	269	3,219	10,497
Western Europe	西歐	10,477	-	1,253	11,730

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：

		2012			
Type of counterparties	交易對手的類別	On-balance sheet exposure	Off-balance sheet exposure	Total	Individual impairment allowance
		資產負債表 以內的風險	資產負債表 以外的風險	總額	個別減值準備
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Mainland entities	內地實體	184,652	64,253	248,905	98
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	32,777	2,669	35,446	8
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	20,065	2,630	22,695	4
Total	總額	237,494	69,552	307,046	110

		2011 Restated 重報			
Type of counterparties	交易對手的類別	On-balance sheet exposure	Off-balance sheet exposure	Total	Individual impairment allowance
		資產負債表 以內的風險	資產負債表 以外的風險	總額	個別減值準備
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Mainland entities	內地實體	158,191	60,807	218,998	85
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	28,295	2,742	31,037	1
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	15,866	1,643	17,509	-
Total	總額	202,352	65,192	267,544	86

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) 逾期及經重組墊款

		2012		2011	
		HK\$ Mn	% of total advances to customers	HK\$ Mn	% of total advances to customers
		港幣百萬元	佔客戶墊款總額的百分比	港幣百萬元	佔客戶墊款總額的百分比
The Group	集團				
Advances to customers overdue for	逾期客戶墊款				
– 6 months or less but over 3 months	– 3個月以上至6個月	255	0.1	92	0.0
– 1 year or less but over 6 months	– 6個月以上至1年	181	0.0	60	0.0
– Over 1 year	– 1年以上	220	0.1	99	0.1
		656	0.2	251	0.1
Rescheduled advances to customers	經重組客戶墊款	91	0.0	392	0.1
Total overdue and rescheduled advances	逾期及經重組客戶貸款總額	747	0.2	643	0.2
Secured overdue advances	有抵押逾期墊款	483	0.1	152	0.1
Unsecured overdue advances	無抵押逾期墊款	173	0.0	99	0.1
Market value of security held against secured overdue advances	有抵押逾期墊款抵押品市值	2,026		439	
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	182		84	

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墊款。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墊款。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

(b) Advances to bank

可視作合格抵押品的資產須符合下列條件：

- (a) 該資產的市值是可即時決定的或是可合理地確定及證實的；
- (b) 該資產是有市價的及有二手市場可即時將該資產出售；
- (c) 本行收回資產的權利是有法律依據及沒有障礙的；及
- (d) 本行在有需要時可對該資產行使控制權。

合格抵押品主要分為下列兩種：

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

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

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

(b) 銀行墊款

		2012		2011	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Other assets overdue for	其他逾期資產				
– 6 months or less but over 3 months	– 3個月以上至6個月	6		–	
– 1 year or less but over 6 months	– 6個月以上至1年	–		–	
– Over 1 year	– 1年以上	–		–	
		6		–	
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	6		–	

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)

(c) Other overdue and rescheduled assets

(c) 其他逾期及經重組資產

		2012		2011	
		Accrued interest	Other assets*	Accrued interest	Other assets*
		應計利息	其他資產*	應計利息	其他資產*
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
The Group	集團				
Other assets overdue for	其他逾期資產				
– 6 months or less but over 3 months	– 3個月以上至6個月	-	-	-	8
– 1 year or less but over 6 months	– 6個月以上至1年	-	-	-	-
– Over 1 year	– 1年以上	-	4	-	-
		-	4	-	8
Rescheduled assets	經重組資產	-	-	-	4
Total other overdue and rescheduled assets	其他逾期及經重組資產總額	-	4	-	12

* Other assets refer to trade bills and receivables.

* 其他資產是指貿易票據及應收款項。

(d) Repossessed assets

(d) 收回資產

		2012		2011	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
The Group	集團				
Reposessed land and buildings*	收回土地及建築物*		10		22
Reposessed vehicles and equipment	收回汽車及設備		-		-
Total reposessed assets	收回資產總額		10		22

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。

* No property that was contracted for sale but not yet completed (2011: HK\$4 million).

* 沒有物業是已簽約出售但仍未成交(2011年: 港幣4,000,000元)。

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY 主要風險及資本充足度

(a) Summary of approach to assess capital adequacy

Different approaches are adopted for assessing capital adequacy as follows:

(a) 評估資本充足度的方法概要

評估資本充足度採納以下不同方法:

Risk areas	Approach for assessing capital adequacy
風險範圍	評估資本充足率的方法
Credit Risk 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, control and report on the various types of risk that the Group faces and, where appropriate, to set strategy and allocate capital to cover those risks.

The risk mechanisms are built around a centralised framework and include the Risk Management Committee, specialised risk management committees and the Risk Management Division.

The Risk Management Committee comprises the Group's Chairman and Chief Executive, Senior Advisors, Deputy Chief Executives and the Group Chief Risk Officer.

The specialised risk management committees include Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee. These committees comprise the Group's Senior Advisors, Deputy Chief Executives, the Group Chief Risk Officer and where appropriate division heads from the relevant areas.

An independent centralised risk management unit, Risk Management Division, is 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.

In particular, the Risk Management Committee regularly reviews the Bank's risk appetite statement, risk management policies, and risk control limits and submits them to the Board of Directors for approval.

The risk appetite statement covers the major risks faced by the Group including credit risk, market risk, interest rate risk, liquidity risk, operational risk, legal risk, reputation risk and strategic risk. The related risk levels, where appropriate, are laid down in the risk management policies.

Each new product launch has to go through an evaluation process including business and financial analysis and risk assessment. Approval on launching such new products will be obtained from the New Product Development Working Group chaired by the Bank's Group Chief Risk Officer, with other members being heads of support and control units.

(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、控制及匯報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、專責風險管理委員會及風險管理處。

風險管理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。

專責風險管理委員會包括信貸委員會、資產負債管理委員會和營運風險管理委員會。這些委員會由本集團高級顧問、副行政總裁、集團風險總監及(在適當情況下)其他有關方面的處級主管組成。

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。

具體而言，風險管理委員會定期審閱本行的風險偏好報告書、風險管理政策及風險控制限額，並將其呈交董事會審批。

風險偏好報告書涵蓋本集團承受的主要風險，包括信貸風險、市場風險、利率風險、流動資金風險、營運風險、法律風險、信譽風險及策略性風險。在適當的情況下，本集團已將此等水平詳列於風險管理政策內。

每一個新產品的推出，會通過評估過程，包括業務和財務分析和風險評估。這些新產品的批准將由新產品發展工作組負責。該工作組主席為集團風險總監，其他成員包括支援及監控職能的部門主管。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(b) Principal risks (continued)

Credit risk management

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 when setting all limits. 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 assessment 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, control and report on credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Risk Management Manual. These guidelines stipulate delegated lending authorities, credit 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.

Stress tests on the Group's credit risk are conducted regularly. The results are reviewed by the Credit Committee and reported to the Risk Management Committee and to the Board of Directors regularly. If necessary, remedial actions will be taken.

The Credit Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to credit risk.

(b) 主要風險(續)

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。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

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評核程序，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、控制及匯報本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸風險管理手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收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。

本集團對信貸風險定期進行壓力測試。壓力測試的結果由信貸委員會審閱及定期向風險管理委員會及董事會匯報。如有需要，本集團將採取適當的補救措施。

本集團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)

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 and bank lending risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

(iv) *Credit – related commitment*

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

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*

本集團採用企業及銀行信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

(iv) *與信貸有關的承諾*

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請，組合保存和抵押要求。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(b) Principal risks (continued)

Credit risk management (continued)

(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 credit portfolio is diversified along geographic, industry and product sectors.

The Group monitors its concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

(vi) Capital requirement for credit risk by exposure class

The following table indicates the capital requirement for credit risk on each class of exposure at 31st December, 2012 and 31st December, 2011 respectively:

Exposure class	風險承擔類別	Capital requirement	
		資本要求 2012	資本要求 2011
		HK\$ Mn	港幣百萬元
Bank	銀行	4,251	3,914
Corporate	企業	17,054	17,265
Residential mortgage	住宅按揭	817	707
Qualifying revolving retail	合資格循環零售	583	554
Other retail	其他零售	558	555
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	245	197
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	114	177
Others*	其他*	4,840	4,590

* Including cash items, other IRB exposures and insignificant credit portfolios in which the Bank adopted Standardised Approach for assessing capital adequacy.

(b) 主要風險(續)

信貸風險管理(續)

(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區、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的信貸組合分散覆蓋不同地區、行業和產品。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

(vi) 各風險承擔類別的信貸風險資本要求

下表分別顯示於2012年12月31日及2011年12月31日每種風險承擔類別的信貸風險資本要求情況：

* 包括現金項目，其他使用基礎內部評級基準法的風險承擔，及本行採用標準計算法評估資本充足率的非主要信貸組合。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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 aim in managing market risk is to reduce the Group's exposure to the volatility inherent in financial instruments.

Management of the Group's market risk is governed by the market risk management policies which are approved by the Board of Directors or the Asset and Liability Management Committee. The Board of Directors has delegated the responsibility for day-to-day 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 Department under the Risk Management Division of the Group is responsible for monitoring activities relating to market risk.

The Asset and Liability Management Committee deals with all market risk and liquidity risk related issues of the Group. It is also responsible for conducting a regular review of interest rates trend and deciding the corresponding business strategy.

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. The Group's non-structural foreign currency exposures are dominated in USD and for other currencies, their currency concentrations are below 10% of the total net position in all non-structural foreign currencies of the Group. 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.

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。

本集團的市場風險管理乃由董事會或資產負債管理委員會核准的市場風險管理政策監管。董事會授權資產負債管理委員會負責持續進行日常市場風險管理。資產負債管理委員會經風險管理委員會向董事會匯報。本集團風險管理處轄下的資產負債管理部，負責監控與市場風險有關的活動。

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，亦負責定期檢討利率走勢及釐定相應的未來業務策略。

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的部分程序。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場外交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，本集團主要管理的風險包括：

(i) 貨幣風險

本集團的外幣風險源自外匯買賣、商業銀行業務和結構性外匯風險。本集團的非結構性外幣風險是以美元為單位，而其他外幣方面，該等貨幣風險佔本集團所有非結構性外幣的淨持倉總額低於百分之十。所有外幣持倉均維持在董事會所核准的限額內。

本集團於分行、附屬公司和聯營公司的外匯投資，其有關的溢利及虧損因為已撥入儲備，所以未計算在風險數額內。管理此等外幣投資的主要目的，是保障本集團的儲備免受匯率波動的影響。本集團盡力以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(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)

(i) Currency risk (continued)

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

The Group

(b) 主要風險(續)

市場風險管理(續)

(i) 貨幣風險(續)

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

集團

		2012			
		USD 美元 HK\$ Mn 港幣百萬元	RMB 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
Spot assets	現貨資產	150,217	632,345	76,590	859,152
Spot liabilities	現貨負債	(156,498)	(606,456)	(77,307)	(840,261)
Forward purchases	遠期買入	113,306	74,073	11,656	199,035
Forward sales	遠期賣出	(104,331)	(100,518)	(11,257)	(216,106)
Net options position	期權倉淨額	(438)	-	5	(433)
Net long/(short) non-structural position	非結構性長/(短) 盤淨額	2,256	(556)	(313)	1,387

		2011 Restated 重報			
		USD 美元 HK\$ Mn 港幣百萬元	RMB 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
Spot assets	現貨資產	156,922	528,371	57,111	742,404
Spot liabilities	現貨負債	(133,641)	(525,238)	(68,347)	(727,226)
Forward purchases	遠期買入	85,518	78,521	17,094	181,133
Forward sales	遠期賣出	(107,971)	(82,764)	(5,769)	(196,504)
Net options position	期權倉淨額	31	-	(25)	6
Net long/(short) non-structural position	非結構性長/(短) 盤淨額	859	(1,110)	64	(187)

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

		2012			
		USD	RMB	Other foreign currencies	Total
		美元	人民幣	其他外幣	總額
		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
Net structural position	結構性持倉淨額	2,488	8,703	764	11,955

		2011			
		USD	RMB	Other foreign currencies	Total
		美元	人民幣	其他外幣	總額
		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
Net structural position	結構性持倉淨額	2,573	8,631	734	11,938

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

以上數字乃根據《銀行條例》第63條，就年度報告期向香港金融管理局呈交的關乎非港元貨幣持倉的申報表之基準，其計算是根據香港金融管理局訂定用作規管用途的綜合基準所編製。

(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 or the Asset and Liability Management Committee. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

(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或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

(iii) *Equity risk*

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

(iii) *股份風險*

本集團的股份持倉來自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會或資產負債管理委員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)

(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)

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 authority to set detailed control limits to the Asset and Liability Management Committee. Risk, return and market conditions are considered when setting limits. Active limit monitoring is carried out.

In this connection, the Asset and Liability Management Committee monitors the related market risk arising from 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.

Stress tests on the Group's market risk are conducted regularly. The results are reviewed by the Asset and Liability Management Committee and reported to the Risk Management Committee and to the Board of Directors regularly. If necessary, remedial actions will be taken.

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.

(b) 主要風險(續)

市場風險管理(續)

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。

本集團對市場風險定期進行壓力測試。壓力測試的結果由資產負債管理委員會審閱及定期向風險管理委員會及董事會匯報。如有需要，本集團將採取適當的補救措施。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

本集團通過參數法評估本集團交易組合的風險值，其中，風險值乃透過組成份的有關方差及協方差計算得出。該方法是依據過往市場息率與價格的波動、99%置信水平、1日持倉期以及對較近期觀察給予較高權重的1年過往觀察期，並計入不同市場及息率的相關程度來推算。

由分行及附屬公司的淨投資產生的結構性外匯持倉不會包括在計算外匯交易持倉的風險值。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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.

The following table indicates the capital charge for market risk:

		Market risk capital charge 市場風險資本要求 As at 31st December, 2012 於2012年12月31日 HK\$ Mn 港幣百萬元	Market risk capital charge 市場風險資本要求 As at 31st December, 2011 於2011年12月31日 HK\$ Mn 港幣百萬元
Internal Models Approach	內部模式計算法		
– General Market Risk	– 一般市場風險	764	583
– VaR	– 風險	191	583
– Stressed VaR	– 受壓風險	573	–*
Standardised Approach	標準計算法		
– Specific Market Risk Debt Charge	– 特定市場風險債務要求	188	26
– Specific Market Risk Equity Charge	– 特定市場風險股份要求	107	93
Total	總額	1,059	702

* Market risk-weighted assets also increased following the introduction of stressed VAR for the calculation of market risk capital charges after the Banking (Capital) (Amendment) Rules 2011 became effective on 1 January 2012.

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. No exceptions were found during 2012 (5 exceptions during 2011), under 99% confidence level and 250-day observation period.

The Bank uses internal models approach for Vega risk capital charge calculation.

上市股份連同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。

下表顯示市場風險的資本要求：

* 2011年《銀行業(資本)(修訂)規則》自2012年1月1日起生效，本集團引入了受壓風險值計算市場風險資本要求。

根據《銀行業(資本)規則》，本集團採用回溯測試評估風險值估計數字的預測準確度。回溯測試包括定期將每日風險值與其後的每日實際及模擬交易結果進行對比。回溯測試是一種用以衡量風險管理模式的質素與準確度的統計技術。在99%的置信水平及250日觀察期的情況下，2012年沒有發現例外情況(2011年5次例外情況)。

維加風險的資本要求已採用內部模式計算法。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(b) Principal risks (continued)

Market risk management (continued)
Back testing exceptions

(b) 主要風險(續)

市場風險管理(續)
回溯測試的例外情況

Year 2011年		9th February, 2011	23rd May, 2011	12th July, 2011	5th August, 2011	22nd September, 2011
		2011年02月9日 HK\$ Mn 港幣百萬元	2011年05月23日 HK\$ Mn 港幣百萬元	2011年07月12日 HK\$ Mn 港幣百萬元	2011年08月5日 HK\$ Mn 港幣百萬元	2011年09月22日 HK\$ Mn 港幣百萬元
Loss of total trading activities	交易活動的虧損	32	32	37	45	67
VaR for total trading activities at corresponding date	相對當日的風險值	31	28	35	41	50

In addition, stress testing on market risk is performed for the Group as a supplement to the daily VaR assessment. The Group applies sensitivity analysis and scenario analysis, on individual portfolios and/or on the Group's consolidated positions, to assess the potential impact of extreme movements in market prices on the Group's earnings.

此外，本集團利用市場風險壓力測試以補足每日風險數額的評估。本集團對個別組合及／或本集團綜合持倉進行敏感度分析及情景分析，以評估市場價格的大幅波動對本集團盈利可能產生的影響。

Value-at-risk & Stressed Value-at-risk statistics

風險及受壓風險數額統計

Year 2012年		At 31st December	Maximum	Minimum	Mean
		於12月31日 HK\$ Mn 港幣百萬元	最高 HK\$ Mn 港幣百萬元	最低 HK\$ Mn 港幣百萬元	平均 HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	16	38	16	26
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	4	8	3	5
VaR for interest rate trading positions	利率交易持倉的風險數額	1	5	1	3
VaR for equity trading positions	股份交易持倉的風險數額	12	32	12	21

Year 2011年		At 31st December	Maximum	Minimum	Mean
		於12月31日 HK\$ Mn 港幣百萬元	最高 HK\$ Mn 港幣百萬元	最低 HK\$ Mn 港幣百萬元	平均 HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	40	75	28	46
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	13	13	1	4
VaR for interest rate trading positions	利率交易持倉的風險數額	2	8	2	4
VaR for equity trading positions	股份交易持倉的風險數額	31	70	25	41

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

* 包括所有外匯持倉但不包括結構性外匯持倉。

Year 2012年		At 31st December	Maximum	Minimum	Mean
		於12月31日 HK\$ Mn 港幣百萬元	最高 HK\$ Mn 港幣百萬元	最低 HK\$ Mn 港幣百萬元	平均 HK\$ Mn 港幣百萬元
Stressed VaR for total trading activities	交易活動的受壓風險數額總額	68	106	65	80

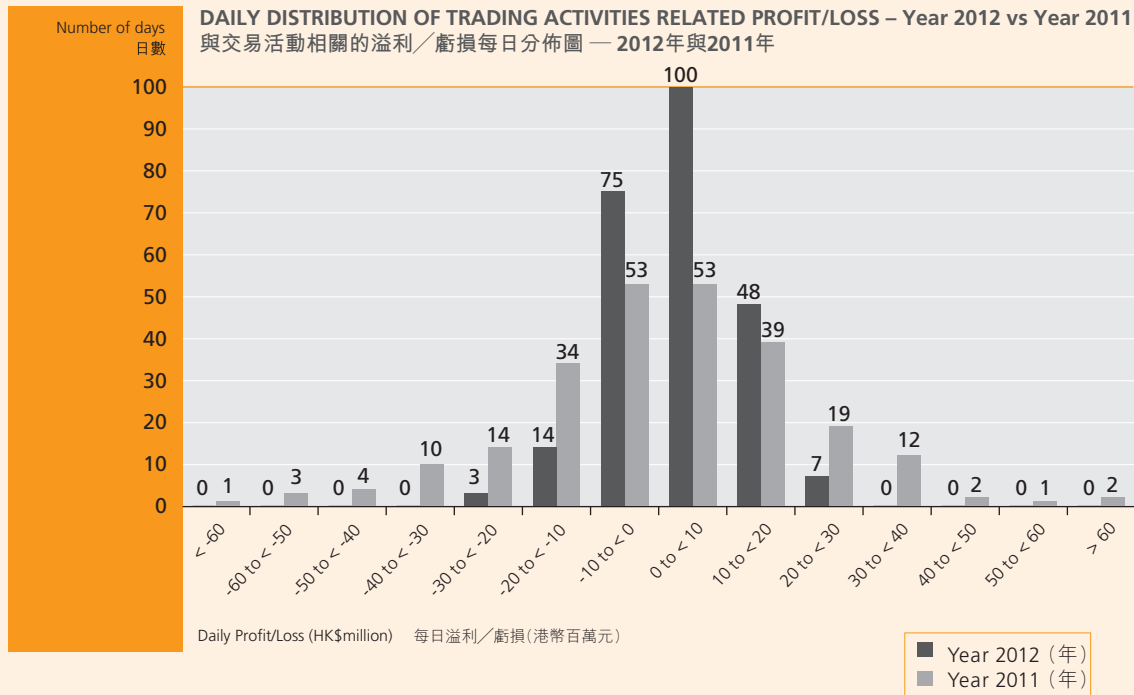
A Stressed VaR measure is intended to replicate a VaR calculation that would be generated on current market risk portfolio if the relevant market factors were experiencing a period of stress.

受壓風險值採用現行風險數額的計算方法，根據受壓期間的相關市場因素，對投資組合計算的風險值。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

The average daily profit for all trading activities (including foreign exchange, interest rate and equity trading activities) in 2012 was HK\$2.84 million (average daily profit of HK\$0.58 million in 2011). The standard deviation of the daily profit/loss was HK\$9.16 million (standard deviation of HK\$20.16 million for 2011). The frequency distribution of daily profit/loss is shown below:

於2012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2,840,000元(2011年的每日平均收入為港幣580,000元)。每日溢利/虧損的標準差為港幣9,160,000元(2011年為港幣20,160,000元)。以下為每日溢利/虧損的頻率分佈情況：



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, monitor and report on operational risk and to comply with the relevant regulatory requirements.

營運風險管理

營運風險是指由於內部流程、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識別、評估、監控及匯報營運風險，以及遵守相關監管規定的要求。

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 (continued)

The Group has implemented a centralised operational risk management framework. All units are required to manage operational risk within the operational risk management policies which are approved by the Board of Directors or the Operational Risk Management Committee. The Board of Directors has delegated the responsibility for day-to-day operational risk management to the Operational Risk Management Committee. The Operational Risk Management Committee regularly reports the status of operational risk management to the Board of Directors via the Risk Management Committee. The Operational Risk Management Department under the 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.

Moreover, stress tests on the Group's operational risk are conducted regularly. The results are reviewed by the Operational Risk Management Committee and reported to the Risk Management Committee and to the Board of Directors regularly. If necessary, remedial actions are taken.

Furthermore, the Operational Risk Management Department under the Risk Management Division of the Group has also performed self-assessment on the Group's compliance with the requirements of HKMA Supervisory Policy Manual on Operational Risk Management, with satisfactory result which has been reviewed independently by the Internal Audit Department.

Capital Charge for Operational Risk

As at 31st December 2012, capital charge for operational risk amounted to HK\$1,781 million (2011: HK\$1,576 million).

Liquidity risk management

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

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

(b) 主要風險(續)

營運風險管理(續)

本集團已實施中央的營運風險管理架構。所有單位須依據由董事會或營運風險管理委員會所批核的營運風險管理政策來管理營運風險。董事會已授權營運風險管理委員會，負責營運風險的日常管理。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。

而且，本集團對營運風險定期進行壓力測試。壓力測試的結果由營運風險管理委員會審閱及定期向風險管理委員會及董事會匯報。如有需要，本集團將採取適當的補救措施。

此外，本集團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2012年12月31日，營運風險的資本要求為港幣1,781,000,000元(2011年：港幣1,576,000,000元)。

流動資金風險管理

流動資金與本集團履行到期責任的能力有關。融資流動風險管理關鍵在於是否能夠在不影響日常營運或財務狀況的情況下，滿足預期及未能預期、目前及未來的現金流量及抵押品需求。市場流動性風險管理著眼於是否能夠在市場深度不足或市場失序時，按市場價格平倉。

流動資金風險管理是為了確保本集團維持充足的現金流量以配合所有財務承擔，並掌握業務擴展的機會，當中包括確保本集團能夠在即時或合約期滿時滿足客戶的提款要求；本集團在借款期滿時能夠還款；本集團符合法定的流動資金比率，以及掌握貸款和投資的機會。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

The management of the Group's liquidity risk is governed by the liquidity risk management policies and principle as approved by the Board of Directors or the Asset and Liability Management Committee. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Group's liquidity risk management. The Asset and Liability Management Committee sets the strategy, policy and limits for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Regular meeting is held to review the compliance status of the monitoring matrix established and the needs of change in strategy and policy. Liquidity is managed daily by the Capital Markets & Liquidity Management Department under the Treasury Markets Division within the limits. The Asset and Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to liquidity risk. The Internal Audit Department performs periodic reviews to make sure the liquidity risk management functions are carried out effectively.

Our strong retail customer base forms a significant portion of our funding and we strive to maintain its stability. It constitutes a broad spectrum of depositors with whom we have maintained in-depth relationship. Funding diversification is achieved by issuance of certificates of deposit, medium term notes and subordinated debts. Professional markets are accessed for the purposes of providing additional funding, maintaining a presence in local money markets and optimising asset and liability maturities.

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

In addition to observing the statutory liquidity ratio, the Group has established different liquidity metrics, including but not limited to the liquidity ratio, loan-to-deposit ratio, cumulative mismatch ratio, funding concentration ratios, intra-group exposure threshold and cross currency funding ratio to measure and analyse our liquidity risks. As a majority of our liquidity risk arises from the maturity mismatch gap between the Group's asset and liability portfolios, the Group manages liquidity risk by conducting cash flow analysis and cash flow projection arising from on-and off-balance sheet assets and items over a set of time horizons on a regular basis to identify funding needs in specific time bucket. We also hold sufficient liquid assets (e.g. cash, short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudent limits. Contingent funding sources are maintained to provide strategic liquidity to meet unexpected and material cash outflows.

The Group also conducts stress testing regularly to analyse liquidity risk. In our stress test, both on-and off-balance sheet items with cash flow impact are considered, with applicable hypothetical as well as historical assumptions. Both funding and market liquidity risks are addressed. Three stress scenarios, namely the institution-specific crisis, the general market crisis and the combined crisis are adopted with minimum survival period defined according to Hong Kong Monetary Authority's latest Supervisory Policy Manual "Sound Systems and Controls for Liquidity Risk Management".

本集團的流動資金風險管理受經董事會或資產負債管理委員會批准的流動資金風險管理政策及原則監管。資產負債管理委員會獲董事會授權，負責監察本集團的流動資金風險管理。資產負債管理委員會制訂管理流動資金風險的策略、政策及限額，以及確保執行有關策略與政策的措施。委員會定期舉行會議，檢討各方面是否符合所設立的監管架構，以及是否有需要改變策略及政策。流動資金狀況由資金市場處轄下的資本市場及流動資金管理部每日按限額範圍進行管理。本集團風險管理處轄下的資產負債管理部，負責監控與流動資金風險相關的活動。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。

穩健的零售客戶基礎構成本集團大部分的資金，本集團一直致力維持穩定的客戶基礎，當中包括各類型的存戶，而我們與存戶一直保持深厚的關係。本集團透過發行存款證、中期票據及後償債項使資金來源更多元化，亦會透過專業市場獲取額外資金，並維持於當地金融市場的地位及優化資產及負債的期限。

至於內部，集團內公司間的融資交易乃按一般正常交易原則進行，處理方式與其他第三方交易一致，並接受定期監督及適當控制。

除緊守法定的流動資金比率外，本集團已設立不同的流動資金標準以衡量及分析流動資金風險，包括(但不限於)流動資金比率、貸存比率、累積錯配比例、資金集中比率、集團內公司間風險限額及跨貨幣資金比率。由於本集團大部分流動資金風險來自資產與負債組合之間的期限錯配差距，本集團會定期透過對一系列時間內的資產負債表內外資產及項目進行現金流量分析及預測，確定特定時間內的資金需要，從而管理流動資金風險。本集團維持充足的流動資產，例如適量的現金、短期資金和證券數量，以確保能在經審慎釐定的限額內符合短期資金要求。本集團維持或有融資來源，能提供策略性的流動資金，以應付未能預計的大量資金需求。

本集團會定期進行壓力測試，以分析流動資金風險。透過運用適當的虛擬及歷史假設，本集團的壓力測試均已考慮資產負債表內外會對現金流量造成影響的項目。融資及市場流動資金風險均列入考慮範圍。三個壓力情景(即個別銀行危機、整體市場危機及綜合危機)均採用香港金融管理局最新監管政策手冊「穩健的流動資金風險管理系統及管控措施」界定的最短存活期。

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)

Liquidity risk management (continued)

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

The Contingency Funding Plan is designed to be pro-active and pre-emptive, and stipulates the following 3 stages:

In the first stage, the Group utilises early warning indicators, which cover both qualitative and quantitative measures, monitoring both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position the management would be informed for their consideration.

In the second stage, Crisis Management Committee, which is chaired by Senior Management, is formed to handle the crisis. Strategy and procedures in obtaining contingency funding, as well as roles and responsibilities of parties concerned are clearly stated.

In the final stage, review on the issues and necessary improvement would be made to avoid future incidents of nature.

Annual drill test would be conducted and the Contingency Funding Plan would be subject to regular review in order to cope with the change of business environment. Any significant changes to the Contingency Funding Plan would be approved by the Board.

Interest rate risk management

The management of the Group's interest rate risk is governed by the interest rate risk management policies which are approved by the Board of Directors or the Asset and Liability Management Committee. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Group'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 or the Asset and Liability Management Committee. The Asset and Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to interest rate risk. The Internal Audit Department performs periodic review to make sure the interest rate risk management functions are implemented effectively.

The Group 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 Group's balance sheet positions. Repricing gap limits are set to control the Group's interest rate risk.

(b) 主要風險(續)

流動資金風險管理(續)

本集團會參照壓力測試結果，確認集團內的潛在弱點，並制訂應急融資計劃，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。

應急融資計劃旨在提供防患未然的積極措施，並訂明以下三個階段：

第一階段，本集團運用預早警報指標，當中包括質量性及數量性的措施，藉以監督內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知管理層以供考慮。

第二階段，本集團已設立危機管理委員會，並由高層管理人員擔任主席，專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。

於最後階段，本集團會對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境的轉變，本集團會每年進行演習測試，並會定期檢討應急融資計劃。應急融資計劃如有任何重大變動均須取得董事會批准。

利率風險管理

本集團的利率風險管理受經董事會或資產負債管理委員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，負責監察本集團的利率風險管理，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或資產負債管理委員會批核的限額範圍進行管理。本集團風險管理處轄下的資產負債管理部，負責監控利率風險相關的活動。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。

本集團管理銀行賬冊利率風險的主要方法是集中於重訂息率的錯配。差距分析可讓本集團從靜態角度瞭解資產負債的到期情況及再定息特點。本集團設有重訂息率差距限額以控制本集團的利率風險。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Stress tests on the Group's interest rate risk are conducted regularly. The results are reviewed by the Asset and Liability Management Committee and reported to the Risk Management Committee and to the Board of Directors regularly. If necessary, remedial actions will be taken.

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 Group's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee, Risk Management Committee and the Board of Directors on a regular basis.

Sensitivity analysis on interest rate risk

The Group uses sensitivity analysis to measure the potential effect of changes in interest rates on our net interest income and economic value change:

本集團會對利率風險定期進行壓力測試。有關結果交由資產負債管理委員會檢討並定期向風險管理委員會及董事會匯報。如有需要，本集團將採取適當的補救措施。

有關利率變動對盈利和經濟價值影響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。本集團設有敏感度限額，以控制本集團的盈利及經濟價值兩方面的利率風險承擔。有關結果定期向資產負債管理委員會、風險管理委員會及董事會匯報。

利率風險敏感度分析

本集團採用敏感度分析來度量利率變動對淨利息收入及經濟價值變動可能產生的影響：

		2012			2011		
		HKD 港元	USD 美元	RMB 人民幣	HKD 港元	USD 美元	RMB 人民幣
		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
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	235	(74)	475	116	(12)	346
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	(126)	8	58	(156)	195	126

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 Group's net interest income and the economic value resulting from the increases in interest rates may differ from the results of this sensitivity analysis.

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) 組合併無其他變動；
- (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。

利率上調而導致本集團淨利息收入及經濟價值的實際變動與該敏感度分析的結果可能有所不同。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(c) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In implementing current capital requirements the HKMA requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets. The Group calculates requirements for market risk in its trading portfolios based upon the Group's VAR models and uses its internal gradings as the basis for risk weightings for credit risk. Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The process of allocating capital to specific operations and activities is undertaken by the Asset and Liability Management Committee and is reviewed regularly by the Board of Directors.

Consistent with industry practice, the Group monitors its capital structure on the basis of the capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the year.

The capital adequacy ratios as at 31st December, 2012 and 31st December, 2011 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, 2012 and 31st December, 2011 and the Group is well above the minimum required ratio set by the HKMA.

(c) 資本管理

金管局制定及監察本集團整體的資本規定。在實施現行的資本規定時，金管局規定本集團維持既定的總資本對總風險加權資產比率。本集團根據風險值模式計算交易組合的市場風險，及根據內部評級作為信貸風險之風險比重的基準，計算交易組合的市場風險要求。銀行業務分為交易賬冊或銀行賬冊。風險加權資產依照特別規定而定，特別規定旨在反映與資產的不同風險水平及資產負債表外的風險。

除符合監管規定外，本集團管理資本的主要目的是保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

調配資本至特定業務及活動的程序由資產及負債管理委員會進行，並由董事會定期檢討。

本集團依據行業慣例，以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變。

2012年12月31日及2011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(資本)規則》。

截至2012年12月31日及2011年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED (“IRB”) APPROACH

根據內部評級基準計算法計算的信貸風險

This section presents information on the Group’s risk management for credit exposures under IRB approach.

Foundation IRB approach is adopted for capital adequacy assessment for credit risk where internal rating systems are applied against different types of counterparties in the risk management process.

(a) Structure of internal ratings systems

The internal ratings system serves as the foundation for the Bank’s risk management and capital adequacy assessment. In general, the system adopts a 20-tier rating structure.

For Corporate, Bank and Retail exposures, internal measure of credit risks are based on an assessment of the borrower and transaction characteristics of each exposure. Therefore the Bank has a two-dimensional rating structure, one dimension being the borrower grade, and the other being facility grade.

The borrower grade reflects risk of borrower default. The borrower’s Probability of Default over a one-year horizon is linked up to the 20-tier structure, with the last 3 tiers down the structure being default grades. The facility grade incorporates transaction specific factors e.g. collateral, guarantee, etc. These factors are directly linked up to the transaction’s Expected Loss, which is in turn transformed into a 20-tier structure.

On the other hand, the Bank utilises the Supervisory Slotting Criteria Approach in rating Specialised Lending exposures. Under this approach, a single-dimension rating considering both the borrower and transaction characteristics will be assigned to the credit exposure, with the same 20-tier risk structure.

For Corporate and Bank exposures, borrower grades generated from the internal rating systems are benchmarked to external credit ratings.

本節呈列本集團對根據內部評級基準計算法計算的信貸風險承擔進行的風險管理資料。

本集團採納基礎內部評級基準計算法以評估信貸風險的資本充足度，並於風險管理程序中使用內部評級系統處理不同類型的交易對手。

(a) 內部評級系統的架構

內部評級系統為本行風險管理及資本充足評估的基礎。整體而言，該評級系統分為20個等級。

就企業、銀行及零售的風險承擔而言，信貸風險的內部量度方法以評估借款人及每項風險承擔的交易特性為基礎。因此，本行的評級架構有兩個層面，第一個是借款人等級，另一個是融通等級。

借款人等級反映借款人違責的風險。借款人一年內的違責或然率與20等級的架構掛鉤，最低的3個等級為違責等級。融通等級已考慮特定交易因素，如抵押品、擔保等。該等因素直接換算出交易的預期損失，再與20等級的架構掛鉤。

另一方面，本行為專門性借貸風險承擔評級時，會使用監管分類準則計算法。根據此計算法，信貸風險承擔會獲得一個已經兼顧借款人及交易特性的單一層面評級，這評級同樣分為20個等級。

就企業及銀行風險承擔而言，自內部評級系統產生的借款人等級與外部信貸評級對應，並作為基準。

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)

(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 and specialised lending.
- Bank exposure includes exposures to banks, regulated securities firms and public sector entities.
- Retail exposure includes residential mortgages, qualifying revolving retail exposures and other retail exposures.

(b) 內部評級的應用

本行在多方面均使用自內部評級系統取得的資料，包括但不限於信貸審批、信貸監控、貸款分類、定價、業務策略制訂及資本充足評估方面。

(c) 評級系統的監控機制

為確保評級系統的穩健性，本行設有監控機制及有關政策，以核實系統是否準確及一致，而系統乃用於估計一切相關風險成份以用作風險管理及資本充足計算。

核實程序涵蓋兩個主要方面：審查內部評級模型(即數量評估)及審查內部監控及遵規(即質量評估)。就獨立性及問責性而言，負責進行核實程序的員工應獨立於負責設計及制定評級系統的員工。信貸委員會監察整個核實程序，並每年審查／批准核實結果及核實小組所呈交的報告。

(d) 內部評級程序

本行的內部評級程序由業務單位開始。該等部門對不同類別的信貸風險承擔評級時，均會採用不同的模型。在評級程序中，倘認為模型並無考慮重要資料，模型得出的評級可能會遭調整，但調整評級的理據應妥為存檔。

然後，不論是否需要調整評級，獲評級的信貸繼而由負責評級者以外的獨立方審查及批准。此舉可確保評級準確精密，且以審慎方式作出，並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、其他企業及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 Banking (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《銀行業(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.

(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.

(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。

(g) 設立準備金的政策

貸款和應收賬款的減值損失，是根據資產賬面值及估計未來現金流按資產原本之有效利率折算為現值，以二者之差額計算。如果折算現值後的影響不大，不會折算短期應收賬款。

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

本集團首先評估客觀減值證據是否個別存在於個別重大金融資產，及個別或整體存在於非個別重大金融資產。若本集團判斷客觀減值證據並不存在於個別評估金融資產，無論重大與否，本集團將有相同風險特性的金融資產歸類，及作整體減值評估。作個別減值評估的資產而減值損失須持續確認，其減值損失不會包括於整體減值準備內。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

The individual impairment allowance is based upon management's best estimate of the present value of the cash flows which are expected to be received discounted at the original effective interest rate. In estimating these cash flows, management makes judgements about the borrower's financial situation and the net realisable value of any underlying collateral or guarantees in favour of the Group. Each impaired asset is assessed on its merits.

In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the impairment allowances the Group makes depends on how well the Group can estimate future cash flows for individually assessed impairment allowances and the model assumptions and parameters used in determining collective impairment allowances. While this necessarily involves judgment, the Group believes that the impairment allowances on loans and advances to customers are reasonable and supportable.

All loans and receivables are reviewed and analysed periodically. Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that can be linked objectively to an event occurring after the write-down, will result in a change in the impairment allowances on loans and receivables and will be charged or credited to the income statement. A reversal of impairment losses is limited to the loans and receivables' carrying amount that would have been determined had no impairment loss been recognised in prior years.

Where there is no reasonable prospect of recovery, the loan and the related interest receivables are written off.

The Bank takes into consideration the provision made in its capital maintenance decisions as in accordance with Section 220 of the Capital Rules. The Bank compares the total expected loss ("EL") amount and the total eligible provisions, and if total EL amount exceeds total eligible provisions, the Bank deducts the difference from the 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, 2012 and 31st December 2011 respectively:

Exposure class	風險承擔類別	Exposure amount	
		風險承擔數額 2012	風險承擔數額 2011
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Bank	銀行	93,781	85,750
Corporate	企業	412,069	349,519
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	723	580

個別減值準備是根據管理層的最佳估計將可能收回之現金流按原本的有效利率折算為現值。在估計現金流時，管理層須判斷借款人的財政狀況及給予本集團的抵押品或擔保之可變現淨值，並須評估每宗減值資產的真正價值。

當評估所需的整體減值損失準備時，管理層須考慮的因素包括信貸質素、組合規模、信貸集中，及經濟因素。為求估計所需的準備，本集團根據過往之經驗和現時之經濟情況作假設以模擬潛在損失及判斷所需之輸入變數。

撥備的準確性，須視乎本集團能否在評估個別準備時準確估計交易對手的未來現金流及在判斷整體減值準備時所採用的假設模式及變數。雖然視乎判斷而定，本集團相信貸款損失準備是合理和足夠的。

所有貸款和應收賬款須定期作檢討及分析。在較後期間，任何因估計未來現金流的金額及時間與先前估計的有所轉變，而該轉變是可客觀地與撇銷後發生的事件有關連，從而導致減值損失準備亦需改變，該轉變會支銷或存入損益賬。減值損失之轉回只限於假設該貸款和應收賬款於往年從來未有確認減值損失的賬面值。

倘再無實際機會收回時，則貸款及相關的應收利息會被撇銷。

根據資本規則第220條，本行在作出有關維持資本的決定時，會考慮所作出的準備金。本行比較預期損失總額及合資格準備金總額，倘預期損失總額超過合資格準備金總額，本行會自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所得本行信貸風險的風險加權數額的0.6%。

(h) 受限於監管性估計的風險承擔

下表分別顯示於2012年12月31日及2011年12月31日受限於監管性估計的風險承擔類別及相應的風險承擔數額：

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED ("IRB") APPROACH (CONTINUED)

根據內部評級基準計算法計算的信貸風險(續)

(i) Exposure amount by IRB calculation approach

The following tables indicate the exposure amount under each IRB calculation approach as at 31st December, 2012 and 31st December, 2011 respectively:

(i) 內部評級基準計算法下的風險承擔

下表分別顯示於2012年12月31日及2011年12月31日各內部評級基準計算法下的風險承擔總額：

2012

Exposure class/subclass	風險承擔類別/ 子類別	Exposure amount 風險承擔總額				
		Foundation IRB approach 基礎內部評級 基準計算法 HK\$ Mn 港幣百萬元	Supervisory Slotting Criteria approach 監管分類準則 計算法 HK\$ Mn 港幣百萬元	Retail IRB approach 零售內部評級 基準計算法 HK\$ Mn 港幣百萬元	Market-based approach 市場 基準計算法 HK\$ Mn 港幣百萬元	Specific risk-weight approach 特定風險權重 計算法 HK\$ Mn 港幣百萬元
Bank	銀行	93,781	-	-	-	-
Corporate	企業	335,355	76,714	-	-	-
Residential mortgage	住宅按揭	-	-	57,923	-	-
Qualifying revolving retail	合資格循環零售	-	-	24,045	-	-
Other retail	其他零售	-	-	12,300	-	-
Equity	股權	-	-	-	1,253	-
Other	其他	-	-	-	-	17,209
Total	總額	429,136	76,714	94,268	1,253	17,209

2011

Exposure class/subclass	風險承擔類別/ 子類別	Exposure amount 風險承擔總額				
		Foundation IRB approach 基礎內部評級 基準計算法 HK\$ Mn 港幣百萬元	Supervisory Slotting Criteria approach 監管分類準則 計算法 HK\$ Mn 港幣百萬元	Retail IRB approach 零售內部評級 基準計算法 HK\$ Mn 港幣百萬元	Market-based approach 市場 基準計算法 HK\$ Mn 港幣百萬元	Specific risk-weight approach 特定風險權重 計算法 HK\$ Mn 港幣百萬元
Bank	銀行	85,750	-	-	-	-
Corporate	企業	270,706	78,813	-	-	-
Residential mortgage	住宅按揭	-	-	56,582	-	-
Qualifying revolving retail	合資格循環零售	-	-	22,744	-	-
Other retail	其他零售	-	-	12,710	-	-
Equity	股權	-	-	-	1,002	-
Other	其他	-	-	-	-	17,313
Total	總額	356,456	78,813	92,036	1,002	17,313

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(j) Risk assessment for IRB exposure classes

The following tables indicate the exposure amount, exposure weighted average risk weight and exposure weighted average PD under bank exposure and corporate exposure across borrower grade and the exposure amount under retail exposures across facility grade as at 31st December, 2012 and 31st December, 2011 respectively:

For bank exposure

2012

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	129	14.34%	0.03%
2	3,075	17.89%	0.05%
3	5,056	24.68%	0.07%
4	38,793	34.74%	0.13%
5	4,348	38.85%	0.15%
6	4,536	42.70%	0.20%
7	3,497	47.70%	0.24%
8	4,089	57.82%	0.34%
9	12,449	72.11%	0.56%
10	9,410	88.48%	0.88%
11	5,949	101.79%	1.33%
12	502	114.22%	2.15%
13	94	129.55%	3.09%
14	321	146.22%	4.64%
15	1,301	164.37%	6.73%
17	232	221.53%	15.00%

(j) 內部評級基準風險承擔類別的風險評估

下表分別顯示於2012年12月31日及2011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)

(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) Risk assessment for IRB exposure classes (continued)

For bank exposure

2011

(j) 內部評級基準風險承擔類別的風險評估(續)

就銀行風險承擔而言

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	896	14.58%	0.03%
2	11,971	19.20%	0.05%
3	4,715	24.05%	0.07%
4	4,725	33.64%	0.13%
5	15,223	37.95%	0.16%
6	4,923	44.81%	0.21%
7	4,312	51.25%	0.26%
8	14,113	58.44%	0.35%
9	13,739	70.76%	0.52%
10	1,346	84.85%	0.83%
11	4,215	102.92%	1.33%
12	1,501	117.18%	2.15%
13	3,395	129.97%	3.13%
14	544	146.23%	4.64%
15	55	168.51%	6.96%
18	76	394.16%	100.00%

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

For corporate exposure

就企業風險承擔而言

2012

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	74	2.69%	0.03%
2	17,322	12.75%	0.04%
3	3,417	20.08%	0.07%
4	33,713	27.17%	0.11%
5	32,555	32.47%	0.16%
6	55,184	36.32%	0.20%
7	48,976	38.65%	0.25%
8	31,953	42.92%	0.35%
9	42,563	52.17%	0.54%
10	23,274	50.86%	0.88%
11	15,762	54.96%	1.37%
12	13,223	72.72%	2.07%
13	8,376	94.70%	3.01%
14	6,411	96.31%	4.65%
15	1,257	117.08%	6.98%
16	683	180.40%	9.70%
17	37	153.18%	29.56%
18	270	466.48%	100.00%
19	244	194.49%	100.00%
20	61	261.92%	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)

(j) Risk assessment for IRB exposure classes (continued)

For corporate exposure

2011

(j) 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

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	130	5.27%	0.03%
2	12,832	16.40%	0.04%
3	4,219	21.88%	0.07%
4	26,717	28.68%	0.11%
5	26,596	32.67%	0.16%
6	39,141	40.57%	0.20%
7	36,053	44.72%	0.25%
8	28,525	52.23%	0.35%
9	30,238	63.04%	0.55%
10	21,167	77.54%	0.87%
11	13,478	84.92%	1.37%
12	11,425	90.25%	2.05%
13	9,967	95.73%	3.03%
14	7,019	117.94%	4.64%
15	1,785	106.15%	6.94%
16	522	159.88%	9.54%
17	316	174.22%	34.24%
18	382	335.55%	100.00%
19	184	323.30%	100.00%
20	12	191.48%	100.00%

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

For residential mortgages

就住宅按揭而言

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2012	
	2011	2011
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
1	93	81
3	31,252	30,042
4	1,478	2,651
5	20,391	19,757
6	126	166
7	1,734	2,286
10	1	2
11	2,697	1,505
12	61	67
13	78	1
14	5	24
15	1	–
17	3	–
19	1	–
20	2	–

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	
	2012	
	2011	2011
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
5	5,242	4,481
6	245	456
7	12,438	11,748
8	474	739
9	2,509	2,360
10	411	397
11	651	786
12	1,289	1,017
13	–	32
14	413	379
15	351	334
16	12	9
18	10	6

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) Risk assessment for IRB exposure classes (continued)

For other retail exposures

(j) 內部評級基準風險承擔類別的風險評估(續)

就其他零售風險承擔而言

Facility grade 融通等級	Exposure amount 風險承擔數額			
	2012		2011	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
1	48		273	
3	298		1,309	
4	1		–	
5	4,449		4,918	
6	6		1	
7	2,179		1,430	
8	98		24	
9	2,469		2,639	
10	326		231	
11	1,984		513	
12	4		1,150	
13	340		143	
14	4		9	
15	67		56	
16	1		–	
17	4		3	
18	16		7	
20	6		3	

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(k) Comparison of rating estimates against actual outcome

Comparison is made on the 1-year rating estimates for the Group's performing credit portfolios at 31st December, 2011 against the actual outcome for the same portfolios during the financial period ended 31st December, 2012.

Comparison of actual loss and estimated loss

The following tables indicate the actual loss during the financial year ended 31st December, 2012 and 31st December, 2011 which are compared against the estimated loss at 31st December, 2011 and 31st December, 2010 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, 2012 and 31st December, 2011. The difference between the actual loss for the financial year ended 31st December, 2012 and 31st December, 2011 is immaterial when compared with the Group's loan portfolio in the respective period.

2012

Exposure class	風險承擔類別	Actual loss for the year ended 31st December, 2012		Estimated 1-year loss at 31st December, 2011	
		截至2012年12月31日止之財政年度的實際損失	HK\$ Mn 港幣百萬元	於2011年12月31日內估計的一年損失	HK\$ Mn 港幣百萬元
Bank	銀行	-		187	
Corporate	企業	129		808	
Residential mortgage	住宅按揭	3		75	
Qualifying revolving retail	合資格循環零售	49		192	
Other retail	其他零售	22		96	
Total	總額	203		1,358	

2011

Exposure class	風險承擔類別	Actual loss for the year ended 31st December, 2011		Estimated 1-year loss at 31st December, 2010	
		截至2011年12月31日止之財政年度的實際損失	HK\$ Mn 港幣百萬元	於2010年12月31日內估計的一年損失	HK\$ Mn 港幣百萬元
Bank	銀行	10		137	
Corporate	企業	109		824	
Residential mortgage	住宅按揭	-		88	
Qualifying revolving retail	合資格循環零售	45		164	
Other retail	其他零售	16		84	
Total	總額	180		1,297	

(k) 比較評級估計與實際數字

以於2011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2012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2012年12月31日及2011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2011年12月31日及2010年12月31日的估計損失比較。實際損失指截至2012年12月31日及2011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2012年12月31日及截至2011年12月31日的實際損失，相對於本集團的貸款組合在相關期間的總額，並沒有重大的分別。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED ("IRB") APPROACH (CONTINUED)

根據內部評級基準計算法計算的信貸風險(續)

(k) Comparison of rating estimates against actual outcome (continued)

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, 2012 and 31st December, 2011, which is compared against the estimated 1-year probability of default (PD) at 31st December, 2011 and 31st December, 2010 of the respective portfolio.

2012

Exposure class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2012 截至2012年12月31日止之財政年度的實際違責百分比	Estimated 1-year probability of default at 31st December, 2011 於2011年12月31日內估計的一年違責或然率
Bank	銀行	0.00%	0.47%
Corporate	企業	0.65%	1.28%
Residential mortgage	住宅按揭	0.16%	0.61%
Qualifying revolving retail	合資格循環零售	0.53%	0.97%
Other retail	其他零售	1.09%	2.54%

2011

Exposure class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2011 截至2011年12月31日止之財政年度的實際違責百分比	Estimated 1-year probability of default at 31st December, 2010 於2010年12月31日內估計的一年違責或然率
Bank	銀行	0.19%	0.39%
Corporate	企業	0.84%	1.75%
Residential mortgage	住宅按揭	0.07%	0.79%
Qualifying revolving retail	合資格循環零售	0.21%	0.70%
Other retail	其他零售	1.05%	2.23%

(k) 比較評級估計與實際數字(續)

比較實際違責與估計違責或然率

下表顯示截至2012年12月31日及2011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2011年12月31日及2010年12月31日的估計一年違責或然率比較。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(8) CREDIT RISK UNDER STANDARDISED APPROACH 標準計算法下的信貸風險

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 Banking (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《銀行業(資本)規則》第4部規定的程序，把評級對應本行銀行賬載列的風險承擔。

(b) Risk assessment for exposure classes under Standardised Approach

The following tables indicate the exposure amount and risk weighted amount for each class of exposure with and without ECAI ratings as at 31st December, 2012 and 31st December, 2011 respectively:

(b) 標準計算法下風險承擔類別的風險評估

下表顯示分別於2012年12月31日及2011年12月31日經由及沒有經由外部信貸評估機構評級的每種風險承擔類別下的風險承擔數額及風險加權數額：

2012

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	109,403	109,403	–	76	–
Public sector entities	公營機構	51	51	9	–	2
Bank	銀行	17,895	10,058	7,837	3,348	2,968
Corporate	企業	30,458	137	19,244	85	19,244
Regulatory retail	監管零售	328	–	316	–	237
Residential mortgage	住宅按揭	6,422	–	6,290	–	3,235
Other exposures that are not past due	未逾期的其他風險承擔	11,187	–	5,397	–	5,397
Past due	逾期	49	–	49	–	55
Off balance sheet exposure	資產負債表外的風險承擔	11,228	239	9,008	44	8,921
Counterparty exposure	交易對手風險承擔	1,747	219	687	49	657
Total	總額	188,768	120,107	48,837	3,602	40,716

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 (continued) (b) 標準計算法下風險承擔類別的風險評估(續)

2011

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	82,228	82,228	–	49	–
Public sector entities	公營機構	520	520	2	10	–
Bank	銀行	16,759	7,646	9,105	3,638	3,644
Corporate	企業	20,626	104	16,028	70	16,028
Regulatory retail	監管零售	474	–	460	–	345
Residential mortgage	住宅按揭	5,743	–	5,665	–	5,642
Other exposures that are not past due	未逾期的其他風險承擔	7,874	–	4,304	–	4,304
Past due	逾期	65	–	47	–	88
Off balance sheet exposure	資產負債表外的風險承擔	7,735	223	6,210	12	6,125
Counterparty exposure	交易對手風險承擔	2,966	948	930	475	924
Total	總額	144,990	91,669	42,751	4,254	37,100

(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 and credit derivative contracts. The Bank applies prudent assessments of eligibility and quality of collaterals. A list of credit risk mitigations which is deemed appropriate by the Bank is in place. The Bank also applies safe custodian of collaterals, regular re-valuation and close monitoring. Marketable securities are marked-to-market on a daily basis whilst valuations on properties are reviewed periodically.

For regulatory capital calculation, only recognised collaterals, guarantees and credit derivative contracts as laid down under the Banking (Capital) Rules are considered as recognised credit risk mitigations and the Bank adheres to the criteria as stipulated in the Banking (Capital) Rule when assessing the eligibility.

(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及信貸衍生工具合約引致的交易對手信用風險相關的風險承擔。本行審慎評估抵押品是否合資格及其質素的高低。本行已備有一系列本行視為合適的減低信貸風險措施。本行亦妥善保管抵押品、定期作重新估值及作出緊密的監察。有價證券每日均按市值計算，物業的估值則定期審查。

就計算監管資本而言，只有《銀行業(資本)規則》訂下的認可抵押品、擔保及信貸衍生工具合約方可視為認可的減低信貸風險措施，本行在評估減低信貸風險措施是否合資格時，會遵守《銀行業(資本)規則》規定的準則。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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 Banking (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 (except those provided by the Hong Kong Mortgage Corporation Limited for reverse mortgage facilities) and recognised credit derivative contracts are applied as credit risk mitigation for capital adequacy calculation at the end of the reporting period.

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《銀行業(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(香港按揭證券有限公司為安老按揭貸款所提供的除外)及認可信貸衍生工具合約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 or recognised guarantees under IRB Approach

(b) 內部評級基準計算法下以認可抵押品或認可擔保涵蓋的風險承擔總額

Exposure class	風險承擔類別	Exposure amount covered	
		已涵蓋的風險承擔金額	
		2012	2011
		HK\$ Mn	港幣百萬元
Bank	銀行	859	1,217
Corporate	企業	120,248	54,285
Retail	零售	65,518	63,862
Total	總額	186,625	119,364

The total exposures indicated above represent 30.15% of the total exposure amount under IRB Approach as at 31st December, 2012 and 21.86% as at 31st December, 2011.

於2012年12月31日及2011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30.15%及21.86%。

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 or recognised guarantees under Standardised Approach

(c) 標準計算法下以認可抵押品或認可擔保涵蓋的風險承擔總額

Exposure class	風險承擔類別	Exposure amount covered	
		已涵蓋的風險承擔金額	
		2012	2011
		HK\$ Mn	港幣百萬元
Bank	銀行	-	8
Corporate	企業	11,077	4,494
Regulatory retail	監管零售	12	14
Residential mortgage	住宅按揭	132	76
Other exposures which are not past due	未逾期的其他風險承擔	5,790	3,570
Past due	逾期	36	18
Counterparty	交易對手	841	1,088
Off balance sheet	資產負債表外項目	1,981	1,302
Total	總額	19,869	10,570

The total exposures indicated above represent 10.53% of the total exposure amount under Standardised Approach as at 31st December, 2012 and 7.29% as at 31st December, 2011.

於2012年12月31日及2011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10.53%及7.29%。

(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 and credit derivative contracts 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, 2012, there is no repo-style transaction falling under paragraph (c) and (d) of Section 2 (1) of the Banking (Capital) Rules in the Bank. No recognised credit derivative contract is applied as credit risk mitigation and no valid bilateral netting agreement as defined in HKMA Guideline No. 4.4 is taken into account in the calculation of regulatory capital.

本行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及信貸衍生工具合約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2012年12月31日，本行並無《銀行業(資本)規則》第2(1)條(c)和(d)段的回購形式交易。就計算監管資本而言，本行並無以任何認可信貸衍生工具合約作為減低信貸風險措施，亦沒有採納按香港金融管理局指引第4.4號之有效雙邊淨額結算協議。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(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, 2012 and 31st December, 2011 respectively:

2012

Exposure class	風險承擔類別	Current exposure		Credit equivalent amount		Credit equivalent amount after credit risk mitigation		Risk weighted amount	
		現行風險承擔		信貸等值金額		使用減低風險措施後的信貸等值金額		風險加權金額	
		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
Corporate	企業	312		1,297		920		577	
Bank	銀行	2,033		5,502		5,502		3,665	
Total	總額	2,345		6,799		6,422		4,242	

2011

Exposure class	風險承擔類別	Current exposure		Credit equivalent amount		Credit equivalent amount after credit risk mitigation		Risk weighted amount	
		現行風險承擔		信貸等值金額		使用減低風險措施後的信貸等值金額		風險加權金額	
		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
Corporate	企業	514		1,570		1,400		883	
Bank	銀行	1,436		4,114		4,114		2,341	
Total	總額	1,950		5,684		5,514		3,224	

(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2012年12月31日及2011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：

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(10) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE (CONTINUED)

與交易對手信貸風險相關的風險承擔(續)

(a) Counterparty credit risk-related exposures under IRB Approach (continued)

The following tables indicate the information of counterparty credit risk-related exposures under IRB Approach by transaction type as at 31st December, 2012 and 31st December, 2011 respectively:

2012

Transaction Type	交易類別	Current exposure		Credit equivalent amount		Credit equivalent amount after credit risk mitigation		Risk weighted amount	
		現行風險承擔	信貨等值金額	信貨等值金額	信貨等值金額	使用減低風險措施後的信貨等值金額	風險加權金額	風險加權金額	
		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
OTC Derivative Transaction	場外衍生工具交易	2,345		6,776		6,399		4,237	
Repo-style Transaction	回購形式交易	-		-		-		-	
Credit Derivative Contract	信貸衍生工具合約	-		23		23		5	
Total	總額	2,345		6,799		6,422		4,242	

2011

Transaction Type	交易類別	Current exposure		Credit equivalent amount		Credit equivalent amount after credit risk mitigation		Risk weighted amount	
		現行風險承擔	信貨等值金額	信貨等值金額	信貨等值金額	使用減低風險措施後的信貨等值金額	風險加權金額	風險加權金額	
		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
OTC Derivative Transaction	場外衍生工具交易	1,950		5,661		5,491		3,220	
Repo-style Transaction	回購形式交易	-		-		-		-	
Credit Derivative Contract	信貸衍生工具合約	-		23		23		4	
Total	總額	1,950		5,684		5,514		3,224	

(a) 內部評級基準計算法下與交易對手信貸風險相關的風險承擔(續)

於2012年12月31日及2011年12月31日，下表分別顯示按不同交易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：

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

The following tables indicate the exposure amount of counterparty credit risk-related exposures covered by recognised collaterals under IRB Approach as at 31st December, 2012 and 31st December, 2011 respectively:

於2012年12月31日及2011年12月31日，下表分別顯示內部評級基準計算法下以認可抵押品涵蓋的與交易對手信貸風險相關的風險承擔總額：

2012

Collateral Type	抵押品類別	OTC Derivative Transaction		Repo-style Transaction		Credit Derivative Contract	
		場外衍生工具交易	回購形式交易	場外衍生工具交易	回購形式交易	信貸衍生工具合約	信貸衍生工具合約
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cash	現金		377	-	-	-	-
Others	其他		-	-	-	-	-
Total	總額		377	-	-	-	-

2011

Collateral Type	抵押品類別	OTC Derivative Transaction		Repo-style Transaction		Credit Derivative Contract	
		場外衍生工具交易	回購形式交易	場外衍生工具交易	回購形式交易	信貸衍生工具合約	信貸衍生工具合約
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cash	現金		169	-	-	-	-
Others	其他		1	-	-	-	-
Total	總額		170	-	-	-	-

(b) Counterparty credit risk-related exposures under Standardised Approach

The following tables indicate the information of counterparty credit risk-related exposures under Standardised Approach by exposure class as at 31st December, 2012 and 31st December, 2011 respectively:

2012

Exposure class	風險承擔類別	Current exposure		Credit equivalent amount		Credit equivalent amount after credit risk mitigation		Risk weighted amount	
		現行風險承擔	信貨等值金額	信貨等值金額	使用減低風險措施後的信貨等值金額	風險加權金額	風險加權金額		
		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
Corporate	企業	192	473	201	201	201	201	201	201
Bank	銀行	85	278	278	278	278	278	78	78
Retail	零售	368	996	427	427	427	427	427	427
Total	總額	645	1,747	906	906	906	906	706	706

(b) 標準計算法下與交易對手信貸風險相關的風險承擔

於2012年12月31日及2011年12月31日，下表分別顯示按不同風險承擔類別劃分的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)

(10) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE (CONTINUED)

與交易對手信貸風險相關的風險承擔(續)

(b) Counterparty credit risk-related exposures under Standardised Approach (continued) (b) 標準計算法下與交易對手信貸風險相關的風險承擔(續)

2011

Exposure class	風險承擔類別	Current exposure	Credit equivalent amount	Credit equivalent amount after credit risk mitigation	Risk weighted amount
		現行風險承擔 HK\$ Mn 港幣百萬元	信貸等值金額 HK\$ Mn 港幣百萬元	使用減低風險措施後 的信貸等值金額 HK\$ Mn 港幣百萬元	風險加權金額 HK\$ Mn 港幣百萬元
Corporate	企業	461	914	604	604
Bank	銀行	14	958	958	479
Retail	零售	549	1,094	316	316
Total	總額	1,024	2,966	1,878	1,399

The following tables indicate the information of counterparty credit risk-related exposures under Standardised Approach by transaction type as at 31st December, 2012 and 31st December, 2011 respectively:

於2012年12月31日及2011年12月31日，下表分別顯示按不同交易類別劃分的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：

2012

Transaction Type	交易類別	Current exposure	Credit equivalent amount	Credit equivalent amount after credit risk mitigation	Risk weighted amount
		現行風險承擔 HK\$ Mn 港幣百萬元	信貸等值金額 HK\$ Mn 港幣百萬元	使用減低風險措施後 的信貸等值金額 HK\$ Mn 港幣百萬元	風險加權金額 HK\$ Mn 港幣百萬元
OTC Derivative Transaction	場外衍生工具交易	645	1,747	906	706
Repo-style Transaction	回購形式交易	-	-	-	-
Credit Derivative Contract	信貸衍生工具合約	-	-	-	-
Total	總額	645	1,747	906	706

2011

Transaction Type	交易類別	Current exposure	Credit equivalent amount	Credit equivalent amount after credit risk mitigation	Risk weighted amount
		現行風險承擔 HK\$ Mn 港幣百萬元	信貸等值金額 HK\$ Mn 港幣百萬元	使用減低風險措施後 的信貸等值金額 HK\$ Mn 港幣百萬元	風險加權金額 HK\$ Mn 港幣百萬元
OTC Derivative Transaction	場外衍生工具交易	1,024	2,056	968	944
Repo-style Transaction	回購形式交易	-	-	-	-
Credit Derivative Contract	信貸衍生工具合約	-	910	910	455
Total	總額	1,024	2,966	1,878	1,399

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

The following tables indicate the exposure amount of counterparty credit risk-related exposures covered by recognised collaterals under Standardised Approach as at 31st December, 2012 and 31st December, 2011 respectively:

於2012年12月31日及2011年12月31日，下表分別顯示在標準計算法下以認可抵押品涵蓋的與交易對手信貸風險相關的風險承擔總額：

2012

Collateral Type	抵押品類別	OTC Derivative Transaction		Repo-style Transaction		Credit Derivative Contract	
		場外衍生工具交易	場外衍生工具交易	回購形式交易	回購形式交易	信貸衍生工具合約	信貸衍生工具合約
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cash	現金	806		-		-	
Others	其他	35		-		-	
Total	總額	841		-		-	

2011

Collateral Type	抵押品類別	OTC Derivative Transaction		Repo-style Transaction		Credit Derivative Contract	
		場外衍生工具交易	場外衍生工具交易	回購形式交易	回購形式交易	信貸衍生工具合約	信貸衍生工具合約
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cash	現金	944		-		-	
Others	其他	144		-		-	
Total	總額	1,088		-		-	

(c) Credit derivative contracts which create exposures to counterparty credit risk

The following table indicates the notional amount of credit derivative contracts which create exposures to counterparty credit risk as at 31st December, 2012 and 31st December, 2011 respectively:

(c) 會引致交易對手信貸風險的信貸衍生工具合約

於2012年12月31日及2011年12月31日，下表分別顯示按不同合同類別劃分的會引致交易對手信貸風險的信貸衍生工具合約的名義數額：

		2012		2011	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
For credit portfolio	用作信貸組合				
Credit default swap	信用違責掉期				
Protection bought	購入保障		-		-
Protection sold	售出保障		23		23
Total return swap	總回報掉期				
Protection bought	購入保障		-		-
Protection sold	售出保障		-		-
For intermediation activities	用作中介活動				
Credit default swap	信用違責掉期				
Protection bought	購入保障		-		910
Protection sold	售出保障		-		910
Total return swap	總回報掉期				
Protection bought	購入保障		-		-
Protection sold	售出保障		-		-

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(11) ASSET SECURITISATION 資產證券化

As at 31st December, 2012 and 31st December, 2011 respectively, the Bank had no asset securitisation exposure.

於2012年12月31日及2011年12月31日，本行並無證券化類別風險承擔。

(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, 2012 截至2012年12月31日止年度	
		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 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	52	49
Total unrealised gains 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的總計	985	585
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)	331	331

		For the year ended 31st December, 2011 截至2011年12月31日止年度	
		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)	(34)	7
Total unrealised 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虧損的總計	(231)	(74)
Unrealised gains included in or (losses deducted from) the Bank's supplementary capital for capital adequacy ratio purpose	為計算資本充足比率而包括在附加資本內的任何未實現收益的金額或(從該附加資本中扣減的未實現虧損的金額)	2	2

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

2012 full year results announced	26th February, 2013
2012 Second Interim Dividend declared	26th February, 2013
Ex-all date for 2012 Second Interim Dividend	13th March, 2013
Closure of register of members - 2012 Second Interim Dividend	From 15th March, 2013 to 18th March, 2013 (both days inclusive)
Record date for 2012 Second Interim Dividend	18th March, 2013
Despatch of Scrip Dividend Scheme Listing Document and Form of Election	18th March, 2013
Despatch of dividend warrants and share certificates for 2012 Second Interim Dividend	(on or about) 9th April, 2013
Closure of register of members - Annual General Meeting	29th April, 2013 and 30th April, 2013
Annual General Meeting	30th April, 2013
2013 interim results to be announced * <i>Subject to change</i>	August, 2013*

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The Stock Exchange of Hong Kong Limited

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股東資料

財務日誌

公布2012年度全年業績	2013年2月26日
宣布派發2012年度第二次中期股息	2013年2月26日
2012年度第二次中期股息除淨日期	2013年3月13日
暫停辦理過戶登記手續 - 2012年度第二次中期股息	由2013年3月15日 至2013年3月18日 (包括首尾兩天)
2012年度第二次中期股息記錄日期	2013年3月18日
寄發以股代息計劃上市文件及選擇表格	2013年3月18日
寄發2012年度第二次中期股息單及股票 (約於)	2013年4月9日
暫停辦理過戶登記手續 - 股東周年常會	2013年4月29日 及2013年4月30日
股東周年常會	2013年4月30日
公布2013年度中期業績 * 可予更改	2013年8月*

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