



(Stock Code 股份代號 : 23)

Annual Report **2015** 年報



Welcome to The Bank of East Asia, Limited's website
歡迎瀏覽東亞銀行有限公司網站

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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, Limited is Hong Kong's largest independent local bank with total consolidated assets of HK\$781.4 billion (US\$100.8 billion) as of 31st December, 2015. Listed on The Stock Exchange of Hong Kong, the Bank is a constituent stock of the Hang Seng Index.

BEA is dedicated to helping its customers grow and prosper through the provision of a comprehensive range of corporate banking, personal banking, wealth management, and investment services.

The Bank maintains one of the largest retail networks of any bank in Hong Kong, with full-service branches, SupremeGold Centres for high net-worth customers, and innovative, extended hour i-Financial Centres conveniently located throughout the city.

In Mainland China, BEA's wholly-owned subsidiary, The Bank of East Asia (China) Limited operates more than 125 outlets – one of the most extensive networks of any foreign bank in China. In addition to the BEA China network, BEA operates a rural bank in Fuping County, Weinan City, in Shaanxi Province.

Overseas, the Bank maintains an active presence in Southeast Asia, the United Kingdom, and the United States. Worldwide, BEA serves customers through more than 240 outlets and offers rewarding and challenging career opportunities to over 13,000 employees.

The BEA Group's subsidiaries further broaden the Bank's product offering to 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.

The BEA Group strives to be a positive, enabling force in the communities it serves and is committed to long-term sustainable development. The Group integrates social, environmental, ethical, employee, and customer concerns into its business and operations with the aim of aligning the interests of its stakeholders and the society at large.

For more information on BEA, please visit your nearest BEA branch or visit the Bank's homepage at www.hkbea.com.

東亞銀行有限公司成立於1918年，現為香港最大的獨立本地銀行。於2015年12月31日，本行的綜合資產總額達港幣7,814億元（1,008億美元）。本行於香港聯合交易所上市，亦是恒生指數成份股。

本行一直透過各種企業銀行、個人銀行、財富管理和投資服務，竭誠為客戶提供優質及多元化的金融服務，全力支持客戶發展。

本行為香港擁有最龐大零售網絡的銀行之一，分行提供全面的服務，並有專為高端客戶而設的顯卓理財中心。此外，本行於不同的地區設立i-理財中心，為客戶延長營業時間提供便捷及創新的服務。

本行的全資附屬公司——東亞銀行（中國）有限公司於內地共設有逾125個網點，為內地網絡最龐大的外資銀行之一。除了東亞中國的網絡外，東亞銀行在陝西省渭南市富平縣設立了1間村鎮銀行。

本行於世界各地共設有逾240個網點，遍布東南亞、英國和美國。集團現於全球聘用超過13,000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。

東亞銀行集團一直致力在所服務的社區成為一股正面及積極的動力，以推動長遠的可持續發展，本集團將社會、環境、道德、員工及客戶的考慮融入本集團的業務及營運之中，以符合本集團的其他持份者，乃至廣大社群的利益。

如欲查詢更多有關東亞銀行的資料，請親臨就近的東亞銀行分行或瀏覽本行網頁：www.hkbea.com。

FINANCIAL HIGHLIGHTS

財務摘要

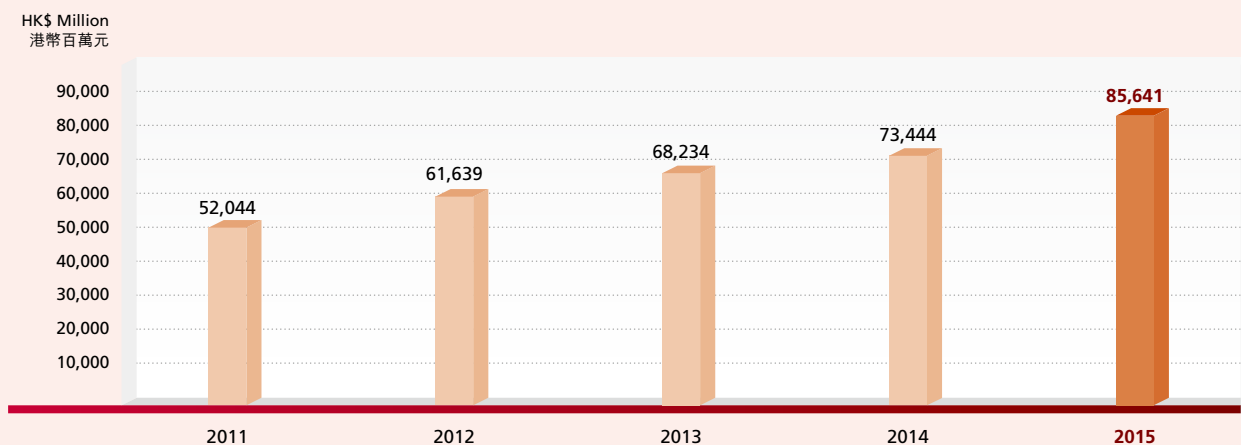
	2015 HK\$ Million 港幣百萬元	2014 HK\$ Million 港幣百萬元	Change 變動 % 百分率
Profitability 盈利能力			
Total operating income 經營收入總額	17,064	18,232	-6.4
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	5,522	6,661	-17.1
Balance Sheet Strength 資產負債狀況			
Advances to customers 客戶墊款	441,506	443,287	-0.4
Total consolidated assets 綜合資產總額	781,364	795,891	-1.8
Total deposits 存款總額	578,020	592,582	-2.5
Total equity 股東權益總額	85,641	73,444	+16.6
Earnings Per Share and Dividends Per Share 每股盈利及每股股息			
Basic earnings 基本盈利	HK\$1.95	HK\$2.72	-28.3
Dividends 股息	HK\$0.88	HK\$1.11	-20.7
Key Ratios 主要比率			
Loan to deposit ratio 貸款對存款比率	76.4%	74.8%	
Impaired loan ratio 減值貸款比率	1.1%	0.6%	
Average liquidity coverage ratio 平均流動性覆蓋比率	137.0%	N.A. 不適用	
Total capital ratio 總資本比率	17.2%	16.7%	

FIVE-YEAR FINANCIAL SUMMARY

5 年財務概要

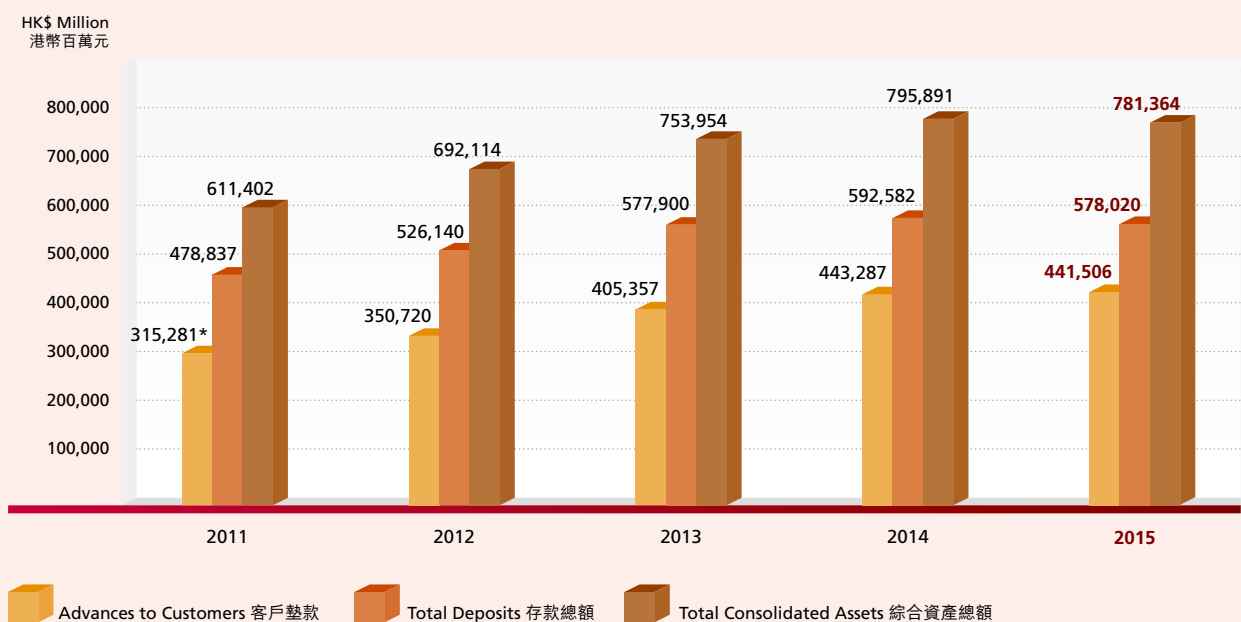
TOTAL EQUITY

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

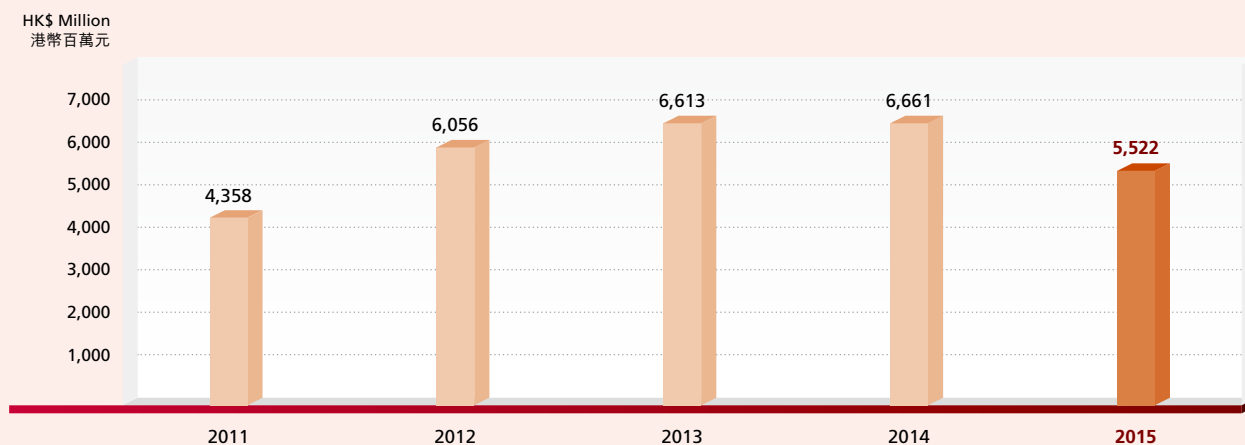


FIVE-YEAR FINANCIAL SUMMARY (CONTINUED)

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

	2011 HK\$ Million 港幣百萬元	2012 HK\$ Million 港幣百萬元	2013 HK\$ Million 港幣百萬元	2014 HK\$ Million 港幣百萬元	2015 HK\$ Million 港幣百萬元
Total equity 股東權益總額	52,044	61,639	68,234	73,444	85,641
Total deposits 存款總額	478,837	526,140	577,900	592,582	578,020
Advances to customers 客戶墊款	315,281*	350,720	405,357	443,287	441,506
Total consolidated assets 綜合資產總額	611,402	692,114	753,954	795,891	781,364
Loan to deposit ratio 貸款對存款比率	66%*	67%	70%	75%	76%
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	4,358	6,056	6,613	6,661	5,522
Earnings per share 每股盈利	HK\$1.96	HK\$2.72	HK\$2.78	HK\$2.72	HK\$1.95
Dividends per share 每股股息	HK\$0.94	HK\$1.06	HK\$1.11	HK\$1.11	HK\$0.88

* Restated due to reclassification.

* 因應重新分類而重報。

CHAIRMAN'S STATEMENT

Over the past two decades, we at The Bank of East Asia have transformed our business, becoming one of the most successful foreign banks operating on the Mainland. This success was built upon strong relationships, strategic expansion of our branch network, and close cooperation between our branches in Hong Kong, Mainland China, and overseas.

Now, we face a challenging macroeconomic environment. China's growth is slowing, as the country shifts to become a consumer and services-driven economy. Global confidence is being undermined by weak commodity prices. These forces are impacting Hong Kong and the local banking sector.

Significantly, during the past year the Chinese government has reaffirmed its commitment to the market, relaxing controls over interest rates and making the RMB more responsive to market forces. While these moves have given rise to volatility in China and Hong Kong in the short term, we believe that, longer-term, the combination of stimulus measures and economic reform pursued by the Mainland will support sustainable growth going forward.

There are many good opportunities for our business, and we will continue to focus on our longer-term strategy. We have been operating in China for almost a century. We have faced these downturns before, and we have always come back stronger.

In 2015, The Bank of East Asia Group earned a Profit Attributable to Owners of the Parent of HK\$5.52 billion, representing a decline of HK\$1.14 billion, or 17.1%, compared to a profit of HK\$6.66 billion in 2014. While our China business was severely challenged, we achieved solid results in Hong Kong and overseas. Basic earnings per share stood at HK\$1.95.

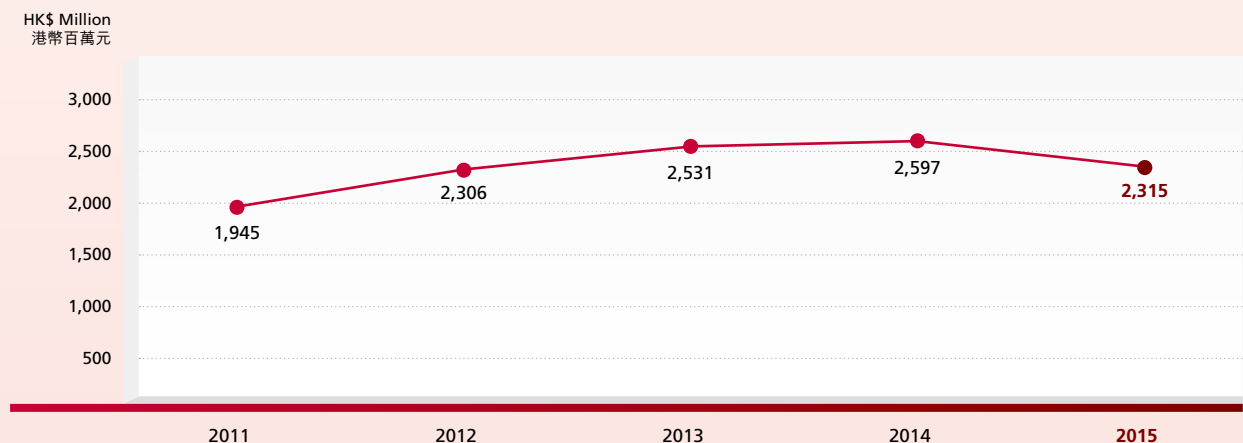
The Board has declared a 2015 second interim dividend of HK\$0.50 per share, bringing the dividend for the year to HK\$0.88 per share. This represents a dividend pay-out ratio of 46%, and also reflects our confidence in the long-term prospects of the Bank.

Hong Kong is our home and remains the backbone of our business. While higher RMB funding costs in the first half of 2015 impacted our results, we are pleased to report continued growth in personal banking and wealth management.

We are a well-established business with a solid franchise, but we do not stand still. We recognise that the rapid growth of the digital economy is changing consumer behaviour, and we are aggressively implementing the digital transformation of our business.

With the slowdown in the Mainland economy, risk management is critical. BEA China is applying a more conservative approach to lending, and our proactive measures have necessarily resulted in reduced loan volumes and margins. Margins at BEA China have also been affected by a series of policy rate cuts.

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



主席報告書

在過去的二十年，我們銳意拓展業務，並晉身成為內地最成功的外資銀行之一。我們成功的關鍵在於建立穩固的關係、策略性地擴展分行網絡，以及我們在香港、內地以至海外分行之間的緊密合作。

今天，我們正面對充滿挑戰的宏觀經濟環境。中國正逐步走向消費及服務型經濟，增長步伐因而放緩。環球經濟信心亦隨著商品價格下跌而變得脆弱。這些因素對香港及其銀行業造成一定影響。

重要的是，在過去一年，中國政府再次實踐其對市場的承諾，放寬利率管制，並讓人民幣更跟隨市場力量而浮動。雖然這些發展引起了中國及香港市場的短期波動，但我們相信長遠而言，內地一系列刺激經濟的措施及改革，日後將可支持更持續的增長。

我們相信未來仍然充滿機遇，而我們亦會繼續專注於長遠的發展策略。我們立足中國接近一個世紀，經歷過多次經濟下行週期，我們不僅能克服困境，更愈發壯大業務。

於2015年度，東亞銀行集團的可歸屬於集團股東溢利為港幣55.2億元，較2014年的溢利港幣66.6億元減少港幣11.4億元，或17.1%。儘管中國業務面對嚴峻的考驗，但香港及海外業績表現穩健。每股基本溢利為港幣1.95元。

董事會宣布派發2015年度第二次中期股息每股港幣0.50元，全年派發股息合共每股港幣0.88元，派息比率為46%，反映本行對業務長線發展的信心。

香港是我們業務的基地和主軸。即使2015年上半年人民幣資金成本高企，對我們的表現構成影響，但我們的個人銀行和財富管理業務依然持續增長，令我們感到鼓舞。

我們已建立起雄厚的業務基礎，但我們不會滿足於此。隨著數碼化經濟的急速發展，令消費者的行為模式轉變，我們亦因此積極推動業務數碼化的變革。

鑑於內地經濟放緩，風險管理成為重中之重。東亞中國採取了更保守的貸款策略，而我們積極的應對措施無可避免地導致貸款放緩及息差收窄。同時，一系列的寬鬆政策令利率下調，亦導致東亞中國的息差進一步受壓。



Dr. the Hon. Sir David LI Kwok-po
Chairman & Chief Executive
主席兼行政總裁
李國寶爵士

CHAIRMAN'S STATEMENT (CONTINUED)

Despite the challenges facing our Mainland business, we remain deeply rooted as one of the leading foreign banks on the Mainland, with a wide-reaching branch network, extensive local connections, and strong cross-border capabilities.

Our overseas business performed well, with 3.3% year-on-year growth after excluding a one-off write back in 2014. This improvement is due to stronger performance of the US and UK economies, and leveraging on our international network to complement client activities from Greater China.

When we reported our annual results for 2014, we anticipated that the restructuring of the Mainland economy would have a negative impact on our business in 2015. We also highlighted the proactive measures that we were taking to protect our business.

In Hong Kong, we further strengthened our personal banking and wealth management businesses. We lowered funding costs by attracting more current and savings account deposits; generated higher fee income through wealth management and insurance products; increased scale through the acquisition of a mortgage portfolio from Prime Credit; and successfully launched 20 new digital branches across Hong Kong. This has resulted in higher operating income and stronger positioning in personal banking and wealth management.

BEA China took aggressive action to manage asset quality. Our Mainland subsidiary reduced exposure to distressed and overcapacity sectors, and refocused attention on large corporate clients. It tightened credit guidelines, and increased efforts to recover non-performing loans. As a result, the impaired loan ratio at BEA China stabilised in the second half of 2015, even as the economy deteriorated further.

In addition, we maintained tight control over costs at BEA China, with total operating expenses falling by 9.55% year on year in 2015.

I am also pleased to report that relations with our two main banking partners have been strengthened during the past year.

In December 2015, CaixaBank S.A. announced that it would transfer its 17.24% stake in BEA to its controlling shareholder, Criteria Caixa S.A.U., through a share swap arrangement with the intention of taking a long-term position in BEA. This proposed transfer is not subject to the prior consent of the Bank as it falls within a carve-out from the transfer restrictions applicable to CaixaBank S.A. Such carve-out is applicable to transfers between parent companies and their subsidiaries. It is also noted that the transfer restrictions applicable to CaixaBank S.A. do not prevent it from accepting a takeover offer for the Bank. These carve-outs will continue to apply following completion of the proposed transfer.

Sumitomo Mitsui Banking Corporation, completed the previously-announced share purchase agreement in the first half of 2015. Approximately HK\$6.6 billion in additional capital was raised through this exercise, reaffirming SMBC's commitment to this Bank.

As a Group, we maintained sound liquidity levels, with our liquidity coverage ratio well above the 2019 regulatory requirement. Our capital ratios further strengthened following the completion of the private share placement to SMBC.

At the end of December 2015, our Common Equity Tier 1 capital ratio stood at 12.2%. The decline in the second half of 2015 followed a regular review of our risk model, and our decision to maintain a more prudent approach given the current economic uncertainties.

Looking at the year ahead, we do not expect a material improvement in the business environment. As such, proactive cost control remains a top priority.

We have instituted a headcount freeze across the Bank Group, while stepping up training to build a more flexible and productive workforce.

We are continuing to drive improvement of basic systems and processes. Already, we have improved back-office efficiency in Hong Kong by more than 30% during the past three years. Our digital branch initiative will yield further improvements in 2016 and beyond.

儘管面對這些挑戰，但憑藉龐大的分行網絡、深厚的業務脈絡及堅實的跨境業務能力，我們作為內地領先外資銀行之一的地位和根基依然穩固。

本行海外業務表現不俗，在撇除於2014年的一次性回撥後，錄得按年3.3%的增長，主要是受惠於美國及英國經濟好轉，以及利用本行的國際網絡以支持大中華區客戶的活動所致。

本行公布2014年全年業績時，我們已預期內地經濟結構的調整會對2015年的業務造成負面影響。我們亦強調本行會採取積極的應對措施。

在香港，我們進一步鞏固個人銀行及財富管理業務。我們成功擴大往來及儲蓄存款的基礎，令資金成本下降；透過推動財富管理及保險產品，帶動更高的收費收入；通過收購安信信貸之按揭組合以擴大業務規模；以及在香港成功將20間分行數碼化。以上種種舉措，讓我們的營運收入得以提高，並有助強化個人銀行及財富管理業務的市場定位。

我們於內地的附屬公司東亞中國積極管理資產質素，縮減對高負債及產能過剩行業的借貸，並重新聚焦於大型企業客戶。我們亦收緊信貸指引，並加大力度追收不良貸款。因此，雖然2015年下半年經濟進一步惡化，但東亞中國的減值貸款比率仍得以趨穩。

此外，東亞中國嚴格控制經營成本，令總經營支出於2015年按年下跌9.55%。

我亦欣然匯報，於過去一年，本行進一步加強與兩間主要銀行夥伴的關係。

於2015年12月，CaixaBank S.A. 公布將通過一項互換股份安排，將其持有的東亞銀行17.24%股權轉讓予其控權股東Criteria Caixa S.A.U.，而Criteria Caixa S.A.U. 將長期持有該等股權。由於建議轉讓是在對CaixaBank S.A. 適用的轉讓限制除外範圍之內，故建議轉讓無須經本行事先同意。該項除外規定適用於母公司與其附屬公司之間的轉讓。各方亦注意到對CaixaBank S.A. 適用的轉讓限制並不妨礙其接受就本行提出的收購建議。建議轉讓完成後，該等除外規定將繼續適用。

三井住友銀行已於2015年上半年完成早前公布的股份認購交易。我們通過這項交易籌得港幣66億元的新資本，並再次體現了三井住友對我們的承諾。

整體而言，本集團的流動資金水平維持穩健，我們的流動性覆蓋比率遠高於2015年的監管要求。在向三井住友銀行配售股份後，我們的資本比率亦得以進一步提高。

於去年12月底，我們的普通股權一級資本比率達12.2%。這比率在2015年下半年有所下降，主要是由於我們在定期檢視對風險的評估後，決定在目前不明朗的經濟環境下採取更審慎的做法。

展望來年，我們預期經營環境不會明顯好轉，成本控制因此繼續成為首務。

集團亦採取了凍結人手措施，並同時加緊員工培訓，以建立一個更靈活和高生產力的團隊。

我們正進一步改善基本的系統和流程。事實上，在過去三年，我們已將香港後勤辦公室的營運效率提高了超過30%。此外，我們的分行數碼化計劃將自2016年起以後，逐步帶來更多的改進。

CHAIRMAN'S STATEMENT (CONTINUED)

We have accelerated the second phase of our Mainland branch review in order to further enhance outlet productivity. We anticipate that some sub-branches on the Mainland will merge in 2016 as a result.

At the same time, we are focussing on a number of business strategies to drive efficient growth. As a nimble business with a strong China-Hong Kong-International connection, we will actively manage cross-border opportunities as they materialise. We will also further enhance our wealth management business; optimise our deposit structure to further lower the cost of funding, and increase treasury activities by broadening the range of treasury products we offer.

Asset quality and risk management will continue to be of great importance for the year ahead. We will proactively enhance asset quality by continuing our conservative approach to loan growth, while increasing our resources and efforts to recover bad loans.

We aim to roll out at least 30 digital branches in Hong Kong in 2016. By the end of 2016, over 50% of our branches in Hong Kong will be digitalised. No other bank in Hong Kong is as ambitious as we are in this area.

We are also collaborating with third-party providers, including WeBank in China, to capture new digital banking opportunities.

We won a number of major international awards during the year under review for our digital and mobile initiatives, including "Most Innovative Bank of the Year" and "Channel Innovation" at the prestigious BAI-Infosys Finacle Global Banking Innovation Awards 2015.

We will continue to review our business portfolio to ensure that the Bank is best positioned for long-term, sustainable growth. We aim to complete the sale of Tung Shing Holdings Company Limited and BEA Wealth Management Services (Taiwan) in the first half of 2016, and we have commenced a strategic review of Tricor Holdings.

Our Bank Group turned in a resilient performance against a difficult backdrop in 2015. While the challenging environment is likely to continue for some time, we have a proven ability to adapt to difficult market conditions.

With our sound capital position, a unique network across Hong Kong, the Mainland, and overseas, and our pioneering digital platform, we are in a strong position to capture the growth opportunities ahead.

The Group is optimistic on our long-term prospects. We are fully committed to provide for our customers and realise our vision to be THE Hong Kong-based bank serving the needs of Greater China in the 21st century. We believe that this commitment, combined with our unique franchise built over the past decades, will generate substantial value for our shareholders for many years to come.

In closing, I take great pleasure in thanking our Bank's Board of Directors and the directors of our subsidiaries and associated companies for their support and invaluable advice during the past year. I also thank the management and staff of BEA for their commitment, and I look forward to further progress in achieving our strategic goals during the coming year.

The support of the directors and managements of our overseas banking partners is invaluable, and I am very grateful to them for their close cooperation with us. I also extend my grateful thanks to our shareholders and customers for their long-standing loyalty and confidence in this Bank.

David LI Kwok-po
Chairman & Chief Executive

Hong Kong, 15th February, 2016

我們又加快了第二階段檢討內地分行網絡的工作，以便進一步提升網點的效率。我們預計部分內地的支行會於2016年內合併。

同時，我們亦專注推行一系列的經營策略以推動業務增長。憑藉靈活及強大的中國、香港及國際業務網絡，我們將把握機遇積極推動跨境業務，並會強化財富管理業務。同時，我們會優化存款結構以進一步降低資金成本，並加強財資業務，提供更廣泛的財資產品。

在未來一年，資產質素及風險管理將繼續是我們的工作重點。我們將繼續通過保守的貸款增長策略，並投入更多資源及加大力度追收貸款，積極提升資產質素。

我們計劃在2016年把最少30間香港分行數碼化。至2016年底，智能數碼分行的數目將佔本行香港分行數目的一半以上。我們是香港銀行同業中最積極推動智能數碼化的銀行。

此外，我們亦與內地的微眾銀行等第三方合作，積極開拓數碼銀行方面的新業務機會。

於2015年，我們在數碼及流動銀行的領域上贏得多個國際獎項，包括BAI Infosys Finacle「全球銀行創新大獎」之「年度最創新銀行獎」及「渠道創新獎」。

我們會繼續檢討我們的業務組合，以確保本行以最佳的定位，達致長遠可持續的增長。於2016年上半年，我們將完成出售東盛控股及東亞證券股份（台灣）的交易。我們並已展開對卓佳集團的策略性檢討。

我們在困難的經營環境下取得了穩健的業績。雖然經營環境在未來一段時間仍會充滿挑戰，但我們在過去的逆境中已展現出應對困難市況的能力。

我們擁有穩健的資本水平，同時亦具備跨越香港、內地及海外的獨特網絡，加上嶄新的數碼平台，我們在爭取業務增長方面已擁有極佳的優勢。

本集團對前景感到樂觀。我們致力為客戶提供最佳服務，並以成為21世紀服務大中華地區的最佳香港銀行為願景。我們深信，把這目標與我們在過去數十年來建立的獨特業務和品牌相結合，將會在今後為股東創造極高的價值。

最後，我希望藉此機會，向本行的董事會及各附屬和聯營公司的董事表達由衷的謝意，感謝他們在過去一年的支持和提供的寶貴意見。我亦感謝東亞銀行管理層及各位員工的熱誠投入，並期望在來年能在實現我們的策略目標方面進一步取得進展。

此外，我亦十分感謝各海外夥伴的董事和管理層，他們的支持和與我們的緊密合作實屬無價。我亦對股東和客戶長期以來的支持，以及他們對本行的信心表示謝意。

主席兼行政總裁

李國寶

香港，2016年2月15日

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT

FINANCIAL REVIEW

Financial Performance

For the year 2015, the Group's profit attributable to owners of the parent stood at HK\$5,522 million, representing a decrease of HK\$1,139 million or 17.1%, compared to the HK\$6,661 million earned in 2014. Basic earnings per share fell from HK\$2.72 in 2014 to HK\$1.95 in 2015, while return on average assets declined from 0.8% to 0.6%.

Return on average equity decreased by 3.0 percentage points from 9.6% to 6.6% due in part to an increase in the weighted average number of shares in issue as a result of the subscription of 222,600,000 new ordinary shares by Sumitomo Mitsui Banking Corporation in March 2015.

All major Group entities recorded an increase in net interest income with the exception of BEA China, where net interest income decreased by HK\$1,195 million, or 20.5%, year on year. Overall, Group net interest income decreased by HK\$741 million, or 5.8%, to HK\$11,934 million. The Group's net interest margin narrowed from 1.78% in 2014 to 1.66% in 2015. The net interest margin at BEA China decreased from 2.20% in 2014 to 1.82% in 2015, largely due to the interest rate cuts made by the People's Bank of China and lower asset yields given BEA China's reduced risk appetite.

Net fee and commission income decreased slightly to HK\$4,099 million, as compared to the HK\$4,146 million earned in 2014. Commission income from securities, brokerage, and insurance businesses exhibited strong growth, while fee and commission income generated from trade finance, and loans and guarantees declined. BEA China's net fee and commission income fell by HK\$180 million, or 19.9% when compared to 2014.

To cater for high demand for Renminbi loans and trade finance in the first quarter of 2015, the Bank engaged in funding swaps to sell USD for RMB. An increased loss in the change in the fair value of the funding swaps had a negative impact on net trading profits during the first half of 2015 but tapered in the second half when the funding swaps terminated upon maturity.

Overall, non-interest income decreased by 7.7% to HK\$5,130 million. Operating income decreased by 6.4% to HK\$17,064 million.

Total operating expenses fell by 1.2% to HK\$9,732 million, mainly due to a decrease of HK\$386 million in operating expenses at BEA China and stringent cost-control measures adopted by the Bank. However, as operating income decreased more than operating expenses, the cost-to-income ratio rose from 54.0% in 2014 to 57.0% in 2015. If the business tax and surcharges applied to the Bank's Mainland operations are excluded from operating expenses, the adjusted cost-to-income ratio would increase from 50.4% to 53.5%.

Operating profit before impairment losses was HK\$7,332 million, a decrease of HK\$1,051 million, or 12.5%, when compared with 2014.

With the worsening economic environment in Mainland China, impairment losses on loans and advances grew by 106.4% to HK\$2,042 million. Individual and collective impairment losses were up by HK\$645 million and HK\$289 million, respectively. As a result, the impaired loan ratio of the Group rose from 0.62% at the end of 2014 to 1.13% at the end of 2015. At BEA China, the impaired loan ratio increased from 1.32% to 2.63%, while at BEA Hong Kong the impaired loan ratio rose from 0.21% to 0.34%.

Operating profit after impairment losses was HK\$5,273 million, a decrease of 28.6% or HK\$2,109 million.

Net profit on the sale of available-for-sale financial assets increased to HK\$257 million, including net profit of HK\$146 million on the disposal of the Bank's stake in a property development and management joint venture in Mainland China.

Valuation gains on investment properties increased to HK\$549 million. The major contribution came from investment properties in Hong Kong, reflecting the quality of the investment properties and their prime locations.

The Bank also recorded a net profit on disposal of fixed assets of HK\$109 million, mainly related to the sale of a property located in Hong Kong.

The Group shared after-tax profits from associates of HK\$558 million, a decrease of HK\$87 million, or 13.5% over 2014, mainly due to the weaker performance of a Malaysia-based associate in 2015.

After accounting for income taxes, profit after taxation fell to HK\$5,638 million, a decrease of 16.8% compared to the HK\$6,774 million recorded in 2014.

行政總裁及高層管理人員報告書

財務回顧

財務表現

於2015年，可歸屬於本集團股東溢利為港幣55.22億元，較2014年的港幣66.61億元減少港幣11.39億元或17.1%。每股基本盈利由2014年的港幣2.72元下降至2015年的港幣1.95元，而平均資產回報率則由0.8%降至0.6%。

平均股東權益回報率由9.6%減少至6.6%，跌幅為3.0個百分點，部分是由於三井住友銀行於2015年3月認購222,600,000股新普通股，令已發行股份的加權平均數增大。

除東亞中國錄得淨利息收入按年減少港幣11.95億元或20.5%外，本集團所有主要實體均錄得淨利息收入增長。整體而言，本集團的淨利息收入減少港幣7.41億元或5.8%，至港幣119.34億元。本集團的淨息差由2014年的1.78%收窄至2015年的1.66%。東亞中國的淨息差由2014年的2.20%收窄至2015年的1.82%，主要由於中國人民銀行減息，以及東亞中國為減低風險胃納而導致資產收益率下跌所致。

服務費及佣金收入淨額輕微下降至港幣40.99億元，而2014年為港幣41.46億元。證券、經紀及保險業務的佣金收入錄得強勁增長，但來自貿易融資以及貸款與擔保的服務費及佣金收入卻減少。東亞中國的服務費及佣金收入淨額較2014年減少港幣1.80億元或19.9%。

為應對2015年第一季度市場對人民幣貸款及貿易融資的強勁需求，本行進行外匯掉期操作，出售美元以換取人民幣。雖然2015年上半年該等外匯掉期的公平價值變動令虧損增加，對交易溢利淨額產生負面影響，但下半年隨著外匯掉期到期，有關影響亦隨之減少。

非利息收入整體減少7.7%至港幣51.30億元。經營收入減少6.4%至港幣170.64億元。

總經營支出下降1.2%，至港幣97.32億元，主要由於東亞中國經營支出減少港幣3.86億元，以及本行採取了嚴格的成本控制措施。然而，經營收入減少超過經營支出的減幅，令成本對收入比率從2014年的54.0%上升至2015年的57.0%。若將本行內地業務之營業稅及附加稅從經營支出中撇除，經調整的成本對收入比率會由50.4%上升至53.5%。

未扣除減值損失之經營溢利為港幣73.32億元，較2014年減少港幣10.51億元，或12.5%。

隨著中國內地經濟環境轉差，貸款及墊款減值損失上升106.4%至港幣20.42億元。個別及整體減值損失分別增加港幣6.45億元及港幣2.89億元。因此，本集團的減值貸款比率從2014年底的0.62%上升至2015年底的1.13%。東亞中國的減值貸款比率從1.32%上升至2.63%，而東亞香港的減值貸款比率則從0.21%上升至0.34%。

扣除減值損失後之經營溢利減少28.6%或港幣21.09億元，為港幣52.73億元。

出售可供出售金融資產之淨溢利增加至港幣2.57億元，其中包括因出售本行於中國一間物業發展及管理合營公司股份所得的淨溢利港幣1.46億元。

投資物業重估盈利增加至港幣5.49億元，主要來自香港之投資物業，反映該等物業質素上佳且地段優越。

本集團亦錄得出售固定資產的淨溢利港幣1.09億元，主要與出售一項香港物業有關。

集團應佔聯營公司之除稅後溢利為港幣5.58億元，較2014年減少港幣8,700萬元或13.5%，主要由於一間位於馬來西亞的聯營公司於2015年的表現欠佳。

經計及所得稅後，除稅後溢利減少至港幣56.38億元，相較2014年的港幣67.74億元減少16.8%。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Financial Position

Total consolidated assets of the Group stood at HK\$781,364 million at the end of 2015, a decrease of 1.8% over the HK\$795,891 million at the end of 2014.

Since loan demand in Hong Kong and Mainland China remained sluggish in 2015, gross advances to customers dropped by 0.4% to HK\$441,506 million.

Trade bills fell by 67.8% to HK\$19,532 million, mainly due to a significant contraction in cross-border trade business.

Total equity increased to HK\$85,641 million, up 16.6%, mainly due to the subscription of new ordinary shares by SMBC for HK\$6.6 billion and the issuance of Additional Tier One Capital Instruments for US\$650 million.

The primary objective of the Group's funding activities is to ensure the sufficiency of funds at reasonable costs to fund loans and advances, as well as to generate reasonable returns from available funds. The principal funding sources of the Group comprise internally generated capital, deposits from customers, and certificates of deposit.

Total deposits from customers fell by 1.4% compared to the end of 2014, to HK\$540,743 million. Of the total, demand deposits and current account balances increased by HK\$6,134 million, or 9.1%; savings deposits increased by HK\$12,550 million, or 12.5%; and time deposits decreased by HK\$26,125 million, or 6.9%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, fell by 2.5% to HK\$578,020 million.

The loan-to-deposit ratio was 76.4% at the end of December 2015, compared to 74.8% at the end of 2014.

The Group maintained comfortable capital adequacy and liquidity positions at the end of 2015. The total capital ratio, tier 1 ratio, and common equity tier 1 ratio were 17.2%, 13.7%, and 12.2%, respectively as at 31st December, 2015, which should adequately support the Group's growth in the coming years. The average liquidity coverage ratio was 137.0%, which was well above the statutory limit of 60% for 2015.

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	Negative

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	Negative

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
Outlook	Negative

行政總裁及高層管理人員報告書（續）

財務狀況

於2015年底，本集團綜合資產總額較2014年底的港幣7,958.91億元減少1.8%，至港幣7,813.64億元。

由於2015年香港及中國內地的貸款需求疲弱，客戶墊款總額下跌0.4%至港幣4,415.06億元。

貿易票據減少67.8%至港幣195.32億元，主要由於跨境貿易業務顯著萎縮。

股東權益總額增加16.6%至港幣856.41億元，主要由於三井住友銀行以港幣66億元認購新普通股，以及本行發行6.5億美元額外一級資本票據。

本集團融資活動的主要目的是要確保能以合理的成本獲得充裕的資金，以承造貸款和墊款，以及透過可用的資金獲得合理回報。本集團的主要資金來源包括來自內部產生的資本、客戶存款，以及發行存款證。

客戶存款總額較2014年底減少1.4%，至港幣5,407.43億元。其中，活期存款和往來存款賬戶結餘增加港幣61.34億元，升幅為9.1%；儲蓄存款增加港幣125.50億元，升幅為12.5%；而定期存款則減少港幣261.25億元，減幅為6.9%。包括客戶存款及所有已發行存款證的存款總額減少2.5%至港幣5,780.20億元。

於2015年12月底的貸款對存款比率為76.4%，而2014年底則為74.8%。

本集團於2015年底維持了良好的資本充足及流動資金狀況。於2015年12月31日，總資本比率、一級資本比率及普通股權一級資本比率分別為17.2%、13.7%及12.2%，應足以支持本集團未來數年的增長。2015年的平均流動性覆蓋比率為137.0%，遠高於60%的法定限額。

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	負面

東亞銀行（中國）有限公司

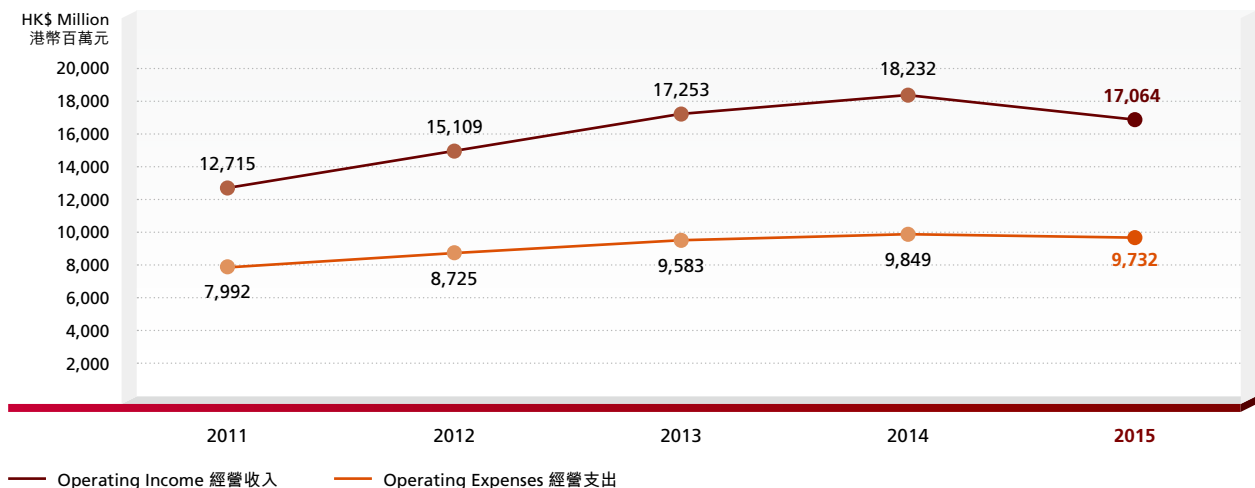
長期交易對手信貸（港元及外幣）	A
短期交易對手信貸（港元及外幣）	A-1
前景	負面

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
前景	負面

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



REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)



MAJOR RECOGNITION 主要榮譽與獎項

The Bank of East Asia, Limited 東亞銀行有限公司

- | | | |
|---|---|--|
| 1 | "Quamnet Outstanding Enterprise Award 2014 – Outstanding SME Service Provider (Bank)" (for the second consecutive year)
- Quam (H.K.) Limited | 「華富財經傑出企業大獎2014 — 傑出中小企業服務機構(銀行)」(連續第2年獲獎)
- 華富財經(香港)有限公司 |
| 2 | "Outstanding Corporate Banking Services Award 2014" (for the second consecutive year)
- Wen Wei Po | 「2014年度傑出企業銀行業務獎」(連續第2年獲獎)
- 《文匯報》 |
| 3 | "Outstanding Import and Export Industry Partner Award" (for the second consecutive year)
- The Hong Kong Chinese Importers' & Exporters' Association | 「進出口企業合作夥伴大獎」(連續第2年獲獎)
- 香港中華出入口商會 |
| 4 | "2015 Best SME's Partner Award" (for the eighth consecutive year)
- The Hong Kong General Chamber of Small and Medium Business | 「2015 中小企業最佳拍檔獎」(連續第8年獲獎)
- 香港中小型企業總商會 |
| 5 | "Outstanding Regional Private Bank – North Asia 2015"
- Private Banker International | 「2015最傑出私人銀行 — 北亞區」獎
- Private Banker International |
| 6 | "Best Retail Banking Branch Innovation" in the International Excellence in Retail Financial Services Awards 2015
- The Asian Banker | 「國際超卓零售金融服務大獎」之「2015年最佳零售銀行分行創新獎」
- 《亞洲銀行家》雜誌 |
| 7 | "Most Innovative Bank of the Year" and "Channel Innovation" awards in the Global Banking Innovation Awards
- BAI Infosys Finacle | 「全球銀行創新大獎」之「年度最創新銀行獎」及「渠道創新獎」
- BAI Infosys Finacle |
| 8 | BENCHMARK Wealth Management Awards 2015 "Best-in-Class in Customer Engagement Award (Banking)" and "Brand of the Year Award (Banking)"
- BENCHMARK Magazine | 「2015《指標》財富管理大獎」之「顧客參與度(銀行業) — 同級最佳獎」及「年度品牌(銀行業) — 同級最佳獎」
- 《指標》雜誌 |
| 9 | "The Best Youth Program Launched in 2014 in Hong Kong – i-Titanium Card", "The New Contactless Card Launched in 2014 in Hong Kong – i-Titanium Card", "The Highest Market Share in 2014 Contactless Cardholder Spending in Hong Kong", "The Highest Number Transaction Tap in Contactless in 2014 in Hong Kong"
- MasterCard Worldwide | 「2014年度香港區最佳年輕人信用卡推廣(i-Titanium卡)」·「2014年度香港區新推出感應式信用卡(i-Titanium卡)」·「2014年度香港區感應式信用卡消費最高市場佔有率」及「2014年度香港區最高感應式交易數量」
- 萬事達卡國際組織 |

The Bank of East Asia (China) Limited 東亞銀行(中國)有限公司

- | | | |
|----|--|--|
| 10 | "Best Bank in Trade Finance Products Innovation" in the China Trade Finance Excellence Award Programme
- China Banking Association | 中國貿易金融卓越評選 — 「最佳貿易金融產品創新銀行」
- 中國銀行業協會 |
| 11 | "Best Special Trade Finance Bank" in "The 4th (2014) Most Trusted Financial Service Providers by Foreign Trade & Economic Enterprises in China" campaign
- Trade Finance Magazine, www.sinotf.com | 第四屆(2014年度)中國外經貿企業最信賴的金融服務商活動評選 — 「最佳特色貿易金融銀行」
- 貿易金融雜誌·中國貿易金融網 |

行政總裁及高層管理人員報告書（續）



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| <p>12 "Best Structured Wealth Management Products" in China Best Wealth Management Institutions Selection 2015
- <i>Securities Times</i></p> | <p>2015中國最佳財富管理機構評選 — 「中國最佳結構性銀行理財產品」
- 《證券時報》</p> |
| <p>13 "2015 The Best Earnings Performance Foreign Bank" in 2015 Golden-shell Award of China
- <i>21st Century Business Herald</i></p> | <p>2015中國資產管理金貝獎評選中「2015最佳收益表現外資銀行」
- 《21世紀經濟報導》</p> |
| <p>14 "2015 Best Cross-border Services Foreign Bank" in the 6th Golden Tripod Awards
- <i>National Business Daily</i></p> | <p>第六屆「金鼎獎」— 「2015年度最佳跨境服務外資銀行」
- 《每日經濟新聞》</p> |
| <p>15 "2015 Banking Excellence in Building a Competitive Brand"
- <i>China Business Journal</i></p> | <p>「2015卓越競爭力品牌建設銀行」
- 《中國經營報》</p> |

Blue Cross (Asia-Pacific) Insurance Limited 藍十字（亞太）保險有限公司

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| <p>16 "The 15th Capital Outstanding Enterprise Awards – Medical and General Insurance" (for the fourth consecutive year)
- <i>CAPITAL Magazine</i></p> | <p>「第15屆資本傑出企業成就獎 — 傑出醫療及一般保險」
(連續第4年獲獎)
- 《資本雜誌》</p> |
| <p>17 "The Most Favourite Travel Insurance Company Award 2015" (for the eleventh consecutive year)
- <i>Weekend Weekly Magazine</i></p> | <p>「2015最受歡迎旅遊保險公司」(連續第11年獲獎)
- 《新假期》雜誌</p> |

Credit Gain Finance Company Limited 領達財務有限公司

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| <p>18 "Metro Awards for Banking and Finance Corporations 2015 – The Best Brand in Loans" (for the fourth consecutive year)
- <i>Metro PROSPERITY Magazine</i></p> | <p>「都市盛世銀行及金融服務企業獎2015 — 最佳信貸財務服務」(連續第4年獲獎)
- 《都市盛世》雜誌</p> |
| <p>19 "Capital Weekly Service Awards 2015 – Finance Service" (for the third consecutive year)
- <i>Capital Weekly Magazine</i></p> | <p>「2015資本壹週服務大獎」— 「信貸財務服務大獎」(連續第3年獲獎)
- 《資本壹週》</p> |

Tricor Group 卓佳集團

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| <p>20 SME 100 Awards 2015 – Malaysia's Top Ten Fast Moving Companies in Professional and Business Services
- <i>Business Media International</i></p> | <p>「中小企業大獎2015」— 「大馬十大快速發展企業」(專業與商業服務組)
- 國際商業媒體集團</p> |
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BEA Union Investment Management Limited 東亞聯豐投資管理有限公司

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| <p>21 "The Asset Benchmark Research 2015 – One of the Top Investment Houses in Asian G3 Bonds"
- <i>The Asset</i></p> | <p>「2015年度財資基準研究」— 「亞洲G3債券最佳投資公司之一」
- 《財資雜誌》</p> |
| <p>22 "Best Bond Fund, Asia Pacific, Local Currency" (for the 3-year performance of the BEA Union Investment Asian Bond and Currency Fund)
- <i>Lipper Fund Awards Programme 2015 Hong Kong</i></p> | <p>「最佳亞太區債券基金(本地貨幣)」(按東亞聯豐亞洲債券及貨幣基金過往3年業績)
- 「理柏基金香港年獎2015」</p> |

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

BUSINESS REVIEW

The global economy turned in another mixed performance in 2015. While the United States continues to grow slowly but steadily, performance in China, Japan, and Europe was disappointing. With weak external demand, Hong Kong's exports fell by 1.8% in 2015.

Tourist spending slowed, ending the strong run in recent years. Retail sales recorded a 3.7% year-on-year decline in 2015.

Residential property prices climbed by 2.5% during the year under review. However, the market showed signs of weakness in the fourth quarter, with a decrease in the number of transactions and a fall in prices.

Unemployment hovered at 3.3% throughout the year. Overall, Hong Kong's economy expanded at a moderate pace of 2.5% in the first three quarters.

On the Mainland, the export sector remained weak in the face of slack demand from Europe and the slowdown in emerging markets in 2015. Meanwhile, rising production costs in China have encouraged buyers to shift export orders to other countries. Investment growth also moderated, as China slowed the pace of credit expansion to address excess leverage in the economy. Slowing growth also dragged down consumer spending, creating headwinds for many domestic companies. The central bank lowered the lending rate and the deposit reserve ratio to provide relief.

Looking ahead to 2016, while the pace of economic recovery in the US is expected to remain steady, the economies of Europe and Japan will continue to struggle. There are also concerns about the impact of US interest rate hikes on emerging economies. As a consequence, China's export growth is projected to remain flat in 2016.

Policies designed to restrain investment will remain in place, as part of efforts to address structural imbalances in the economy. However, with consumer demand expected to remain lacklustre, the Government will attempt to prevent economic growth from falling too fast. One or two interest rate reductions are expected in 2016, while the deposit reserve ratio may be reduced by a further 150 basis points.

Overall, China's economy is likely to grow by 6.7% in 2016, with inflation remaining low at 1.5%. In Hong Kong, meanwhile, gross domestic product is forecast to grow by 1.5%, while inflation will soften to 1.6%.

Business – Hong Kong

As at 31st December, 2015, the aggregate value of all customer loans and trade bills of BEA in Hong Kong was 11.7% lower than at the same point in the previous year, primarily due to the run off in trade bills. Customer loans were flat for the year. Debt investments increased by 8.1% during the year, while customer deposits declined slightly by 0.5%.

Corporate and Commercial Banking

The Bank's corporate banking operations have been impacted by the economic situation on the Mainland. Consecutive rate cuts, ample onshore liquidity, and the depreciating RMB have reduced the volume of cross-border business and increased the rate of loan repayments. This has also intensified competition in the local corporate loan market and pressured net interest margins.

Against this backdrop, corporate banking recorded a gain in net interest income, but a decline in net fee and commission income. Demand for cross-border trade bills dropped and is expected to remain weak, as the benefits of borrowing offshore recede.

The corporate loan and trade bills portfolio was therefore slowed down at the end of 2015 when compared to the position at the end of the previous year. The Bank has promoted other forms of cross-border loans to replenish the portfolio, but has remained prudent when extending loans and refused to sacrifice quality for growth. Therefore, while corporate banking's impaired loan ratio has edged upwards, it is still at a low level.

Meanwhile, the local syndicated loan market has been stable, with steady demand from property developers seeking to finance land acquisitions, and from blue-chips engaging in regular refinancing activity. The secondary loan market has also become more active, as some foreign banks offload their loan portfolios. BEA is alert to opportunities arising from these trends and will strive to expand its market share.

At the same time, the Bank is exploring potential business with quality, credit-worthy customers in China's new free trade zones. With good connections and an extensive network in China, BEA is well positioned to benefit from financial deregulation, policy relaxation, and the New Silk Road initiative in the longer run.

行政總裁及高層管理人員報告書（續）

業務回顧

2015年，全球經濟表現仍然參差。縱使美國經濟持續穩步緩慢增長，中國、日本及歐洲的經濟表現卻令人失望。由於外部需求疲弱，本港的出口下跌1.8%。

訪港旅客消費放緩，結束了近年的強勁升勢。零售銷售於2015年按年下跌3.7%。

住宅物業價格於回顧期內上漲2.5%，但第四季度市場顯現疲態，成交量及價格雙雙下降。

失業率全年維持在3.3%的水平。整體而言，香港經濟於首三個季度溫和增長2.5%。

內地方面，由於來自歐洲的需求疲弱，加上新興市場經濟放緩，內地出口行業於2015年持續低迷。同時，中國生產成本上升導致買家將出口訂單轉移到其他國家。為解決經濟過度槓桿問題，中國放慢信貸增長步伐，導致投資增長放緩。經濟增長放慢拖累消費開支，令眾多內地企業受困，央行遂將貸款利率及存款準備金率下調，冀減輕企業的負擔。

展望2016年，美國經濟有望穩步復甦，但歐洲及日本經濟仍將舉步維艱。同時，市場擔憂美國加息會影響新興經濟。因此，2016年中國出口增長預期將與去年持平。

中國仍會繼續實施收緊投資的政策，應對經濟結構性失衡問題。儘管如此，因預期消費需求仍然不振，政府將採取適當措施，以防經濟過度放緩，預期2016年將會出現一至兩次減息，存款準備金率可能會進一步下調150個基點。

整體而言，2016年中國經濟有望增長6.7%，通脹率將保持在1.5%的低位。香港方面，預期本地生產總值將增長1.5%，通脹率則將降至1.6%。

香港業務

於2015年12月31日，東亞銀行香港的客戶貸款及貿易票據總額較2014年底下降11.7%，主要受貿易票據減少所影響，客戶貸款則保持平穩。年內債券投資增長8.1%，客戶存款則輕微下跌0.5%。

企業及商業銀行

本行的企業銀行業務受到內地經濟狀況影響：持續減息、境內流動資金充裕及人民幣貶值等因素令跨境業務縮減，並加快了客戶還款的步伐，導致本地企業貸款市場競爭加劇，淨息差受壓。

儘管如此，本行企業銀行的淨利息收入仍錄得增長，但服務費及佣金收入淨額則有所下跌。由於進行離岸借貸的效益減退，跨境貿易票據需求轉弱，預期這趨勢將會持續。

於2015年底，企業貸款及貿易票據組合較2014年底減少。本行已推廣其他形式的跨境貸款，以補充該業務組合，但在審批貸款時，本行依然保持審慎，絕不為追求增長而犧牲貸款質素。因此，儘管企業銀行的減值貸款比率有所上升，但仍然維持在低的水平。

來自地產發展商為購置土地融資及藍籌企業經常性再融資的需求穩定，本港的銀團貸款市場得以平穩發展。隨著若干外資銀行出售其貸款組合，貸款第二市場亦變得更為活躍。東亞銀行會密切留意上述趨勢所帶來的商機，致力擴大其市場份額。

與此同時，本行亦與中國自由貿易區內信貸質素良好的優質客戶探討合作機會。長遠而言，憑藉於內地建立的良好客戶關係和龐大網絡，東亞銀行位佔先機，可望從金融自由化、政策放寬及新絲綢之路項目中受惠。

More than 650 corporate and personal customers attended BEA's annual Economic and Market Outlook Seminar in January 2015.
2015年1月，逾650位企業和個人客戶出席了東亞銀行的年度「經濟及市場展望研討會」。



REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Retail Banking

Hong Kong personal banking operations recorded a positive performance in 2015, with total operating income growing by 5.7% driven by increases in net interest income and net fee and commission income. Sales of investment products mirrored the markets through the year, with a strong first half but weak second half as volatility sapped demand. Related commission income recorded single-digit growth for the year. Meanwhile, sales of insurance products enjoyed stable growth throughout 2015.

Efforts to secure diversified and stable funding through retail channels continued to yield good results. With double-digit growth in the Bank's major all-in-one accounts – SupremeGold, Supreme, and CorporatePlus – average daily retail current and savings account balances in Hong Kong rose by 11.4% compared to the previous year. This effort was aided by the successful acquisition of PrimeCredit's mortgage loan portfolio in May 2015, which not only increased the Bank's mortgage portfolio but also brought in a large base of new-to-bank customers. The majority chose to open a BEA account to service their mortgage.

The Bank's long-term vision is to provide innovative services to satisfy demand for efficiency and convenience, thereby attracting new customers and encouraging them to use BEA as their main banking partner.

New digital branches and SupremeGold centres have been opened in prime locations to appeal to a broader range of clients. At the same time, a large-scale branch transformation project is in progress. The Bank's award-winning digital devices and straight-through, paperless operations are being rolled out across the existing branch network, aiming to increase efficiency, reduce waiting times, and allow staff to focus more exclusively on customer service.

In addition, a number of mobile and internet banking features were launched during the year, including a market-first cardless ATM withdrawal service and a revamped mobile application with new shopping and payment functions. Together, these initiatives aim to increase brand loyalty by improving the customer experience at every touchpoint.

Wealth Management

Private Banking recorded strong results in 2015, driven by vibrant stock market activity in the first half of the year. While sentiment weakened in the second half following unfavourable growth in China and the devaluation of the RMB, operating income for the year as a whole increased by 26.8% with double digit growth in both net interest income and net fee and commission income. However, assets under management were flat for the year, while customer loans dropped, both as a result of the unwinding of offshore RMB leveraged trades.

As part of the Bank's overall digitalisation initiative, advanced technology is being implemented to enhance clients' experience with Private Banking. Digital solutions including portfolio analysis tools for sales staff and a designated Cyberbanking service for Private Banking customers will be launched in 2016.

Looking further ahead, prospects remain bright for cross-border wealth management services, notwithstanding the economic slowdown on the Mainland. High-net-worth individuals in China are looking to Hong Kong as a reliable centre to manage their wealth, and have responded well to BEA's holistic wealth management platform.

The proportion of Private Banking's AUM from Mainland clients rose to 36.8% at the end of 2015, from 28.4% the year before, while the related share of income increased from 37.6% to 41.5% over the same period. BEA will continue to increase its coverage on the Mainland, leveraging its network, reputation, and capabilities to claim a leading position in the market.

In December 2015, the Bank opened its Innovation Centre at BEA Tower, which provides staff members with a working environment conducive to free thinking and the development of innovative solutions. 2015年12月，設於東亞銀行中心的創新中心正式啟用，為員工提供有助啟發思維的工作環境，孕育創新意念。



行政總裁及高層管理人員報告書（續）

零售銀行

本行的香港個人銀行業務於2015年錄得正面增長，在淨利息收入和服務費及佣金收入淨額上升的推動下，經營收入增加5.7%。年內，投資產品銷售與整體市場的步伐一致，上半年錄得強勁升幅，但下半年因需求受市場波動所影響，銷售轉趨疲弱。相關佣金收入於2015年錄得個位數增長，而保險產品銷售則全年保持穩定增幅。

本行積極透過零售渠道保持資金的多樣化及穩定性，此舉繼續取得良好成效。年內，本行主要綜合戶口（顯卓理財、至尊理財及企業綜合理財）數目錄得雙位數升幅，帶動香港零售往來賬戶及儲蓄賬戶平均每日結餘較2014年增長11.4%。本行更於2015年5月成功收購安信信貸的按揭業務，此舉不但擴大了本行的按揭貸款組合，亦為本行帶來了一批全新客戶，其中大部分選擇在本行開設戶口處理供款。

本行的長遠願景乃是提供創新服務，滿足客戶對高效率及便捷性的需求，藉此吸引並鼓勵新客戶以東亞銀行作為他們的主要銀行夥伴。

本行在黃金地段開設全新的智能數碼分行及顯卓理財中心，以吸引更多廣泛的客戶群。與此同時，本行現正進行一項大型分行改造項目，全線分行網絡將陸續配備本行研發及多次獲獎的數碼裝置，並實行直達式及無紙化營運，旨在提升工作效率和縮短顧客等候時間，以及讓員工更能夠專注於客戶服務。

此外，本行年內推出了多項手機銀行及網上銀行功能，包括本港首項無卡自動櫃員機提款服務，以及配備全新購物和支付功能的新版流動應用程式。以上各項目，旨在提升每個服務渠道的客戶體驗，從而增加顧客對東亞銀行品牌的忠誠度。

財富管理

由於2015年上半年股市交投活躍，本行私人銀行業務年內業績表現強勁。儘管中國經濟增長欠佳及人民幣貶值令下半年投資氣氛轉差，本行私人銀行的淨利息收入以及服務費及佣金收入淨額均錄得雙位數字升幅，帶動經營收入按年增長26.8%。然而，由於離岸人民幣槓桿交易縮減，本行私人銀行管理的資產與2014年底持平，客戶貸款亦有所下跌。

私人銀行亦採用先進科技，以配合東亞銀行全面數碼化的策略，藉此優化客戶體驗。本行將於2016年推出數碼方案，包括為銷售人員配置組合分析工具，以及推出為私人銀行客戶專設的電子網絡銀行服務。

展望未來，儘管內地經濟放緩，跨境財富管理服務前景依然向好。中國的高端人士視香港為一個能夠為他們妥善管理財富的地方，而東亞銀行全面的財富管理平台亦深受內地客戶歡迎。

內地客戶佔本行私人銀行的管理資產總額及收入比率，分別由2014年的28.4%增加至2015年底的36.8%，以及由37.6%上升至41.5%。東亞銀行將繼續加強內地的業務覆蓋範圍，利用其完善網絡、良好口碑及業務實力，爭取私人銀行市場領先地位。



REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Insurance and MPF Services

The Group's insurance and Mandatory Provident Fund businesses operate in an evolving market environment. With Hong Kong's population aging and medical costs rising, demand for products that support retirement goals and medical protection has increased significantly. The Bank has acted proactively to match these trends, and has shaped its offerings to provide ideal coverage to customers. As a result, a range of business lines recorded positive results for the year.

BEA Life Limited, the Bank's wholly-owned life insurance arm, continued to report good top line growth in 2015. Income from new premiums increased by 16.1% year on year, primarily due to strong sales of short-term savings products. However, in view of the growing need for retirement protection in Hong Kong, the Bank will focus more intently on promoting longer-term savings and annuity products going forward.

While most players reduced premiums to gain greater market share in the group medical insurance sector before the anticipated launch of the government's healthcare reforms, Blue Cross (Asia-Pacific) Insurance Limited, BEA's wholly-owned general insurance arm, focused on retaining customers while maintaining reasonable margins.

Blue Cross marketed enhanced group medical plans to its corporate customers, providing insured employees the option to top up existing benefits and maintain medical coverage after leaving their employers. As a result of its ability to identify opportunities amidst a highly competitive market environment, Blue Cross increased its premium income by 9.9% year on year. Looking ahead, Blue Cross will make more insurance products and services available online, learning from the experience of its growing success in online travel insurance sales.

Total membership in BEA's MPF schemes grew by 5.4% year on year to 636,800 at the end of 2015, while AUM increased to HK\$19.2 billion. BEA has ensured that management fees for its funds are competitive. Two thirds of the constituent funds under the three BEA MPF schemes are now classified as "low-fee funds", according to the Mandatory Provident Fund Schemes Authority's criteria. The schemes' latest average fund expense ratio was 1.34%, well below the MPF industry average.

By the end of 2016, the government is expected to launch the Default Investment Strategy, which will impose a fee cap of 0.75% of the net asset value on designated constituent funds. This is expected to put the management fees of other constituent funds under further pressure. To address this challenge, BEA's ongoing cost control efforts will continue and administrative processes will be further streamlined to improve overall efficiency and maximise productivity.

Broking Operations

The stock market in Hong Kong experienced unprecedented volatility in 2015. The Hang Seng Index breached the 28,000-level during the second quarter in a liquidity-driven market rally in both the Hong Kong and Mainland stock markets.

However, the buying spree lost steam abruptly after the Chinese regulator tightened rules over margin trading. An unexpected devaluation of the RMB in August, weak Mainland GDP and trade performance, and capital outflows amid expectation of an imminent rise in US interest rates deepened market selling pressure in the second half of 2015. The Hong Kong and Mainland stock markets reversed earlier fortunes and ended the year among the worst-performing markets worldwide. Despite these conditions, BEA's broking operations benefitted from higher average daily turnover on the Stock Exchange of Hong Kong, reporting growth of 31% in turnover and 113% in pre-tax profit.

The outlook for 2016 remains challenging, as the future pace of US rate hikes and concerns over further depreciation in the RMB continue to dampen sentiment. In the coming year, the Bank will continue to rationalise its broking operations to improve profitability and upgrade its mobile trading platform to offer customers more powerful trading tools over a secure platform.



East Asia Securities unveiled its newly renovated service centre that features a new look and improved service flow.

東亞證券的服務中心翻新後，展示全新面貌，為客戶提供更便捷的服務。

保險及強積金服務

本集團保險及強積金業務的經營環境不斷轉變。隨著本港人口老化，加上醫療成本上升，市場對籌劃退休及醫療保障產品的需求顯著增加。本行積極配合有關趨勢，為客戶設計及提供保障周全的產品，以致本年度多項業務均錄得業績增長。

本行旗下全資壽險附屬公司 — 東亞人壽保險有限公司於2015年繼續錄得可觀收入增長，新造保單保費收入按年增長16.1%，主要由於短期保險儲蓄產品銷量強勁。然而，鑑於本港的退休保障需求與日俱增，本行未來將更專注於推廣較長期的儲蓄及年金產品。

由於業界預期政府將推行醫療改革，不少保險機構紛紛降低保費，冀能在團體醫療保險市場爭取更大份額。而本行旗下一般保險全資附屬公司 — 藍十字（亞太）保險有限公司在致力保留現有客戶的同時，亦專注將邊際利潤保持在合理水平。

藍十字向企業客戶推廣升級團體醫療保險計劃，讓受僱員可選擇提升現有醫療保障，以及在離職後仍能維持保障水平。由於藍十字能夠在競爭激烈的市場環境中把握商機，其保單保費收入按年增長9.9%。展望未來，藍十字鑑於其網上旅遊保險銷售的成功經驗，將於網上提供更多保險產品及服務。

截至2015年底，東亞銀行旗下強積金計劃的成員總數按年增加5.4%至636,800名，而管理資產則上升至港幣192億元。本行已致力維持基金管理費的競爭力，根據目前積金局的標準，本行三個強積金計劃內

三分之二的成分基金屬於「低收費基金」類別。該等計劃的最新平均基金開支比率為1.34%，遠低於強積金業界的平均水平。

政府計劃於2016年底前推出預設投資策略，屆時指定成分基金的收費上限將設定為資產淨值的0.75%，預期此舉將令其他成分基金的管理費進一步受壓。為應對此挑戰，本行將繼續努力控制成本，並進一步簡化行政流程，以提升整體效率及生產力。

經紀業務

香港股市於2015年經歷前所未有的動盪。由於大量資金流入市場，推動中港兩地股市上揚，恆生指數於第二季度突破28,000點水平。

然而，中國監管機構加強對股票配資交易的監管力度後，購股熱潮迅速消退。今年8月人民幣突然貶值，加上內地經濟及貿易表現疲弱，以及市場預期美國即將加息導致資金外流，致使2015年下半年市場沽壓增大。本港及內地股市扭轉了早前的升勢，到年底時成為全球表現最差的市場之一。儘管如此，本行的經紀業務依然受惠於香港聯合交易所日均成交量大幅上升，營業額及稅前利潤分別錄得31%及113%的增長。

2016年前景依然不容樂觀，因美國未來加息的步伐，以及市場對人民幣進一步貶值的憂慮將持續主導市場的投資情緒。來年，本行將繼續整合經紀業務，以提高盈利能力及提升旗下的流動交易服務，透過安全嚴密的平台為客戶提供更佳的交易服務。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Business – Greater China ex-Hong Kong

The operating environment in Mainland China continued to be extremely challenging in 2015. GDP grew by 6.9%, the lowest rate in 25 years, while the consumer price index rose by only 1.4% and the producer price index contracted by 5.2%. To support the slowing economy, the PBOC cut interest rates six times from November 2014 and reduced the Regulatory Reserve Requirements by 250 basis points.

The PBOC also took important steps toward full liberalisation of interest rates. In October – almost two years after removing the floor on lending rates – the PBOC removed the ceiling on deposit rates, allowing banks to freely compete for deposits. In addition, the PBOC implemented measures to make the RMB exchange rate more responsive to the market, and allowed onshore and offshore RMB rates to depreciate against the US dollar. At the end of the year, the onshore rate was 6.1% lower than at the start of 2015; meanwhile, the offshore rate ended the year 5.7% lower. The merits of this policy were recognised in November, when the RMB was admitted to the International Monetary Fund's basket of Special Drawing Rights currencies.

Advances to customers at BEA China rose by 0.7% to HK\$150,057 million in 2015, with most growth occurring in the second half of the year. Growth was negatively affected by the RMB's depreciation; in RMB terms, advances to customers rose by 5.5%. Overall, BEA China has adopted a conservative approach to credit risk by prioritising large state-owned and private sector clients.

Net interest margin fell by 38 basis points to 1.82%. Looking ahead, the removal of the ceiling on the loan-to-deposit ratio and ample system liquidity should help to reduce funding costs and improve BEA China's asset and liability structure.

Net fee and commission income decreased by 19.9% year on year to HK\$725 million, due primarily to curtailed demand from corporate clients for cross-border trade finance following the depreciation of the RMB. BEA China reduced operating expenses by 9.6% year on year through strict adherence to company policy on controlling staff and operating costs. Despite these efforts, with the reduction in operating expenses failing to match the fall in income, BEA China's cost-to-income ratio rose by 6.8 percentage points year on year to 62.9%.

Pre-provision operating profit declined 31.8% to HK\$2,151 million. Asset quality deteriorated further in 2015 resulting in a year end non-performing loan ratio of 2.63%, an increase of 1.31 percentage points as compared to 2014. As a result, BEA China's net profit after tax declined 81.2% year on year to HK\$347 million.

BEA China's largest exposure is to the property sector (both directly and via mortgages), and asset quality in this area is relatively healthy. Loans to the wholesale and retail trade, manufacturing, and hotel sectors were the most vulnerable, reflecting over-capacity, weak external demand, and the effects of the government's anti-corruption campaign.

BEA China took aggressive steps in 2015 to enhance credit risk management and expedite the recovery of impaired loans. In the fourth quarter of 2015, it implemented a new centralised credit management system to strengthen the overall approval process and provided better control over credit-related issues. In addition, the Bank strengthened its special asset recovery team to ensure early detection of problem loans and speed up the resolution of impaired assets.

BEA China ended the year with 30 branches and 98 sub-branches in 44 cities across Mainland China. In 2015, BEA China opened branches in Nanning, Guangxi, and Nanchang, Jiangxi.

Going forward, BEA China will continue to focus on enlarging its customer base, optimising its asset and liability mix, controlling costs, and developing an internet finance business. In relation to cost control, BEA China will launch the second phase of its branch rationalisation programme to better align service capability to market need. Up to one quarter of BEA China outlets will be revamped within the next three years.

行政總裁及高層管理人員報告書（續）

大中華地區業務（香港除外）

2015年，內地經營環境仍然十分嚴峻。國內生產總值增長為6.9%，是25年來最低水平；消費物價指數僅上升1.4%，生產者價格指數下跌5.2%。為支撐放緩中的經濟，人行自2014年11月起已六次下調利率，並下調存款準備金率250個基點。

人行同時採取了重要措施推進全面利率自由化。在10月，即撤銷貸款利率下限近兩年，人行再全面放寬存款利率上限，允許銀行自由競爭吸納存款。此外，人行實施相應措施，使人民幣匯率更及時對市場變化作出反應，並允許在岸及離岸人民幣兌美元匯率貶值。截至年底，在岸匯率較2015年年初下降6.1%；同時，離岸匯率於年內下跌5.7%。上述政策隨著人民幣於11月被納入國際貨幣基金組織的特別提款權貨幣籃子而得到肯定。

東亞中國的客戶墊款於2015年上升0.7%至港幣1,500.57億元，其中大部分增長來自下半年。若撇除人民幣貶值的負面影響，以人民幣計算，客戶墊款實際升幅為5.5%。整體而言，東亞中國審慎面對信貸風險，並以大型國有及私營機構作為優先客戶。

淨息差下跌38個基點至1.82%。展望未來，有關放寬貸存比率上限，加上市場流動性充足，將有助減低融資成本，及改善東亞中國的資產及負債結構。

服務費及佣金收入淨額按年下跌19.9%至港幣7.25億元，主要由於人民幣貶值後，企業客戶對跨境貿易融資的需求減少。東亞中國恪守控制員工及經營成本的政策，使經營支出按年減少9.6%。儘管如此，由於經營支出的減幅未能跟上收入的減幅，東亞中國的成本對收入比率按年上升6.8個百分點至62.9%。

撥備前經營溢利下滑31.8%至港幣21.51億元。2015年，資產質素進一步下降，導致年底不良貸款比率錄得2.63%，較2014年上升1.31個百分點。因此，東亞中國的稅後淨溢利按年下滑81.2%至港幣3.47億元。

在東亞中國的貸款中，房地產行業佔比最高（包括直接貸款及按揭貸款），而該行業的資產質素相對較穩健。批發與零售業、製造業及酒店業的貸款質素因業內產能過剩、外需疲弱及受政府反貪腐行動而受到影響。

東亞中國於2015年積極提升信貸風險管理，並加快減值貸款的回收。2015年第四季度，東亞中國實施新的信貸集中管理機制，以強化整體審批流程，並更有效及有系統地管理信貸相關事宜。此外，本行亦強化其特殊資產回收小組的功能，確保能及早發現問題貸款，並加快處理不良資產。

截至年底，東亞中國在內地44個城市共設有30間分行及98間支行。2015年，東亞中國分別在廣西南寧及江西南昌開設分行。

展望未來，東亞中國將繼續致力擴大其客戶基礎、優化資產及負債組合，並努力控制成本及發展互聯網金融業務。就成本控制方面，東亞中國將推行第二階段的「分行優化計劃」，令服務資源能更好地配合市場需求。東亞中國近四分之一的網點將在未來三年內進行優化調整。



In January, BEA China opened its first branch in Nanning, Guangxi.

於1月，東亞中國在廣西南寧開設首間分行。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

BEA Macau and Taiwan

After several years of rapid growth, the performance of BEA Macau suffered a setback following the sharp slowdown in Macau's gaming industry. Asset quality remained sound but the volume of loans fell by 20.8% year on year. Going forward, BEA Macau aims to diversify from the gaming sector by targeting local professionals and new businesses launching in Hengqin and Nansha. BEA Macau will also look to diversify its deposit base to increase the proportion of retail deposits.

BEA Taiwan put in a steady performance in 2015, in the face of a weak economic climate. The main areas of business included lending to large domestic companies and fee income. Taiwan Branch worked closely with BEA China to arrange cross-strait financial packages for Taiwan-based customers, and also to assist Mainland borrowers to access cheaper funding sources in Taiwan's offshore market.

Rationalisation of BEA's Securities Business in Greater China

BEA entered into an agreement in the fourth quarter of 2015 to sell its wholly-owned subsidiary, Tung Shing Holdings Company Limited to SinoPac Securities (Cayman) Holdings Limited. The Bank also entered into an agreement with SinoPac Securities Corporation for the disposal of all issued shares in the Bank's wholly-owned subsidiary, BEA Wealth Management Services (Taiwan) Limited through the merger of BEA Wealth Management with SinoPac Securities. Both transactions are expected to be completed in the first half of 2016 pending regulatory approval.

Business – International

Against the backdrop of a slowing domestic economy and weakened loan demand across the Asia-Pacific region, the Bank's Singapore Branch posted a 12.1% year-on-year increase in net profit after tax in Singapore dollar terms for the year under review. This increase is largely attributable to a further improvement in net interest margin and decrease in impairment loss.

With cross-border trade with China contracting in 2015, Singapore Branch shifted its focus to syndicated and bilateral corporate loans. The Branch also strengthened its credit monitoring procedures, acting pro-actively to identify any sub-optimal loan portfolios. Further, the Bank took advantage of Singapore's regional financing role to launch a Singapore dollar-denominated corporate debt securities investment programme.

Singapore Branch has adapted well to tightened regulatory requirements, and has already put in place a robust reporting framework. In addition, efforts to re-deploy resources internally to improve operational efficiency and minimise increases in operating expenses by investing in automation are on track.

Labuan Branch's profit grew by a healthy 15.7%, notwithstanding the uncertainties and challenges faced by Malaysia's economy in 2015. Going forward, the Branch will continue to focus on extending syndicated loans to customers in Asia and bilateral loans to local Malaysian corporations. It will also expand its non-interest income portfolio.

The Bank's operations in the United Kingdom registered steady growth in 2015, on the back of sustained demand for prime UK properties by Asian investors.

While commercial and residential property lending will continue to be the primary growth driver for BEA's UK operations in the short to medium term, the Bank will also strive to diversify its loan portfolio by capturing business opportunities in corporate syndication and lending to non-property segments.

行政總裁及高層管理人員報告書（續）

澳門分行及台灣分行

在經歷數年的快速增長後，東亞銀行澳門分行的表現受澳門博彩業急劇放緩影響而受挫。資產質素雖然穩健，但貸款額按年下跌20.8%。展望未來，澳門分行將減少對博彩業的依賴，並以當地專業人士及橫琴與南沙的新公司為目標客戶，實現業務多元化。澳門分行亦將擴大其存款基礎以增加零售存款的比例。

東亞銀行台灣分行於2015年低迷的經濟環境下仍取得穩定表現，主要業務包括向當地大型企業提供貸款及服務費收入。台灣分行與東亞中國緊密合作，為台灣客戶提供兩岸金融服務，同時亦協助內地借款人於台灣離岸市場獲取成本較低的資金來源。

大中華地區證券業務之整合

東亞銀行於2015年第四季與永豐金證券（開曼）控股有限公司達成協議，向其出售旗下全資附屬公司——東盛控股有限公司。此外，東亞銀行亦與永豐金證券股份有限公司簽訂了一項協議，透過出售位於台灣的全資附屬公司——東亞證券股份有限公司之全部已發行股份，將東亞證券（台灣）併入永豐金證券。這兩項交易有待監管部門批准，預計將在2016年上半年完成。

國際業務

儘管亞太區的本土經濟放緩及貸款需求減少，新加坡分行以當地貨幣計算的稅後淨溢利於年內仍按年增長12.1%，主要是受惠於淨息差進一步改善及減值損失下降。

隨著新加坡與中國的跨境貿易收縮，新加坡分行將業務重心轉向銀團及雙邊企業貸款。該分行亦加強其信貸監控程序，並採取積極措施查找和識別任何質素欠佳的貸款組合。此外，本行借助新加坡在東南亞區域所擔當的融資角色，進行新加坡元企業債券投資計劃。

在營運方面，新加坡分行為配合日益嚴謹的監管法規，已作出相關調整及設立完善的報告程序和機制。此外，新加坡分行亦正致力在內部重新配置資源以提升營運效率，並透過投資自動化系統以盡量降低營運支出的增長。

雖然馬來西亞經濟面對各項不穩定因素及挑戰，但納閩分行於2015年仍穩健地錄得15.7%的溢利增長。展望未來，該分行將繼續致力向亞洲客戶提供銀團貸款及向馬來西亞本土公司提供雙邊貸款，同時亦擴充其非利息收入業務。

受惠於亞洲投資者對英國黃金地段物業的持續需求，本行在英國的業務於2015年錄得穩健增長。

在中短期而言，本行英國業務繼續以商業及住宅物業貸款為主要增長動力，同時亦致力爭取銀團及非地產項目貸款的商機，令貸款組合更多樣化。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

To better align resources for future business growth, the functional units at branches in the UK were restructured during the past year. UK branches also took this opportunity to consolidate business lines and strengthen control functions.

The Bank's US operations once again delivered solid performance in 2015 with 28% growth in loan assets, driven by the improving domestic economy, low interest rates, and increasing demand from local and foreign investors for commercial real estate and syndication financing. Benefiting from abundant liquidity in the market, the Bank's US federal branches were able to expand funding sources in the local market at relatively low interest rates. The favourable operating environment, coupled with effective control of operating expenses, enabled the Bank's US operations to post an increase in net profit, year on year.

Looking ahead, US interest rates are expected to rise gradually over the coming year. Economic growth will be moderate, with some momentum in the real estate, commercial, and industrial sectors. Lenders are also expected to be active in mergers and acquisitions, and refinancing deals. However, excess liquidity and fierce competition for good quality credit opportunities will compress net interest margins and drive volatility in loan pricing.

Against this backdrop, the Bank's US operation will continue to diversify and enlarge its portfolio, targeting good quality corporate and syndicated loans. At the same time, it will expand bilateral credit relationships and club deals, seeking opportunities in commercial real estate and other sectors that offer better margins.

Overall, BEA's international operations registered a 3.1% rise in loan assets year on year in 2015. For 2016, international branches will step up customer referrals and other forms of collaboration with BEA China, in order to capture more opportunities to lend to large Chinese corporations that have outbound investments and operations.

Other Subsidiaries

Credit Gain Finance Company Limited

Credit Gain Finance Company Limited achieved decent growth in its loan portfolio in 2015. The Company leveraged new marketing initiatives and enhanced products and services to maintain solid momentum in its consumer finance business. Beyond Hong Kong, Credit Gain's operations in China registered solid growth in sales volume. A new outlet was opened in Chongqing in October, bringing the total number of Credit Gain outlets on the Mainland to seven, with five located in Shenzhen and two in Chongqing.

Tricor Holdings Limited

For a sixth consecutive year, Tricor Holdings reported record-high revenue, with operating income climbing to HK\$1,201 million. Profit before tax also reached a new high in 2015 despite rising salaries and other operating costs, and the negative impact of the strong US dollar on the earnings of some overseas offices when converted into Hong Kong dollars.

The demand for Tricor Hong Kong's corporate and compliance services remained strong, while the firm's investor services practice successfully secured more share registration work from newly-listed companies in Hong Kong than any other share registration services provider. In addition, Tricor's overseas offices in Japan, Malaysia, and Thailand recorded significant growth in local currency revenue in the year under review. However, rising staff costs and the negative impact of the strong US dollar are likely to remain challenges in 2016.

In April 2015, Tricor acquired a 25% interest in MBSL Limited, a reputable outsourced services firm based in Dublin, Ireland. The joint venture with MBSL has enhanced the Company's servicing capabilities in the European Union and the Eurozone. Meanwhile, in September, Tricor Malaysia launched a new business incubation centre service.

行政總裁及高層管理人員報告書（續）



Credit Gain maintained solid momentum in its consumer finance business during 2015. 2015年，領達財務的消費貸款業務表現維持強勁勢頭。

為了更有效地分配資源以配合未來業務增長，英國各分行的職能部門已於上年度進行重組，並藉此整合各業務，加強監控功能。

本行的美國業務於2015年再度錄得穩固表現，其中貸款資產增長28%，主要受惠於當地經濟好轉和利率低企，以及當地和海外投資者對商業房地產及銀團融資的需求增加。由於市場流動資金充裕，本行的美國聯邦分行能夠在當地市場以相對較低的利率拓展融資渠道。此外，鑑於經營環境良好，加上營運支出得到有效控制，本行美國業務的淨溢利錄得按年增長。

展望未來，預期美國將於來年逐步加息，整體經濟會溫和地增長，其中以房地產、商業及工業的增長動力較佳，引致併購及再融資的交易活躍起來。然而，由於流動資金過剩，加上對優質信貸的競爭激烈，淨息差將會受壓，並導致貸款價格波動加劇。

儘管如此，本行的美國業務將繼續多元化發展，並擴大其業務組合，重點發展優質企業及銀團貸款，同時亦擴充雙邊信貸及俱樂部式聯貸業務，在商業房地產及其他行業方面物色更高收益的業務機會。

整體而言，2015年本行國際業務的貸款資產按年錄得3.1%增幅。2016年，各國際分行將與東亞中國加強客戶轉介及其他形式的合作，藉以把握商機，為海外投資及營運的中國大型企業提供貸款。

其他附屬公司

領達財務有限公司

2015年，領達財務有限公司的貸款組合錄得不俗的增長。該公司利用全新的市場推廣策略及透過提升產品和服務，維持其消費貸款業務的穩健增長勢頭。在香港以外，領達財務的中國業務表現穩步增長。該公司於10月在重慶設立新網點，使其在內地網點總數增至七個，其中五個位於深圳，兩個位於重慶。

卓佳集團有限公司

卓佳連續第6年刷新收入紀錄，經營收入攀升至港幣12.01億元。儘管2015年的薪酬及其他營運成本上升，加上部分海外辦事處的收入在兌換為港幣時，受強美元的不利影響，但除稅前溢利仍然創下新高。

市場對香港卓佳的企業及合規服務的需求仍然殷切，同時，越來越多香港新上市公司選用卓佳的投資者服務進行股份過戶登記工作，為同業之冠。此外，卓佳位於日本、馬來西亞和泰國的海外辦事處於回顧年內錄得顯著收入增長（以當地貨幣計算）。然而，員工成本上漲及美元走強帶來的負面影響可能仍是2016年的挑戰。

於2015年4月，卓佳收購位於愛爾蘭都柏林具良好信譽的外判服務公司MBSL Limited的25%權益。與MBSL締結合營關係提升了卓佳在歐盟和歐元區的服務能力。此外，卓佳馬來西亞辦事處於9月創辦企業商務中心，提供全新類別的服務。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)



BEA adopts a wide range of training methods including off-site team-building and leadership development programmes.

東亞銀行提供多元化的培訓課程，包括在辦公室以外進行的團隊合作和領袖技巧訓練課程。

In October, to better serve its clients operating on the Mainland, Tricor China opened offices in Chengdu and Guangzhou. The Company also operates offices in Beijing, Shanghai, and Shenzhen.

In December, Tricor established an office in the Cayman Islands, currently the most popular offshore jurisdiction for the listed arms of Chinese and Hong Kong companies on the Hong Kong Stock Exchange. Tricor Cayman Islands will provide company secretarial, corporate compliance, and share registration services to its clients.

With the addition of the above new offices, Tricor now operates a network covering 36 cities in 19 markets around the world. While recognising the need to guard against financial risk during a time of economic uncertainty, Tricor will continue to pursue new business opportunities that bring value to the Company and its clients.

BEA Union Investment Management Limited

BEA Union Investment Management Limited recorded a 4.35% increase in AUM year on year in 2015. This growth was again mainly due to the Company's success in penetrating both the retail and institutional sectors in Hong Kong and on the Mainland.

In response to the growing demand from retail investors for mixed asset funds with income features, BEA Union Investment introduced the BEA Union Investment Asia Pacific Flexi Allocation Fund in February for distribution in Hong Kong.

Looking ahead to 2016, BEA Union Investment will continue to broaden its product offering and capture opportunities arising from the Hong Kong-China mutual fund recognition programme.

Our People

As of 31st December, 2015, the BEA Group employed 13,653 people:

	As of 31st December, 2015	As of 31st December, 2014
Hong Kong	5,993	5,803
Greater China ex-Hong Kong	6,327	6,051
Overseas	1,333	1,249
Total	13,653	13,103

Again this year, BEA focused on attracting and retaining high calibre talent. The Bank regularly reviews its remuneration and benefits packages to ensure that they are competitive in the marketplace, and took steps to enhance its annual leave policy, professional awards, and health care benefits during 2015.

In July 2015, the Bank launched a new e-Recruitment Module to further improve the efficiency of its recruitment process while reducing costs. The e-Recruitment Module strengthens BEA's visibility and enhances its image by enabling the Bank to reach a broader audience.

The Bank encourages staff members to enhance their skillset through continuous learning. In 2015, the Bank provided a wide range of in-house training programmes and encouraged staff members to take advantage of life-long learning opportunities. Apart from classroom and web-based training, the Bank also adopted a range of other training methods including audio broadcasts and in-branch coaching. In addition, an online leadership library service allows managers to keep abreast of the latest business and managerial trends.

行政總裁及高層管理人員報告書（續）

為更佳地服務在內地經營的客戶，卓佳中國於10月在成都及廣州增設辦事處。該公司在北京、上海和深圳亦設有辦事處。

12月，卓佳於開曼群島開設辦事處。開曼群島是目前在香港聯交所上市的中國及香港公司首選的離岸司法管轄區。卓佳開曼群島將為其客戶提供公司秘書、公司合規及股份過戶登記服務。

連同上述新增設的辦事處，卓佳目前的業務網絡已遍佈全球19個市場覆蓋36個城市。縱使在經濟不明朗的時期需要防範金融風險，但卓佳仍會繼續物色新商機，為公司及其客戶創造價值。

東亞聯豐投資管理有限公司

2015年，東亞聯豐投資管理有限公司的管理資產錄得4.35%的按年增長，其在香港和內地的零售及機構業務取得成果再次成為增長的主要動力。

因應零售投資者對收益型混合資產基金的需求日益增長，東亞聯豐投資於2月在香港推出東亞聯豐亞太區靈活配置基金。

展望2016年，東亞聯豐投資將繼續擴大產品種類，把握來自內地與香港基金互認計劃的商機。

人力資源

東亞銀行集團於2015年12月31日的僱員人數為13,653人，分布如下：

	於2015年 12月31日	於2014年 12月31日
香港	5,993	5,803
大中華地區（香港除外）	6,327	6,051
海外	1,333	1,249
總計	13,653	13,103

是年度，本行繼續專注於招攬及挽留優秀人才。本行定期檢討其薪酬及福利，以保持於業內的競爭優勢，本行亦於2015年內逐步優化其年假政策、專業資格獎勵及醫療保健福利等。

2015年7月，本行推出全新網絡上招聘平台，進一步提高招聘流程效率並降低成本。網絡招聘使本行能夠接觸更多受眾，有助提升本行形象。

本行鼓勵員工持續進修從而提升技能。2015年，本行提供了多項內部培訓，鼓勵員工終身學習。除課堂及網上培訓外，本行亦採取了一系列其他培訓方式，包括音頻廣播及分行內部指導。此外，本行開展了專為管理人員而設的網上圖書資源服務，幫助管理人員緊貼最新商業及管理趨勢。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

RISK MANAGEMENT & COMPLIANCE

Risk Management Framework

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

The Risk Committee stands at the highest level of the Group's risk governance structure below the Board. It is chaired by the Chairman & Chief Executive and includes two Independent Non-executive Directors and three Non-executive Directors. The Risk Committee provides direct oversight of the formulation of institutional risk appetite, which documents the levels of risk that the Group is willing to undertake with regard to its financial capacity, strategic direction, prevailing market conditions, and regulatory requirements.

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

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

To identify and manage all potential risks in a more holistic and effective manner, the Bank will implement an enterprise risk management framework in 2016.

Principal Risks

The Group faces a variety of risks that could affect its franchise, operations, and financial conditions. The principal risks include credit risk, interest rate risk, market risk, liquidity risk, operational risk, reputation risk, strategic risk, legal risk, money laundering and terrorist financing risk, and technology risk. Measures have been formulated and taken to manage and mitigate these risks. Moreover, the risk factors are taken into consideration when formulating the Group's risk appetite statement.

風險管理及合規

風險管理架構

按照金管局及其他監管機構發出的規定，本集團已建立一個有效的風險管治及管理架構。該架構的構造令董事會及管理層能夠以適當授權和制衡履行彼等的風險管理相關職責。該等職責包括根據本集團的業務策略及目標制定風險偏好及風險政策，以管理上述策略的執行，並設立風險審批、控制、監控及補救的程序及限制。

風險委員會為本集團僅次於董事會的最高風險管治單元，由主席兼行政總裁擔任主席，其他成員包括兩名獨立非執行董事及三名非執行董事。風險委員會直接監督機構風險偏好的制定，而機構風險偏好列明本集團就其財務能力、策略性指引、目前市況及監管要求而言可承擔的風險水平。

風險委員會亦確保本集團的風險偏好反映於政策及程序上，讓管理層行使其業務職能時採納。透過行政人員層面的危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會及營運風險管理委員會以及風險管理處的協調，風險委員會定期檢討本集團的風險管理架構，確保所有與風險相關的重要任務符合既有政策並以適當資源完成。

為確保風險管理責任於組織內分工明確，本行已採納「三道防線」風險管理架構。第一道防線由本行各業務單位及職能單位組成，負責管理其在業務過程中產生的風險。第二道防線由風險管理處及合規處組成，獨立監督風險承受單元。第三道防線為直接向審核委員會匯報的稽核處。稽核處定期評估本行由第一及第二道防線所設計的風險管理架構、監控及管治流程的充裕性，以協助審核委員會監督本行的整體風險管理及內部監控系統。

為了更全面及更有效地識別及管理所有潛在風險，本行將於2016年設立企業風險管理架構。

主要風險

本集團面對的各種風險可能影響其業務和品牌、營運及財務狀況。主要風險包括信貸風險、利率風險、市場風險、流動資金風險、營運風險、信譽風險、策略性風險、法律風險、洗錢與恐怖分子資金籌集風險以及科技風險。本行已制定並採取措施，以管理及降低上述風險。此外，本集團在編纂風險偏好報告書時已考慮各項風險因素。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Risk	Description	Management Measures
Credit	Risk of default by a customer or counterparty in a transaction, arising from counterparty risks from loans and advances and trading activities, and issuer risks from securities business	<ul style="list-style-type: none"> - Establishment of comprehensive policies, guidelines, and manuals to set out credit control limits, credit underwriting criteria, a credit monitoring process, an internal rating structure, credit recovery procedures and a provisioning policy - Procedures related to collateral for loans and advances granted by the Group
Interest rate	Risk of negative impact on the Group's earnings or economic value due to adverse movements in interest rates	<ul style="list-style-type: none"> - Establishment of comprehensive policies, guidelines, and manuals to set out control limits - In determining the level of interest rate risk, assessments are made for the levels of re-pricing risk, basis risk, options risk, and yield curve risk
Market	Risk of adverse price movements arising from all market risk-sensitive financial instruments, including debt securities, foreign exchange contracts, equity, and derivative instruments, as well as from structured products	<ul style="list-style-type: none"> - Establishment of comprehensive policies, guidelines, and manuals to set out control limits - Measurement and monitoring of potential loss due to adverse price movements and market volatility
Liquidity	Risk of being unable to meet obligations as they fall due arising from expected and unexpected current and future cash flow and collateral needs, or accessing financial resources at excessive cost	<ul style="list-style-type: none"> - Establishment of comprehensive policies, guidelines, and manuals to set out control limits and internal liquidity metrics - Conducting cash flow analysis to monitor funding needs - Contingency funding plan to clearly stipulate procedures and mitigating actions required to meet liquidity needs in crisis situations
Operational	Risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events	<ul style="list-style-type: none"> - Establishment of comprehensive policies, guidelines, and manuals, to set out operational risk incident reporting, control self-assessment, key risk indicators, and insurance policies - Business continuity plan in place to prepare for emergency situations
Reputation	Risk that the Group's reputation is damaged by events that result in negative publicity about the Group's business practices, conduct, or financial condition. Such negative publicity, whether true or not, may impair public confidence in the Bank Group and may result in costly litigation or a decline in customers, business, and/or revenue.	<ul style="list-style-type: none"> - Establishment of various policies, guidelines, manuals, and codes to ensure compliance with applicable laws, rules, and regulation, and to ensure that the Bank Group maintains a high standard of corporate governance, which in turn helps safeguard and enhance the Group's reputation - Formulation of, and adherence to, the Reputation Risk Management Manual, which outlines a systematic approach to the management of reputation risk, including a framework for reputation risk identification, assessment, monitoring, mitigation, and control, thereby protecting and enhancing the reputation of the Bank Group - Establishment of guidelines for swift response to and management of unexpected incidents

行政總裁及高層管理人員報告書（續）

風險	說明	管理措施
信貸	客戶或交易對手在交易中的違約風險，源自貸款、墊款和交易活動中的交易對手風險，以及證券業務的發行商風險	<ul style="list-style-type: none"> - 制定全面的政策、指引及手冊，載列信貸控制限額、授信標準、信貸監控程序、內部評級架構、信貸追收程序及撥備政策 - 本集團授出貸款及墊款時與抵押品相關的程序
利率	不利的利率變動對本集團盈利或經濟價值帶來負面影響的風險	<ul style="list-style-type: none"> - 制定全面的政策、指引及手冊，載列控制限額 - 釐定利率風險水平時，對重訂息率風險、息率基準風險、期權風險及收益率曲線風險進行評估
市場	不利的價格變動的風險，源自所有對市場風險敏感的財務工具，包括債務證券、外匯合約、股份和衍生工具以及結構性產品	<ul style="list-style-type: none"> - 制定全面的政策、指引及手冊，載列控制限額 - 衡量及監控由不利的價格變動及市場波動構成的潛在損失
流動資金	未能履行到期責任的風險，源自預期及未能預期的目前及未來的現金流量及抵押品需求，或以過高成本取得財務資源	<ul style="list-style-type: none"> - 制定全面的政策、指引及手冊，載列控制限額及內部流動資金標準 - 進行現金流量分析以監控資金需求 - 應急融資計劃清晰規定危機情況下用以滿足流動資金需求的所需程序及紓緩措施
營運	由於內部流程、人員和系統的不足或缺陷，或因外部事件而導致損失的風險	<ul style="list-style-type: none"> - 制定全面的政策、指引及手冊，載列營運風險事件匯報、自我評估監控、主要風險指標及保險政策 - 備置業務持續規劃，為緊急情況作準備
信譽	源自公眾對本集團有關營商手法、行為或財務狀況事件的負面報導的風險。此等報導，不管真確與否，有可能影響公眾對本集團的信心及可能導致高昂的訴訟費用，或令本集團客戶、業務及/或收入減少	<ul style="list-style-type: none"> - 制定各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的信譽 - 制定並遵從信譽風險管理手冊，該手冊載錄對信譽風險實施系統化管理的方法，包括識別、評估、監管、減低及控制信譽風險的機制，藉此保護及提升本集團的信譽 - 建立指引，快速應對並管理未能預期的事件

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Risk	Description	Management Measures
Strategic	Risk of adverse impact on earnings or capital arising from bad business decisions or from improper implementation of good business decisions	<ul style="list-style-type: none"> - Establishment of comprehensive policies, guidelines, and manuals, to set out control limits - Projection of portfolio mix for optimal asset allocation to diversify risk and achieve returns that are commensurate with the risks taken - Projection of the Capital Adequacy Ratio and Internal Capital Adequacy Assessment Process to assess the level of capital needed to support the risks that the Group faces
Legal	Risk that unenforceable contracts, fraud cases, non-compliance with legal / regulatory requirements, lawsuits, or adverse judgments may disrupt or otherwise negatively affect the operations or financial conditions of the Group	<ul style="list-style-type: none"> - Establishment of comprehensive policies, guidelines, and manuals - Provision of appropriate training courses conducted by qualified internal personnel and / or external lawyers / professionals and the issue of regular reminders to staff members - Engagement of qualified internal personnel and, when necessary and appropriate, external lawyers including counsel and senior counsel for advice
Money laundering and terrorist financing	<p>Risk arising from using the financial services provided by the Group:</p> <p>(a) to conceal or disguise the nature or source of proceeds derived from illegal activities; or</p> <p>(b) to obscure or disguise links between terrorists/terrorist organisations and their funding sources, regardless of whether the funds are from legitimate or illegitimate sources.</p> <p>Failure to prevent or deter the above-mentioned activities may result in fines and sanctions by regulators or damage to the reputation of the Group.</p>	<ul style="list-style-type: none"> - Group Policy and relevant Guidelines on Anti-Money Laundering and Counter-Terrorist Financing to establish the governing principles and minimum standards to protect Group members and their businesses from being used to facilitate money laundering and terrorist financing - Establishment of Institutional Risk Assessment on money laundering and terrorist financing to identify, assess, and understand the relevant risk exposure of the Group, through individual assessment conducted by Group members - Institutional Risk Assessment to derive the residual risk that the Group is exposed to, after taking into consideration the inherent risks identified and the effectiveness of the existing control measures
Technology	Risk of loss resulting from inadequate or faulty technical processes, people and computing systems; or unauthorised access or disruption to technology resources	<ul style="list-style-type: none"> - Establishment of a technology risk management framework, supported by comprehensive control policies, standards, guidelines, and procedures - Adoption of control measures relating to the security of internet systems and applications, customer authentication, risk assessment for new products and services, and confidentiality and integrity of information

The Group has formulated policies to identify, measure, monitor, control, and report on the various types of risk and, where appropriate, to allocate adequate capital to cover those risks. These policies are reviewed and enhanced on a regular basis to align with market changes, statutory requirements, and best practices in risk management processes.

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

行政總裁及高層管理人員報告書（續）

風險	說明	管理措施
策略	因不良商業決定或不當地執行良好商業決定而引致對盈利或資本產生不利影響的風險	<ul style="list-style-type: none"> - 制定全面的政策、指引及手冊，以設立控制限額 - 預計投資組合以優化資產配置，從而分散風險並獲取與所承擔風險相稱的回報 - 預計資本充足比率及按內部資本充足評估程序，以評估本集團應對相關風險所需的資本水平
法律	出現合約未能執行、詐騙案件、不遵守法律/監管規定的要求、訴訟或不利判決的情況，因而對本集團的日常運作或財務狀況可能構成干擾或其他負面影響的風險	<ul style="list-style-type: none"> - 制定全面的政策、指引及手冊 - 提供由合資格內部人員及/或外聘律師/專業人士講解的適當培訓課程，並發出定期提示予員工 - 僱用合資格內部人士，並於必要及適當的情況下徵詢外聘律師包括大律師及資深大律師的意見
洗錢與恐怖分子資金籌集	<p>將本集團所提供的金融服務用作下列用途所引致的風險：</p> <p>(a) 隱瞞或掩蓋從事違法活動所得款項的性質或來源；或</p> <p>(b) 掩蔽或掩蓋恐怖分子/恐怖主義組織與資金來源之間的關係（無論資金來源屬合法或違法）。</p> <p>倘未能預防或阻止上述活動，可能會被監管機構判處罰金及制裁、或損害本集團的信譽</p>	<ul style="list-style-type: none"> - 針對打擊洗錢與反恐怖分子資金籌集制定全集團政策及相關指引、確立管治原則及最低標準，避免集團成員及其業務被利用於協助洗錢及為恐怖分子籌集資金 - 針對洗錢與恐怖分子資金籌集建立機構風險評估機制，並透過集團成員各自進行的評估，以識別、估算及了解本集團承受的相關風險 - 藉由機構風險評估計算本集團所承受的殘留風險（已經計及所識別的固有風險及現有控制措施的效能）
科技	因技術程序、人員或計算系統不足或出現故障；或因未經授權使用或被破壞科技資源而導致損失的風險	<ul style="list-style-type: none"> - 建立科技風險管理機制，包括全面的控制政策、標準、指引及程序 - 採納與網絡系統及應用程式保安、客戶身份驗證、新產品及服務風險評估、以及資料保密及完整性相關的控制措施

本集團已制定政策，以識別、衡量、監察、控制及匯報各類風險，並於適當的情況下調配資本以抵禦該等風險。相關政策均定期檢討及改善，以符合市場轉變及法定要求，及達致風險管理程序中的最佳做法。

壓力測試為本集團風險管理的重要部分。本集團定期對相關的主要風險進行壓力測試，評估受壓營商環境（包括中國內地及香港出現嚴重經濟下滑等假設情景）對本集團的財務狀況，尤其是資本充足、盈利能力及流動資金，可能產生的影響。有需要時，管理層亦會果斷制定並執行應對措施以減低潛在影響。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Principal Uncertainties

The key uncertainties facing the Group in the coming year and the mitigating measures are set out below:

Uncertainty	Description	Mitigating Measures
Economic conditions in the Group's major markets	<p>The Group's major markets are Hong Kong and Mainland China.</p> <p>Downturn in economic conditions in the major markets can adversely affect:</p> <ul style="list-style-type: none"> - the financial conditions and repayment ability of borrowers; - personal consumption and customer demand for banking products; and - collateral values. <p>The US Federal Reserve's December 2015 decision to begin raising interest rates may impact customers' debt servicing ability and property prices. In particular, the timing, frequency, and magnitude of US rate hikes may increase uncertainties concerning the pace of global economic recovery, deflation, and the foreign exchange market.</p>	<ul style="list-style-type: none"> - The business strategies take into consideration the economic conditions - Economic trends are closely monitored - The suitability of risk management policies and controls are reviewed on an ongoing basis
Legal and regulatory changes	<p>In view of the increasingly complex operating environment, legal and regulatory requirements are becoming more stringent, which may impact the Group's business strategies, operations, funding, and capital management.</p>	<ul style="list-style-type: none"> - The Group keeps abreast of legal and regulatory developments - The Group reviews consultation papers on new laws and regulations to assess their impact on the Group. Where appropriate, the Group will provide input to the regulators both directly and through industry groups
External fraud	<p>External fraud has become more sophisticated and may be more difficult to prevent in a digital environment.</p>	<ul style="list-style-type: none"> - Control measures have been formulated to detect and prevent fraud - The control measures will be reviewed and enhanced on an ongoing basis, taking into consideration the causes of the external fraud incidents and the changing technological environment
Foreign exchange rate movement	<p>A major challenge the Group faces in 2016 is the persistently strong US dollar. In particular, as the market expects more interest rate hikes in the US, volatility in foreign currency markets will increase.</p> <p>In addition, weakened economic growth in China and the abrupt devaluation of the RMB in August 2015 and subsequently have unnerved market sentiment, with some expecting the RMB to enter a period of high volatility. Unexpected fluctuations in foreign exchange rates could affect:</p> <ul style="list-style-type: none"> - the value of the Group's foreign currency position (both on-balance sheet and off-balance sheet items); and - the wealth of the Group's customers and their repayment ability. In some cases, it will affect counterparty credit exposure of the derivative transactions. 	<ul style="list-style-type: none"> - The Group closely monitors exchange rate movements and has laid down policies to manage currency risk - Regular stress tests are conducted to assess the impact on profit and loss and capital adequacy - The Group closely observes market movements and will scrutinise its businesses in China and regularly review the profile of customers with exposure to China and the RMB

行政總裁及高層管理人員報告書（續）

主要不明朗因素

本集團來年將面對的主要不明朗因素及其紓緩措施載列如下：

不明朗因素	說明	紓緩措施
本集團主要業務市場的經濟狀況	<p>本集團的主要業務市場為香港與中國內地。</p> <p>主要業務市場的經濟狀況下滑或會對以下造成負面影響：</p> <ul style="list-style-type: none"> - 借款人的財務狀況及還款能力； - 個人消費及客戶對銀行產品的需求；及 - 抵押品的價值。 <p>美國聯邦儲備局於2015年12月開始上調利率的決定可能對客戶供款能力及物業價格造成衝擊。其中，美國上調息率的時間、頻率及幅度可能會令全球經濟復甦步伐、通縮情況及外匯市場更添不明朗因素。</p>	<ul style="list-style-type: none"> - 業務策略中加入經濟狀況考量 - 密切監察經濟趨勢 - 持續檢討風險管理政策及監控的適當性
法律和監管上的變動	<p>鑑於營商環境越趨複雜，法律及監管規定變得更嚴格，因而可能對本集團的業務策略、業務經營、資金籌集及資本管理造成影響。</p>	<ul style="list-style-type: none"> - 本集團密切留意有關法律和監管的發展情況 - 本集團檢視新訂法例及規例的諮詢文件以評估該等法例及規例對本集團的影響。在適當的情況下，本集團將直接或透過行業團體向監管機構提供意見
外部詐騙	<p>外部詐騙手段變得更加複雜，在數碼化環境下可能更加難以預防。</p>	<ul style="list-style-type: none"> - 制定監控措施以偵察並預防詐騙 - 持續檢討及改善監控措施，並會將外部詐騙事件原委及科技環境的改變納入考慮之內
匯率變動	<p>美元持續走強是本集團於2016年面臨的一項主要挑戰。尤其隨著市場預期美國息率上調次數增加，外幣市場將更加波動。</p> <p>另外，中國經濟增長疲軟，以及人民幣於2015年8月突然大幅貶值，均造成緊張不安的市場情緒，更預期人民幣將步入高波動時代。</p> <p>不能預期的匯率波動或影響：</p> <ul style="list-style-type: none"> - 本集團外幣持倉的價值（包括資產負債表內及表外項目）；及 - 本集團客戶的財富狀況及還款能力。在若干情況下，匯率變動將影響衍生工具交易中的交易對手信貸承擔。 	<ul style="list-style-type: none"> - 本集團密切監察匯率變動，並已制定政策以管理貨幣風險 - 定期進行壓力測試，以評估對損益及對資本充裕程度的影響 - 本集團緊貼市場變動，並將深入審視其中國業務，定期檢討具中國及人民幣風險承擔的客戶組合

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Certificates of Deposit, Debt Securities Issued, and Loan Capital

In 2015, BEA issued floating rate certificates of deposit and debt securities with a face value of HK\$1,385 million, US\$290 million and EUR32 million; fixed rate certificates of deposit and debt securities with a face value of HK\$5,734 million, US\$786 million, CNY1,752 million, GBP728 million, SGD175 million, EUR85 million and JPY15,200 million; and zero coupon certificates of deposit

and debt securities with a face value of HK\$3,060 million, US\$3,447 million, CNY6,965 million, GBP399 million and EUR161 million. The Group redeemed a quantity of certificates of deposit and debt securities amounting to HK\$88,932 million equivalent upon maturity.

At the end of December 2015, the face value of the outstanding certificates of deposit and debt securities issued was equivalent to HK\$50,949 million, with a carrying amount equivalent to HK\$50,874 million.

Maturity Profile of Certificates of Deposit and Debt Securities Issued

As at 31st December, 2015

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity			
		2016	2017	2018	2019
Floating Rate					
HKD	2,605	2,305	300		
USD	455	405	50		
EUR	32	32			
Fixed Rate (Note)					
HKD	7,965	5,451	1,531	683	300
USD	1,395	560	800	35	
CNY	1,602	1,502	100		
GBP	100	100			
SGD	225	175	50		
EUR	35	35			
CHF	100	100			
JPY	15,200	15,200			
Zero Coupon					
HKD	2,572	2,572			
USD	1,839	1,839			
CNY	1,455	1,200	255		
GBP	74	74			
Total Certificates of Deposit and Debt Securities issued in HKD equivalent	50,949	40,578	9,117	954	300

Note:

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

At the end of December 2015, the face value of the outstanding loan capital issued was equivalent to HK\$16,785 million, with a carrying amount equivalent to HK\$16,996 million.

行政總裁及高層管理人員報告書（續）

已發行存款證、債務證券及借貸資本

2015年，本行發行了面值為港幣13.85億元、2.90億美元、及3,200萬歐元的浮息存款證及債務證券；面值為港幣57.34億元、7.86億美元、人民幣17.52億元、7.28億英鎊、1.75億新加坡元、8,500萬歐元及152億日圓的定息存款證及債務證券；以及面值為港幣30.60億元、34.47億美元、人民幣69.65億元、

3.99億英鎊及1.61億歐元的零息存款證及債務證券。本集團於到期時贖回的各類存款證及債務證券達等值港幣889.32億元。

於2015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509.49億元，賬面值則相等於港幣508.74億元。

已發行存款證及債務證券的年期

於2015年12月31日
(以百萬元位列示)

	總面值	到期年份			
		2016	2017	2018	2019
浮息					
港元	2,605	2,305	300		
美元	455	405	50		
歐元	32	32			
定息 (附註)					
港元	7,965	5,451	1,531	683	300
美元	1,395	560	800	35	
人民幣	1,602	1,502	100		
英鎊	100	100			
新加坡元	225	175	50		
歐元	35	35			
瑞士法郎	100	100			
日圓	15,200	15,200			
零息					
港元	2,572	2,572			
美元	1,839	1,839			
人民幣	1,455	1,200	255		
英鎊	74	74			
所有已發行存款證及債務證券 (港元等值)	50,949	40,578	9,117	954	300

附註：

已就管理已發行長期存款證及債務證券附帶的利率風險安排認為必要的相關利率掉期。

於2015年12月底，已發行的借貸資本面值相等於港幣167.85億元，賬面值則相等於港幣169.96億元。

REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Maturity Profile of Loan Capital

As at 31st December, 2015

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity		
		2020	2022	2024
USD (Notes 1 & 2)	1,600	600	500	500
SGD (Note 3)	800		800	
Total Loan Capital issued In HKD equivalent	16,785	4,650	8,260	3,875

Notes:

1. The US\$500 million loan capital that matures in 2022 will be callable on 4th May, 2017.
2. The US\$500 million loan capital that matures in 2024 will be callable on 20th November, 2019.
3. Callable on 13th September, 2017.

Compliance

Compliance is an integral part of the Group's corporate governance. BEA is acutely aware of the potential risks of regulatory non-compliance, which could lead to legal or regulatory sanctions, supervisory actions or financial penalties imposed by regulators, financial losses, and/or the loss of reputation to the Group.

To address the growing compliance requirements, the compliance function of the Bank, which was upgraded from a department to a division in April 2015, is charged with the responsibility of overseeing and mitigating the compliance risks for the Group, communicating new regulatory requirements to affected units, delivering compliance advice for the implementation of relevant regulations, conducting regulatory compliance reviews on a risk-based approach, and regularly reporting compliance matters to the Senior Management. Any significant anti-money laundering and counter-terrorist financing issues are also reported to the Risk Committee and the Board of Directors via the Operational Risk Management Committee. Through the support of the Risk and Compliance Function established in the Bank's business, functional, and operations units and designated compliance personnel of individual entities, which act as a first line of defence against regulatory non-compliance, a comprehensive and efficient compliance risk management framework is maintained within the Group.

In view of the increasing demand on banks to comply with new and tighter regulations, including those related to AML; the Foreign Account Tax Compliance Act of the United States of America; upcoming legislation on the implementation of the Common Reporting Standard on Automatic Exchange of Financial Account Information in Tax Matters as developed by the Organisation for Economic Co-operation and Development; as well as requirements for cross-border business, personal data protection, insurance and investment sales practices, and so forth, BEA expects compliance requirements to remain unavoidably high in the coming years.

David LI Kwok-po

Chairman & Chief Executive

Hong Kong, 15th February, 2016

行政總裁及高層管理人員報告書（續）

借貸資本的年期

於2015年12月31日
(以百萬元位列示)

	總面值	到期年份		
		2020	2022	2024
美元(附註1及2)	1,600	600	500	500
新加坡元(附註3)	800		800	
所有已發行借貸資本(港元等值)	16,785	4,650	8,260	3,875

附註：

1. 將於2022年到期的5億美元借貸資本於2017年5月4日可贖回。
2. 將於2024年到期的5億美元借貸資本於2019年11月20日可贖回。
3. 於2017年9月13日可贖回。

合規

合規乃本集團企業管治的重要組成元素。本行確切理解因違反監管要求而引致的潛在合規風險，其中包括法律及監管制裁、監管機構作出的監管行動或經濟懲罰、財務損失、及/或對本集團之信譽損害。

為應付不斷發展的合規要求，本行已於2015年4月將其合規部升格為合規處。合規處負責監察和減低本集團面對的合規風險、傳達新監管規定要求至有關單位、為落實各合規要求提供建議、以風險為本的方針進行合規監察審查，及定期向高級管理層匯報合規事宜。就打擊洗錢及反恐怖主義融資有關之重要事宜，亦會由營運風險管理委員會向風險委員會及董事會作出匯報。透過本行於各業務，職能及營運單位內設置的風險及合規功能及在各個別實體內委任的負責合規人員作為確保合規的第一道防線，本集團得以維持一個全面及有效的合規風險管理架構。

鑑於銀行需要遵守的新訂立及加強規管要求日趨增加，其中包括與反洗錢相關的規定；美國《海外賬戶稅收合規法案》；即將出台的關於實施由經濟合作及發展組織制定就稅務事宜自動交換金融賬戶資料的共同匯報標準的規定；以及跨境業務、個人資料保護、銷售保險及投資產品之相關規定等，本行預期在未來就合規的有關要求將無可避免地維持於高水平。

主席兼行政總裁

李國寶

香港，2016年2月15日

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員的個人資料

DIRECTORS



Dr. the Hon. Sir David LI Kwok-po

GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCIArb, 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, Chairman of the Nomination Committee and the Risk Committee, and Member of the Remuneration Committee

Sir David, aged 76, 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 Council of the Treasury Markets Association. He 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, Chairman of the ICAEW Hong Kong Chapter Advisory Board, 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 and Founding Chairman of The Friends of Cambridge University in Hong Kong Limited. He is also an Emeritus Trustee of the Cambridge Foundation and a Trustee

董事

李國寶爵士

GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCIArb, 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，提名委員會及風險委員會主席及薪酬委員會委員

李爵士，現年76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。

李爵士是財資市場公會的議會成員。他是香港大學副校監、香港中文大學善衡學院諮議委員會成員、英格蘭及威爾士特許會計師協會香港分會顧問委員會主席、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及劍橋之友香港有限公司之創立主席。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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)

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 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 an Independent Non-executive Director of 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. He was a Director of CaixaBank, S.A.^{Note 1} (listed in Spain), a Non-independent Non-executive Director of AFFIN Holdings Berhad (listed in Malaysia) and an Independent Non-executive Director of China Overseas Land & Investment Limited.

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 la Caixa International Advisory Board, Tokai Tokyo Global Advisory Board, Lafarge International Advisory Board and 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 North East Asia Council 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.

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The Marco Polo Society Limited 執行委員會主席。

李爵士是粵海投資有限公司、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之董事。他曾出任 CaixaBank, S.A.^{註1} (在西班牙上市) 之董事、AFFIN Holdings Berhad (在馬來西亞上市) 之非獨立非執行董事及中國海外發展有限公司之獨立非執行董事。

李爵士為 Asia Society International Council 信託委員會的委員、Asia Business Council 成員、la Caixa 國際諮議委員會成員、東海東京環球諮議委員會成員、Lafarge 國際諮議委員會成員、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 東北亞區校董會主席以及 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。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



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 and Member of the Risk Committee

Professor Li, aged 70, was a Director of the Bank (1995-2002) and was re-appointed a Director in 2008 and was appointed a Deputy Chairman in 2009.

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 also the Chairman of the Council for Sustainable Development of the Government of HKSAR and the Chairman of the Council of the University of Hong Kong.

Professor Li is an Independent Non-executive Director of Shangri-La Asia Limited and Nature Home Holding Company Limited, and a Non-executive Director (from May 2010 to December 2014, and was re-appointed on 20th January, 2016) of BioDiem Ltd. (delisted from Australian Securities Exchange in November 2013). He was an Independent Non-executive Director of The Wharf (Holdings) Limited, a Non-Independent Non-executive Director of AFFIN Holdings Berhad (listed in Malaysia) and a Director of CaixaBank, S.A. ^{Note 1} (listed in Spain).

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.

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，非執行董事及風險委員會委員

李教授，現年 70 歲，曾任本行董事（1995-2002）及在 2008 年再獲委任為本行董事，並於 2009 年獲委任為副主席。

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。李教授亦是香港特別行政區可持續發展委員會主席及香港大學校務委員會主席。

李教授現為香格里拉（亞洲）有限公司、大自然家居控股有限公司之獨立非執行董事及 BioDiem Ltd.（已於 2013 年 11 月在澳洲證券交易所除牌）之非執行董事（2010 年 5 月至 2014 年 12 月，並於 2016 年 1 月 20 日再獲委任）。他曾出任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 CaixaBank, S.A. ^{註 1}（在西班牙上市）之董事。

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。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



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 65, was appointed a Director in 1995 and a Deputy Chairman in 2009. 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., Li & Fung Ltd and MTR Corporation Limited.

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 82, 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 CK Hutchison Holdings Limited. Mr. Wong was an Independent Non-executive Director of Hutchison Whampoa Limited (listing withdrawn on 3rd June 2015).

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

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，審核委員會及提名委員會委員

黃博士，現年 65 歲，在 1995 年獲委任為本行董事，並於 2009 年獲委任為副主席。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、利豐有限公司及香港鐵路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 82 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長江和記實業有限公司之獨立非執行董事。黃先生曾出任和記黃埔有限公司之獨立非執行董事（於 2015 年 6 月 3 日撤銷上市地位）。

黃先生是黃子欣博士之叔父。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Mr. Aubrey LI Kwok-sing

ScB, MBA

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

Mr. Li, aged 66, was appointed a Director in 1995. He is Chairman of IAM Holdings (Hong Kong) Limited (formerly known as MCL Partners Limited) and Chairman of the Advisory Board of MCL Financial Group Limited, both Hong Kong based investment firms. 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.

李國星先生

ScB, MBA

非執行董事，提名委員會、薪酬委員會及風險委員會委員

李先生，現年 66 歲，在 1995 年獲委任為本行董事。他是星安控股有限公司（前稱偉業資本有限公司）主席及偉業金融集團有限公司顧問委員會之主席，兩者都是以香港為基地的投資公司。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。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Mr. Winston LO Yau-lai

SBS, BSc, MSc

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

Mr. Lo, aged 74, was appointed a Director in 2000. He is the Executive Chairman of Vitasoy International Holdings Limited.

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

Mr. Lo is a Director of Ping Ping Investment Company Ltd.

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

羅友禮先生

SBS, BSc, MSc

獨立非執行董事，審核委員會主席，提名委員會、薪酬委員會及風險委員會委員

羅先生，現年74歲，在2000年獲委任為本行董事。他是維他奶國際集團有限公司執行主席。

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

羅先生為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。



Tan Sri Dr. KHOO Kay-peng

PSM, DPMJ, KMN, JP, Hon. DLitt, Hon. LLD, Hon. Ph.D

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

Tan Sri Dr. Khoo, aged 77, 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

丹斯里邱繼炳博士

PSM, DPMJ, KMN, JP, Hon. DLitt, Hon. LLD, Hon. Ph.D

獨立非執行董事，提名委員會及薪酬委員會委員

丹斯里邱博士，現年77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) 之非執行董事兼董事會主席，英國 Corus Hotels Limited 及前上市公司 Pan Malaysian Industries Berhad

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)

(both listed in Malaysia). Dr. Khoo is also a Non-executive Director and the Chairman of Laura Ashley Holdings plc (listed in London), the Chairman of Corus Hotels Limited in UK and Pan Malaysian Industries Berhad (delisted in Malaysia in June 2014). 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 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.

(已於2014年6月在馬來西亞除牌)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。



Mr. Richard Li Tzar-kai

Independent Non-executive Director

Mr. Li, aged 49, was appointed a Director in 2001. Mr. Li is an Executive Director and the Chairman of PCCW Limited, a global company headquartered in Hong Kong which holds interests in telecommunications, media, IT solutions, property development and investment, and other businesses. 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, the Chairman and an Executive Director of Singapore-based Pacific Century Regional Developments Limited (listed in Singapore). Mr. Li is a Member of the Center for Strategic and International Studies' International Councillors' Group in Washington, D.C., and a Member of the Global Information Infrastructure Commission. Mr. Li was awarded the Lifetime Achievement Award by the Cable & Satellite Broadcasting Association of Asia in November 2011.

李澤楷先生

獨立非執行董事

李先生，現年49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(該公司為一家以香港為總部的環球公司，在電訊、媒體、資訊科技服務方案、物業發展及投資以及其他業務均持有權益)、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兼執行董事。李先生也是美國華盛頓策略及國際研究中心國際委員會的成員，以及環球資訊基建委員會的成員。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。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Mr. Kenneth LO Chin-ming

MA, BA

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

Mr. Lo, aged 73, 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 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 Honorary 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.

駱錦明先生

MA, BA

獨立非執行董事，審核委員會及提名委員會委員

駱先生，現年73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榮譽理事長、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。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Mr. Eric LI Fook-chuen

BscEE, MscEE, MBA, FIM

Non-executive Director, Deputy Chairman of the Nomination Committee, Member of the Remuneration Committee and the Risk Committee

Mr. Li, aged 86, was appointed a Director in 2006. 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.

李福全先生

BscEE, MscEE, MBA, FIM

非執行董事，提名委員會副主席，薪酬委員會及風險委員會委員

李先生，現年 86 歲，在 2006 年獲委任為本行董事。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。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Mr. Stephen Charles LI Kwok-sze

BSc (Hons.), ACA
Non-executive Director

Mr. Li, aged 56, 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 and Affin Hwang Investment Bank Berhad. He has extensive experience in investment banking, having held senior capital markets positions with international investment banks in London and Hong Kong.

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

李國仕先生

BSc (Hons.), ACA
非執行董事

李先生，現年56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及Affin Hwang Investment Bank Berhad的董事。他在投資銀行方面擁有豐富經驗，並曾出任倫敦及香港國際投資銀行資本市場要職。

李先生是李福全先生之堂姪、李國寶爵士、李國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。



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 71, was appointed a Director in 2008. He is currently the Vice-chairman and Non-executive Director of New World Development Company Limited. He is a Non-executive Director

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71歲，在2008年獲委任為本行董事。他現為新世界發展有限公司副主席兼非執行董事，他亦為利福國際集團有限公司非執行董事、上海實業城市開發集團有限公司獨立非執行董事和豐盛企業集團有限公司主席及董事。他曾出任新世界中國地產有限公司及新創建集團有限公司副主席。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)

of Lifestyle International Holdings Limited, an Independent Non-executive Director of Shanghai Industrial Urban Development Group Limited and the Chairman and Director of Fung Seng Enterprises Holdings Limited. He was the Vice-chairman of New World China Land Limited and the Deputy Chairman of NWS Holdings Limited.

Mr. Doo is a Member of the National Committee of the Twelfth Chinese People's Political Consultative Conference. 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.

杜先生現為中國人民政治協商會議第十二屆全國委員會委員。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。



Mr. KUOK Khoon-ean

Independent Non-executive Director and Member of the Nomination Committee

Mr. Kuok, aged 60, was appointed a Director in 2008. He is the Chairman of Kuok (Singapore) Limited, a Director of Kerry Group Limited and Managing Director of Kerry Holdings Limited. He is the Chairman and Non-executive Director of PACC Offshore Services Holdings Ltd. and a Non-executive Director of Wilmar International Limited (both companies are listed in Singapore). He is also a Non-executive Director (Independent) of IHH Healthcare Berhad (listed in Malaysia and Singapore).

Mr. Kuok had served as the Chairman of Shangri-La Asia Limited from April 2008 to August 2013 and remained as a Non-executive Director till June 2014. He was also Chairman and Executive Director of SCMP Group Limited from January 1998 to January 2013. He also served on the Board of The Post Publishing Public Company Limited from April 1999 to January 2013 and was a Director of Shangri-La Hotel Public Company Limited from April 2009 to June 2014 (both companies are listed in Thailand).

Mr. Kuok is a graduate in Economics from the Nottingham University, U.K.

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 60 歲，在 2008 年獲委任為本行董事。他現為 Kuok (Singapore) Limited 的主席、Kerry Group Limited 的董事及 Kerry Holdings Limited 的董事總經理。他亦為 PACC Offshore Services Holdings Ltd. (在新加坡上市) 的主席兼非執行董事、豐益國際有限公司 (Wilmar International Limited, 在新加坡上市) 的非執行董事及 IHH Healthcare Berhad (在馬來西亞及新加坡上市) 的非執行董事 (獨立)。

郭先生曾於 2008 年 4 月至 2013 年 8 月期間出任香格里拉 (亞洲) 有限公司的主席，期後留任為非執行董事直至 2014 年 6 月。他亦曾於 1998 年 1 月至 2013 年 1 月期間出任南華早報集團有限公司的主席兼執行董事、1999 年 4 月至 2013 年 1 月期間出任 The Post Publishing Public Company Limited (在泰國上市) 的董事及於 2009 年 4 月至 2014 年 6 月期間出任 Shangri-La Hotel Public Company Limited (在泰國上市) 的董事。

郭先生畢業於英國 Nottingham University 經濟系。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Mr. Valiant CHEUNG Kin-piu

FCPA, FCA

Independent Non-executive Director, Member of the Audit Committee, the Remuneration Committee and the Risk Committee

Mr. Cheung, aged 70, 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 and Dah Chong Hong Holdings Limited. He was an Independent Non-executive Director of Pacific Century Premium Developments 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.

張建標先生

FCPA, FCA

獨立非執行董事，審核委員會、薪酬委員會及風險委員會委員

張先生，70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及大昌行集團有限公司之獨立非執行董事。他曾任盈科大衍地產發展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。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Dr. Isidro FAINÉ CASAS

Non-executive Director and Member of the Nomination Committee

Dr. Fainé, aged 73, was appointed a Director in 2009.

Dr. Fainé is the Chairman of the Board of trustees of the Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation^{Note 1} (formerly known as Caixa d'Estalvis i Pensions de Barcelona "la Caixa") (hereinafter "la Caixa" Banking Foundation).

Dr. Fainé is the Chairman of the following companies:

- (i) CaixaBank, S.A.^{Note 1}, 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) Criteria Caixa, S.A. Sociedad Unipersonal^{Note 1} (formerly known as Criteria CaixaHolding, S.A. Sociedad Unipersonal) is a non-listed investment company, which manages a controlling stake in CaixaBank, S.A. and the rest of the "la Caixa" group shareholdings in strategic sectors, including energy, infrastructure, services, and real estate

Dr. Fainé currently holds chairmanships and directorships in other listed companies, where "la Caixa Group" has an interest, as follows:

- (i) Vice Chairman of Telefónica, S.A. (integrated operator in the telecommunication sector, listed in Spain)
- (ii) First Vice Chairman of Repsol, S.A. (oil company, listed in Spain)
- (iii) Board Member of Banco BPI, S.A. (financial and multi-specialist group focusing on the banking business, listed in Portugal)
- (iv) Board Member of Suez Environnement Company, S.A. (an expert group in water and waste management, listed in France and Brussels)
- (v) Board Member of Gas Natural SDG, S.A. (Gas Natural Fenosa is a leading group in the energy sector, pioneering in gas and electricity integration, listed in Spain)

范禮賢博士

非執行董事及提名委員會委員

范博士，73歲，在2009年獲委任為本行董事。

范博士為 Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation^{註1} (前稱為西班牙巴塞羅那儲蓄銀行) (以下簡稱為 "la Caixa" Banking Foundation) 的信託委員會之主席。

范博士現時為以下公司的主席：

- (i) CaixaBank, S.A.^{註1}，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) Criteria Caixa, S.A. Sociedad Unipersonal^{註1} (前稱為 Criteria CaixaHolding, S.A. Sociedad Unipersonal) 為一家非上市綜合投資公司 — 持有 CaixaBank, S.A. 的控股權及管理 "la Caixa" 集團內其他策略性業務，包括能源、基建、服務及房地產

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) 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
- (ii) Repsol, S.A. 第一副主席，該公司在西班牙上市，為一家石油公司
- (iii) 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
- (iv) Suez Environnement Company, S.A. 董事，該公司在法國及布魯塞爾上市，為主要從事水資源及廢物處理之環保集團
- (v) Gas Natural SDG, S.A. 董事，該公司在西班牙上市。Gas Natural Fenosa 為一家在能源領域，開拓天然氣和電力的整合方面具有領導地位的集團

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)

Dr. Fainé was Second Vice Chairman of Sociedad General de Aguas de Barcelona, S.A. He also was a Director of Grupo Financiero Inbursa, S.A.B. de C.V. (financial and banking group, listed in Mexico) until 2011. Dr. Fainé ceased to be First Vice Chairman of Abertis Infraestructuras, S.A. as of 17th February, 2015 to remain as Director of the Company until 15th May, 2015, in which date he ceased to have any position in Abertis Infraestructuras, S.A.

Dr. Fainé is a Member of the Royal Academy of Economics and Finance and of the Royal Academy of Doctorate Holders, Chairman of the Spanish Confederation of Savings Banks (CECA), Chairman of the European Savings Banks Group (ESBG) and Deputy Chairman of the World Savings Banks Institute (WSBI). He is also Chairman of the Spanish Confederation of Directors and Executives (CEDE), the Spanish Chapter of the Club of Rome and the Círculo Financiero. Dr. Fainé is also a Member of the Business Council for Competitiveness (CEC).

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

Dr. Fainé joined “la Caixa” and was appointed Deputy Executive General Manager in 1982. He was appointed CEO in 1999 and was further appointed Chairman of Caixa d’Estalvis i Pensions de Barcelona “la Caixa” from June 2007 to June 2014.

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

范博士曾是 Sociedad General de Aguas de Barcelona, S.A. 第二副主席。他亦曾在 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。范博士於 2015 年 2 月 17 日辭任 Abertis Infraestructuras, S.A. 第一副主席但留任為該公司的董事直至 2015 年 5 月 15 日止。

范博士是皇家經濟及金融學院 (Royal Academy of Economics and Finance) 及皇家博士學位持有人學院 (Royal Academy of Doctorate Holders) 的成員、西班牙儲蓄銀行聯盟 (CECA) 主席、歐洲儲蓄銀行集團 (ESBG) 主席、世界儲蓄銀行協會 (WSBI) 副主席。他亦是西班牙董事及行政人員聯合會 (CEDE)、羅馬俱樂部西班牙分會及 Círculo Financiero 的主席。范博士亦為競爭力商業委員會 (CEC) 委員。

范博士早於 1964 年開始其專業銀行事業，在 Banco Atlántico 擔任投資經理，其後於 1969 年在巴拉圭 Banco de Asunción 擔任總經理。在返回巴塞羅那後，他曾在多家金融機構擔任管理職務：於 1973 年在 Banca Riva y García 擔任人力資源主管，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，他獲委任為該公司行政總裁，並且於 2007 年 6 月至 2014 年 6 月出任主席一職。

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) 文憑資格以及 IESE 商學院頒發的行政管理文憑。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Dr. Peter LEE Ka-kit

GBS, DBA (Hon), JP
Non-executive Director

Dr. Lee, aged 52, was appointed a Director in 2013. Dr. Lee is a Member of the Standing Committee of the 12th National Committee of the Chinese People's Political Consultative Conference. He is the Vice Chairman of Henderson Land Development Company Limited and Henderson Investment Limited, both of which are listed public companies, as well as Henderson Development Limited. He is also a Non-executive Director of The Hong Kong and China Gas Company Limited. He was a Non-executive Director of Intime Department Store (Group) Company Limited (now known as Intime Retail (Group) Company Limited).

Dr. Lee has been appointed as a Justice of the Peace by the Government of the Hong Kong Special Administrative Region and awarded an Honorary University Fellowship by The University of Hong Kong since 2009. He was awarded an Honorary Degree of Doctor of Business Administration by Edinburgh Napier University in July 2014. He was awarded the Gold Bauhinia Star (GBS) in 2015 by the Government of the Hong Kong Special Administrative Region. He has been appointed Council Member of Hong Kong Trade Development Council for two years from 2016. He was educated in the United Kingdom.

李家傑博士

GBS, DBA (Hon), JP
非執行董事

李博士，52歲，於2013年獲委任為董事。李博士為中國人民政治協商會議第十二屆全國委員會常務委員。他為恒基兆業地產有限公司及恒基兆業發展有限公司之副主席，而該兩間公司均為上市公司，他亦為恒基兆業有限公司之副主席。他亦是香港中華煤氣有限公司之非執行董事。他曾任銀泰百貨（集團）有限公司（現稱為銀泰商業（集團）有限公司）之非執行董事。

李博士自2009年獲香港特別行政區政府委任為太平紳士及香港大學頒授名譽大學院士銜。他於2014年7月獲愛丁堡龍比亞大學頒授榮譽工商管理博士，及於2015年獲香港特別行政區政府頒授金紫荊星章（GBS）。他自2016年獲委任為香港貿發局理事會成員，而任期為兩年。他曾在英國接受教育。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Mr. Adrian David LI Man-kiu

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

Mr. Li, aged 42, was appointed a Director in 2014. He first joined the Bank in 2000 as General Manager & Head of Corporate Banking Division. In April 2009, he was appointed Deputy Chief Executive for Hong Kong Business, assisting the Chief Executive in the overall management and control of the Bank Group. He serves as a Director of several members of the Bank Group, and sits on various board committees of the Bank and its Group members.

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 and COSCO Pacific Limited, and is a Non-executive Director of The Berkeley Group Holdings plc (listed in London). He also serves as a Member of the International Advisory Board of Abertis Infraestructuras, S.A. (listed in Spain). He was previously an Alternate Director of AFFIN Holdings Berhad (listed in Malaysia), an Alternate Independent Non-executive Director of San Miguel Brewery Hong Kong Limited and an Independent Non-executive Director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd (which is dual listed in Hong Kong and Shanghai).

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 and a Member of the MPF Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority. Mr. Li is also a Trustee of The University of Hong Kong's occupational retirement schemes, an Advisory Committee Member of the Hong Kong Baptist University's School of Business and a Vice President of The Hong Kong Institute of Bankers' Council. Furthermore, he 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. He also sits on the Judging Panel of the BAI Global Banking Innovation Awards.

李民橋先生

MA (Cantab), MBA, LPC, JP
執行董事兼副行政總裁

李先生，現年42歲，於2014年獲委任為董事。他在2000年加入本行為總經理兼企業銀行主管，其後於2009年4月獲任命為副行政總裁，主要負責本行的香港業務，並協助行政總裁處理本集團之整體運作及管理。他同時亦出任本集團內多間公司的董事，並為本行董事會及多個集團成員董事會轄下委員會的委員。

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及中遠太平洋有限公司之獨立非執行董事，以及 The Berkeley Group Holdings plc (在倫敦上市) 之非執行董事。他亦是西班牙上市公司 Abertis Infraestructuras, S.A. 之國際諮詢委員會成員。他曾出任 AFFIN Holdings Berhad (在馬來西亞上市) 之替代董事、香港生力啤酒廠有限公司之替代獨立非執行董事及上海復星醫藥(集團)股份有限公司(在香港及上海上市) 之獨立非執行董事。

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。他是香港公益金董事及香港強制性公積金計劃管理局強制性公積金行業計劃委員會委員。他同時是香港大學職業退休計劃受託人、香港浸會大學工商管理學院諮詢委員會成員及香港銀行學會議會副會長。此外，他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。他亦是 BAI Global Banking Innovation Awards 之評審團成員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)

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 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 nephew of Professor Arthur LI Kwok-cheung, Mr. Aubrey LI Kwok-sing and Mr. Stephen Charles LI Kwok-sze, the grandnephew of Mr. Eric LI Fook-chuen, and the brother of Mr. Brian David LI Man-bun.

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、李國章教授之姪兒、李國星先生及李國仕先生之堂姪、李福全先生之堂姪孫，以及李民斌先生之胞兄。



Mr. Brian David LI Man-bun

MA (Cantab), MBA, FCA, JP
Executive Director & Deputy Chief Executive

Mr. Li, aged 41, was appointed a Director in 2014. He joined the Bank Group in 2002. He was General Manager & Head of Wealth Management Division of the Bank from July 2004 to March 2009. In April 2009, he was appointed Deputy Chief Executive, primarily responsible for the Bank's China and international businesses, and assisting the Chief Executive in the overall management and control of the Bank Group. He serves as a Director of several members of the Bank Group, and sits on various board committees of the Bank and its Group members.

Mr. Li is currently an Independent Non-executive Director of Towngas China Company Limited, Hopewell Highway Infrastructure Limited and China Overseas Land & Investment Limited.

李民斌先生

MA (Cantab), MBA, FCA, JP
執行董事兼副行政總裁

李先生，現年41歲，於2014年獲委任為董事。他在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月獲任命為副行政總裁，主要負責本行的中國及國際業務，並協助行政總裁處理本集團之整體運作及管理。他亦是本集團內若干公司的董事，並為本行董事會及多個集團成員董事會轄下委員會的委員。

李先生現為港華燃氣有限公司、合和公路基建有限公司及中國海外發展有限公司的獨立非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)

Mr. Li currently holds a number of public and honorary positions, including being a Member of the Twelfth National Committee of the Chinese People's Political Consultative Conference, a Member of the Advisory Committee of the Securities and Futures Commission of Hong Kong, Chairman of the Traffic Accident Victims Assistance Advisory Committee of the Government of Hong Kong Special Administrative Region ("HKSARG"), a Member of the HKSARG Small and Medium Enterprises Committee, a Member of the HKSARG Aviation Development and Three-runway System Advisory Committee and a Member of Market Development Committee, Financial Services Development Council of the HKSARG.

He is a Member of the Hong Kong-Europe Business Council, a Member of the Hong Kong-Taiwan Business Co-operation Committee, a Member of Asian Financial Forum 2016 Steering Committee, a Committee Member of the Hong Kong Chapter, the Institute of Chartered Accountants in England and Wales (the "ICAEW"), a Member of the Inaugural Financial Consulting Committee for Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen, and a Council Member of The Hong Kong Management Association.

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 ICAEW. He holds an MBA degree from Stanford University as well as MA and BA degrees from the University of Cambridge.

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

李先生現擔任多項公職及榮譽職務，包括：第十二屆中國人民政治協商會議全國委員會委員、香港證券及期貨事務監察委員會諮詢委員會委員、香港特別行政區政府（「香港特區政府」）交通意外傷亡援助諮詢委員會主席、香港特區政府中小型企業委員會委員、香港特區政府航空發展與機場三跑道系統諮詢委員會成員，以及香港特區政府金融發展局市場推廣小組成員。

此外，李先生為香港歐洲商務委員會委員、香港-台灣商貿合作委員會委員、亞洲金融論壇2016策劃委員會委員、英格蘭及威爾士特許會計師協會香港分會委員會委員、深圳市前海深港現代服務業合作區管理局第一屆金融專業諮詢委員會委員，以及香港管理專業協會理事會委員。

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協會資深會員，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、李國章教授之姪兒、李國星先生及李國仕先生之堂姪、李福全先生之堂姪孫，以及李民橋先生之胞弟。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Mr. Daryl NG Win-kong

BA, MSc, DHL, JP
Independent Non-executive Director

Mr. Ng, aged 37, was appointed a Director in June 2015. He is currently an Executive Director of Sino Land Company Limited, Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited.

Mr. Ng holds a Bachelor of Arts Degree in Economics, a Master Degree of Science in Real Estate Development from Columbia University in New York and an Honorary Doctor of Humane Letters Degree from Savannah College of Art and Design.

Mr. Ng is a General Committee member of The Chamber of Hong Kong Listed Companies, a member of the Global Leadership Council of Columbia University in the City of New York, a member of the 10th Sichuan Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a member of the 12th Beijing Municipal Committee of the CPPCC, a member of the 10th and 11th Committees of the All-China Youth Federation and the Deputy Chairman of the Chongqing Youth Federation. He is a trustee member of World Wide Fund for Nature Hong Kong, the Vice Chairman of Hong Kong United Youth Association, a member of the Social Welfare Advisory Committee, a member of the Executive Committee of Hong Kong Sheng Kung Hui Welfare Council Limited, a member of Friends of Hong Kong Association Limited, a co-opted member of the Community Care Fund Task Force of Commission on Poverty, a member of the Council for Sustainable Development, a member of the Court of the Hong Kong University of Science and Technology, a member of the Steering Committee on the Promotion of Electric Vehicles of the Government of Hong Kong Special Administrative Region and a member of the Council of the University of Hong Kong. He is a Director of The Community Chest of Hong Kong, The Real Estate Developers Association of Hong Kong and Ocean Park Corporation.

黃永光先生

BA, MSc, DHL, JP
獨立非執行董事

黃先生，37歲，於2015年6月獲委任為董事。他現時為信和置業有限公司、尖沙咀置業集團有限公司及信和酒店（集團）有限公司之執行董事。

黃先生持有紐約哥倫比亞大學經濟學文學學士學位、房地產發展理學碩士學位及薩凡納藝術設計學院榮譽人文科學博士學位。

黃先生是香港上市公司商會之常務委員會委員、紐約哥倫比亞大學 Global Leadership Council 會員、第十屆中國人民政治協商會議四川省委員會委員、第十二屆中國人民政治協商會議北京市委員會委員、中華全國青年聯合會第十屆及第十一屆委員會委員及重慶市青年聯合會港區特邀副主席。他亦是世界自然（香港）基金會理事、香港青年聯會副主席、社會福利諮詢委員會成員、香港聖公會福利協會有限公司執行委員會委員、香港友好協進會有限公司成員、扶貧委員會關愛基金專責小組增補委員、可持續發展委員會成員、香港科技大學顧問委員會成員和香港特別行政區政府推動使用電動車輛督導委員會成員，以及香港大學校務委員會成員。他亦出任香港公益金董事、香港地產建設商會董事以及海洋公園公司董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Mr. Masayuki OKU

LL.B, LL.M, the Order of Industrial Service Merit Silver Tower
Non-executive Director

Mr. Oku, aged 71, was appointed a Director in August 2015. He is Chairman of the Board of Sumitomo Mitsui Financial Group, Inc. ("SMFG", since June 2005) ^{Note 2} (listed in Japan and USA). He is an Independent Non-executive Director of Panasonic Corporation, Kao Corporation, Komatsu Ltd. and Chugai Pharmaceutical Co., Ltd., all of which are companies listed in Japan. Mr. Oku is also an Auditor of Nankai Electric Railway Co. Ltd. (listed in Japan).

Mr. Oku began his career in 1968 at The Sumitomo Bank, Limited. After engaging in the bank's key acquisitions and investments in the 1980's, he was transferred to New York and appointed General Manager of Chicago Branch in 1991. He returned to Tokyo in 1992, assumed the position of General Manager of the Corporate Planning Department, and was elected as a member of the Board of Directors of the bank in 1994. In 1999, Mr. Oku was appointed Secretary General of the Integration Strategy Committee of the bank, leading its merger process with The Sakura Bank, Limited, which culminated in the formation of Sumitomo Mitsui Banking Corporation ("SMBC") ^{Note 2} in 2001. In 2003, he became Deputy President of SMBC, heading Corporate Banking and International Banking Units. In 2005, he was appointed President and CEO of SMBC and Chairman of the Board of SMFG, the holding company of SMBC. During his tenure as President and CEO of SMBC, he also served as Chairman of Japanese Bankers Association in 2007 and 2010. In April 2011, he resigned as President and CEO of SMBC to devote himself to his duties as Chairman of the Board of SMFG. Mr. Oku also served as Vice Chairman of Keidanren (Japan Business Federation) from 2011 to 2015.

Mr. Oku received his Bachelor of Law degree from Kyoto University in 1968 and his Master of Laws (LL.M) degree from Michigan Law School in 1975. He was awarded the Order of Industrial Service Merit Silver Tower by the Government of the Republic of Korea in 2009.

奧正之先生

LL.B, LL.M, 產業勳章銀塔獎
非執行董事

奧正之先生，現年71歲，於2015年8月獲委任為董事。奧正之先生為三井住友金融集團^{註2}（在日本及美國上市）的（自2005年6月起）董事長。他是松下電器產業株式會社（Panasonic Corporation）、花王株式會社（Kao Corporation）、小松製作所（Komatsu Ltd.）及中外製藥株式會社（Chugai Pharmaceutical Co., Ltd.）的獨立非執行董事，該等公司均在日本上市。奧正之先生亦為南海鐵道株式會社（Nankai Electric Railway Co. Ltd.）（在日本上市）的核數師。

奧正之先生於1968年加入住友銀行股份有限公司（The Sumitomo Bank, Limited）開展其事業，在1980年代負責該銀行的主要收購和投資，其後他被調任至紐約，並於1991年獲任命為芝加哥分行總經理。他於1992年返回東京擔任企業策劃部總經理，並於1994年獲委任為該銀行董事會成員。於1999年，奧正之先生獲委任為該銀行合併策劃委員會的秘書長，帶領該銀行與日本櫻花銀行（The Sakura Bank, Limited）進行合併，最終達成三井住友銀行^{註2}於2001年成立。於2003年，他成為三井住友銀行的副行長，主管企業銀行及國際銀行業務。繼而於2005年，獲委任為三井住友銀行的行長兼最高執行官，以及其母公司——三井住友金融集團的董事長。在出任三井住友銀行行長兼最高執行官期間，他於2007年及2010年出任日本銀行家協會的主席。他於2011年4月辭任三井住友銀行行長兼最高執行官一職，以便全力處理其作為三井住友金融集團董事長的職務。奧正之先生曾於2011年至2015年期間出任日本經濟團體聯合會副會長。

奧正之先生於1968年獲頒發京都大學（Kyoto University）法學學士學位，及於1975年獲頒發密歇根大學法學院（Michigan Law School）法學碩士學位。他亦於2009年獲大韓民國政府頒授產業勳章的銀塔獎（Order of Industrial Service Merit Silver Tower）。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Dr. Rita FAN HSU Lai-tai

GBM, GBS, DSocSc, JP
Independent Non-executive Director

Dr. Fan, aged 70, was appointed a Director on 25th February, 2016. She is currently an Independent Non-executive Director of China Overseas Land & Investment Limited, China Shenhua Energy Company Limited, COSCO Pacific Limited and China COSCO Holdings Company Limited.

Dr. Fan is one of Hong Kong's best-known public figures and has an outstanding track record of service to the community. Dr. Fan was appointed to the Legislative Council from 1983 to 1992 and was a Member of the Executive Council from 1989 to 1992. She became the President of the Provisional Legislative Council in 1997, and has since been re-elected as the President of the First, Second and Third Legislative Council. Her term of office ended on 30th September, 2008. Dr. Fan has served as President of the legislature of the Hong Kong Special Administrative Region ("HKSAR") for 11 years.

In the lead-up to Hong Kong's reunification with China, Dr. Fan played a valuable role as a Member of the Preliminary Working Committee for the Preparatory Committee for the HKSAR from 1993 to 1995 and of the Preparatory Committee for the HKSAR from 1995 to 1997. She was elected as a Hong Kong Deputy to both the Ninth and Tenth sessions of the National People's Congress ("NPC") between 1998 and 2008. She was also a Member of the Standing Committee of the Eleventh session of the NPC from 2008 to 2013 and is currently a Member of the Standing Committee of the Twelfth session of the NPC.

Outside the political arena, Dr. Fan is the Patron of the Hong Kong Kidney Foundation and the Hong Kong Transplant Sports Association. She is also the Honorary President of the Hong Kong Breast Cancer Foundation. She was Chairman of the Board of Education from 1986 to 1989 and Chairman of the Education Commission from 1990 to 1992. Dr. Fan was the first female steward of The Hong Kong Jockey Club.

范徐麗泰博士

GBM, GBS, DSocSc, JP
獨立非執行董事

范博士，現年70歲，於2016年2月25日獲委任為董事。她現時為中國海外發展有限公司、中國神華能源股份有限公司、中遠太平洋有限公司及中國遠洋控股股份有限公司的獨立非執行董事。

范博士為本港知名人士，致力服務香港社會。1983年至1992年出任立法局議員，並於1989年至1992年兼任行政局成員。范博士於1997年當選臨時立法會主席，其後三度當選為立法會主席，其任期於2008年9月30日屆滿，范博士擔任香港特別行政區的立法機關主席共11年。

在香港回歸祖國的事務上，范博士擔當著重要角色。范博士於1993年至1995年出任香港特別行政區籌備委員會預備工作委員會委員，並於1995年至1997年出任香港特別行政區籌備委員會委員。此外，范博士於1998年至2008年期間當選為中華人民共和國第九屆及第十屆全國人民代表大會香港區代表，其後於2008年至2013年期間出任第十一屆全國人民代表大會常務委員會委員，現為第十二屆全國人民代表大會常務委員會委員。

除政治職務外，范博士是香港腎臟基金會及香港移植運動協會的贊助人。她亦是香港乳癌基金會名譽會長。范博士曾於1986年至1989年出任教育委員會主席一職，其後於1990年至1992年擔任教育統籌委員會主席。范博士亦曾為香港賽馬會的首名女董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)

After graduating from St. Stephen's Girls' College, Dr. Fan studied at the University of Hong Kong, and was awarded a Bachelor degree in Science, and later on, received a Master degree in Social Science. She also received the Honorary Doctorate in Social Science from the University of Hong Kong, the City University of Hong Kong and The Hong Kong Polytechnic University respectively, and an Honorary Doctorate in Law from the China University of Political Science and Law of the People's Republic of China. Her record of public service has been acknowledged by the HKSAR Government through the award of the Gold Bauhinia Star in 1998 and Hong Kong's top award, the Grand Bauhinia Medal, in 2007.

從香港聖士提反女校畢業後，范博士在香港大學攻讀並取得理學士學位，其後取得社會科學碩士學位。范博士亦為香港大學、香港城市大學及香港理工大學的榮譽社會科學博士以及中國政法大學法學名譽博士。香港特別行政區政府更於1998年頒發金紫荊星章及於2007年頒發香港最高榮譽之大紫荊勳章，以表揚范博士對香港社會所作出之重大貢獻。

Note 1 Criteria Caixa, S.A. Sociedad Unipersonal ("Criteria Caixa"), which is a wholly-owned subsidiary of "la Caixa" Banking Foundation, is the controlling shareholder of CaixaBank, S.A. Each of "la Caixa" Banking Foundation, Criteria 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 was a director of CaixaBank, S.A. (from September 2007 to October 2014) and Professor Arthur LI Kwok-cheung was a director of CaixaBank, S.A. (from November 2014 to December 2015). Dr. Isidro FAINÉ CASAS is the Chairman of CaixaBank, S.A. and Criteria Caixa and Chairman of the Board of trustees of "la Caixa" Banking Foundation. Dr. Fainé owns 0.017% 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.

Note 2 SMFG owns a 100% interest in SMBC. Both SMFG and SMBC are substantial shareholders 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. Mr. Oku is the Chairman of the Board of SMFG.

註1 Criteria Caixa, S.A. Sociedad Unipersonal (「Criteria Caixa」) (「la Caixa」 Banking Foundation 的全資附屬公司) 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，「la Caixa」 Banking Foundation、Criteria Caixa 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。李國寶爵士曾為 CaixaBank, S.A. 的董事 (2007年9月至2014年10月)。李國章教授亦曾為 CaixaBank, S.A. 的董事 (2014年11月至2015年12月)。而范禮賢博士則是 CaixaBank, S.A. 及 Criteria Caixa 的主席，以及「la Caixa」 Banking Foundation 的信託委員會主席。范博士擁有 CaixaBank, S.A. 0.017% 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。

註2 三井住友金融集團全資擁有三井住友銀行。根據《上市規則》及《證券及期貨條例》第XV部之定義，三井住友金融集團及三井住友銀行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。奧正之先生為三井住友金融集團的董事長。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)

SENIOR MANAGEMENT

Mr. Adrian David LI Man-kiu

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

(Biographical details are set out on page 59)

高層管理人員

李民橋先生

MA (Cantab), MBA, LPC, JP
執行董事及副行政總裁

(個人資料載列於第 59 頁)

Mr. Brian David LI Man-bun

MA (Cantab), MBA, FCA, JP
Executive Director & Deputy Chief Executive

(Biographical details are set out on page 60)

李民斌先生

MA (Cantab), MBA, FCA, JP
執行董事及副行政總裁

(個人資料載列於第 60 頁)



Mr. Samson LI Kai-cheong

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

Mr. Li, aged 55, 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 and a Member of the Hong Kong Securities and Investment Institute. Mr. Samson Li received his Professional Diploma in Accountancy from The Hong Kong Polytechnic University.

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 55 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和香港證券及投資學會會員，並獲香港理工大學會計學專業文憑。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

董事及高層管理人員的個人資料 (續)



Mr. TONG Hon-shing

BSc, ACIB, FHKIB, FCIS, FCS

Deputy Chief Executive & Chief Operating Officer

Mr. Tong, aged 56, 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 Bankers, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries & Administrators as well as an Associate of The Chartered Institute of Bankers. He holds a BSc from the University of Manchester.

唐漢城先生

BSc, ACIB, FHKIB, FCIS, FCS

副行政總裁兼營運總監

唐先生，現年56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。唐先生為香港銀行學會、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，及英國特許銀行學會會士，並獲英國曼徹斯特大學理學士學位。

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Dr. the Hon. Sir David LI Kwok-po
(Chairman & Chief Executive)
Mr. Adrian David LI Man-kiu
(Deputy Chief Executive)
Mr. Brian David LI Man-bun
(Deputy Chief Executive)

Non-executive Directors

Professor Arthur LI Kwok-cheung
(Deputy Chairman)
Mr. Aubrey LI Kwok-sing
Mr. Eric LI Fook-chuen
Mr. Stephen Charles LI Kwok-sze
Dr. Isidro FAINÉ CASAS
Dr. Peter LEE Ka-kit
Mr. Masayuki OKU

Independent Non-executive Directors

Dr. Allan WONG Chi-yun
(Deputy Chairman)
Mr. WONG Chung-hin
Mr. Winston LO Yau-lai
Tan Sri Dr. KHOO Kay-peng
Mr. Richard LI Tzar-kai
Mr. Kenneth LO Chin-ming
Mr. William DOO Wai-hoi
Mr. KUOK Khooon-ean
Mr. Valiant CHEUNG Kin-piu
Mr. Daryl NG Win-kong
Dr. Rita FAN HSU Lai-tai*

SENIOR ADVISORS

Mr. Joseph PANG Yuk-wing
BSSc, MBA, Hon. DSocSc, Hon. Fellow (CUHK), ACIB,
FHKIB, BBS, JP
Mr. CHAN Kay-cheung
FHKIB
Mr. CHAN Tze-ching
BBS, JP

SENIOR MANAGEMENT

Mr. Adrian David LI Man-kiu
MA (Cantab), MBA, LPC, JP
Executive Director & Deputy Chief Executive
Mr. Brian David LI Man-bun
MA (Cantab), MBA, FCA, JP
Executive Director & 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, FHKIB, FCIS, FCS
Deputy Chief Executive & Chief Operating Officer

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)
李民橋先生
(副行政總裁)
李民斌先生
(副行政總裁)

非執行董事

李國章教授
(副主席)
李國星先生
李福全先生
李國仕先生
范禮賢博士
李家傑博士
奧正之先生

獨立非執行董事

黃子欣博士
(副主席)
黃頌顯先生
羅友禮先生
丹斯里邱繼炳博士
李澤楷先生
駱錦明先生
杜惠愷先生
郭孔演先生
張建標先生
黃永光先生
范徐麗泰博士*

高級顧問

彭玉榮先生
BSSc, MBA, Hon. DSocSc, Hon. Fellow (CUHK), ACIB,
FHKIB, BBS, JP
陳棋昌先生
FHKIB
陳子政先生
BBS, JP

高層管理人員

李民橋先生
MA (Cantab), MBA, LPC, JP
執行董事兼副行政總裁
李民斌先生
MA (Cantab), MBA, FCA, JP
執行董事兼副行政總裁
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, FHKIB, FCIS, FCS
副行政總裁兼營運總監

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

* Appointed on 25th February, 2016

* 於2016年2月25日獲委任

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

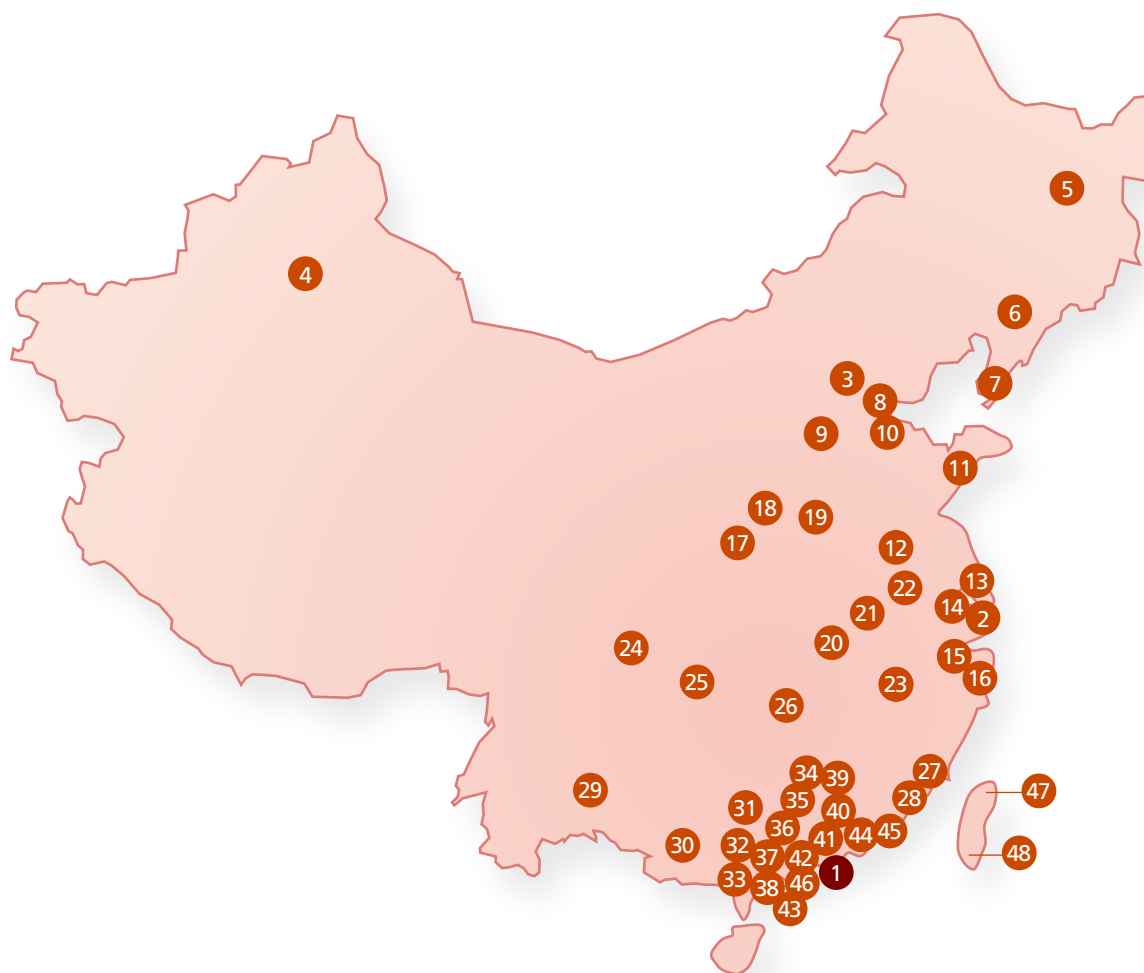
Dr. the Hon. Sir David LI
Kwok-po
李國寶爵士

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	18 Fuping County, Weinan 渭南富平縣	34 Qingyuan 清遠
3 Beijing 北京	19 Zhengzhou 鄭州	35 Guangzhou 廣州
4 Urumqi 烏魯木齊	20 Wuhan 武漢	36 Foshan 佛山
5 Harbin 哈爾濱	21 Hefei 合肥	37 Shaoguan 韶關
6 Shenyang 瀋陽	22 Nanjing 南京	38 Zhuhai 珠海
7 Dalian 大連	23 Nanchang 南昌	39 Jieyang 揭陽
8 Tianjin 天津	24 Chengdu 成都	40 Dongguan 東莞
9 Shijiazhuang 石家莊	25 Chongqing 重慶	41 Shenzhen 深圳
10 Jinan 濟南	26 Changsha 長沙	42 Zhongshan 中山
11 Qingdao 青島	27 Fuzhou 福州	43 Zhanjiang 湛江
12 Wuxi 無錫	28 Xiamen 廈門	44 Huizhou 惠州
13 Kunshan 昆山	29 Kunming 昆明	45 Shantou 汕頭
14 Suzhou 蘇州	30 Nanning 南寧	46 Macau 澳門
15 Hangzhou 杭州	31 Zhaoqing 肇慶	47 Taipei 台北
16 Ningbo 寧波	32 Jiangmen 江門	48 Kaohsiung 高雄
17 Xi'an 西安	33 Maoming 茂名	

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
Manchester 曼徹斯特

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 240 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240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		Chuk Yuen 竹園		New Territories Branches 新界分行	
Hong Kong Branches 香港分行		<ul style="list-style-type: none"> ① Kai Tak Ching Long 啟德晴朗 S East Tsim Sha Tsui 尖東 ① Festival Walk 又一城 S Harbour City SupremeGold Centre 海港城 S Hoi Yuen Road 開源道 Hong Kong Baptist University 香港浸會大學 S iSQUARE 國際廣場 Jordan 佐敦 S Kowloon City 九龍城 S ① Kowloon Station Elements 九龍站圓方 S Kwun Tong 觀塘 S Laguna City 麗港城 S Lok Fu 樂富 S ① Ma Tau Wei Road 馬頭圍道 S Mei Foo Sun Chuen 美孚新邨 S Millennium City 5 創紀之城五期 S Mongkok 旺角 S Mongkok North 旺角北 S Olympian City 奧海城 Pau Chung Street 炮仗街 S Prince Edward 太子 S San Po Kong 新蒲崗 Tai Hang Tung 大坑東 S Telford Plaza 德福廣場 The Hong Kong Polytechnic University 香港理工大學 S ① Tsim Sha Tsui 尖沙咀 Tsz Wan Shan 慈雲山 Waterloo Road 窩打老道 S Whampoa Garden 黃埔花園 Wong Tai Sin 黃大仙 S Yaumatei 油麻地 	<ul style="list-style-type: none"> S East Point City 東港城 S ① Fanling 粉嶺 S Ha Kwai Chung 下葵涌 Lingnan University 嶺南大學 S Ma On Shan Plaza 馬鞍山廣場 S Maritime Square 青衣城 S Metro City Plaza 新都城中心 Park Central 將軍澳中心 Sai Kung 西貢 S Shatin Plaza 沙田廣場 Sheung Kwai Chung 上葵涌 S Sheung Shui 上水 Sun Chui Estate 新翠邨 Tai Po 大埔 S Tai Po Plaza 大埔廣場 S Tai Wai 大圍 The Chinese University of Hong Kong 香港中文大學 The Hong Kong Institute of Education 香港教育學院 The Hong Kong University of Science and Technology 香港科技大學 ① Tin Shui Wai 天水圍 Tiu Keng Leng 調景嶺 S Tsuen Wan 荃灣 S ① Tsuen Wan Fou Wah Centre 荃灣富華中心 Tuen Mun 屯門 S ① Tuen Mun Town Plaza 屯門市廣場 S Yuen Long 元朗 Yuen Long YOHO MALL 元朗形點 		
Kowloon Branches 九龍分行				Outlying Islands Branches 離島分行	
<ul style="list-style-type: none"> S Aberdeen 香港仔 S Admiralty 金鐘 S BEA Harbour View Centre 東亞銀行港灣中心 Bonham Road 般含道 Caine Road 堅道 S Causeway Bay 銅鑼灣 Chai Wan 柴灣 88 Des Voeux Road West 德輔道西88號 S Happy Valley 跑馬地 S Hennessy Road 軒尼詩道 Kennedy Town 堅尼地城 King's Road 英皇道 S North Point 北角 S Quarry Bay 鰂魚涌 Queen's Road Central 皇后大道中 S Queen's Road East 皇后大道東 S Shaukiwan 筲箕灣 S Shek Tong Tsui 石塘咀 S Sheung Wan 上環 S Shun Tak Centre 信德中心 Siu Sai Wan 小西灣 S Taikoo Shing 太古城 S The University of Hong Kong 香港大學 S Times Square 時代廣場 S Wanchai 灣仔 	<ul style="list-style-type: none"> S Castle Peak Road 青山道 S Cheung Sha Wan Plaza 長沙灣廣場 Cheung Sha Wan Road 長沙灣道 	<ul style="list-style-type: none"> S Cheung Chau 長洲 Silvermine Bay 梅窩 Tai O 大澳 Tung Chung 東涌 			
S With SupremeGold Centre 設有顯卓理財中心	① Branch with i-Financial Centre 分行設有i-理財中心				

CORPORATE GOVERNANCE REPORT

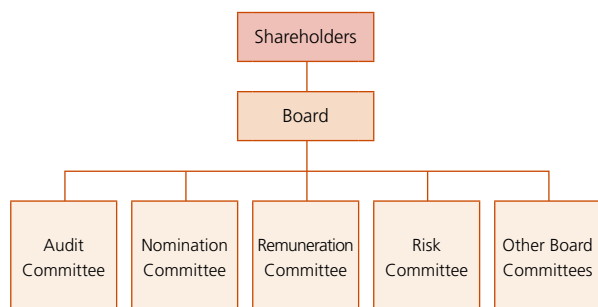
The Bank of East Asia, Limited and its subsidiaries are committed to maintaining high corporate governance standards and consider such commitment essential in balancing the interests of shareholders, customers and employees; and in upholding accountability and transparency.

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

During the financial year ended 31st December, 2015, the Bank has complied with all the Code Provisions set out in the CG Code, except for Code Provision A.2.1 as explained in section A below. The Bank has also followed the modules on CG-1 and CG-5.

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

The following chart sets out the corporate governance structure of the Bank:



The Directors of the Bank acknowledged that they are responsible for the Group's risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Internal Audit Division assumes the responsibilities of internal audit functions of the Bank. During the financial year ended 31st December, 2015, the Board, through the AC, reviewed the internal control system of the Bank in every 6 months; and through the RIC, reviewed the risk management system of the Bank in every quarter.

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, customers, employees 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 Management. It delegates the day-to-day operation and administration of the Bank's business 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 and regulatory requirements.

The following matters, among others, shall be approved by the Board:

- Appointments, Removal and Succession Planning of Directors, Chief Executive, Deputy Chief Executives, Division Heads, Group Chief Compliance Officer and Group Chief Auditor of the Bank.
- Financial Reports and Business Plans.
- Matters in relation to corporate governance functions.
- Risk Governance.
- Substantial investment or disposal of Group's assets according to the disclosure requirements of the Listing Rules.
- Public Announcements according to the requirements of the Listing Rules.

Board Meetings

Board meetings are held at least 4 times a year at approximately quarterly intervals¹. 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. Board agenda is approved by the Chairman following consultation with Directors and the

¹ With effect from 1st January, 2016, the Board has decided to increase its meeting frequency from 4 to at least 5 Board meetings each year. This will allow for the Board to review key issues more regularly and effectively. These Board Meetings will be held in January, February, April or May, August and November.

企業管治報告

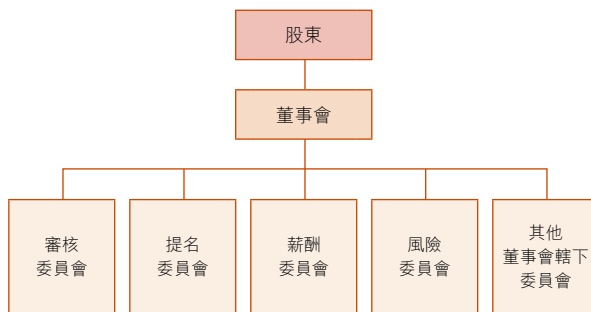
東亞銀行有限公司及其附屬公司致力維持良好的企業管治標準，並認為此承諾對於平衡股東、客戶及員工的利益，以及保持問責及透明度，至為重要。

本行定期檢討並修訂企業管治架構的管治原則及實務，以確保符合相關規定及現行的企業管治實務。

除以下A項所述偏離守則條文A.2.1的行為外，本行在截至2015年12月31日止的財政年度期間內，已遵守《企業管治守則》的全部守則條文。本行亦已遵循CG-1及CG-5內各項要求。

本行已制定企業管治架構訂明一系列管治原則及實務，為本集團的商業行為及事務提供指引。

有關本行的公司管治架構可以參見下圖：



董事會承認其須對風險管理及內部監控系統負責，並有責任檢討該等制度的有效性。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。本行的稽核處負責內部稽核功能。在截至2015年12月31日止的財政年度期間內，董事會透過審核委員會每6個月檢討本行的內部監控系統；並透過風險委員會每季檢討本行的風險管理系統。

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、客戶、員工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。

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及法例要求。

其中包括下列的事項須由董事會批准：

- 本行董事、行政總裁、副行政總裁、處級主管、集團合規總監及集團總稽核的委任，撤職及繼任安排。
- 財務報告及業務計劃書。
- 有關企業管治功能的事項。
- 風險管治。
- 根據《上市規則》必須公告的重大投資或出售資產。
- 根據《上市規則》所發出之公告。

董事會會議

董事會會議每年召開最少4次，大約每季一次¹。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。會議議程內容均在事前諮詢董事及高層管理人員意見後，經主席確認而制定。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。

¹ 由2016年1月1日起，董事會決定增加每年董事會會議次數由4次至最少5次，以便董事會可以恆常地及有效地檢討本行重要事項。董事會會議將會於每年1月、2月、4月或5月、8月及11月舉行。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Senior Management. 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 AC, the RC, the NC and the RIC 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 RIC and other Board Committees (as listed under the subject Board Committees in section D on page 98) are kept by the appointed secretary of each Committee.

Directors' attendance records

In 2015, four Board meetings were held with an average attendance rate of 93%. Attendance records of the Directors at BMs, ACs, RCMs, NCMs, RICMs and AGM held in 2015 are as follows:

	Number of meetings attended/held in 2015					
	BM	ACM	RCM	NCM	RICM	AGM
<i>Executive Directors:</i>						
David LI Kwok-po (Chairman & Chief Executive)	4/4	-	1/1	2/2	4/4	1/1
Adrian David LI Man-kiu (Deputy Chief Executive)	4/4	-	-	-	-	1/1
Brian David LI Man-bun (Deputy Chief Executive)	4/4	-	-	-	-	1/1
<i>Non-executive Directors:</i>						
Arthur LI Kwok-cheung (Deputy Chairman)	4/4	-	-	-	3/4	1/1
Aubrey LI Kwok-sing	4/4	-	0/1	2/2	4/4	1/1
Eric LI Fook-chuen	4/4	-	1/1	2/2	4/4	1/1
Stephen Charles LI Kwok-sze	4/4	-	-	-	-	0/1
Isidro FAINÉ CASAS	4/4	-	-	2/2	-	1/1
Peter LEE Ka-kit	4/4	-	-	-	-	1/1
Masayuki OKU ¹	1/2	-	-	-	-	-
<i>Independent Non-executive Directors:</i>						
Allan WONG Chi-yun (Deputy Chairman)	4/4	3/3	1/1	2/2	-	1/1
WONG Chung-hin	3/4	2/3	-	-	-	1/1
Winston LO Yau-lai	4/4	3/3	1/1	2/2	4/4	1/1
KHOO Kay-peng ²	4/4	-	1/1	2/2	-	1/1
Richard LI Tzar-kai ³	4/4	-	-	-	-	1/1
Kenneth LO Chin-ming	4/4	3/3	-	2/2	-	1/1
William DOO Wai-hoi	3/4	3/3	-	-	-	1/1
KUOK Khoon-ean	2/4	-	-	1/2	-	1/1
Valiant CHEUNG Kin-piu	4/4	3/3	1/1	-	4/4	1/1
Daryl NG Win-kong ⁴	2/2	-	-	-	-	-
Average attendance rate	93%	94%	86%	94%	96%	94%

¹ Appointed as a Director with effect from 1st August, 2015.

² Appointed as a member of the NC and RC, respectively with effect from 9th January, 2015.

³ Re-designated as an INED with effect from the conclusion of the 2015 AGM held on 8th May, 2015.

⁴ Appointed as a Director with effect from 1st June, 2015.

企業管治報告 (續)

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、提名委員會及風險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，而風險委員會及其他董事會轄下委員會（列於第99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委任的秘書備存。

董事會議出席記錄

於2015年舉行的4次董事會會議，董事之平均出席率為93%。各董事於2015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、風險委員會會議及股東周年常會的出席記錄如下：

	於2015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	風險委員會會議	股東周年常會
執行董事：						
李國寶 (主席兼行政總裁)	4/4	-	1/1	2/2	4/4	1/1
李民橋 (副行政總裁)	4/4	-	-	-	-	1/1
李民斌 (副行政總裁)	4/4	-	-	-	-	1/1
非執行董事：						
李國章 (副主席)	4/4	-	-	-	3/4	1/1
李國星	4/4	-	0/1	2/2	4/4	1/1
李福全	4/4	-	1/1	2/2	4/4	1/1
李國仕	4/4	-	-	-	-	0/1
范禮賢	4/4	-	-	2/2	-	1/1
李家傑	4/4	-	-	-	-	1/1
奧正之 ¹	1/2	-	-	-	-	-
獨立非執行董事：						
黃子欣 (副主席)	4/4	3/3	1/1	2/2	-	1/1
黃頌顯	3/4	2/3	-	-	-	1/1
羅友禮	4/4	3/3	1/1	2/2	4/4	1/1
邱繼炳 ²	4/4	-	1/1	2/2	-	1/1
李澤楷 ³	4/4	-	-	-	-	1/1
駱錦明	4/4	3/3	-	2/2	-	1/1
杜惠愷	3/4	3/3	-	-	-	1/1
郭孔演	2/4	-	-	1/2	-	1/1
張建標	4/4	3/3	1/1	-	4/4	1/1
黃永光 ⁴	2/2	-	-	-	-	-
平均出席率	93%	94%	86%	94%	96%	94%

¹ 於2015年8月1日獲委任為董事。

² 於2015年1月9日獲委任為提名委員會及薪酬委員會委員。

³ 於2015年5月8日舉行的股東周年常會結束後調任為獨立非執行董事。

⁴ 於2015年6月1日獲委任為董事。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Chairman and Chief Executive Officer

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

Dr. the Hon. Sir David LI Kwok-po is the Chairman & Chief Executive of the Bank. The Board considers that this structure will not impair the balance of power and authority between the Board and the Management of the Bank. The division of responsibilities between the Chairman and the Chief Executive is clearly established and set out in the job mandate of the Chairman & Chief Executive. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting operations of the Bank. There is a strong independent element in the composition of the Board. As of 25th February, 2016, out of the 21 Board members, 11 are INEDs. The Board believes that the current structure is conducive to strong and consistent leadership, enabling the Bank to make and implement decisions promptly and efficiently. The Board believes that Sir David's appointment to the posts of Chairman and Chief Executive is beneficial to the business prospects and management of the Bank.

The 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, which is accurate, clear, complete and reliable, of the Bank.

During the year, apart from the 4 Board meetings held, the Chairman, who is also an ED of the Bank, held a meeting with the NED (including INEDs).

Board composition

The Bank announced on 15th February, 2016 that Mr. WONG Chung-hin and Mr. Eric LI Fook-chuen have informed the Bank of their intention to step down from the Board with effect from the conclusion of the 2016 AGM. Furthermore, Dr. KHOO Kay-peng has informed the Board that he would not offer himself for re-election and accordingly will retire as a Director at the conclusion of the 2016 AGM.

The Bank has appointed Dr. Rita FAN HSU Lai-tai as an INED with effect from 25th February, 2016.

Following the above Board changes, the overall size of the Board will be reduced to 18 Directors, including 3 EDs, 6 NEDs and 9 INEDs. Over one-third of the Directors are INEDs. There is a strong independent element on the Board that ensures the independence and objectivity of the decisions of the Board, as well as the thoroughness and impartiality of the Board's oversight of the Management. An updated list of Directors, identifying their roles and functions at the Bank, is available on the HKEx's and the Bank's websites.

The composition of the Board is shown on page 68 under the Corporate Information. All Directors of the Bank are expressly identified by categories of EDs, 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 44 to 67 under the Biographical Details of Directors and Senior Management.

Board Effectiveness

The Board has adopted a *Board Succession and Diversity Policy* which defines succession planning and diversity of the Board. Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Board has a balance of skills and experience appropriate for the requirements of the Bank's business. Directors, who come from a variety of different backgrounds, have a diverse range of business, banking and professional expertise and bring valuable insight in particular areas that support the development and growth of the Bank. Changes to its composition can be managed without undue disruption.

Responsibilities of Directors

Directors, both collectively and individually, are required to fulfill 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.

主席及行政總裁

《企業管治守則》守則條文A.2.1規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。

李國寶爵士為本行的主席兼行政總裁。董事會認為此架構不會影響董事會與管理層兩者之間的權力和職權的平衡。主席及行政總裁之間的職責已清楚區分並以書面列載。本行董事會由極具經驗和才幹的成員組成並定期開會，以商討影響本行運作的事項。透過董事會的運作，足以確保權力和職權得到平衡。董事會的組合具有強大的獨立元素，由2016年2月25日起，在21位董事會成員當中，11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。

董事會組成

本行於2016年2月15日宣布，黃頌顯先生及李福全先生已通知本行，他們有意辭任本行董事一職，由2016股東周年常會結束後生效。此外，丹斯里邱繼炳博士表示，他不會在2016股東周年常會上膺選連任，故將於2016股東周年常會結束時卸任。

此外，范徐麗泰博士已獲委任為獨立非執行董事，由2016年2月25日起生效。

經上述董事會之變動，董事會總人數將縮減至18人，包括3位執行董事、6位非執行董事及9位獨立非執行董事。超過三分之一的董事為獨立非執行董事。董事會有強大的獨立元素，確保能作出獨立客觀之決策，並能全面及不偏不倚地監督管理層。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）已載於香港交易所及本行網站。

董事會的成員名單刊載於第68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44至第67頁董事及高層管理人員的個人資料項下。

董事會效能

董事會已採納一套董事會接任及多元化政策，訂定董事會成員接任及多元化計劃。董事會委任成員採取用人唯才為原則，並以董事會組合的多元性為目標，按客觀因素考慮人選，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年資。

董事會具備符合本行業務所需的技巧和經驗。各董事來自不同背景，擁有商業、銀行及專業等各領域之專長，為本行的發展提出精闢見解。董事會組成人員的變動不會帶來不適當的干擾。

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《企業管治守則》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。

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 2015. 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.

The Bank has adopted the *Directors' Code of Conduct and Policy on Conflict of Interests* (the "Policy") 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. The Policy also contains a compliance process which requires declaration by a Director in respect of any (existing or proposed) contract, arrangement, transaction or other proposal in which the Director and/or his connected entity (as defined in section 486 of the Companies Ordinance), is/are directly/indirectly materially interested. A Director shall not vote on any resolution approving any contract, arrangement or transaction in which he and/or his connected entity has any material interest.

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 to deal with the specific matter. INEDs who, and whose associates, have no material interest in the transaction shall be present at such Board meeting.

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, 2015.

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.

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 has been arranged to indemnify 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.

Induction and continuous development

The Bank strives to ensure that the Directors continue to develop and enhance their skills to better serve its stakeholders.

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 on-going obligations to be observed by a Director. In addition, the Information Package includes materials on the operations and business of the Bank. The EDs, 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, all Directors received updated information in relation to the following topics:

- New and revised Supervisory Policy Manuals issued by the HKMA; and
- Anti-money Laundering and Counter-Financing of Terrorism Training for the Directors.

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 2015.

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2015年內付出足夠的時間及充分關注本行事務的聲明。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。

本行已採納**董事行為守則及利益衝突政策**（「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。該政策包括一套合規程序，訂定董事在獲悉其本人及/或其聯繫人（根據《公司條例》第486條的定義）在本公司訂定或擬定的合約、安排、交易或其他計劃項目中擁有任何直接或間接的重大權益，必須作出申報。董事不能就任何通過其本人及/或其聯繫人擁有重大權益的合約、安排或交易的董事決議案進行投票。

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權益的獨立非執行董事會出席有關的董事會會議。

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2015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。

本行亦已訂立一套**內幕交易政策 — 集團人士**以供本行僱員，或本行附屬公司的董事或僱員，遵照規定買賣本行證券。

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。

就職培訓及持續發展

本行致力確保董事持續提升其技能俾使其向本行持份者提供更佳服務。

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。本行會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承擔有關經費。

於本年度內，全體董事已獲得下列議題的資料：

- 金管局發出之最新及已修訂的監管政策手冊；及
- 打擊洗錢及恐怖分子資金籌集的培訓。

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2015年內所接受培訓的記錄。

CORPORATE GOVERNANCE REPORT (CONTINUED)

The following summarises key areas of trainings^{Note} received by Directors of the Bank during the year 2015:

Directors	Corporate Governance and Risk Management	Regulatory Update	Anti-money laundering	Bank's business and management	Financial technology
<i>Executive Directors:</i>					
David LI Kwok-po (Chairman & Chief Executive)	✓	✓	✓	✓	✓
Adrian David LI Man-kiu (Deputy Chief Executive)	✓	✓	✓	✓	✓
Brian David LI Man-bun (Deputy Chief Executive)	✓	✓	✓	✓	✓
<i>Non-executive Directors:</i>					
Arthur LI Kwok-cheung (Deputy Chairman)	✓	✓	✓	✓	✓
Aubrey LI Kwok-sing	✓	✓	✓	✓	✓
Eric LI Fook-chuen	✓	✓	✓	✓	✓
Stephen Charles LI Kwok-sze	✓	✓	✓	✓	✓
Isidro FAINÉ CASAS	✓	✓	✓	✓	✓
Peter LEE Ka-kit	✓	✓	✓	✓	✓
Masayuki OKU	✓	✓	✓	✓	-
<i>Independent Non-executive Directors:</i>					
Allan WONG Chi-yun (Deputy Chairman)	✓	✓	✓	✓	✓
WONG Chung-hin	✓	✓	✓	✓	✓
Winston LO Yau-lai	✓	✓	✓	✓	✓
KHOO Kay-peng	✓	✓	✓	✓	✓
Richard LI Tzar-kai	✓	✓	✓	✓	✓
Kenneth LO Chin-ming	✓	✓	✓	✓	✓
William DOO Wai-hoi	✓	✓	✓	✓	-
KUOK Khoon-ean	✓	✓	✓	✓	-
Valiant CHEUNG Kin-piu	✓	✓	✓	✓	✓
Daryl NG Win-kong	✓	✓	✓	✓	✓

Note: Attending seminars/conferences; giving speeches; reading articles; and/or reviewing information.

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 Senior Management.

In respect of regular BMs 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. The proposed appointment will first be reviewed by the NC, taking into account the balance of skills, knowledge, experience and diversity on the Board. Candidates to be selected and recommended shall meet the relevant standards set out in the Listing Rules and CG-1.

企業管治報告 (續)

下表概列每名董事於2015年參與持續專業發展^註以更新及發展其技能和知識的記錄：

董事	企業管治及 風險管理	最新 監管資料	反洗錢	本行業務 及管理	網絡金融 管理技術
執行董事：					
李國寶 (主席兼行政總裁)	✓	✓	✓	✓	✓
李民橋 (副行政總裁)	✓	✓	✓	✓	✓
李民斌 (副行政總裁)	✓	✓	✓	✓	✓
非執行董事：					
李國章 (副主席)	✓	✓	✓	✓	✓
李國星	✓	✓	✓	✓	✓
李福全	✓	✓	✓	✓	✓
李國仕	✓	✓	✓	✓	✓
范禮賢	✓	✓	✓	✓	✓
李家傑	✓	✓	✓	✓	✓
奧正之	✓	✓	✓	✓	-
獨立非執行董事：					
黃子欣 (副主席)	✓	✓	✓	✓	✓
黃頌顯	✓	✓	✓	✓	✓
羅友禮	✓	✓	✓	✓	✓
邱繼炳	✓	✓	✓	✓	✓
李澤楷	✓	✓	✓	✓	✓
駱錦明	✓	✓	✓	✓	✓
杜惠愷	✓	✓	✓	✓	-
郭孔演	✓	✓	✓	✓	-
張建標	✓	✓	✓	✓	✓
黃永光	✓	✓	✓	✓	✓

註：出席研討會/會議，論壇致辭，及/或閱覽文章及刊物

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。提名委員會在審議有關委任事宜時將先行考慮董事會之技能、知識、經驗和多元化組合。獲甄選及獲推薦的候選人必須符合《上市規則》及CG-1所載相關的標準。

CORPORATE GOVERNANCE REPORT (CONTINUED)

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. Upon recommendation of the NC, the proposed appointment will be reviewed and, if thought fit, approved by the Board. According to the requirement of the Banking Ordinance, prior approval from the HKMA will also be obtained. 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 his term he shall be deemed a retiring Director and eligible for re-election. All new Directors appointed by the Board are subject to re-election by shareholders of the Bank at the first general meeting after their appointments have become effective.

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 will also be 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, Group Chief Compliance Officer and Group Chief Auditor of the Bank; defining succession planning and diversity of the Board and performing evaluation of the Board performance and Directors' contribution to the effectiveness of the Board.

A majority of the members of the NC are INEDs. The Chairman of NC is David LI Kwok-po and the Deputy Chairman is Eric LI Fook-chuen. The other members are Allan WONG Chi-yun, Aubrey LI Kwok-sing, Isidro FAINÉ CASAS, Kenneth LO Chin-ming, KUOK Khoo-ean, Winston LO Yau-lai and KHOO Kay-peng (appointed on 9th January, 2015).

The number of meetings held by the NC and the attendance of individual members at NCM in 2015 is recorded on page 74.

The following is a summary of the work performed by the NC for the year 2015 and up to 25th February, 2016:

- Reviewed the size, structure, composition and diversity of the Board;
- Reviewed 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*;
- Reviewed the appointments of Daryl NG Win-kong and Rita FAN HSU Lai-tai as INEDs, and Masayuki OKU as an NED ;
- Assessed the independence status of current 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 2016 AGM;
- Considered re-election of David LI Kwok-po, Allan WONG Chi-yun, Aubrey LI Kwok-sing, Winston LO Yau-lai, Stephen Charles LI Kwok-sze, Daryl NG Win-kong, Masayuki OKU and Rita FAN HSU Lai-tai as Directors of the Bank to be proposed for shareholders' approval at the 2016 AGM;
- Reviewed the upgrading of the Bank's Compliance Department to Compliance Division and the appointment of the Group Chief Compliance Officer, General Manager and Head of Compliance Division;
- Reviewed the upgrading of the Bank's Internal Audit Department to Internal Audit Division and the appointment of Group Chief Auditor, General Manager and Head of Internal Audit Division;
- Reviewed the *Board Succession and Diversity Policy* (the "Policy") including measurable objectives for implementing the Policy; and
- Reviewed and assessed the evaluation of the Board performance and Directors' contribution to the effectiveness of the Board.

The NC has made available its Terms of Reference, on the websites of HKEx 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.

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。根據提名委員會之建議，董事會考慮有關委任，如認為合適者，將批准有關委任建議。依據《銀行業條例》規定，委任董事須取得金管局的預先批准。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，在其任期屆滿時，將被視為一位卸任董事而有資格重選。而新任董事須於獲委任後首次股東大會退任，由本行股東重選。

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《企業管治守則》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、集團合規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；訂定董事會成員接任及董事會多元化計劃；評估董事會表現及董事對達致董事會有效運作的貢獻。

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、李國星、范禮賢、駱錦明、郭孔演、羅友禮及邱繼炳（於2015年1月9日獲委任）。

提名委員會於2015年舉行的會議次數及個別成員的出席記錄載於第75頁。

提名委員會在2015年度及截至2016年2月25日所做的工作，摘要如下：

- 檢討董事會的人數、架構、組合及多元化；
- 檢討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；
- 檢討委任黃永光及范徐麗泰為獨立非執行董事，及奧正之為非執行董事；
- 評核現任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2016股東周年常會上膺選連任的黃子欣及羅友禮；
- 考慮在2016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、李國仕、黃永光、奧正之及范徐麗泰為本行董事的建議；
- 檢討本行的合規部並升格為合規處及委任集團合規總監和總經理兼合規處主管；
- 檢討本行的稽核部並升格為稽核處及委任集團總稽核和總經理兼稽核處主管；
- 檢討董事會繼任及多元化政策包括推行多元化政策的可計量目標；及
- 評估董事會的表現及董事對達致董事會有效運作的貢獻。

提名委員會的職權範圍登載於香港交易所及本行的網站上，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。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Evaluation of the Board and Directors

During the year, the Bank had conducted an evaluation of the effectiveness of the Board as a whole and the contributions made by each Director to the effectiveness of the Board in the form of a questionnaire to all Directors individually. The evaluation covered Board structure and composition; Board process and effectiveness; responsibilities of the Board; and duties and responsibilities of Directors. The evaluation report revealed that Board process is effective during the year 2015. All Directors continue to perform effectively and demonstrate commitment to their roles. The result of the evaluation had been reviewed by the NC and submitted to the Board for information.

The Bank will continue to undertake an evaluation of the performance of the Board and Directors annually.

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 emoluments payable by the Bank to its Directors and senior executives are determined taking into account their role 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 David LI Kwok-po, Aubrey LI Kwok-sing, Winston LO Yau-lai, Eric LI Fook-chuen, Valiant CHEUNG Kin-piu and KHOO Kay-peng (appointed on 9th January, 2015).

The number of meetings held by the RC and the attendance of individual members at RCM in 2015 is recorded on page 74.

The following is a summary of work performed by the RC during and for the year 2015:

- Reviewed the Variable Remuneration for the Chief Executive, Senior Management and Key Personnel for 2014;
- Reviewed the vesting of Deferred Variable Remuneration for the Awards of the Year 2011 to 2013;
- Considered Fifth Offer and Grant of share options under the 2011 Scheme to eligible employees including Chief Executive, Senior Management and Division Heads;
- Reviewed the list of Senior Management and other Key Personnel for 2015;
- Reviewed the Remuneration Packages for the Chief Executive, Senior Management and Key Personnel for 2015;
- Reviewed the Remuneration Packages for the newly promoted General Managers;
- Reviewed Annual Salary Review for 2015;
- Reviewed Annual Salary Review for 2015 for the Local Staff of Overseas Branches and Subsidiaries;
- Reviewed the audit on the Bank's Remuneration System;
- Reviewed the Senior Executive Bonus Scheme;
- Reviewed the Terms of Reference of the RC; and
- Reviewed the Remuneration Policy.

The RC has made available its Terms of Reference, on the websites of the HKEx 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 independent professional firms, if necessary, to discharge its duties.

評估董事會及董事

年內，本行向每位董事發出問卷就董事會整體工作成效及每位董事對達致董事會有效運作的貢獻進行評估。評估範圍涵蓋董事會的架構及組成、董事會程序及成效、董事會的責任，以及董事的職務及責任。評估報告顯示董事會程序於2015年內行之有效。所有董事繼續有效履行責任及對職務的承擔。提名委員會已檢閱該評估報告並已提交董事會參考。

本行將繼續每年就董事會及董事的工作成效進行評估。

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《企業管治守則》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，會考慮其職務及職責，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，其他成員包括李國寶、李國星、羅友禮、李福全、張建標及邱繼炳（於2015年1月9日獲委任）。

薪酬委員會於2015年舉行的會議次數及個別成員的出席記錄載於第75頁。

薪酬委員會在年內及為2015年度所做的工作，摘要如下：

- 檢討2014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2011至2013年度遞延浮動薪酬獎勵的歸屬；
- 考慮根據2011計劃，給予及授出第五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2015年度高層管理人員及主要管理人員名單；
- 檢討2015年度行政總裁、高層管理人員及主要管理人員的薪酬組合；
- 檢討新晉升總經理的薪酬組合；
- 檢討2015年度薪酬；
- 檢討2015年度海外分行及附屬公司當地員工的薪酬；
- 檢討本行的薪酬制度審核；
- 檢討高級行政人員賞金計劃；
- 檢討薪酬委員會的職權範圍；及
- 檢討薪酬政策。

薪酬委員會職權範圍登載於香港交易所及本行的網站上，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，包括獨立專業公司的意見（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, RC and RIC are outlined below:

	Amount per annum
	2015
<i>Board of Directors:</i>	
Chairman	HK\$460,000
Deputy Chairman	HK\$330,000
Other Directors	HK\$300,000
<i>Audit Committee:</i>	
Chairman	HK\$210,000
Other members	HK\$120,000
<i>Nomination Committee:</i>	
Chairman	HK\$80,000
Deputy Chairman	HK\$60,000
Other members	HK\$50,000
<i>Remuneration Committee:</i>	
Chairman	HK\$80,000
Other members	HK\$50,000
<i>Risk Committee:</i>	
Chairman	HK\$160,000
Other members	HK\$100,000

Information relating to the remuneration of each Director for 2015 is set out in Note 21 on the accounts on page 186.

Disclosure of Remuneration Policy

In accordance with the "Guideline on a Sound Remuneration System" (the "Guideline") issued by the HKMA in March 2010 and its revision effective March 2015, 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 RC, Group Chief Risk Officer and Group Chief Compliance Officer annually reviews the Bank's remuneration policy, including 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 taking 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.

董事袍金，以及審核委員會、提名委員會、薪酬委員會和風險委員會成員的酬金摘錄如下：

	年度金額
	2015年
董事會：	
主席	港幣 46 萬元
副主席	港幣 33 萬元
其他董事	港幣 30 萬元
審核委員會：	
主席	港幣 21 萬元
其他成員	港幣 12 萬元
提名委員會：	
主席	港幣 8 萬元
副主席	港幣 6 萬元
其他成員	港幣 5 萬元
薪酬委員會：	
主席	港幣 8 萬元
其他成員	港幣 5 萬元
風險委員會：	
主席	港幣 16 萬元
其他成員	港幣 10 萬元

有關各董事 2015 年度的薪酬資料載於第 186 頁的賬項附註 21。

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》」) 及其 2015 年 3 月修訂本，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。薪酬委員會、集團風險總監及集團合規總監於每個年度檢討本行的薪酬政策，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成業務目標，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)的釐定準則，主要是考慮到僱員的職級、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鉤。

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。

CORPORATE GOVERNANCE REPORT (CONTINUED)

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 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 4 Deputy Chief Executives while Key Personnel includes 15 Division Heads, the Executive Director & Chief Executive of BEA China, and the Head of Capital Markets & Liquidity Management Department. In determining the remuneration packages of the Chief Executive, Senior Management, and Key Personnel, the RC takes into account individual performances, performances of respective divisions and departments, and the Group's overall business goals and objectives. In 2015, the Bank engaged an external consultant, Towers Watson, to review the remuneration packages of the Division Heads and the Executive Director & Chief Executive of BEA China to ensure that their pay positioning and pay level best reflect their respective scope of work and responsibilities. The Bank also reviewed and revised the Senior Executive Bonus Scheme which will take effect from January 2016.

The aggregate payouts for these 22 senior executives for 2015 are shown in the table below in accordance with the disclosure requirement 3.3 of the Guideline.

Total value of remuneration in 2015

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	10.62	-
<i>Variable remuneration</i>		
• Cash-based	7.40	0.75
• Share Options	-	10.35
(ii) Senior Management		
<i>Fixed remuneration</i>		
• Cash-based	15.37	-
<i>Variable remuneration</i>		
• Cash-based	7.07	-
• Share Options	-	13.45
(iii) Key Personnel		
<i>Fixed remuneration</i>		
• Cash-based	41.70	-
<i>Variable remuneration</i>		
• Cash-based	13.73	4.56
• Share Options	-	8.60

Remarks:

- (i) For indicative purpose only, the value of share options is calculated based on the fair value of the Bank's shares on 17th February, 2016.
- (ii) No guaranteed bonuses, sign-on, or severance payments were made to the Chief Executive, Senior Management, and Key Personnel of the Group in 2015.

企業管治報告 (續)

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、利率、流動資金及營運風險。而其他風險包括法律、信譽及策略性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15名處級主管、東亞中國執行董事兼行長，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。本行於2015年委任外部顧問公司——韜睿惠悅——檢討各處級主管及東亞中國執行董事兼行長的薪酬組合，以確保其薪酬定位及薪酬水平能合適地反映其職務範圍及職責。本行亦已檢討並修訂高級行政人員賞金計劃，並將由2016年1月起生效。

根據《指引》第3.3項的披露規定，此等合共22名高級行政人員於2015年度獲得的薪酬總額載於下表。

2015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	10.62	-
浮動薪酬		
• 現金花紅	7.40	0.75
• 認股權	-	10.35
(ii) 高層管理人員		
固定薪酬		
• 薪金	15.37	-
浮動薪酬		
• 現金花紅	7.07	-
• 認股權	-	13.45
(iii) 主要管理人員		
固定薪酬		
• 薪金	41.70	-
浮動薪酬		
• 現金花紅	13.73	4.56
• 認股權	-	8.60

註：

(i) 認股權價值乃參照本行股份於2016年2月17日的公平價值計算，僅供參考用途。

(ii) 集團於2015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 2015

Outstanding deferred remuneration	Vested portion during the year 2015 (HK\$ Million)	Unvested portion as at the end of 2015 (HK\$ Million)	Performance adjustments to unvested portion during the year 2015 (HK\$ Million)
(i) Chief Executive			
• Cash-based	7.11	15.34	-
• Share Options	8.06	14.37	-
(ii) Senior Management			
• Cash-based	2.69	5.90	-
• Share Options	10.48	18.70	-
(iii) Key Personnel			
• Cash-based	7.37	14.71	0.81
• Share Options	4.99	9.93	-

Remarks:

- (i) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (ii) The vested cash bonuses and share options relate to the 2011 variable remuneration award granted in 2012 and vested in 2015, the 2012 variable remuneration award granted in 2013 and vested in 2015 and the 2013 variable remuneration award granted in 2014 and vested in 2015. The total number of share options granted in 2012, 2013 and 2014 are 5,950,000 shares, 5,650,000 shares and 6,100,000 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2012, 2013 and 2014 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2015 includes the vested and unvested cash bonuses and share options of 3 Key Personnel who left the Group on 1st January, 2013 and 1st October, 2013 respectively.

Details of the remuneration payable to members of the Senior Management by band are disclosed in Note 22 on the accounts on page 188.

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 3 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.

2015年度未發放的遞延薪酬總額

未發放的遞延薪酬	於2015年度已歸屬部分 (港幣百萬元)	於2015年底未歸屬部分 (港幣百萬元)	於2015年度因工作表現 而取消的未歸屬部分 (港幣百萬元)
(i) 行政總裁			
• 現金花紅	7.11	15.34	-
• 認股權	8.06	14.37	-
(ii) 高層管理人員			
• 現金花紅	2.69	5.90	-
• 認股權	10.48	18.70	-
(iii) 主要管理人員			
• 現金花紅	7.37	14.71	0.81
• 認股權	4.99	9.93	-

註：

- (i) 認股權價值乃根據各授予日的公平價值計算。
- (ii) 已歸屬現金花紅及認股權為2012年授予並於2015年歸屬的2011年浮動薪酬、2013年授予並於2015年歸屬的2012年浮動薪酬和2014年授予並於2015年歸屬的2013年浮動薪酬。於2012、2013及2014年授予的認股權總額分別為5,950,000股、5,650,000股及6,100,000股。
- (iii) 未歸屬現金花紅及認股權為2012、2013及2014年浮動薪酬。
- (iv) 2015年度之主要管理人員未發放的遞延薪酬含3名已分別於2013年1月1日及2013年10月1日離職之主要管理人員的已歸屬及未歸屬現金花紅及認股權。

按等級披露的高層管理人員的薪酬詳情載於第188頁的賬項附註22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制政策等行為，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, 2015, 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 140.

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.

Risk Management and Internal controls

It is the responsibility of the Board to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Bank's strategic objectives and ensuring that the Bank establishes and maintains appropriate and effective risk management and internal control systems. The Board is also responsible for overseeing Management in the design, implementation and monitoring of the risk management and internal control systems.

The risk management and internal control systems of the Bank comprise 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. Please refer to the Section "Principal Risks and Capital Adequacy" on page 312 for further details on the Group's management of principal risks.

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, evaluate, manage, control and report risks including credit, market, operational, liquidity, interest rate, strategic, legal, reputation, money laundering and terrorist financing, and technology risks. Exposure to these risks is monitored by RIC, assisted by Risk Management Committee, 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, 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、財務狀況及前景的公正且易於理解的評估，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 2015 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 141 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公告及根據《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。

風險管理及內部監控

董事會負責評估及釐定本行達成策略目標時所願意接納的風險性質及程度，並確保本行設立及維持合適及有效的風險管理及內部監控系統。董事會並負責監督管理層對風險管理及內部監控系統的設計、實施及監察。

本行的風險管理及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。關於本集團主要風險管理的詳情請參閱載於第 312 頁「主要風險及資本充足度」的部分。

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、評估、管理、控制及匯報風險，包括信貸、市場、營運、流動資金、利率、策略性、法律、信譽、洗錢與恐怖分子資金籌集以及科技風險。風險委員會由風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會協助，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舉報有關本行任何可能發生不當行為的事宜。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 risk management and internal control systems which cover all material controls, including financial, operational and compliance controls. Pursuant to a risk-based approach, the Group's Internal Audit Division conducts independent reviews of control mechanisms over various operations and activities. Significant audit findings are reported to the AC twice each year. During the year 2015, no material internal control weakness has been identified and appropriate measures have been taken to address issues identified.

Audit Committee

It is the responsibility of the Board to establish formal and transparent arrangements for considering how it will apply the financial reporting, risk management 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, risk management and internal control systems, the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions, 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 3 times a year. The Chairman & Chief Executive, Deputy Chief Executives, other Senior Executives, and the external auditors are 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 2015 is recorded on page 74.

The following is a summary of the work performed by the AC during and for the year 2015:

- 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 auditors' 2015 annual audit plan, 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 2014 and six months ended 30th June, 2015;
- Reviewed and recommended to the Board for approval of the audit fee proposal for the Group for 2015;
- Recommended to the Board to re-appoint KPMG as the Group's external auditors for 2015;
- Reviewed the internal audit reports covering the evaluation of risk management and internal control systems of various operations of the Group;
- Reviewed the adequacies of resources, qualifications and experience of the staff of the Bank's accounting, internal audit and financial reporting functions, and their training programmes and budget; effectiveness of the Group's internal audit function; and compliance with the CG Code;
- Reviewed the Auditor's Report regarding the internal control systems for 2014 prepared under section 63(3A) of the Banking Ordinance;
- Reviewed the on-site examination reports of the HKMA issued in 2015;

企業管治報告（續）

董事會透過審核委員會評核本集團風險管理及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。本集團稽核處採用風險為本的評估方法，針對與各項運作和活動的監控機制進行獨立審閱。有關的重要稽核審閱結果，每年兩次向審核委員會匯報。2015年內並無發現重大的內部監控缺陷，對需要改進的地方已採取適當的措施。

審核委員會

董事會負責就如何應用財務匯報、風險管理及內部監控原則，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《企業管治守則》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《企業管治守則》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、風險管理及內部監控系統，會計、稽核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2015年舉行的會議次數及個別成員的出席記錄載於第75頁。

審核委員會在年內及為2015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《企業管治守則》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；
- 審閱外聘核數師的2015年度稽核計劃，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2014年度及2015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2015年集團的核數費用建議；
- 向董事會建議續聘畢馬威會計師事務所為本集團2015年度的外聘核數師；
- 審閱涵蓋本集團風險管理和各項運作內部監控評估的內部稽核報告；
- 審閱本行會計、稽核及財務匯報職能員工的資源、資歷和經驗，以及有關的培訓計劃和預算是否充裕；本集團稽核職能是否有效；遵守《企業管治守則》的情況；
- 審閱《銀行業條例》63(3A)條下2014年度內部監控系統核數師報告；
- 審閱金管局2015年內發出的現場審查報告；

CORPORATE GOVERNANCE REPORT (CONTINUED)

- Reviewed the Interim Report and the interim results announcement for the six months ended 30th June 2015;
- Reviewed the audited accounts and final results announcement for 2015; and
- Reviewed and approved Group internal audit plan for 2016.

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 AC 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 2016. The recommendation will be presented for the approval of shareholders at the 2016 AGM.

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 HKEx 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 Division, 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 2015, the fees paid or payable to KPMG, the Bank's external auditor, and its associates for providing non-audit services amounted to approximately HK\$24 million, which included the following items:

- Review and consultancy services: HK\$20 million;
- Services made at the request of regulators: HK\$1 million;
- Taxation services: HK\$2 million; and
- Other services: HK\$1 million.

The fee paid or payable to KPMG for providing audit service of the Group is HK\$17 million.

Risk Committee

The Bank has established an RIC with specific written Terms of Reference which deal clearly with its authorities and duties. The RIC is responsible for dealing with the Bank's risk management related issues, in particular strategic issues, of the Group.

The RIC is assisted by the Risk Management Committee and specialised risk management committees, namely Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee, to deal with daily management of risk-related issues; and by the Crisis Management Committee to deal with crisis management.

A majority of the members of the RIC are NEDs (including INEDs). The Committee is chaired by David LI Kwok-po. The other members are Arthur LI Kwok-cheung, Aubrey LI Kwok-sing, Winston LO Yau-lai, Eric LI Fook-chuen and Valiant CHEUNG Kin-piu.

RIC meetings are held on a quarterly basis, or as required. During the meetings, RIC reviews the risk management related issues of the Group including risk appetite, risk management strategies, risk governance, risk management framework, risk management policies and risk profiles. Significant risk management related issues are reported to the Board via RIC.

The number of meetings held by the RIC and the attendance of individual members at RICM in 2015 is recorded on page 74.

The following is a summary of the work performed by the RIC during and for the year 2015:

- Reviewed the Group's Risk Appetite Statement;
- Reviewed the Group's risk management strategies;
- Reviewed and monitored the Group's risk profiles;
- Reviewed the Group's risk governance and management framework;
- Reviewed the *Group Risk Management Policy*;
- Reviewed the Internal Capital Adequacy Assessment Process;
- Reviewed the stress-testing results for major risks;
- Reviewed the *Group Recovery Plan*;
- Reviewed the Risk Committee Report;
- Reviewed regulatory updates on risk management related issues and considered their probable material implications to the Group;

- 審閱截至2015年6月30日止6個月的中期報告及中期業績公告；
- 審閱2015年度經審核賬目及全年業績公告；及
- 審閱及批准2016年度集團的內部稽核計劃。

審核委員會所提出的事項已交回管理層處理。審核委員會的工作情況及審閱結果已向董事會報告。年內，已提交審核委員會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2016年度外聘核數師的建議。推薦建議將在2016股東周年常會上提呈予股東批准。

本行外聘核數師並無前任合夥人在其終止成為該核數師事務所合夥人當日或其享有該核數師事務所財務利益當日起計一年內(以日期較後者為準)的情況下，成為審核委員會成員。

審核委員會的職權範圍登載於香港交易所及本行的網站上，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，包括外聘核數師及稽核處的意見，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

2015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約為港幣2,400萬元，其中包括以下事項：

- 審查及顧問服務：港幣2,000萬元；
- 按監管機構要求所作的服務：港幣100萬元；
- 稅務服務：港幣200萬元；及
- 其他服務：港幣100萬元。

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1,700萬元。

風險委員會

本行已設立一個風險委員會，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。風險委員會負責處理本行的風險管理相關事宜，尤其是本集團的策略事宜。

風險委員會由風險管理委員會及專責風險管理委員會(包括信貸委員會、資產負債管理委員會和營運風險管理委員會)協助，負責處理風險相關事項的日常管理事宜，並且由危機管理委員會協助，處理危機管理事宜。

風險委員會大部分成員均為非執行董事(包括獨立非執行董事)。委員會主席為李國寶，其他成員包括李國章、李國星、羅友禮、李福全及張建標。

風險委員會每季召開一次會議，並於認為必要時召開額外會議。於會議上，風險委員會檢討本集團的風險管理相關事宜，涵蓋風險偏好、風險管理策略、風險管治、風險管理架構、風險管理政策及風險狀況。重大風險管理相關事宜經由風險委員會向董事會匯報。

風險委員會於2015年舉行的會議次數及個別成員的出席記錄載於第75頁。

風險委員會在年內及為2015年度所做的工作，摘要如下：

- 檢討本集團的風險偏好報告書；
- 檢討本集團的風險管理策略；
- 檢討及監察本集團的風險狀況；
- 檢討本集團的風險管治及管理架構；
- 檢討本集團的風險管理政策；
- 檢討內部資本充足評估程序；
- 審閱主要風險的壓力測試結果；
- 審閱本集團的恢復計劃；
- 審閱風險委員會報告；
- 審閱與風險管理相關的新監管規定，並考慮其可能對本集團造成的重大影響；

CORPORATE GOVERNANCE REPORT (CONTINUED)

- Reviewed the Terms of Reference of the RIC, Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee;
- Oversaw the implementation of risk management policies and compliance with respective statutory rules and regulations; and
- Met with the HKMA to exchange views.

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

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

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), the NC (particulars are disclosed under section A), and the RIC (particulars are disclosed under section C), the Board has also established the following 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 assisting the RIC in the daily management of risk-related issues of the Group including risk appetites, risk profiles, regulatory updates and stress-testing;
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 issues related to operational, legal, reputation, money laundering and terrorist financing, and technology risks of the Group;
7. Asset and Liability Management Committee is responsible for dealing with all issues related to market, interest rate, liquidity and strategic risks of the Group;
8. Crisis Management Committee is responsible for dealing with the Group's management of crisis scenarios 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.

The Terms of Reference of AC, RC, NC, and RIC 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's businesses and implementation of the strategy and direction set by the Board has been delegated to the Management.

E. COMPANY SECRETARY

The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed, and that the Bank's Articles of Association, relevant rules and regulations, including requirements of the Listing Rules, Companies Ordinance and Disclosures of Interests under the SFO, 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 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.

- 審閱風險委員會、危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會的職權範圍；
- 監督本集團執行風險管理政策及遵守相關法例及法規；及
- 與金管局會面交換意見。

風險委員會的職權範圍登載於本行的網站上，解釋其角色，以及董事會所授予的權力。

風險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。

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）、提名委員會（詳情在A項下披露）及風險委員會（詳情在C項下披露）外，董事會亦設立以下專責委員會，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協助風險委員會處理集團風險相關事項的日常管理事宜，包括風險偏好、風險狀況、新監管規定及壓力測試；
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與營運、法律、信譽、洗錢與恐怖分子資金籌集及科技風險有關的事宜；
7. 資產負債管理委員會負責處理集團所有與市場、利率、流動資金及策略性風險有關的事宜；

8. 危機管理委員會在發生或有可能發生危害集團信譽、流動資金/財政狀況及持續業務運作的事故時負責處理集團的危機事故管理事宜；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。

審核委員會、薪酬委員會、提名委員會及風險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，至於集團業務日常營運管理，以及實施董事會制定的策略和方向等職能則授權管理層進行。

E. 公司秘書

公司秘書的責任為（其中包括）確保本行遵守董事會程序、本行的組織章程細則及相關規則及規例（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。

CORPORATE GOVERNANCE REPORT (CONTINUED)

F. SHAREHOLDERS' RIGHTS & INVESTOR RELATIONS

Communication with Shareholders

The Bank recognises the importance of maintaining continuous communication with shareholders and constantly looks for ways to ensure we maintain an open and ongoing dialogue with the investment community. The Bank 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 which is published on the website of the Bank, 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), provide shareholders and investors timely access and continuous disclosure of the Bank's announcements, financial results, and press release. The Bank also hold press and investor conferences 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 as a useful forum for shareholders to exchange views with the Board. The Chairman of each of the AC, NC, RC and RIC, external auditors, Senior Management and legal advisors, are also present to answer shareholders' questions.

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 2015 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 2015 AGM, re-designation of Director and explanatory statement on buy-back of shares. All the resolutions were proposed on each substantially separate issue and 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 HKEx and the Bank on the same day of the 2015 AGM.

The Bank's 2016 AGM will be held on Friday, 8th April, 2016 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 2016 AGM which will be despatched to the shareholders on or about 29th February, 2016 for further details.

Convening of general meeting on requisition

Subject to the Companies Ordinance, Directors of the Bank shall on the request of shareholders of the Bank who represent at least 5% of the total voting rights of all the members having a right to vote at general meetings, forthwith proceed to convene a general meeting of the Bank. Each request must state the general nature of the business to be dealt with at the meeting, the name and contact details of the person making the request, must be authenticated by the person making it and may be sent to the Bank in hard copy form or in electronic form. Shareholders may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The Bank will take appropriate actions and make necessary arrangements in accordance with the requirements of the Companies Ordinance once a valid request is received.

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

Putting Forward Proposals at General Meeting

Shareholders representing at least 2.5% of the total voting rights of all the members having a right to vote, or, at least 50 shareholders who have a relevant right to vote, may:

- put forward proposal at general meeting; and
- circulate to other shareholders written statement with respect to matter to be dealt with or other business to be dealt with at general meeting.

For further details on the shareholder qualifications, and the procedures and timeline, in connection with the above, shareholders are kindly requested to refer to Sections 580 and 615 of the Companies Ordinance.

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及致力尋求新平台以保持與投資者進行公開和持續的溝通，並已制訂股東通訊政策（登載於本行網站），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及投資者會議，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、薪酬委員會及風險委員會的主席、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。

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，會以獨立決議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2015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2015股東周年常會退任而有資格重選的董事的資料、董事調任及回購股份授權建議的說明函件。各重要議題均以獨立決議案提呈各股東及以投票方式表決，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2015股東周年常會同日在香港交易所及本行網站刊登。

本行2016股東周年常會將於2016年4月8日（星期五）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。詳情請參閱將約於2016年2月29日寄發予股東之2016股東周年常會通函。

要求召開股東大會

按《公司條例》的規定，本行董事在接獲本行股東的要求時，須安排召開股東大會，而該等股東須佔全體有權在股東大會上投票表決的股東的總表決權最少5%。每項要求均必須述明將於會上處理事務的一般性質、該股東姓名及聯絡資料，並且必須由該股東認證及可透過印本形式或電子形式送交本行。要求可包含可在該大會上恰當地動議並擬在該大會上動議的決議的文本。一旦接獲有效的請求，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。

股東欲了解詳情，可參閱《公司條例》所載的規定。

於股東大會提出動議

持有本行總表決權不少於2.5%之股東，或最少50位有表決權利之股東，可：

- 於股東大會上提出動議；及
- 向其他股東傳閱有關於股東大會上動議之陳述書，或其他有待在該股東大會上處理之事務。

有關於股東大會提出動議之股東資格，程序及時限之詳細資料，請各股東參考《公司條例》第580條及第615條之規定。

CORPORATE GOVERNANCE REPORT (CONTINUED)

Nomination of Directors by Shareholders

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.

Handling and Dissemination of Inside Information

The Bank has in place a *Policy on Handling and Dissemination of Inside Information* ("Policy") which 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 HKEx and the Bank, according to the requirements of the Listing Rules.

Investors 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.

The Chief Executive, Executive Directors and Senior Management conducted briefings with analysts and the press to apprise them of the Bank's annual and interim results, business strategies and outlook.

G. RELATED PARTY TRANSACTIONS

Details of the significant related party transactions are provided under Note 50 on the accounts. These transactions were entered into by the Bank in the ordinary and usual course of business and on normal commercial terms and, if constituted connected transactions or continuing connected transactions, are exempt from the relevant disclosure requirements under Chapter 14A of the Listing Rules.

H. RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Bank acknowledged that they are responsible for the preparation of the consolidated financial statements of the Bank. During the year, in strict compliance with relevant provisions, the Bank published the 2014 Annual Report and the 2015 Interim Report as scheduled.

股東提名董事

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。

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」)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,會透過香港交易所及本行網站刊登相關消息。

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、定期及適時的本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。

行政總裁、執行董事及高級行政人員定期向傳媒及分析員發布關於本行的中期及年度業績,業務策略及前瞻。

G. 關聯人士交易

關聯人士的重大交易列於賬項附註50。該等交易為本行於一般及日常業務過程中按正常商業條款訂立,並在如構成關連交易或持續關連交易時,獲豁免《上市規則》第14A章項下的相關披露規定。

H. 董事就綜合財務報表須承擔的責任

本行董事承認有編製本行的綜合財務報表的責任。本行嚴格遵守有關規定,在年內本行已按時刊發2014年報及2015中期報告。

CORPORATE SOCIAL RESPONSIBILITY REPORT

The Bank of East Asia Group is committed to integrating environmental, social, and governance concerns into its business and operations.

The following report highlights BEA's major CSR achievements in 2015. The Group will provide a more comprehensive review of its 2015 CSR performance, including its environmental efforts, in the first half of 2016 in the form of a standalone report. All CSR reports are available via BEA's homepage at www.hkbea.com.

BEA announced two major policy initiatives in November 2015, a Group Environmental Policy and a Group Policy on Anti-Money Laundering and Counter-Terrorist Financing. Both policies are available to staff members via BEA's intranet. The Environmental Policy may also be viewed via the Bank's homepage (About BEA / Corporate Social Responsibility).

In March 2015, BEA announced its Guidelines for Community Investment. The Guidelines help to ensure that Group support for charitable causes is deployed effectively and in line with the Group's CSR policy.

The Group has also made progress on establishing a supplier code of conduct, having consulted several major suppliers, including international IT vendors and contractors, on the development of a draft code and self-assessment questionnaire.

In December 2015, in recognition of its achievements in the field of sustainability, BEA was named one of the top 20 performers among the constituent companies of the Hang Seng Index on the Hong Kong Business Sustainability Index developed by The Hong Kong Polytechnic University, The Hong Kong Council of Social Service, and the Hong Kong Productivity Council.

THE BANK OF EAST ASIA, LIMITED

Employees

To help ensure the well-being of staff members and promote a healthy work-life balance, BEA has developed the Employee Assistance Programme. Under this programme, the Bank offers numerous employee benefits, ranging from group activities to counselling for staff members and their immediate family members in Hong Kong. During the year under review, the Bank also organised a wide range of activities for staff members including recreational outings and wellness workshops on topics such as cooking and art.

The Smart Suggestion Award Programme has proved to be a popular means to foster better two-way communication between the staff and management. A total of 88 proposals were received from staff members during the year under review, with suggestions on topics that included customer loyalty, application of innovative technology to enhance the customer experience, and cost-saving initiatives to enhance productivity and efficiency.

Recruitment and Outreach Programmes

In March 2015, the Bank joined the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme organised by the Labour and Welfare Bureau in collaboration with the Rehabilitation Advisory Committee, HKCSS, and the Hong Kong Joint Council for People with Disabilities. The Scheme is designed to encourage and facilitate employers from different sectors to hire persons with disabilities and integrate them fully into the workplace.

The Bank's outreach programmes aim to introduce the wider community to important information on personal finances, and to encourage young people to consider a career in the financial services industry. During the year, BEA joined hands with non-profit making organisations and associations such as ARCH Community Outreach and Community Business to provide training, conduct career talks, and organise office tours for secondary school students from under-resourced communities.

For the fourth consecutive year, BEA supported the Pilot Scheme for Cross-border Study Tour for Post-secondary Financial Talents organised by the Financial Services and the Treasury Bureau of the Hong Kong government. Under the Scheme, BEA provided 3-week internships to keen undergraduates in Shanghai and Hong Kong.

企業社會責任報告

東亞銀行集團致力將環境、社會和管治的考量融入業務及營運之中。

以下報告概述2015年東亞銀行在企業社會責任方面的主要成果。於2016年上半年，本集團將刊發一份獨立報告，更全面回顧2015年的企業社會責任表現，包括在環保方面所付出的努力。本行所有企業社會責任報告可於企業網頁 www.hkbea.com 下載瀏覽。

2015年11月，東亞銀行公布兩大政策措施，分別是集團環保政策，以及集團反洗黑錢及反恐融資政策。政策內容已上載至東亞銀行內聯網，以供集團員工參閱，而環保政策亦可於本行網頁（關於東亞銀行/企業社會責任）下載瀏覽。

2015年3月，東亞銀行公布社區投資指引，確保集團為慈善團體提供的支援得以物盡其用、且配合集團的企業社會責任政策。

本集團在建立供應商行為守則方面取得進展，並就草擬供應商行為守則及自我評估調查問卷一事，諮詢了跨國資訊科技供應商及承辦商等多家主要服務供應商的意見。

2015年12月，東亞銀行獲香港理工大學、香港社會服務聯會與香港生產力促進局開發的「香港企業可持續發展指數」，評選為表現最佳的20家恆生指數成份股公司之一，以表揚本行在可持續發展方面的成果。

東亞銀行有限公司

僱員

為保障員工身心健康，同時鼓勵員工在工作與生活上取得平衡，本行特意制定了僱員輔助計劃，為員工及他們在香港的直系親屬提供僱員福利，包括不同類型的團體活動及諮詢輔導。回顧年內，本行為員工舉辦了多元化的活動，包括戶外康樂活動、烹飪和藝術等工作坊。

「精明建議獎勵」計劃可有效促進員工與管理層之間的雙向溝通，因而獲得員工歡迎。回顧年內，本行共接獲員工提交88份建議書，涉及主題包括客戶忠誠度、採用創新科技提升客戶體驗，以及節省成本以提高生產力及效率。

招聘及延伸計劃

2015年3月，本行參加由勞工及福利局與康復諮詢委員會、社聯、香港復康聯會合辦的《有能者·聘之約章》及共融機構嘉許計劃。該計劃旨在鼓勵及推動各行各業的僱主聘用殘疾人士，讓他們全面融入職場環境。

本行舉辦延伸計劃，目的是幫助廣大社群了解個人理財的重要資訊，並鼓勵年青一代考慮投身金融服務行業。年內，東亞銀行與ARCH Community Outreach及社商匯匯等非牟利機構及協會攜手合作，提供培訓課程、舉辦職業講座，並為來自弱勢社群的中學生組織辦公室參觀活動。

東亞銀行連續第四年資助由香港政府財經事務及庫務局舉辦的「滬港金融專業大學本科生交流及考察試點計劃」。東亞銀行為滬港兩地表現優異的大學生提供為期三周的實習機會。



For a second year, BEA awarded scholarships to children of the Bank's staff members at a ceremony held on 6th August.

8月6日，東亞銀行連續第二年舉行頒獎典禮，向本行員工的子女頒發獎學金。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

Customers

The BEA Group is committed to providing an exceptional customer experience and a consistently high standard of service that puts customer needs and preferences at the forefront. One way that the Bank has enhanced service delivery is through the adoption of technology and the development of electronic applications. Today, more than 90% of BEA's banking transactions in Hong Kong are performed via e-channels. In addition, the Bank operates an extensive branch network through which it deepens customer relationships, provides highly personalised services, and cross-sells more sophisticated financial products.

The Bank also carefully manages and responds to customer feedback. BEA's customers interact with the Group through more than 400 service outlets worldwide, customer service hotlines, online enquiry forms, and many other channels.

Community Involvement

BEA supports the communities it serves through donations, volunteering, and many other channels.

Education

BEA places high priority on the pursuit of knowledge and education. In 2015, the Bank once again sponsored the Hong Kong Children Storytelling Competition organised by The Boys' and Girls' Clubs Association of Hong Kong, providing cash prizes in BEA's Kid Master Savings Accounts to the winners.

In the second quarter of 2015, staff members of BEA's New York Branch visited two primary schools to introduce basic banking services to students. To assist low-income minority students to gain a better understanding of the banking industry, the New York Branch joined forces with the non-profit organisation Futures and Options, Inc., in November to arrange a branch visit for local high school students.

Health

Health promotion remained a core focus of BEA's CSR efforts in 2015. The Bank supported a diverse group of organisations, including the Hong Kong Cancer Fund, the Hong Kong Committee for UNICEF, and the Hospital Authority Charitable Foundation.

For the second straight year, staff members of BEA's Los Angeles Branch participated in the Los Angeles 5K Run in support of The Parkinson Alliance's Team Parkinson. In addition, the branch's staff volunteered at a free health screening held at Arcadia Methodist Hospital for low income residents.

Humanitarian Aid

Natural disasters strike suddenly and catastrophically, leaving communities devastated and unable to recover on their own. BEA is aware how important it is that relief is available, and is committed to acting quickly whenever tragedy strikes.

In response to the earthquakes that struck Nepal in April and May 2015, BEA and Group member Tricor Holdings Limited supported the emergency relief fund set up by the Hong Kong Committee for UNICEF, while the Bank also made donations to the funds of the Hong Kong Red Cross and The Salvation Army Hong Kong and Macau Command. In addition, the Bank made an appeal for donations from all Group members and placed notices on branch counters advising customers how they could assist recovery efforts in Nepal.



BEA's digital branches enable the Bank to increase efficiency and enhance customer convenience while supporting a paperless workflow.

智能數碼分行有助提升效率，讓客戶享受便捷服務，更可推動無紙化的工作流程。



In March 2015, BEA hosted a special talk by Ching W. Tang, IAS Bank of East Asia Professor at the Hong Kong University of Science and Technology, who shared his life and educational experiences with over 320 secondary school students.

2015年3月，東亞銀行舉辦了一場由香港科技大學高等研究院東亞銀行教授鄧青雲主講的座談會，鄧青雲教授與320多名中學生分享人生閱歷和學習心得。

客戶

東亞銀行集團一直致力提供卓越的客戶體驗，以優質服務滿足客戶所需，時刻堅持客戶至上。善用科技及開發電子應用程式是本行提升服務質素的方法之一，本行至今已有超過90%的香港銀行交易是透過電子渠道進行。同時，本行透過龐大的分行網絡，提供個人化的服務及交叉銷售更切合客戶所需的金融產品，以加強客戶關係。

本行會審慎處理及回覆客戶意見。現時，客戶可透過集團全球超過400個服務網點、客戶服務熱線、網上查詢表格及其他多種渠道，與本集團互動交流。

參與社區事務

東亞銀行透過捐款、義工活動及其他多種參與形式，為所服務的社群貢獻一分力量。

教育事務

東亞銀行對知識及教育的追求非常重視。於2015年，本行再次贊助香港小童群益會舉辦的全港兒童故事演講比賽，並向得獎者送贈理財小博士儲蓄賬戶獎金。

2015年第二季，東亞銀行紐約分行員工探訪兩間小學，為學生解說基本的銀行服務。為幫助低收入的少數族裔學生加深對銀行業的了解，紐約分行於11月與非牟利組織Futures and Options, Inc.合作，安排當地的高中生參觀分行。

健康

提倡健康生活仍是2015年東亞銀行企業社會責任工作的重點。本行向香港癌症基金會、聯合國兒童基金香港委員會、醫院管理局慈善基金等多間不同機構提供資助。

東亞銀行洛杉磯分行員工連續兩年參加了洛杉磯馬拉松五公里慈善跑，以支持柏金遜症聯盟的柏金遜症團隊。此外，該分行的員工亦在亞凱迪亞美以美醫院義務為低收入居民登記及填寫表格，參加該醫院的免費健康檢查活動。

人道主義援助

突如其來的天災導致生靈塗炭，摧毀無數家園，為社區造成無法自癒的破壞。東亞銀行深明救援物資極其重要，因此一旦遇到災害肆虐，定必迅速施以援手。

2015年4月至5月期間，尼泊爾發生大地震，東亞銀行與集團成員卓佳集團有限公司均撥款支持聯合國兒童基金香港委員會的緊急救援基金。本行亦同時向香港紅十字會及救世軍港澳軍區捐款救助災民，並積極號召所有集團成員踴躍捐款，更在各分行櫃位張貼告示，呼籲客戶協助尼泊爾災後重建。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)



Over 500 children and parents from underprivileged families took part in the "BEA Summer FUN" Carnival in July 2015.

2015年7月，500多名來自基層家庭的兒童和父母參加了「東亞夏日樂FUN紛」嘉年華。

In October 2015, more than 70 staff members of the Bank took part in the Sun Hung Kai Properties Hong Kong Cyclothon, which raised funds for The Community Chest.

2015年10月，本行逾70名員工參加了新鴻基地產香港單車節，為公益金籌款。



Social Welfare

A longstanding supporter of The Community Chest of Hong Kong, BEA was actively involved in many programmes organised by the Chest in 2015, including The Community Chest Wheelock Swim for Millions together with Tricor.

For a second year, staff members of BEA's Labuan Branch and Kuala Lumpur Representative Office visited abandoned children living at My Father's House Children's Home in Port Dickson outside Kuala Lumpur. BEA's London Branch helped raise funds for Comic Relief Charity in support of the fight against poverty in the United Kingdom and around the world.

Staff members of BEA's Singapore Branch volunteered to visit elderly residents of the SASCO Senior Citizens Home, while staff members of BEA's Los Angeles Branch helped pack food at the Los Angeles Regional Food Bank for distribution to underprivileged seniors. In December, staff members of the Bank's New York Branch visited the city's Chinatown Senior Citizen Centre to provide advice on avoiding common fraud schemes.

Arts & Culture

BEA maintained support for important cultural events in Hong Kong, most notably Le French May 2015 organised by the Association Culturelle France – Hong Kong Limited. The Bank has supported this signature cultural event for 12 years.

Staff Volunteering

In 2015, BEA's Volunteer Team, comprising more than 430 staff members, recorded more than 9,500 staff volunteering hours. Major projects included:

- participation in the Easter egg hunt organised by the Little Life Warrior Society in South Bay, in support of children with cancer;
- the BEA Summer FUN Carnival for approximately 500 disadvantaged and minority children, as well as childhood cancer survivors;
- a social gathering involving games, exercises, and refreshments for more than 110 residents of Kwong Yum Home for the Aged; and
- the donation of 360 scarves knitted by 120 staff volunteers to new immigrants, members of ethnic minorities, and the homeless.

Environment

The Bank continues to place a high priority on energy efficiency. Whenever renovation projects are carried out at branches and offices, energy-efficient lighting and air-conditioning systems are installed in order to reduce energy consumption. In addition, the Bank actively encourages staff members to consume less energy, water, and paper. Thanks to these efforts, the Bank reduced energy consumption at its two main office buildings in Hong Kong by 2.62% year on year, well exceeding its original target of 1.1%.



Members of BEA's Volunteer Team lent a helping hand at "The Community Chest Wheelock Swim for Millions" supported by the Bank.

東亞銀行義工隊於本行贊助的「公益金會德豐百萬泳」中擔任義工。



BEA was named 1st runner-up in the "Expedition for the Elite" corporate team category of the Salvation Army Orienteering 2015 @ Macau competition held in October 2015.

2015年10月，本行員工在「救世軍定向2015」活動中奪得「跨海精英賽」企業/機構組的亞軍。

社會福利

多年來，東亞銀行一直熱心支持香港公益金。2015年，本行積極參與由公益金籌辦的多項活動，包括與卓佳一起參與「公益金會德豐百萬泳」。

東亞銀行納閩分行和吉隆坡代表處的員工連續第二年前往吉隆坡以外的波德申，探訪住在「我的兒童年之家」內被遺棄的兒童。東亞銀行倫敦分行協助 Comic Relief Charity 籌募善款，以支持該組織在英國及全球各地紓緩貧窮問題。

東亞銀行新加坡分行員工探訪新加坡聯合服務合作社樂齡護理中心的長者，而東亞銀行洛杉磯分行員工則協助洛杉磯食物銀行包裝食品，以便分發給基層長者。於12月，東亞銀行紐約分行員工探訪了市內的華埠老人中心，並向長者講述常見的詐騙手法，以提防受騙。

文化藝術

東亞銀行繼續支持香港的文化盛事，其中最矚目的是由 Association Culturelle France – Hong Kong Limited 舉辦的「法國五月2015」。本行已連續12年贊助該大型文化活動。

義工活動

於2015年，東亞銀行義工隊共有430多名員工，服務時數逾9,500小時，主要活動包括：

- 參與生命小戰士會在南灣舉辦的「沙灘獵蛋奇兵」活動，以支持癌症病童；
- 為約500名基層兒童和少數族裔兒童，以及癌症復康病童舉辦的「東亞夏日樂FUN紛」嘉年華；
- 於廣蔭老人院舉辦聯歡會，與110名長者一同玩遊戲、做體操和吃茶點；及
- 120名義工編織了360條圍巾贈予新移民、少數族裔人士及露宿者。

環境保護

本行繼續高度重視能源效益問題。當分行或辦事處進行翻新，即會安裝節能照明及空調系統，以減少能源消耗。此外，本行亦積極鼓勵員工節約用電、食水及紙張。受惠於上述措施，本行於香港兩座主要辦公大樓按年減少2.62%能源消耗，遠超於原定減省1.1%之目標。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

For the seventh consecutive year, members of the BEA Group participated in “Earth Hour” organised by WWF. For one hour on 28th March, 2015, all non-essential lighting was switched off in the offices and selected branches of BEA in Hong Kong, Macau, Taipei, Singapore, Birmingham, and Manchester; as well as those of The Bank of East Asia (China) Limited; BEA Wealth Management Services (Taiwan) Limited; Shaanxi Fuping BEA Rural Bank Corporation; Blue Cross (Asia-Pacific) Insurance Limited; Credit Gain Finance Company Limited; and Tricor.

Recycling remained a key priority throughout the year, with a special effort made to reduce waste and recycle during festive seasons.

The Bank of East Asia Charitable Foundation Limited

In November, the BEA Foundation held a kick-off ceremony together with the Hong Kong Sheng Kung Hui’s Religious Education Resource Centre to mark the start of the 2015 / 2016 BEA Parent-Child Reading Programme. The 2015 / 2016 programme has been extended from 64 to 106 schools, with the total number of participants increasing from 2,000 to 2,400 students.

The BEA Foundation also held a kick-off ceremony in November for the 2015 / 2016 BEA “High Five” Club, jointly organised with St. James’ Settlement and held at SJS’s Kowloon Kindness Centre in Tai Kok Tsui. In addition to after-school care, activities, and hot meals, children participating in the 2015 / 2016 Club will enjoy the companionship of BEA staff volunteers, who will serve as “big brothers” and “big sisters”. The volunteers will visit the Centre regularly to serve as mentors and organise various activities and field trips to scenic locales around Hong Kong.

GREATER CHINA EX- HONG KONG

BEA China, the Bank’s wholly-owned subsidiary on the Mainland, continued to contribute to a wide range of important causes during the year under review.

Shanghai Soong Ching Ling Foundation – BEA Charity Fund

Jointly established by BEA China and the Shanghai Soong Ching Ling Foundation, the Charity Fund is committed to improving educational opportunities for underprivileged children in rural areas on the Mainland.

On 9th December, 2015, BEA China and SSCLF jointly held the 7th annual Firefly Charity Night in Shanghai, raising CNY7.58 million. As at 31st December, 2015, the Charity Fund had raised over CNY52 million since its establishment in 2009.

Firefly Project

On 8th May, 2015, BEA China, SSCLF, and “la Caixa” Foundation signed a collaborative agreement to establish the Firefly Centre Development Programme. The Charity Fund and “la Caixa” Foundation will contribute a total of CNY9.03 million to further improve educational opportunities for underprivileged children in rural areas.

The Charity Fund established 12 new Firefly Centres in 2015, including six under the Firefly Centre Development Programme, bringing the total number of Firefly Centres opened nationwide to 51 by the end of the year. To date, more than 32,000 “Firefly 60” Backpacks containing stationery and books have been distributed to young students. The Charity Fund also arranged for volunteers to provide training programmes for 150 schoolmasters and teachers in seven cities in China between July and September 2015.



The publication of the Palliative Care Practice Manual was announced at a symposium held by The Salvation Army on 9th October. The publication of this manual is an important milestone in the history of the Palliative Care in Residential Care Homes for the Elderly programme funded by the BEA Foundation, “la Caixa” Foundation, and The Salvation Army.

救世軍於10月9日舉辦的專題座談會上宣布出版「安老院舍完善人生關顧計劃」手冊，為東亞銀行慈善基金、「la Caixa」基金會及救世軍資助的「安老院舍完善人生關顧計劃」的里程上寫下重要的一頁。



In May 2015, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund signed a collaborative agreement with “la Caixa” Foundation to further improve educational opportunities for underprivileged children in rural areas on the Mainland.

於2015年5月，上海宋慶齡基金會—東亞銀行公益基金與“la Caixa”基金會簽署合作協議，以進一步改善內地農村地區貧困兒童的教育機會。

東亞銀行集團成員連續第七年參加世界自然基金會主辦的「地球一小時」。2015年3月28日，香港、澳門、台北、新加坡、伯明翰及曼徹斯特的辦公室和部分分行；以及東亞銀行（中國）有限公司、東亞證券股份有限公司、陝西富平東亞村鎮銀行有限責任公司、藍十字（亞太）保險有限公司、領達財務有限公司及卓佳都將非必要的燈光關掉一小時。

年內，本行繼續著力回收廢物循環再用，並特別於佳節期間推行減廢及回收工作。

東亞銀行慈善基金有限公司

於11月，東亞銀行慈善基金與聖公會宗教教育中心攜手舉辦啟動禮，為「2015 / 2016 東亞銀行親子閱讀證書獎勵計劃」揭開序幕。參加2015 / 2016年度計劃的學校由64間增加至106間，參加學生的總人數由2,000名上升至2,400名。

東亞銀行慈善基金亦與聖雅各福群會位於大角咀的聖雅各福群會九龍慈惠中心合辦2015 / 2016年度「東亞培賢社」，並於11月舉行啟動禮。「東亞培賢社」不但提供課後託管、課外活動和熱食等服務，由2015 / 2016年度起，東亞銀行的義工亦將以「大哥哥」、「大姐姐」的身份與中心內的兒童作伴，擔任義工導師的角色。義工隊會定期探訪中心擔任導師及舉辦各類型活動，並會帶小朋友暢遊本港各處景點。

大中華地區（香港除外）

回顧年內，本行在內地的全資附屬公司東亞中國繼續為各類主要公益事務作出貢獻。

上海宋慶齡基金會 — 東亞銀行公益基金

東亞中國和上海宋慶齡基金會共同成立的公益基金致力為內地偏遠地區的貧困兒童提供教育機會。

2015年12月9日，東亞中國和上海宋慶齡基金會於上海合辦了第七屆「螢火蟲慈善之夜」，共籌得人民幣758萬元。截至2015年12月31日，公益基金自2009年成立以來已籌得人民幣5,200多萬元。

螢火蟲計劃

2015年5月8日，東亞中國、上海宋慶齡基金會和“la Caixa”基金會共同簽訂合作協議，正式展開「螢火蟲樂園」發展計劃。公益基金和“la Caixa”基金會將合共投入人民幣903萬元，以進一步改善偏遠地區貧困兒童接受教育的機會。

公益基金於2015年共捐建了12所全新的螢火蟲樂園，其中6所是根據「螢火蟲樂園」發展計劃而建立。截至2015年年底，公益基金已於全國共捐建了51所「螢火蟲樂園」。迄今為止，已捐贈逾32,000個內含書籍和文具的「螢火蟲60背包」予學童。2015年7月至9月期間，公益基金亦安排義工為內地七個城市共150名校長和教師提供培訓課程。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)



In October 2015, the Charity Fund signed an agreement with Tsinghua University PBC School of Finance to formally include the University in the BEA University Scholarship Programme.

2015年10月，公益基金與清華大學五道口金融學院簽署協議，正式將該學院納入「東亞銀行大學生助學金計劃」。

Funding Plan for Non-governmental Organisations

In 2015, the Charity Fund continued to provide financial support to various programmes under its Funding Plan for NGOs. These included training organised by the Shanghai Qingcongquan Training Centre for Children with Special Needs, to assist children with early autism; rehabilitation services provided by the Shanggong Community Health Service Centre, for children with cerebral palsy; as well as various cultural, language, and vocational programmes.

Additional Charitable Activities by BEA China

Education

For the third consecutive year, BEA China, the Shanghai Students Moral Education Development Centre, and the Shanghai Educational Press Group jointly organised the "Bank of East Asia Cup Financial Education School Tour", from September to November 2015. Designed to provide middle school students with an introduction to sound financial management, the programme was extremely successful, attracting about 10,000 students from over 100 schools and receiving recognition from the China Banking Regulatory Commission.

Social Welfare

In January and February 2015, BEA China organised the "Give Warmth and Happiness in the Year of Goat" campaign in 14 cities nationwide. More than 200 volunteers visited 1,750 seniors, orphans, and other vulnerable members of the community, and distributed food and other daily necessities in celebration of the Lunar New Year.

Staff Volunteering

For the second consecutive year, BEA China's Volunteer Team organised the Warm the Hearts of the Elderly campaign. In October, staff volunteers visited elderly residents in Huangpu District, Shanghai, and presented them with thermal flasks as gifts.

In May and November, BEA China organised charity events at which a wide variety of items, such as toys, jewellery, electronic appliances, clothes, and books, were sold to raise funds in support of the Charity Fund's Firefly Project.

Charitable Activities in Macau and Taiwan

In February 2015, Macau Branch participated in The Salvation Army's Chinese New Year Gift Transfer campaign by collecting festive gifts from staff members for distribution to underprivileged groups. In May 2015, staff members participated in the Macau Famine organised by the World Vision of Macau Association. Participants gave up their lunch in order to donate the cost of the meal to support World Vision's worldwide food security and development projects. For the sixth straight year, Macau Branch participated in Orbis Macau's Mid-Autumn Charity Sale by raising funds for the prevention and treatment of blindness worldwide.

BEA's Taiwan Branches organised a clean-up event at Tanya Shen Green Bikeway in Taichung City. Over 80 staff members and their family members participated in the event by collecting trash along the bikeway and separating waste for recycling.

民間公益組織資助計劃

2015年，公益基金繼續為民間公益組織的各類項目提供資助，包括上海青聰泉兒童智能訓練中心為早期自閉症兒童舉辦的培訓、上鋼社區衛生服務中心為腦癱兒童提供的復康服務，以及各類文化、語言及職業培訓計劃。

東亞中國的其他慈善活動

教育事務

2015年9月至11月，東亞中國連續第三年與上海市學生德育發展中心、上海教育報刊總社合辦「東亞銀行杯金融教育校園行」活動，以向中學生提供穩健理財的基本知識。該活動成功吸引逾100間學校約10,000名學生參加，並獲得中國銀行業監督管理委員會的嘉許。

社會福利

2015年1月及2月期間，東亞中國在全國14個城市舉辦「羊年送暖喜洋洋」活動。逾200名義工探望了1,750名長者、孤兒及其他弱勢社群，並即場派發食品及其他日用品以慶祝農曆新年。

義工活動

東亞中國義工隊連續第二年舉辦「暖心暖夕陽」敬老活動。義工們在10月探訪了上海黃埔區的長者，並送上保溫杯。

東亞中國分別於5月及11月舉行慈善活動，義賣包括玩具、飾物、電器、衣物及書籍等各類物品，籌款支持公益基金的螢火蟲計劃。

澳門及台灣的慈善活動

2015年2月，澳門分行參加了救世軍舉辦的「賀年禮品轉贈計劃」，向員工收集賀年禮品，以轉贈予弱勢社群。2015年5月，員工參加了世界宣明會澳門分會舉辦的「澳門饑饉」活動。參加者透過少吃一餐並將省下的午餐費用捐出，以支持世界宣明會在全球推行的糧食保障及發展項目。澳門分行亦連續第六年參加澳門奧比斯的「中秋慈善義賣」活動，為全球各地的預防及救盲行動籌款。

東亞銀行台灣分行在台中市潭雅神自行車道舉辦清潔活動，吸引逾80名員工及家屬參加，在自行車道沿途收集垃圾，並將廢物分類回收。



In March and April 2015, over 370 volunteers including BEA China's employees and their family members, customers, and NGO representatives participated in the "Protect Our Green World" campaign to promote environmental protection through various activities.

2015年3月及4月，東亞中國的員工及家屬、客戶和民間公益組織代表等逾370名義工一起參加了「愛綠護綠·有我們」公益活動，透過不同活動宣揚環保訊息。

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

OTHER SUBSIDIARIES

Blue Cross (Asia-Pacific) Insurance Limited

For the fourth consecutive year, Blue Cross sponsored the Happy Teens, Full of Fun Programme organised by the Hong Kong PHAB Association. Designed for tertiary students with disabilities, the 2015 programme included internships, volunteering, and practical training on a wide range of subjects including career planning, on-the-job skills acquisition, public speaking, and a special course on radio disc jockey training.

As a longstanding supporter of animal welfare and adoption, Blue Cross joined hands with the Society for the Prevention of Cruelty to Animals to launch a special programme called Care for a Pet, offering a 1-year insurance premium waiver for 30 animals at the SPCA awaiting new homes. Blue Cross also organised a corporate volunteer team comprising staff members, family members, and pet dogs who participated in the SPCA Dogathon, an annual charitable event to raise funds for SPCA's adoption and rehoming efforts.

Credit Gain Finance Company Limited

For the fifth consecutive year, Credit Gain jointly organised a series of activities for disadvantaged members of society together with the Evangelical Lutheran Church Social Service – Hong Kong. In August, underprivileged children living in Kwai Tsing District joined a lip and multi-purpose balm-making workshop run by Credit Gain volunteers. In September, the volunteers escorted children on a visit to a nearby elderly home, where the children distributed the handmade products and daily necessities to residents as gifts for the Mid-autumn Festival. Children who participated in the event not only discovered the joy of making products by hand, but also the importance of caring for the elderly in our community.

Tricor Holdings Limited

Tricor is committed to whole-life education. During the year, it organised luncheon talks for staff in Hong Kong on a variety of topics, ranging from health and well-being to personal skills development. Tricor also helped nurture the careers of future professionals by offering internships for tertiary students. In November 2015, the Company held its annual corporate governance seminar, which was attended by nearly 1,300 guests.

Tricor and its staff members actively supported numerous charitable causes in 2015. In Hong Kong, Tricor organised its second-annual blood donation campaign, and a charity sale of products made by staff members for Po Leung Kuk. Tricor also sponsored the Free Ride Day organised by the Hong Kong General Chamber of Commerce.

Tricor staff members in Shanghai participated in the SHKP Vertical Run – Race to Shanghai International Finance Centre to help raise funds for the Shanghai Children's Health Foundation. Tricor staff members in the UK prepared and sold coffee and cakes to colleagues in the office. Proceeds from the sale were matched by Tricor and donated to Macmillan Cancer Support. In Malaysia, staff members joined the Bald & Beautiful challenge by having their heads shaved to raise funds for Cancer Research Malaysia and the Sarawak Children's Cancer Society.

BEA Union Investment Management Limited

BEA Union Investment established a dedicated CSR team to engage more staff members in the development and implementation of the Company's CSR initiatives. In the first half of 2015, 10 BEA Union Investment staff members received first-aid training from Hong Kong St. John Ambulance, to learn useful occupational health and safety skills in case of need in the workplace.



Participants in the Happy Teens, Full of Fun Programme supported by Blue Cross acquired useful skills to help prepare them for future job opportunities.

由藍十字贊助的「樂TEEN滿FUN計劃」讓參加者學習到各種實用技能，為日後投身社會工作做好準備。

其他附屬公司

藍十字 (亞太) 保險有限公司

藍十字連續第四年贊助香港傷健協會舉辦的「樂 TEEN 滿 FUN 計劃」。2015 年的計劃特別以大專院校的傷殘學生為主要服務對象，內容涵蓋工作實習、義工活動，以及主題多元化的實務培訓課程，包括生涯規劃、在職技能培訓、演講技巧、電台節目主持訓練等。

藍十字一直熱心支持善待動物及領養行動。為此，特別與愛護動物協會攜手推出名為「智得寵」的計劃，為愛護動物協會內 30 隻待領養的動物免費提供一年保險。藍十字還組織了由員工及其家屬和寵物犬隻組成的企業義工隊，參加愛護動物協會的「全城狗狗行善日」。愛護動物協會每年均舉辦此慈善活動，為其動物領養和安置服務籌募經費。

領達財務有限公司

領達財務連續第五年與基督教香港信義會社會服務部合辦一系列活動，幫助弱勢社群。於 8 月，居於葵青區的弱勢兒童參加了由領達財務義工舉辦的工作坊，學習製作潤唇膏及萬用膏。於 9 月，義工陪同這群兒童探訪鄰近的長者社區中心，讓他們將手製品及日用品派發給長者作為中秋節禮物。參加活動的兒童不僅享受到親手製作物品的樂趣，還體會到關懷區內長者的重要性。



In October 2015, Tricor employees in Malaysia participated in an executive run organised by the Labuan Financial Services Authority to raise funds for charity.

2015 年 10 月，卓佳的馬來西亞員工參加由納閩金融服務管理局舉辦的行政人員慈善跑步籌款活動。

卓佳集團有限公司

卓佳致力提倡終身學習。年內，卓佳為香港員工舉辦了午餐講座，講授身心保健和提升個人技能等知識。此外，卓佳亦為大專院校學生提供實習機會，協助他們培養未來就業所需的專業技能。2015 年 11 月，卓佳舉辦一年一度的企業管治研討會，吸引了近 1,300 人參加。

2015 年間，卓佳與員工踴躍支持多項慈善活動。在香港，卓佳再次舉辦一年一度的捐血活動，並義賣員工製作的物品，為保良局籌款。此外，卓佳亦贊助了香港總商會舉辦的「香港總商會全程為您」活動。

上海方面，卓佳員工參加了「新地公益垂直跑 — 勇闖上海 IFC」活動，為上海市兒童健康基金會籌款。在英國，卓佳員工在辦公室製作咖啡和蛋糕讓同事選購，卓佳其後捐出與銷售收益等額的善款，並連同銷售收益一併捐給 Macmillan Cancer Support。至於在馬來西亞，卓佳員工參加了「光頭與美」落髮活動，把頭髮剃掉，為馬來西亞癌症研究機構及砂拉越兒童癌症協會籌款。

東亞聯豐投資管理有限公司

東亞聯豐投資特別成立了一支企業社會責任團隊，讓更多員工參與制定及推行公司的企業社會責任計劃。2015 年上半年度，10 名東亞聯豐投資的員工接受了香港聖約翰救護機構的急救訓練，學習有關職業健康及安全方面的實用技能，以便應付工作間不時之需。

Staff members of BEA Union Investment took part in the Bloomberg Square Mile Relay in November 2015 to help raise funds for Unleash Foundation and the Agency for Volunteer Service.

2015 年 11 月，東亞聯豐投資的員工參與「彭博一英里接力賽」，為聯志發展基金及義務工作發展局籌款。



CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)



BEA GROUP'S CSR ACHIEVEMENTS 東亞銀行集團的企業社會責任成果

BEA 東亞銀行

- | | |
|--|---|
| <p>1 "President's Award" (for the 16th consecutive year), "Diamond Award" in the Corporate & Employee Contribution Programme 2014/2015 (for the 21st consecutive year), "6th Top Fund Raiser Award" in the Dress Casual Day 2014 programme, and "Outstanding Walk Team Award for the 2014/2015 Walk for Millions"
- <i>The Community Chest</i></p> | <p>公益金頒發「公益榮譽獎」(連續第16年)、2014 / 2015年度商業及僱員募捐計劃「鑽石獎」(連續第21年)、2014公益金便服日「最高籌款機構第6名」, 及「2014 / 2015百萬行傑出步行隊伍獎」</p> |
| <p>2 Named "Caring Company" (for the 12th consecutive year); Blue Cross and Credit Gain were named "Caring Company" for the seventh and fifth year, respectively
- <i>HKCSS</i></p> | <p>榮獲社聯嘉許為「商界展關懷」機構(連續第12年), 藍十字及領達財務亦分別為第7年和第5年榮獲該項嘉許</p> |
| <p>3 "Caring Company Award" in the Hong Kong Service Award Programme 2015
- <i>East Week</i></p> | <p>《東周刊》頒發「香港服務大獎 — 關愛機構大獎2015」</p> |
| <p>4 Named one of the top 20 companies in the Hong Kong Business Sustainability Index
- <i>PolyU, HKCSS, and HKPC</i></p> | <p>理大、社聯及香港生產力促進局編制之「香港企業可持續發展指數」中名列首20名</p> |
| <p>5 "Community Engagement **2 Stars Award"
- <i>Senior Citizen Home Safety Association</i></p> | <p>長者安居協會頒發「社區參與二星獎」</p> |
| <p>6 "Gold Award for Volunteer Service" in 2014
- <i>Social Welfare Department's Central Office</i></p> | <p>社會福利署義務工作統籌課頒發2014年度義工服務金嘉許狀</p> |
| <p>7 "Gold Award" (Website Stream and Mobile Application Stream) in the Web Accessibility Recognition Scheme
- <i>The Office of the Government Chief Information Officer and the Equal Opportunities Commission</i></p> | <p>政府資訊科技總監辦公室及平等機會委員會合辦的「2015無障礙網頁嘉許計劃」中榮獲「網站組別」金獎及「流動應用程式組別」金獎</p> |
| <p>8 "Class of Excellence" Energywi\$e Label under Hong Kong Green Organisation Certification (for BEA's Head Office Building and BEA Tower)
- <i>Hong Kong Awards for Environmental Excellence Programme</i></p> | <p>獲頒發「香港環保卓越計劃」內之「卓越級別」節能標誌(總行大廈及東亞銀行中心)</p> |
| <p>9 "Class of Excellence" WasteWi\$e label under HKGOC (for BEA's Head Office Building and BEA Tower)
- <i>HKAEE</i></p> | <p>獲頒發「香港環保卓越計劃」內之「卓越級別」減廢標誌(總行大廈及東亞銀行中心)</p> |
| <p>10 Hong Kong Green Mark Honorary Certificate (for three years of excellence in sustainability)
- <i>Hong Kong Environmental Protection Association</i></p> | <p>香港環境保護協會頒發香港綠色標誌(持續3年可持續發展表現卓越)</p> |
| <p>11 Bronze Award in the Bank and Office category of the GREEN^{PLUS} Award Programme
- <i>CLP Holdings Limited</i></p> | <p>中華電力有限公司舉辦的「環保節能機構」嘉許計劃中榮獲銀行/辦公室組別之銅獎</p> |



BEA China 東亞中國

- 12 “2014 Best CSR Financial Institution in the China Banking Industry”
- *China Banking Association* 中國銀行業協會頒發「2014年度中國銀行業最具社會責任金融機構獎」

- 13 “Best Public Relations Programme among Financial Institutions in Shanghai” (for the 2015 BEA Cup Financial Education Tour for Middle School Students in Shanghai)
- *Shanghai Banking Association* 上海市銀行同業公會頒發「上海銀行業年度最佳公關案例」(在上海舉辦的「2015東亞銀行杯金融教育校園行」)

- 14 “2015 Institutional Contribution Award” in the Annual Shanghai Financial Institutions Awards Programme
- *Shanghai Banking Association* 上海市銀行同業公會頒發上海銀行同業·年度獎項 — 「2015年度機構貢獻獎」

- 15 “Best Practice Award” in the China Business News CSR Rankings in China
- *China Business News* 第一財經日報頒發第一財經·中國企業社會責任榜 — 「優秀實踐獎」

Blue Cross 藍十字

- 16 “Social Capital Corporate Volunteer Challenge – Most Caring Award”
- *Community Investment and Inclusion Fund, Labour and Welfare Bureau* 勞工及福利局社區 — 投資共享基金頒發「社會資本企業義工大賞 — 最具溫情獎」

Credit Gain 領達財務

- 17 “Consumer Caring Scheme 2015 – Consumer Caring Company” (for the fourth consecutive year)
- *GS1 Hong Kong* 香港貨品編碼協會頒發「貼心企業嘉許計劃2015 — 貼心企業」(連續第4年)

- 18 “Caring Agency Award 2014 – 1-Star Certificate” (for the second consecutive year)
- *Tsuen Wan and Kwai Tsing District Co-ordinating Committee on Elderly Services of the Social Welfare Department* 社會福利署荃灣及葵青區安老服務協調委員會頒發「關愛長者機構嘉許計劃2014 — 一星級嘉許證書」(連續第2年)

- 19 “Caring Corporation Award”
- *ELCSS-HK* 獲基督教香港信義會社會服務部嘉許為「愛心企業」

- 20 “2014/15 Good MPF Employer Award”
- *Mandatory Provident Fund Schemes Authority* 獲強制性公積金計劃管理局嘉許為「2014/15年度積金好僱主」

BEA Union Investment 東亞聯豐投資

- 21 “2014/15 Good MPF Employer Award”
- *Mandatory Provident Fund Schemes Authority* 獲強制性公積金計劃管理局嘉許為「2014/15年度積金好僱主」

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report together with the audited accounts for the year ended 31st December, 2015 (“Annual Report”).

PRINCIPAL PLACE OF BUSINESS

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

BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the performance for the year ended 31st December, 2015 and an indication of likely future development in the business of the Group are provided in the Chairman’s Statement and Report of the Chief Executive and Senior Management of the Annual Report. Description of the principal risks and uncertainties facing the Group can be found throughout the Annual Report, in particular the Risk Management section. Particulars of important events affecting the Bank that have occurred (if any) can be found in the Annual Report and the Notes to the Financial Statements. An analysis using financial key performance indicators are provided in the Financial Highlights and the Report of the Chief Executive and Senior Management. Compliance with relevant laws and regulations which have significant impact on the Group can be found throughout the Annual Report, in particular, the Corporate Governance Report.

In addition, discussions on the Group’s environmental policies and relationships with the key stakeholders that have a significant impact on the Group are discussed in the Corporate Social Responsibility Report of the Annual Report as well as the standalone version of 2015 Corporate Social Responsibility Report available on the Bank’s website at www.hkbea.com under “About BEA – Corporate Social Responsibility” section on the home page.

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.

ACCOUNTS

The profit attributable to equity holders of the Group for the year ended 31st December, 2015 and the state of the Bank’s and the Group’s affairs as at that date are set out in the accounts on pages 142 to 287.

FIXED ASSETS

Details of the movements in fixed assets are set out in note 35 on the accounts.

TRANSFER TO RESERVES

Profit attributable to equity holders of the Group, before dividends, of HK\$5,522 million (2014: HK\$6,661 million) has been transferred to reserves. Other movements in reserves are set out in Note 42 on the accounts.

DIVIDENDS

An interim dividend of HK\$0.38 per share (2014: HK\$0.43 per share) was paid on 11th September, 2015. The Directors have declared the payment of a second interim dividend of HK\$0.50 per share (2014: a second interim dividend of HK\$0.68 per share) in respect of the financial year ended 31st December, 2015.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last 5 years is set out in the Annual Report.

ISSUE OF SHARES

During the year, the Bank issued shares as follows:

- (a) 42,191,193 ordinary shares were issued at HK\$28.8230 each and 24,110,115 ordinary shares were issued at HK\$26.5335 each to shareholders who had elected to receive new shares in lieu of cash dividend in respect of the 2014 second interim dividend and the 2015 interim dividend respectively.
- (b) 5,174,000 ordinary shares were issued for cash of HK\$150,205,320.00 on the exercise of options granted under the approved staff share option schemes.
- (c) On 18th March, 2015, the Bank entered into subscription agreement (“Subscription Agreement”) with Sumitomo Mitsui Banking Corporation (“SMBC”) (the “Subscriber”) in relation to the subscription by SMBC as principal of 222,600,000 ordinary shares of the Bank (“New Shares”) at HK\$29.5576 per New Share (the “Subscription”). The 222,600,000 New Shares represent approximately 9.48% of the total number of issued shares of the Bank prior to the Subscription and approximately 8.66% of the total number of issued shares of the Bank as enlarged by the Subscription subsequent to the allotment date of 27th March, 2015.

董事會報告書

董事會全寅現謹向各股東發表截至2015年12月31日止年度的報告書及已審核賬項（「年報」）。

主要營業地點

東亞銀行有限公司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。

業務審視

有關對本集團截至2015年12月31日止年度業務的中肯審視及該年度表現的討論及分析，以及業務上相當有可能的未來發展的揭示，載於年報的主席報告書及行政總裁及高層管理人員報告書內。對本集團面對的主要風險及不明朗因素的描述，於本年報各部分（尤其在風險管理項下）已作披露。對本集團有影響的重大事件（如有）的詳情，在本年報各部分及財務報表各附註作出披露。運用財務關鍵表現指標進行的分析，見於本年報的財務摘要及高層管理人員報告書。而本集團遵守對本集團有重大影響的有關法律及規例的情況，則已在本年報各部分（尤其在企業管治報告內）作出披露。

此外，本集團的環境政策及其與對本集團有重大影響的主要持分者的關係的討論，披露於本年報的企業責任報告及登載於本行網站www.hkbea.com主頁內的「關於東亞銀行 — 企業社會責任」項下之2015企業責任報告（獨立版）內。

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%。

賬項

本集團截至2015年12月31日止年度的股東應佔溢利，以及本行和本集團於當日的財政狀況，載列於第142頁至第287頁的賬項內。

固定資產

固定資產的變動詳情載於賬項附註35。

撥入儲備

本集團除股息前的股東應佔溢利中的港幣55.22億元（2014年：港幣66.61億元）已予撥入儲備。至於儲備的其他變動，則載於賬項附註42。

股息

中期股息每股港幣0.38元（2014年：每股港幣0.43元）已於2015年9月11日派發。董事會現宣布派發截至2015年12月31日止年度第二次中期股息每股港幣0.50元（2014年：第二次中期股息每股港幣0.68元）。

5年財務概要

本集團過去5年的業績、資產及負債的摘要載列於本年報。

發行股份

年內，本行發行的股份如下：

- (a) 分別以每股港幣28.8230元發行42,191,193股普通股及以每股港幣26.5335元發行24,110,115股普通股，派發予選擇以新股代替現金收取2014年度第二次中期股息及2015年度中期股息的股東。
- (b) 在行使認可僱員認股計劃所授予的認股權方面，發行5,174,000股普通股，所得現金為港幣150,205,320.00元。
- (c) 於2015年3月18日，本行與三井住友銀行（「認購人」）訂立了認購協議（「認購協議」）。據此，三井住友銀行以主事人身份以每股港幣29.5576元認購222,600,000股本行股份（「新股份」）（「認購」）。該222,600,000股新股份相當於認購前本行已發行股份總數約9.48%，以及於2015年3月27日經認購配發新股份擴大後的本行已發行股份總數約8.66%。

REPORT OF THE DIRECTORS (CONTINUED)

The subscription price of HK\$29.5576 per New Share, representing (i) a premium of approximately 0.54% to the closing price of HK\$29.40 per Share as quoted on the Stock Exchange on 18th March, 2015; (ii) a premium of approximately 1.12% to the average closing price of HK\$29.23 per Share as quoted on the Stock Exchange for the last five trading days up to and including 18th March, 2015; (iii) a discount of approximately 11.19% to the average closing price of HK\$33.28 per Share as quoted on the Stock Exchange for the last five trading days up to and including 5th September, 2014 on which the announcement regarding the entry into of a memorandum of understanding between the Bank and the SMBC in relation to a proposed subscription of Shares was made; and (iv) a premium of approximately 0.25% to the average closing price of HK\$29.485 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 18th March, 2015. The Subscription Price was determined by the Bank and the Subscriber after arm's length negotiations by reference to the then trading prices of the Shares.

The amount raised (gross proceeds) from the Subscription is about HK\$6,579.5 million. The net proceeds amounted to approximately HK\$6,576 million after deducting the expenses incurred by the Bank in connection with the preparation and execution of the Subscription. The net subscription price is approximately HK\$29.54 per New Share. The Bank has applied the net proceeds as general working capital.

The Directors believed that the Subscription represents a good opportunity for the Bank to broaden its capital base and strengthen its capital position, which would effectively support the Bank's business development initiatives. The Directors considered that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

Details about the issue of shares are also set out in Note 40 on the accounts.

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

On 20th March, 2015, the Bank redeemed a face value of EUR70 million of 1.08% Senior Notes (the "2015 EUR Senior Notes") upon their maturity. The 2015 EUR Senior Notes were issued on 29th January, 2014 under the Bank's Medium Term Note Programme and listed on the Singapore Stock Exchange.

On 9th July, 2015, the Bank redeemed a face value of CHF62 million of Floating Rate Senior Notes (the "2015 CHF Senior Notes") upon their maturity. The 2015 CHF Senior Notes were issued on 9th July, 2014 under the Bank's Medium Term Note Programme and listed on the Singapore Stock Exchange.

On 2nd December, 2015, the Bank completed an exchange offer and a tender offer for the outstanding Hybrid Tier 1 capital instruments (comprising the US\$500,000,000 Step-up Subordinated Notes due 2059 issued by the Bank and the US\$500,000,000 Perpetual Non-cumulative Step-up Preference Shares of no par value in a liquidation preference of US\$1,000 issued by Innovate Holdings Limited, a wholly-owned subsidiary of the Bank) ("Hybrid Tier 1 Securities") whereby the aggregate principal amount of the Hybrid Tier 1 Securities the Bank had accepted for exchange or purchase was US\$175,655,000. All the Hybrid Tier 1 Securities validly tendered and accepted for exchange or purchase by the Bank have been cancelled. Following cancellation of all the Hybrid Tier 1 Securities exchanged or purchased by the Bank, the aggregate principal amount of the Hybrid Tier 1 Securities which remains outstanding is US\$324,345,000. The Hybrid Tier 1 Securities are listed on the Singapore Stock Exchange.

Save for the redemption of the 2015 EUR Senior Notes and 2015 CHF Senior Notes, and the cancellation of Hybrid Tier 1 Securities exchanged or purchased by the Bank as disclosed herein, 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, 2015.

ISSUE OF DEBENTURES AND NEW CAPITAL SECURITIES

During the year, the Bank offered and issued US\$650 million US-dollar denominated fixed rate undated non-cumulative subordinated Additional Tier 1 capital securities ("New Capital Securities") under its US\$6,000,000,000 Medium Term Note Programme. The net proceeds from the issue of the New Capital Securities were used to fund the redemption of the Hybrid Tier 1 Securities and as general working capital.

董事會報告書（續）

每股新股份港幣29.5576元的認購價，較(i)股份於2015年3月18日在聯交所所報每股港幣29.40元的收市價溢價約0.54%；(ii)股份截至2015年3月18日（包括該日）前最後5個交易日平均在聯交所所報每股港幣29.23元的收市價溢價約1.12%；(iii)股份截至2014年9月5日（包括該日），即刊登有關本行與三井住友銀行就有關擬認購股份簽訂諒解備忘錄的公告當日，前最後5個交易日平均在聯交所所報每股港幣33.28元的收市價折讓約11.19%；及(iv)股份截至2015年3月18日（包括該日）前最後10個交易日平均在聯交所所報每股港幣29.485元的收市價溢價約0.25%。認購價經由本行與認購人按公平原則磋商並參照股份當其時的交易價格予以釐定。

認購集資總額約為港幣6,579.5百萬元，經扣減本行為籌備和實施認購所涉及的開支後的淨額約為港幣6,576百萬元。認購價淨額為每股新股份約港幣29.54元。本行把所得款項淨額用於一般營運資金。

董事認為認購是本行擴闊資本基礎並加強資本實力，從而有效地支持本行各項業務發展活動的良機。董事認為認購協議和投資協議的條款屬公平合理，且符合整體股東的利益。

有關發行股份的詳情，亦載於賬項附註40。

購入、出售或贖回本行的上市證券

本行於2015年3月20日（票據到期日）贖回面值7,000萬歐元，孳息率為1.08%的高級票據（「2015歐元高級票據」）。2015歐元高級票據在2014年1月29日根據本行的中期票據計劃發行並於新加坡交易所上市。

本行於2015年7月9日（票據到期日）贖回面值6,200萬瑞士法郎的浮息高級票據（「2015瑞士法郎高級票據」）。2015瑞士法郎高級票據在2014年7月9日根據本行的中期票據計劃發行並於新加坡交易所上市。

本行於2015年12月2日完成就未償還混合一級證券（包括由本行發行於2059年到期的500,000,000美元步升後償票據及由本行的全資附屬公司Innovate Holdings Limited發行的500,000,000美元無面值享有清算優先權金額1,000美元的永久非累積步升優先股）作出的交換要約及收購要約。據此，本行接納交換及購買混合一級證券的本金總額為175,655,000美元。有效提交及獲本行接納交換或購買的所有混合一級證券已被註銷。獲本行交換或購買的所有混合一級證券被註銷後，仍未償還的混合一級證券本金總額為324,345,000美元。混合一級證券在新加坡交易所上市。

除上述所披露贖回2015歐元高級票據及2015瑞士法郎高級票據，以及註銷獲本行交換或購買的所有混合一級證券外，截至2015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。

發行債權證及新資本證券

年內，本行根據其6,000,000,000美元中期票據計劃發售及發行650,000,000美元以美元計值的固定利率無日期非累積後償債額外一級資本證券（「新資本證券」）。發行新資本證券所得款項淨額用於為贖回混合一級證券提供資金及一般營運資金。

REPORT OF THE DIRECTORS (CONTINUED)

In addition, the following notes were issued by the Bank under its US\$6,000,000,000 Medium Term Note Programme and its Singapore Branch's US\$2,000,000,000 Multicurrency Medium Term Note Programme (together "MTN Programmes") and U.S. Commercial Paper ("CP") Programme to raise funds for general corporate purposes:

Class	Issued under	Amount Issued (HK\$ equivalent)	Consideration received (HK\$ equivalent)
Senior Notes	MTN Programmes	5,073,160,487.01	5,034,026,520.94
Subordinated Notes	MTN Programmes	5,037,500,000.00	5,037,500,000.00
CP Notes	CP Programme	6,619,313,185.60	6,604,779,462.37
Total		16,729,973,672.61	16,676,305,983.31

DIRECTORS

The present Directors of the Bank are shown on page 68.

In accordance with the Articles of Association, the terms of office 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, will expire at the 2016 AGM. With the exception of KHOO Kay-peng who does not seek re-election, all the other retiring Directors, being eligible, offer themselves for re-election at the 2016 AGM.

Daryl NG Win-kong and Masayuki OKU were appointed Directors of the Bank on 1st June, 2015 and 1st August, 2015 respectively. They will retire under the provisions of the Articles of Association and, being eligible, offer themselves for re-election at the 2016 AGM.

Details of the Directors to be re-elected at the 2016 AGM are set out in the Circular sent to the shareholders.

No Director proposed for re-election at the 2016 AGM has a 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.

The Bank has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the INEDs, namely: Allan WONG Chi-yun, WONG Chung-hin, Winston LO Yau-lai, KHOO Kay-peng, Richard LI Tzar-kai¹, Kenneth LO Chin-ming, William DOO Wai-hoi, KUOK Khoon-ean, Valiant CHEUNG Kin-piu, and Daryl NG Win-kong² and considers them to be independent.

DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Bank (included in the annual consolidated financial statements for the year ended 31st December, 2015) during the year up to 15th February, 2016 (being the date of approval of the Bank's 2015 Annual Report) is available on the Bank's website at www.hkbea.com under "About BEA – Corporate Governance" section on the home page.

DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Bank on a named basis are disclosed in Note 21 to the Financial Statements for the year ended 31st December, 2015.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

There was no transaction, arrangement or contracts of significance in relation to the Group's business to which the Bank or any of its subsidiaries was a party and in which a Director of the Bank and/or any of his connected entities (as defined under section 486 of the Ordinance) had, directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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.

MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Bank were entered into or subsisted during the year.

David LI Kwok-po is employed as the Chief Executive of the Bank. His existing three-year term service contract commenced in April 2015 and will expire in March 2018.

PERMITTED INDEMNITY

Pursuant to the Articles of Association of the Bank, every Director, Secretary and officer of the Bank shall be indemnified out of the funds of the Bank against all liabilities (to the extent permitted by the Ordinance) incurred by such Director, Secretary or officer in the execution of his duties or otherwise in relation thereto. Directors & Officers Liability and Company Reimbursement Insurance has been arranged to indemnify the Directors and officers of the Group.

¹ For the period from conclusion of 2015 AGM held on 8th May, 2015 to 31st December, 2015.

² For the period from 1st June, 2015 to 31st December, 2015.

董事會報告書（續）

此外，本行根據其6,000,000,000美元中期票據計劃及其新加坡分行的2,000,000,000美元（多種貨幣）中期票據計劃（合稱「中期票據計劃」）及美國商業票據計劃發行以下票據，藉以籌集資金用作一般企業用途：

類別	根據以下計劃發行	發行款額 (港元等值)	收取的代價 (港元等值)
高級票據	中期票據計劃	5,073,160,487.01	5,034,026,520.94
後償票據	中期票據計劃	5,037,500,000.00	5,037,500,000.00
商業票據	美國商業票據計劃	6,619,313,185.60	6,604,779,462.37
合共		16,729,973,672.61	16,676,305,983.31

董事會

本行現任董事的名單載於第68頁。

根據組織章程細則規定，李國寶、黃子欣、李國星、羅友禮、邱繼炳及李國仕將於2016股東周年常會上卸任，除邱繼炳表示不會重選連任外，其他將卸任的董事均願在2016股東周年常會上膺選連任。

黃永光及奧正之分別於2015年6月1日及2015年8月1日獲委任為本行董事。根據組織章程細則規定，他們將於2016股東周年常會上卸任，並願膺選連任。

所有在2016股東周年常會重選的董事的資料，載於已寄發予股東的通函內。

所有擬在2016股東周年常會上膺選連任的董事，並沒有本行或其附屬公司在1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。

本行已收到每位獨立非執行董事：黃子欣、黃頌顯、羅友禮、邱繼炳、李澤楷¹、駱錦明、杜惠愷、郭孔演、張建標及黃永光²，根據《上市規則》第3.13條而作出的年度獨立性確認函。本行對他們的獨立性表示認同。

附屬公司董事

於年度內及直至2016年2月15日（為通過本行2015年報當天）止之期間，出任本行（包括在截至2015年12月31日止年度的綜合財務報表內）附屬公司董事會的董事姓名名單，已登載於本行網站www.hkbea.com主頁內的「關於東亞銀行 — 企業管治」項下以供閱覽。

董事薪酬

具名列載董事薪酬在截至2015年12月31日止年度的財務報表附註21披露。

董事在交易、安排或合約中之權益

於年度結束時或年內任何時間，凡與本集團業務有關而本行或其任何附屬公司有份參與之重要交易、安排或合約，本行各董事及/或與其有關連的實體（根據《條例》第486條之定義）均無直接或間接擁有重大權益。

董事在競爭業務之權益

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。

管理合約

年內，除僱傭合約外，並無訂立或存在與本行業務全部或任何重大部分有關的管理及/或行政合約。

李國寶爵士受聘為本行的行政總裁。他現行為期3年的僱傭合約已於2015年4月起生效，並將於2018年3月屆滿。

獲准許的彌償條文

根據本行章程細則，每名董事、秘書或職員在其執行職責或其他方面與此有關之情況下所蒙受或產生之所有債務（受限於《條例》的規定），有權獲得從本行基金中撥付彌償。此外，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。

¹ 由2015年5月8日舉行的股東周年常會結束後至2015年12月31日期內。

² 由2015年6月1日至2015年12月31日期內。

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31st December, 2015, the interests and short positions of the Directors and Chief Executive of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations as recorded in the register required to be kept under section 352 of the SFO (the "Register") were as follows:

I. Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of shares	Total	% of issued shares
David LI Kwok-po	Beneficial owner	67,290,162	79,295,396 ¹	3.00
	Interest of spouse	1,950,620		
	Interest of corporation	177,611		
	Executor of estate	9,877,003		
Arthur LI Kwok-cheung	Beneficial owner	11,442,430	37,176,714 ²	1.41
	Founder of discretionary trust	15,857,281		
	Executor of estate	9,877,003		
Allan WONG Chi-yun	Beneficial owner	408,826	15,740,273 ³	0.60
	Interest of spouse	136		
	Founder and beneficiary of discretionary trust	15,331,311		
WONG Chung-hin	Beneficial owner	51,491	430,035 ⁴	0.02
	Interest of spouse	378,544		
Aubrey LI Kwok-sing	Beneficial owner	1,116,309	36,581,946 ⁵	1.39
	Interest of spouse	21,520		
	Interest of corporation	16,096,301		
	Beneficiary of discretionary trust	19,347,816		
Winston LO Yau-lai	-	-	Nil	Nil
KHOO Kay-peng	-	-	Nil	Nil
Richard LI Tzar-kai	-	-	Nil	Nil
Kenneth LO Chin-ming	-	-	Nil	Nil
Eric LI Fook-chuen	Beneficial owner	4,015,691	39,416,285 ⁶	1.49
	Founder and beneficiary of discretionary trust	25,853,927		
	Interest of corporation	9,546,667		
Stephen Charles LI Kwok-sze	Beneficial owner	12,163,925	16,529,920 ⁷	0.63
	Interest of children	601,446		
	Administrator of estate	1,183,200		
	Beneficiary of discretionary trusts	2,581,349		
William DOO Wai-hoi	-	-	Nil	Nil
KUOK Khoon-ean	-	-	Nil	Nil
Valiant CHEUNG Kin-piu	-	-	Nil	Nil
Isidro FAINÉ CASAS	-	-	Nil	Nil
Peter LEE Ka-kit	Interest of corporation	679,000	1,779,000 ⁸	0.07
	Beneficiary of discretionary trust	1,100,000		
Adrian David LI Man-kiu	Beneficial owner	791,452	2,717,763 ⁹	0.10
	Interest of child	6,833		
	Settlor/Founder of discretionary trust	1,919,478		
Brian David LI Man-bun	Beneficial owner	2,078,541	6,548,255 ¹⁰	0.25
	Interest of corporation	4,469,714		
Daryl NG Win-kong	-	-	Nil	Nil
Masayuki OKU	-	-	Nil	Nil

董事及行政總裁權益

於2015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	身分及性質	股份數目	總數	佔已發行 有投票權股份 的百分率
李國寶	實益擁有人	67,290,162	79,295,396 ¹	3.00
	配偶的權益	1,950,620		
	法團的權益	177,611		
	遺產執行人	9,877,003		
李國章	實益擁有人	11,442,430	37,176,714 ²	1.41
	酌情信託的成立人	15,857,281		
	遺產執行人	9,877,003		
黃子欣	實益擁有人	408,826	15,740,273 ³	0.60
	配偶的權益	136		
	酌情信託的成立人及受益人	15,331,311		
黃頌顯	實益擁有人	51,491	430,035 ⁴	0.02
	配偶的權益	378,544		
李國星	實益擁有人	1,116,309	36,581,946 ⁵	1.39
	配偶的權益	21,520		
	法團的權益	16,096,301		
	酌情信託的受益人	19,347,816		
羅友禮	-	-	無	無
邱繼炳	-	-	無	無
李澤楷	-	-	無	無
駱錦明	-	-	無	無
李福全	實益擁有人	4,015,691	39,416,285 ⁶	1.49
	酌情信託的成立人及受益人	25,853,927		
	法團的權益	9,546,667		
李國仕	實益擁有人	12,163,925	16,529,920 ⁷	0.63
	子女的權益	601,446		
	遺產管理人	1,183,200		
	酌情信託的受益人	2,581,349		
杜惠愷	-	-	無	無
郭孔演	-	-	無	無
張建標	-	-	無	無
范禮賢	-	-	無	無
李家傑	法團的權益	679,000	1,779,000 ⁸	0.07
	酌情信託的受益人	1,100,000		
李民橋	實益擁有人	791,452	2,717,763 ⁹	0.10
	子女的權益	6,833		
	酌情信託的財產授予人/成立人	1,919,478		
李民斌	實益擁有人	2,078,541	6,548,255 ¹⁰	0.25
	法團的權益	4,469,714		
黃永光	-	-	無	無
奧正之	-	-	無	無

REPORT OF THE DIRECTORS (CONTINUED)

Notes:

- 1 David LI Kwok-po was the beneficial owner of 67,290,162 shares and he was deemed to be interested in 1,950,620 shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 177,611 shares held by David LI Kwok-po Charitable Foundation Limited, a charitable institution of which David LI Kwok-po is a director and the sole member. He was also deemed to be interested in 9,877,003 shares held by an estate of which he is one of the executors. Arthur LI Kwok-cheung was also deemed to be interested in the same block of 9,877,003 shares as one of the executors of the estate (please refer to Note 2 below).
- 2 Arthur LI Kwok-cheung was the beneficial owner of 11,442,430 shares. He made a voluntary disclosure of 15,857,281 shares held by a discretionary trust of which he is the founder but has no influence on how the trustee exercises his discretion. He was also deemed to be interested in 9,877,003 shares held by an estate of which he is one of the executors. David LI Kwok-po was also deemed to be interested in the same block of 9,877,003 shares as one of the executors of the estate (please refer to Note 1 above).
- 3 Allan WONG Chi-yun was the beneficial owner of 408,826 shares and he was deemed to be interested in 136 shares through the interests of his spouse, Margaret KWOK Chi-wai (deceased). He was also deemed to be interested in 15,331,311 shares held by a discretionary trust, Allan Wong 2011 Trust, of which he 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 Aubrey LI Kwok-sing was the beneficial owner of 1,116,309 shares and he was deemed to be interested in 21,520 shares through the interests of his spouse, Elizabeth WOO. He was also deemed to be interested in 16,096,301 shares held by Hope Lake Ltd., which is wholly-owned by him. The remaining 19,347,816 shares were held by The Fook Wo Trust, a discretionary trust in which Aubrey LI Kwok-sing is one of the discretionary beneficiaries.
- 6 Eric LI Fook-chuen was the beneficial owner of 4,015,691 shares. Of the 25,853,927 shares, 18,488,232 shares were held by New Jerico Limited and 7,365,695 shares were held by Ejeeco Limited, a wholly-owned subsidiary of 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 9,546,667 shares held by The Kowloon Dairy Limited of which he is the Chairman and Chief Executive Officer.
- 7 Stephen Charles LI Kwok-sze was the beneficial owner of 12,163,925 shares, and he was deemed to be interested in 601,446 shares through the interests of his children under the age of 18. He was also deemed to be interested in 1,183,200 shares held by an estate of which he is one of the administrators. Of the remaining 2,581,349 shares, (i) 2,363,000 shares were held by a discretionary trust, Settlement of Dr. Simon F. S. Li, of which Stephen Charles LI Kwok-sze, his spouse and his children were beneficiaries and (ii) 218,349 shares were held by a discretionary trust, Longevity Trust, of which his children were beneficiaries.
- 8 Of these 1,779,000 shares, 679,000 shares were owned by Golf Limited which in turn is wholly-owned by Peter LEE Ka-kit. He was also deemed to be interested in 1,100,000 shares ("Deemed Shares"). The Deemed Shares were beneficially owned by a subsidiary of The Hong Kong and China Gas Company Limited ("HKCG") and Peter LEE Ka-kit is a discretionary beneficiary of the discretionary trusts which indirectly control more than one third of the voting power at the general meeting of HKCG.
- 9 Adrian David LI Man-kiu was the beneficial owner of 791,452 shares, and he was deemed to be interested in 6,833 shares through the interests of his child under the age of 18. Adrian David LI Man-kiu has made a voluntary disclosure of 1,919,478 shares indirectly held by a discretionary trust of which he was the settlor/founder but has no influence on how the trustee exercises its discretion.
- 10 Brian David LI Man-bun was the beneficial owner of 2,078,541 shares. He was also deemed to be interested in 3,712,257 shares held by Belltrees Enterprises Inc. and 757,457 shares held by Triple Kingdom Limited. Both companies are wholly-owned by Brian David LI Man-bun.

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

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Adrian David LI Man-kiu and Brian David LI Man-bun pursuant to the approved Staff Share Option Schemes. Information in relation to these share options during the year ended 31st December, 2015 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 Singapore Stock Exchange. The Substitute Preference Shares (being perpetual non-cumulative step-up preference shares) are created, and to be issued by the Bank upon the occurrence of a Substitution Event (as defined in the circular to shareholders of the Bank dated 11th November, 2009) as one of the terms of the issue of the 2059 Notes and the Innovate Preference Shares.

董事會報告書 (續)

附註：

- 1 李國寶為67,290,162股的實益擁有人。由於其配偶潘金翠擁有1,950,620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177,611股，李國寶為該慈善機構的董事兼唯一成員。李國寶作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的9,877,003股。李國章作為該遺產的其中一位執行人，亦被視為擁有同一批9,877,003股（請參閱下列附註2）。
- 2 李國章為11,442,430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15,857,281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。李國章作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的9,877,003股。李國寶作為該遺產的其中一位執行人，亦被視為擁有同一批9,877,003股（請參閱上列附註1）。
- 3 黃子欣為408,826股的實益擁有人。由於其配偶郭志蕙（已歿）擁有136股之權益，他被視為擁有該等股份。由於黃子欣為一個酌情信託Allan Wong 2011 Trust的成立人及一位合資格受益人，他亦被視為擁有該酌情信託所持有的15,331,311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 李國星為1,116,309股的實益擁有人。由於其配偶吳伊莉擁有21,520股之權益，他亦被視為擁有該等股份。李國星因全資擁有Hope Lake Ltd.而被視為擁有該公司所持有的16,096,301股。餘下之19,347,816股由一個酌情信託The Fook Wo Trust持有，李國星為該信託的其中一位酌情受益人。
- 6 李福全為4,015,691股的實益擁有人。在25,853,927股當中，18,488,232股由New Jerico Limited持有，而7,365,695股則由New Jerico Limited的全資附屬公司Ejeeco 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9,546,667股股份，李福全為該公司的主席兼行政總裁。
- 7 李國仕為12,163,925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601,446股。李國仕作為一個遺產的其中一位管理人，因而被視為擁有該遺產持有的1,183,200股。餘下的2,581,349股當中：(i) 2,363,000股由一個酌情信託—Settlement of Dr. Simon F. S. Li持有，李國仕、其配偶及其子女皆為該酌情信託的受益人；及(ii) 218,349股由一個酌情信託—Longevity Trust持有，而李國仕的子女為該酌情信託的受益人。
- 8 該1,779,000股中，679,000股由李家傑全資擁有的公司Golf Limited持有。他亦被視為擁有1,100,000股（「該等被視為擁有之股份」）。該等被視為擁有之股份乃由中華煤氣有限公司（「中華煤氣」）之一間附屬公司實益擁有，而李家傑為全權信託之可能受益人，而該等信託間接控制中華煤氣股東大會超過三分之一投票權。
- 9 李民橋為791,452股的實益擁有人。他亦被視為擁有由其18歲以下子女持有的6,833股。李民橋自願披露其作為財產授予人/成立人的一個酌情信託所持有的1,919,478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。
- 10 李民斌為2,078,541股的實益擁有人。他亦被視為擁有由Belltrees Enterprises Inc.持有的3,712,257股及Triple Kingdom Limited持有的757,457股，該兩間公司為李民斌全資擁有。

II. 本行相關股份（就股本衍生工具而言）的好倉：

根據本行的認可僱員認股計劃，李國寶、李民橋及李民斌獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交收的期權。有關此等認股權在截至2015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^{附註}的實益擁有人：

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

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

REPORT OF THE DIRECTORS (CONTINUED)

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.

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 "Information on Share Options", and Notes 2(q)(iv) and 39 on the accounts.

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, 2015:

Name	Date of Grant	Number of Share Options				Outstanding Lapsed at 31/12/2015
		Outstanding at 1/1/2015	Granted	Exercised	Outstanding	
David LI Kwok-po	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 ^b	668,000 ^{T3}	-	668,000 ^d	-	Nil
	03/5/2013 ^b	666,000 ^{T1}	-	666,000 ^d	-	Nil
	03/5/2013 ^b	666,000 ^{T2}	-	-	-	666,000
	03/5/2013 ^b	668,000 ^{T3}	-	-	-	668,000
	02/5/2014 ^b	666,000 ^{T1}	-	-	-	666,000
	02/5/2014 ^b	666,000 ^{T2}	-	-	-	666,000
	02/5/2014 ^b	668,000 ^{T3}	-	-	-	668,000
	04/5/2015 ^c	-	666,000 ^{T1}	-	-	666,000
	04/5/2015 ^c	-	666,000 ^{T2}	-	-	666,000
	04/5/2015 ^c	-	668,000 ^{T3}	-	-	668,000
Adrian David LI Man-kiu	06/7/2010 ^a	650,000	-	650,000 ^d	-	Nil
	05/5/2011 ^b	216,000 ^{T1}	-	-	-	216,000
	05/5/2011 ^b	216,000 ^{T2}	-	-	-	216,000
	05/5/2011 ^b	218,000 ^{T3}	-	-	-	218,000
	10/5/2012 ^b	216,000 ^{T1}	-	-	-	216,000
	10/5/2012 ^b	216,000 ^{T2}	-	-	-	216,000
	10/5/2012 ^b	218,000 ^{T3}	-	-	-	218,000
	03/5/2013 ^b	216,000 ^{T1}	-	-	-	216,000
	03/5/2013 ^b	216,000 ^{T2}	-	-	-	216,000
	03/5/2013 ^b	218,000 ^{T3}	-	-	-	218,000
	02/5/2014 ^b	216,000 ^{T1}	-	-	-	216,000
	02/5/2014 ^b	216,000 ^{T2}	-	-	-	216,000
	02/5/2014 ^b	218,000 ^{T3}	-	-	-	218,000
	04/5/2015 ^c	-	216,000 ^{T1}	-	-	216,000
	04/5/2015 ^c	-	216,000 ^{T2}	-	-	216,000
04/5/2015 ^c	-	218,000 ^{T3}	-	-	218,000	

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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。

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。

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2015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 1/1/2015 尚未行使	授出	行使	失效	於 31/12/2015 尚未行使
李國寶	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 ^b	668,000 ^{T3}	-	668,000 ^d	-	無
	03/5/2013 ^b	666,000 ^{T1}	-	666,000 ^d	-	無
	03/5/2013 ^b	666,000 ^{T2}	-	-	-	666,000
	03/5/2013 ^b	668,000 ^{T3}	-	-	-	668,000
	02/5/2014 ^b	666,000 ^{T1}	-	-	-	666,000
	02/5/2014 ^b	666,000 ^{T2}	-	-	-	666,000
	02/5/2014 ^b	668,000 ^{T3}	-	-	-	668,000
	04/5/2015 ^c	-	666,000 ^{T1}	-	-	666,000
	04/5/2015 ^c	-	666,000 ^{T2}	-	-	666,000
	04/5/2015 ^c	-	668,000 ^{T3}	-	-	668,000
	李民橋	06/7/2010 ^a	650,000	-	650,000 ^d	-
05/5/2011 ^b		216,000 ^{T1}	-	-	-	216,000
05/5/2011 ^b		216,000 ^{T2}	-	-	-	216,000
05/5/2011 ^b		218,000 ^{T3}	-	-	-	218,000
10/5/2012 ^b		216,000 ^{T1}	-	-	-	216,000
10/5/2012 ^b		216,000 ^{T2}	-	-	-	216,000
10/5/2012 ^b		218,000 ^{T3}	-	-	-	218,000
03/5/2013 ^b		216,000 ^{T1}	-	-	-	216,000
03/5/2013 ^b		216,000 ^{T2}	-	-	-	216,000
03/5/2013 ^b		218,000 ^{T3}	-	-	-	218,000
02/5/2014 ^b		216,000 ^{T1}	-	-	-	216,000
02/5/2014 ^b		216,000 ^{T2}	-	-	-	216,000
02/5/2014 ^b		218,000 ^{T3}	-	-	-	218,000
04/5/2015 ^c		-	216,000 ^{T1}	-	-	216,000
04/5/2015 ^c		-	216,000 ^{T2}	-	-	216,000
04/5/2015 ^c		-	218,000 ^{T3}	-	-	218,000

REPORT OF THE DIRECTORS (CONTINUED)

Name	Date of Grant	Number of Share Options				Outstanding at 31/12/2015
		Outstanding at 1/1/2015	Granted	Exercised	Lapsed	
Brian David LI Man-bun	06/7/2010 ^a	650,000	-	650,000 ^d	-	Nil
	05/5/2011 ^b	216,000 ^{T1}	-	-	-	216,000
	05/5/2011 ^b	216,000 ^{T2}	-	-	-	216,000
	05/5/2011 ^b	218,000 ^{T3}	-	-	-	218,000
	10/5/2012 ^b	216,000 ^{T1}	-	-	-	216,000
	10/5/2012 ^b	216,000 ^{T2}	-	-	-	216,000
	10/5/2012 ^b	218,000 ^{T3}	-	-	-	218,000
	03/5/2013 ^b	216,000 ^{T1}	-	-	-	216,000
	03/5/2013 ^b	216,000 ^{T2}	-	-	-	216,000
	03/5/2013 ^b	218,000 ^{T3}	-	-	-	218,000
	02/5/2014 ^b	216,000 ^{T1}	-	-	-	216,000
	02/5/2014 ^b	216,000 ^{T2}	-	-	-	216,000
	02/5/2014 ^b	218,000 ^{T3}	-	-	-	218,000
	04/5/2015 ^c	-	216,000 ^{T1}	-	-	216,000
	04/5/2015 ^c	-	216,000 ^{T2}	-	-	216,000
04/5/2015 ^c	-	218,000 ^{T3}	-	-	218,000	
Aggregate of other Employees*	06/7/2010 ^a	2,140,000	-	2,140,000 ^d	-	Nil
	05/5/2011 ^b	732,000 ^{T1}	-	-	-	732,000
	05/5/2011 ^b	732,000 ^{T2}	-	-	-	732,000
	05/5/2011 ^b	736,000 ^{T3}	-	-	-	736,000
	10/5/2012 ^b	732,000 ^{T1}	-	100,000 ^d	-	632,000
	10/5/2012 ^b	732,000 ^{T2}	-	100,000 ^d	-	632,000
	10/5/2012 ^b	736,000 ^{T3}	-	100,000 ^d	-	636,000
	03/5/2013 ^b	732,000 ^{T1}	-	-	-	732,000
	03/5/2013 ^b	732,000 ^{T2}	-	-	-	732,000
	03/5/2013 ^b	736,000 ^{T3}	-	-	-	736,000
	02/5/2014 ^b	894,000 ^{T1}	-	50,000 ^d	-	844,000
	02/5/2014 ^b	894,000 ^{T2}	-	-	-	894,000
	02/5/2014 ^b	899,500 ^{T3}	-	-	-	899,500
	04/5/2015 ^c	-	932,000 ^{T1}	-	-	932,000
	04/5/2015 ^c	-	932,000 ^{T2}	-	-	932,000
04/5/2015 ^c	-	936,000 ^{T3}	-	-	936,000	
Other Participants**	05/5/2011 ^b	100,000 ^{T1}	-	50,000 ^d	-	50,000
	05/5/2011 ^b	100,000 ^{T2}	-	-	-	100,000
	05/5/2011 ^b	100,000 ^{T3}	-	-	-	100,000
	10/5/2012 ^b	100,000 ^{T1}	-	-	-	100,000
	10/5/2012 ^b	100,000 ^{T2}	-	-	-	100,000
	10/5/2012 ^b	100,000 ^{T3}	-	-	-	100,000
	03/5/2013 ^b	50,000 ^{T1}	-	-	-	50,000
	03/5/2013 ^b	50,000 ^{T2}	-	-	-	50,000
	03/5/2013 ^b	50,000 ^{T3}	-	-	-	50,000

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

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

Notes:

a Particulars of share options granted in year 2010:

Date of Grant	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
06/7/2010	06/7/2010 – 05/7/2011	06/7/2011 – 06/7/2015	28.49

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姓名	授予日期	認股權數目				於31/12/2015 尚未行使
		於1/1/2015 尚未行使	授出	行使	失效	
李民斌	06/7/2010 ^a	650,000	-	650,000 ^d	-	無
	05/5/2011 ^b	216,000 ^{T1}	-	-	-	216,000
	05/5/2011 ^b	216,000 ^{T2}	-	-	-	216,000
	05/5/2011 ^b	218,000 ^{T3}	-	-	-	218,000
	10/5/2012 ^b	216,000 ^{T1}	-	-	-	216,000
	10/5/2012 ^b	216,000 ^{T2}	-	-	-	216,000
	10/5/2012 ^b	218,000 ^{T3}	-	-	-	218,000
	03/5/2013 ^b	216,000 ^{T1}	-	-	-	216,000
	03/5/2013 ^b	216,000 ^{T2}	-	-	-	216,000
	03/5/2013 ^b	218,000 ^{T3}	-	-	-	218,000
	02/5/2014 ^b	216,000 ^{T1}	-	-	-	216,000
	02/5/2014 ^b	216,000 ^{T2}	-	-	-	216,000
	02/5/2014 ^b	218,000 ^{T3}	-	-	-	218,000
	04/5/2015 ^c	-	216,000 ^{T1}	-	-	216,000
04/5/2015 ^c	-	216,000 ^{T2}	-	-	216,000	
04/5/2015 ^c	-	218,000 ^{T3}	-	-	218,000	
其他僱員的總數 *	06/7/2010 ^a	2,140,000	-	2,140,000 ^d	-	無
	05/5/2011 ^b	732,000 ^{T1}	-	-	-	732,000
	05/5/2011 ^b	732,000 ^{T2}	-	-	-	732,000
	05/5/2011 ^b	736,000 ^{T3}	-	-	-	736,000
	10/5/2012 ^b	732,000 ^{T1}	-	100,000 ^d	-	632,000
	10/5/2012 ^b	732,000 ^{T2}	-	100,000 ^d	-	632,000
	10/5/2012 ^b	736,000 ^{T3}	-	100,000 ^d	-	636,000
	03/5/2013 ^b	732,000 ^{T1}	-	-	-	732,000
	03/5/2013 ^b	732,000 ^{T2}	-	-	-	732,000
	03/5/2013 ^b	736,000 ^{T3}	-	-	-	736,000
	02/5/2014 ^b	894,000 ^{T1}	-	50,000 ^d	-	844,000
	02/5/2014 ^b	894,000 ^{T2}	-	-	-	894,000
	02/5/2014 ^b	899,500 ^{T3}	-	-	-	899,500
	04/5/2015 ^c	-	932,000 ^{T1}	-	-	932,000
04/5/2015 ^c	-	932,000 ^{T2}	-	-	932,000	
04/5/2015 ^c	-	936,000 ^{T3}	-	-	936,000	
其他參與人 **	05/5/2011 ^b	100,000 ^{T1}	-	50,000 ^d	-	50,000
	05/5/2011 ^b	100,000 ^{T2}	-	-	-	100,000
	05/5/2011 ^b	100,000 ^{T3}	-	-	-	100,000
	10/5/2012 ^b	100,000 ^{T1}	-	-	-	100,000
	10/5/2012 ^b	100,000 ^{T2}	-	-	-	100,000
	10/5/2012 ^b	100,000 ^{T3}	-	-	-	100,000
	03/5/2013 ^b	50,000 ^{T1}	-	-	-	50,000
	03/5/2013 ^b	50,000 ^{T2}	-	-	-	50,000
	03/5/2013 ^b	50,000 ^{T3}	-	-	-	50,000

* 按香港《僱傭條例》所指的「連續合約」工作的僱員。

** 其他參與人指本行兩位於2013年終止為本行僱員的前僱員。在其終止為本行僱員前已獲授予該等認股權。

附註：

a 於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)
06/7/2010	06/7/2010 – 05/7/2011	06/7/2011 – 06/7/2015	28.49

REPORT OF THE DIRECTORS (CONTINUED)

b Particulars of share options granted in years 2011 to 2014:

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
10/5/2012	T1	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T1	03/5/2013 – 02/5/2014	03/5/2014 – 03/5/2019	31.40
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50

c Share options granted in year 2015:

(i) Particulars:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15

(ii) The closing price of the shares of the Bank on 30th April, 2015 (being the business day immediately preceding 4th May, 2015 on which the options were granted) was HK\$33.70.

(iii) Fair value of share options granted during the year ended 31st December, 2015 and the assumptions are set out in Note 39 on the accounts.

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, 2015:

Date of Grant	Tranche	No. of Options Exercised	Exercise Price Per Share HK\$	HWA Closing Price HK\$
06/7/2010	-	3,440,000	28.49	33.06
05/5/2011	T1	50,000	32.00	35.00
10/5/2012	T1	100,000	28.99	34.57
10/5/2012	T2	100,000	28.99	34.78
10/5/2012	T3	768,000	28.99	31.96
03/5/2013	T1	666,000	31.40	31.80
02/5/2014	T1	50,000	32.50	35.00

(2) No share options were cancelled during the year ended 31st December, 2015.

(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, 2015, 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 2011 Scheme disclosed in accordance with the Listing Rules:

1. Purpose of the 2011 Scheme:

- 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.
- 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.

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b 於2011年至2014年授予的認股權詳情：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
05/5/2011	T1	05/5/2011 – 04/5/2012	05/5/2012 – 05/5/2017	32.00
05/5/2011	T2	05/5/2011 – 04/5/2013	05/5/2013 – 05/5/2018	32.00
05/5/2011	T3	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00
10/5/2012	T1	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T1	03/5/2013 – 02/5/2014	03/5/2014 – 03/5/2019	31.40
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50

c 於2015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)
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15

(ii) 本行股份在2015年4月30日(即2015年5月4日授出認股權當日之前一個營業日)的收市價為港幣33.70元。

(iii) 在截至2015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。

d 在截至2015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	部分	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)
06/7/2010	-	3,440,000	28.49	33.06
05/5/2011	T1	50,000	32.00	35.00
10/5/2012	T1	100,000	28.99	34.57
10/5/2012	T2	100,000	28.99	34.78
10/5/2012	T3	768,000	28.99	31.96
03/5/2013	T1	666,000	31.40	31.80
02/5/2014	T1	50,000	32.50	35.00

(2) 截至2015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2015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2011計劃的摘要如下：

1. 2011計劃的目的：

- 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。
- 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。

REPORT OF THE DIRECTORS (CONTINUED)

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 shares at 31st December, 2015:

The total number of shares available for issue under the 2011 Scheme is 26,271,500 ordinary shares representing 0.99% of the issued shares of the Bank at 31st December, 2015.

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.

7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid:

N/A

8. The basis of determining the exercise price:

The exercise price is determined by the Directors and being not less than the highest of:

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

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:

- (a) not more than one third of the option shall be vested and become exercisable on the first anniversary of the Date of Grant;
- (b) not more than one third of the option shall be vested and become exercisable on the second anniversary of the Date of Grant; and
- (c) 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.

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2015年12月31日佔已發行股份的百分率：

2011計劃中可予發行的股份數目為26,271,500股普通股，佔本行於2015年12月31日已發行股份的0.99%。

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。

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，本行普通股股份於香港聯合交易所有限公司（「聯交所」）日報表的收市價；及
- (b) 相等於緊接授出有關認股權當日之前5個營業日，本行普通股股份於聯交所日報表的平均收市價。

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。

REPORT OF THE DIRECTORS (CONTINUED)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31st December, 2015, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Bank as recorded in the register required to be kept under section 336 of the SFO (the "Register") were as follows:

Name	Capacity and nature	No. of shares	% of issued voting Shares
Sumitomo Mitsui Banking Corporation	Beneficial owner	455,369,605 (L) ¹	17.43
Sumitomo Mitsui Financial Group, Inc.	Interest of Corporation	455,369,605 (L) ¹	17.43
CaixaBank, S.A.	Beneficial owner	455,225,579 (L) ² 455,225,579 (S) ² 455,225,579 (DS) ²	17.24
Criteria Caixa, S.A., Sociedad Unipersonal	Interest of corporation	455,225,579 (L) ² 455,225,579 (DL) ²	17.24
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	Interest of corporation	455,225,579 (L) ²	17.24
Guoco Management Company Limited	Beneficial owner	369,755,978 (L) ^{3,4}	14.15 ⁵
Guoco Group Limited	Interest of corporation	369,755,978 (L) ³	14.15
GuoLine Overseas Limited	Interest of corporation	369,755,978 (L) ³	14.15 ⁵
GuoLine Capital Assets Limited	Interest of corporation	369,755,978 (L) ³	14.15 ⁵
Hong Leong Company (Malaysia) Berhad	Interest of corporation	369,755,978 (L) ^{3,4}	14.15
HL Holdings Sdn Bhd	Interest of corporation	369,755,978 (L) ³	14.15
QUEK Leng Chan	Interest of corporation	369,755,978 (L) ³	14.15
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	369,755,978 (L) ⁴	14.15
Davos Investment Holdings Private Limited	Interest of corporation	369,755,978 (L) ⁴	14.15
KWEK Leng Kee	Interest of corporation	369,755,978 (L) ⁴	14.15
Elliott Capital Advisors, L.P.	Interest of corporation	184,876,693 (L) ⁶	7.00

(L) - Long positions

(S) - Short positions

(DL) - Derivative interests (long positions)

(DS) - Derivative interests (short positions)

Notes:

- Sumitomo Mitsui Financial Group, Inc. owned a 100% interest in Sumitomo Mitsui Banking Corporation. Sumitomo Mitsui Financial Group, Inc. was deemed to be interested in the 455,369,605 shares of the Bank held by Sumitomo Mitsui Banking Corporation.

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 31st December, 2015, they stood at 461,891,189 shares (equivalent to approximately 17.49% of the issued shares of the Bank as at 31st December, 2015). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- As at 31st December, 2015, Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") owned a 100% interest in Criteria Caixa, S.A., Sociedad Unipersonal (formerly known as Criteria Caixa Holding, S.A., Sociedad Unipersonal) ("Criteria Caixa") which held a controlling interest in CaixaBank, S.A. ("CaixaBank"). la Caixa and Criteria Caixa were deemed to be interested in the 455,225,579 shares of the Bank held by CaixaBank.

On 3rd December, 2015, it was announced by CaixaBank that it entered into an agreement with Criteria Caixa under which CaixaBank will transfer to Criteria Caixa, among other assets, all of the shares it owns in the Bank. The transaction, which is scheduled for completion in the first quarter of 2016, is conditional, among other things, on securing the pertinent regulatory authorisations. Accordingly, a short position of 455,225,579 shares and derivative interests (short positions) of 455,225,579 shares, respectively for CaixaBank and derivative interests (long positions) of 455,225,579 shares for Criteria Caixa, were created.

- The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Guoco Management Company Limited was the beneficial owner of 369,755,978 shares (equivalent to approximately 14.0% of the issued shares of the Bank as at 31st December, 2015). Hong Leong Company (Malaysia) Berhad was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Capital Assets Limited which owned a 100% interest in GuoLine Overseas Limited. GuoLine Overseas Limited held a 71.88% interest in Guoco Group Limited which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Capital Assets Limited, GuoLine Overseas Limited and Guoco Group Limited were all deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited.

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

主要股東及其他人士的權益

於2015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：

姓名	身分及性質	股份數目	佔已發行有投票權股份的百分率
三井住友銀行	實益擁有人	455,369,605 (L) ¹	17.43
三井住友金融集團	法團的權益	455,369,605 (L) ¹	17.43
CaixaBank, S.A.	實益擁有人	455,225,579 (L) ²	17.24
		455,225,579 (S) ²	
		455,225,579 (DS) ²	
Criteria Caixa, S.A., Sociedad Unipersonal	法團的權益	455,225,579 (L) ²	17.24
		455,225,579 (DL) ²	
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	法團的權益	455,225,579 (L) ²	17.24
國浩管理有限公司	實益擁有人	369,755,978 (L) ^{3,4}	14.15 ⁵
國浩集團有限公司	法團的權益	369,755,978 (L) ³	14.15
GuoLine Overseas Limited	法團的權益	369,755,978 (L) ³	14.15 ⁵
GuoLine Capital Assets Limited	法團的權益	369,755,978 (L) ³	14.15 ⁵
Hong Leong Company (Malaysia) Berhad	法團的權益	369,755,978 (L) ^{3,4}	14.15
HL Holdings Sdn Bhd	法團的權益	369,755,978 (L) ³	14.15
郭令燦	法團的權益	369,755,978 (L) ³	14.15
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	369,755,978 (L) ⁴	14.15
Davos Investment Holdings Private Limited	法團的權益	369,755,978 (L) ⁴	14.15
KWEK Leng Kee	法團的權益	369,755,978 (L) ⁴	14.15
Elliott Capital Advisors, L.P.	法團的權益	184,876,693 (L) ⁶	7.00

(L) - 好倉

(S) - 淡倉

(DL) - 衍生權益 (好倉)

(DS) - 衍生權益 (淡倉)

附註：

- 1 三井住友金融集團全資擁有三井住友銀行。三井住友金融集團因此而被視為擁有三井住友銀行所持有的455,369,605股的權益。

本行已收到通知上述2個法團的持股量佔本行於2015年12月31日已增加至461,891,189股（相等於本行於2015年12月31日已發行股份約17.49%）。根據《證券及期貨條例》第XV部，彼等增持有關股份無須作出披露。

- 2 於2015年12月31日，Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"（「la Caixa」）全資擁有Criteria Caixa, S.A., Sociedad Unipersonal（前稱Criteria Caixa Holding, S.A., Sociedad Unipersonal）（「Criteria Caixa」），而Criteria Caixa則為CaixaBank, S.A.（「CaixaBank」）的控股股東。la Caixa及Criteria Caixa因此而被視為擁有CaixaBank所持有的455,225,579股的權益。

於2015年12月3日，CaixaBank宣布其與Criteria Caixa簽訂協議，將其持有的（包括其他資產）所有本行股份轉讓予Criteria Caixa。該交易需待（其中包括）取得有關監管機構批准方可進行，預期於2016年第一季度完成。據此，CaixaBank因而產生455,225,579股的淡倉及455,225,579股衍生權益的淡倉；而Criteria Caixa則因此而產生455,225,579股衍生權益的好倉。

- 3 附註3及4所指之369,755,978股本行股份為同一批股份。國浩管理有限公司為369,755,978股（相等於本行於2015年12月31日已發行股份約14.0%）之實益擁有人。由於Hong Leong Company (Malaysia) Berhad全資擁有GuoLine Capital Assets Limited、GuoLine Capital Assets Limited全資擁有GuoLine Overseas Limited、GuoLine Overseas Limited持有國浩集團有限公司的71.88%權益及國浩集團有限公司全資擁有國浩管理有限公司，Hong Leong Company (Malaysia) Berhad因此而被視為擁有國浩管理有限公司所持有的369,755,978股的權益。GuoLine Capital Assets Limited、GuoLine Overseas Limited和國浩集團有限公司均被視為擁有國浩管理有限公司所持有的369,755,978股的權益。

郭令燦擁有HL Holdings Sdn Bhd（「HLH」）的全部權益，而郭令燦分別以其個人名義及透過其全資擁有的HLH持有Hong Leong Company (Malaysia) Berhad的2.424%及46.534%權益，以及透過Newton (L) Limited持有0.311%（合共49.27%權益），因此郭令燦被視為擁有國浩管理有限公司持有的369,755,978股股份的權益。

REPORT OF THE DIRECTORS (CONTINUED)

- 4 The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Hong Leong Company (Malaysia) Berhad was 34.69% held by Hong Leong Investment Holdings Pte. Ltd. which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 369,755,978 shares (equivalent to approximately 14.0% of the issued shares of the Bank as at 31st December, 2015) held by Guoco Management Company Limited by virtue of their interests in Hong Leong Company (Malaysia) Berhad.

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

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

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

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

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

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

EQUITY-LINKED AGREEMENTS

During the year, other than the Staff Share Option Schemes as set out in the above section under "Information on Share Options" and Notes 2(q)(iv) and 39 on the accounts, the Bank has not entered into any equity-linked agreement.

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.

DONATIONS

Donations made by the Group during the year for charitable and community purposes amounted to approximately HK\$5 million (2014: HK\$5 million).

CORPORATE GOVERNANCE

The Bank is committed to maintaining high corporate governance standards. Information on the corporate governance practices adopted by the Bank is set out in the Corporate Governance Report of the Annual Report.

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The Annual Report for the financial year ended 31st December, 2015 complies with the applicable disclosure requirements of the Banking (Disclosure) Rules.

AUDITORS

A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board
David Li Kwok-po
 Chairman & Chief Executive

Hong Kong, 15th February, 2016

董事會報告書（續）

- 4 附註3及4所指之369,755,978股本行股份為同一批股份。Davos Investment Holdings Private Limited 持有 Hong Leong Investment Holdings Pte. Ltd. 的33.59% 權益，Hong Leong Investment Holdings Pte. Ltd. 則持有 Hong Leong Company (Malaysia) Berhad 的34.69% 權益。Davos Investment Holdings Private Limited 和 Hong Leong Investment Holdings Pte. Ltd. 因持有 Hong Leong Company (Malaysia) Berhad 的權益而被視為擁有國浩管理有限公司所持有的369,755,978股（相等於本行於2015年12月31日已發行股份約14.0%）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369,755,978股的權益。

- 5 GuoLine Overseas Limited 及 GuoLine Capital Assets Limited 為 Hong Leong Company (Malaysia) Berhad 的全資附屬公司；而國浩管理有限公司則為國浩集團有限公司的全資附屬公司。由於 Hong Leong Company (Malaysia) Berhad 及國浩集團有限公司已將大股東權益的通知存檔，GuoLine Overseas Limited、GuoLine Capital Assets Limited 及國浩管理有限公司根據《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。

- 6 Elliott Capital Advisors, L.P. (「ECALP」) 被視為擁有該批股份，其中包括 Elliott International L.P. (「EILP」) 持有的122,018,020股、The Liverpool Limited Partnership (「Liverpool LP」) 持有的62,857,673股、Artan Investments Ltd 持有的200股、Frasco Investments Ltd 持有的200股、Milton Investments Ltd 持有的200股、Parlan Investments Ltd 持有的200股及 Trevet Investments Ltd 持有的200股。

Liverpool Associates, Ltd 全資擁有 Liverpool LP；Elliott Associates, L.P. 全資擁有 Liverpool Associates, Ltd、Artan Investments Ltd 及 Frasco Investments Ltd；而 EILP 則全資擁有 Milton Investments Ltd、Parlan Investments Ltd 及 Trevet Investments Ltd。Hambledon, Inc. 則全資擁有 EILP。

ECALP 全資擁有 Elliott Associates, L.P. 及 Hambledon, Inc.。而 ECALP 則慣於按照 Paul Singer 的指令行事。

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。

股票掛鈎協議

於年內，除於上列「認股權資料」項下及賬項附註2(q)(iv)及39所載的僱員認股計劃外，本行並無訂立任何股票掛鈎協議。

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。

捐款

本集團本年內所作出的慈善及公益捐款約為港幣500萬元（2014：港幣500萬元）。

企業管治

作為本港最大的獨立本地銀行，本行致力維持良好的企業管治標準。有關本行所採納的企業管治常規的資料，載列於本年報的企業管治報告內。

符合指引

截至2015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，2016年2月15日

INDEPENDENT AUDITOR'S REPORT



TO THE MEMBERS 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 142 to 287, which comprise the consolidated statement of financial position as at 31st December, 2015, 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 405 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 financial position of the Group as at 31st December, 2015 and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

KPMG

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

Hong Kong, 15th February, 2016

獨立核數師報告



致東亞銀行有限公司各成員

(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142頁至第287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2015年12月31日的綜合財務狀況表，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布的《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。我們是按照新香港《公司條例》第405條的規定，僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒布的《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 貴集團於2015年12月31日的財務狀況及截至該日止年度的集團財務表現及現金流量，並已符合香港《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，2016年2月15日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31st December, 2015 截至2015年12月31日止年度

		Notes 附註	2015 HK\$ Mn 港幣百萬元	2014 Restated 重報 HK\$ Mn 港幣百萬元
Interest income	利息收入	5	23,588	25,457
Interest expense	利息支出	6	(11,654)	(12,782)
Net interest income	淨利息收入		11,934	12,675
Fee and commission income	服務費及佣金收入	7	5,016	5,023
Fee and commission expense	服務費及佣金支出		(917)	(877)
Net fee and commission income	服務費及佣金收入淨額		4,099	4,146
Net trading profits	交易溢利淨額	8	229	870
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	9	(35)	(130)
Net hedging (loss)/profit	對沖(虧損)/溢利淨額	10	(10)	3
Net insurance revenue	保險業務淨收入	11	372	323
Other operating income	其他經營收入	12	475	345
Non-interest income	非利息收入		5,130	5,557
Operating income	經營收入		17,064	18,232
Operating expenses	經營支出	13	(9,732)	(9,849)
Operating profit before impairment losses	未扣除減值損失之經營溢利		7,332	8,383
Impairment losses on loans and advances	貸款及墊款減值損失	14	(2,042)	(990)
Write back of impairment losses on held-to-maturity investments	持至到期投資減值損失回撥	31	-	3
Impairment losses on available-for-sale financial assets	可供出售金融資產減值損失		(17)	(14)
Impairment losses	減值損失		(2,059)	(1,001)
Operating profit after impairment losses	已扣除減值損失後之經營溢利		5,273	7,382
Net profit/(loss) on sale of held-to-maturity investments	出售持至到期投資之淨溢利/(虧損)		3	(2)
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利	15	257	101
Net loss on sale of loans and receivables	出售貸款及應收賬項之淨虧損		(2)	-
Net profit/(loss) on disposal of subsidiaries/associates	出售附屬公司/聯營公司之淨溢利/(虧損)		2	(4)
Net gain on disposal of fixed assets	出售固定資產之淨盈利	16	109	74
Valuation gains on investment properties	重估投資物業盈利	35	549	228
Share of profits less losses of associates	應佔聯營公司溢利減虧損	33	558	645
Profit for the year before taxation	年度內除稅前溢利		6,749	8,424
Income tax	所得稅	17	(1,111)	(1,650)
Profit for the year after taxation	年度內除稅後溢利		5,638	6,774
Attributable to:	可歸屬於:			
Owners of the parent	本集團股東	42(i)	5,522	6,661
Non-controlling interests	非控股權益	43	116	113
Profit after taxation	除稅後溢利		5,638	6,774
Earnings per share	每股盈利		HK\$港幣元	HK\$港幣元
Basic	基本	20	1.95	2.72
Diluted	攤薄	20	1.95	2.72

The notes on pages 149 to 287 form part of these financial statements. Details of dividends payable to equity shareholders of the Bank attributable to the profit for the year are set out in Note 19.

第149至287頁之附註屬本財務報表之一部分。有關屬年度內溢利並應付予本行股東之股息詳情已詳載於附註19。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31st December, 2015 截至2015年12月31日止年度

		2015		2014	
		Notes 附註		Restated 重報	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Net profit	淨溢利		5,638		6,774
Other comprehensive income for the year:	年內其他全面收益：				
Items that will not be reclassified to income statement:	不可轉回收益表的項目：				
Premises:	行址：				
– unrealised surplus on revaluation of premises	– 重估行址所產生的未實現盈餘	42(b)	14		2
Items that may be reclassified subsequently to income statement:	以後可能轉回收益表的項目：				
Premises:	行址：				
– deferred taxes	– 遞延稅項	42(b)	(17)		1
Available-for-sale investment revaluation reserve:	可供出售投資的重估儲備：				
– fair value changes recognised (from)/to equity	– (轉自)/計入股東權益的公平價值變動	42(g)	(17)		915
– 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	42(g)	61		8
– on disposal	– 出售	42(g)	(327)		(79)
– deferred taxes	– 遞延稅項	42(g)	6		(164)
Share of changes in equity of associates	應佔聯營公司權益的變動	42(h)	(59)		(9)
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		(2,157)		(990)
Other comprehensive income	其他全面收益		(2,496)		(316)
Total comprehensive income	全面收益總額		3,142		6,458
Total comprehensive income attributable to:	全面收益總額可歸屬於：				
Owners of the parent	本集團股東		3,051		6,350
Non-controlling interests	非控股權益		91		108
			3,142		6,458

The notes on pages 149 to 287 form part of these financial statements.

第149至287頁之附註屬本財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31st December, 2015 2015年12月31日

		Notes 附註	2015 HK\$ Mn 港幣百萬元	2014 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	24	69,122	70,358
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	25	80,828	50,769
Trade bills	貿易票據	26	19,532	60,675
Trading assets	交易用途資產	27	5,335	2,885
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	28	4,336	8,713
Positive fair value of derivatives	衍生工具的正公平價值	46(b)(ii)	6,205	3,537
Advances to customers and other accounts	客戶墊款及其他賬項	29	473,088	482,140
Available-for-sale financial assets	可供出售金融資產	30	93,595	86,816
Held-to-maturity investments	持至到期投資	31	6,199	6,747
Investments in associates	聯營公司投資	33	5,763	6,083
Fixed assets	固定資產	35	13,297	13,117
– Investment properties	– 投資物業		4,891	4,544
– Other property and equipment	– 其他物業及設備		8,406	8,573
Goodwill and intangible assets	商譽及無形資產	34	3,883	3,955
Deferred tax assets	遞延稅項資產	36(b)	181	96
Total Assets	資產總額		781,364	795,891
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		32,126	33,323
Deposits from customers	客戶存款		540,743	548,184
Trading liabilities	交易用途負債	37(a)	889	21
Negative fair value of derivatives	衍生工具的負公平價值	46(b)(ii)	6,909	4,823
Certificates of deposit issued	已發行存款證		37,277	44,398
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值		16,457	14,444
– At amortised cost	– 攤銷成本		20,820	29,954
Current taxation	本期稅項	36(a)	1,325	1,172
Debt securities issued	已發行債務證券		13,597	22,424
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值		2,539	7,595
– At amortised cost	– 攤銷成本		11,058	14,829
Deferred tax liabilities	遞延稅項負債	36(b)	534	686
Other accounts and provisions	其他賬項及準備	37(b)	45,327	50,081
Loan capital – at amortised cost	借貸資本 – 攤銷成本	38	16,996	17,335
Total Liabilities	負債總額		695,723	722,447
Share capital	股本	40	33,815	25,217
Reserves	儲備	42	43,598	43,663
Total equity attributable to owners of the parent	歸屬於本集團股東權益總額		77,413	68,880
Additional equity instruments	額外股本工具	41	5,016	–
Non-controlling interests	非控股權益	43	3,212	4,564
Total Equity	股東權益總額		85,641	73,444
Total Equity and Liabilities	股東權益及負債總額		781,364	795,891

Approved and authorised for issue by the Board on 15th February, 2016.

Chairman and Chief Executive
DirectorsDavid LI Kwok-po
Winston LO Yau-lai

董事會於2016年2月15日核准及授權發布。

主席兼行政總裁
董事 李國寶
羅友禮

The notes on pages 149 to 287 form part of these financial statements.

第149至287頁之附註屬本財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31st December, 2015 截至2015年12月31日止年度

		Share capital	Capital reserve – staff share options issued	Exchange revaluation reserve	Investment revaluation reserve	Revaluation reserve of bank premises	Capital reserve	General reserve	Other reserves ³	Retained profits	Additional equity instruments	Non-controlling interests	Total equity	
		資本儲備 – 已發行權證	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 ³	留存溢利	總額	股本工具	非控股權益	權益總額	
		HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
At 1st January, 2015	於2015年1月1日	25,217	84	1,970	1,660	1,642	228	13,930	4,300	19,849	68,880	-	4,564	73,444
Changes in equity	權益變動													
Profit for the year	年度內溢利	-	-	-	-	-	-	-	-	5,522	5,522	-	116	5,638
Other comprehensive income	其他全面收益	-	-	(2,132)	(277)	(3)	-	-	(59)	-	(2,471)	-	(25)	(2,496)
Total comprehensive income	全面收益總額	-	-	(2,132)	(277)	(3)	-	-	(59)	5,522	3,051	-	91	3,142
Issue of additional equity instruments ¹	發行額外股本工具 ¹	-	-	-	-	-	-	-	-	-	-	5,016	-	5,016
Shares issued in lieu of dividend (Note 40)	以股代息發行的股份(附註40)	1,856	-	-	-	-	-	-	-	1,856	-	-	-	1,856
Subscription of new shares (Note 40)	發行新股(附註40)	6,576	-	-	-	-	-	-	-	6,576	-	-	-	6,576
Shares issued under Staff Share Option Schemes (Note 40)	根據權證認股計劃發行的股份(附註40)	150	-	-	-	-	-	-	-	150	-	-	-	150
Equity settled share-based transaction (Note 42(f))	以股份為基礎作支付之交易(附註42(f))	-	22	-	-	-	-	-	-	22	-	-	-	22
Transfer	轉賬	16	(16)	-	-	-	2	23	425	(450)	-	-	-	-
Dividends declared or approved during the year	年度內已宣布或核准派發股息	-	-	-	-	-	-	-	-	(2,911)	(2,911)	-	(82)	(2,993)
Redemption of Hybrid Tier 1 capital instruments ² (Notes 42(i) and 43)	贖回混合一級資本工具 ² (附註42(i)和43)	-	-	-	-	-	-	-	-	(211)	(211)	-	(1,361)	(1,572)
At 31st December, 2015	於2015年12月31日	33,815	90	(162)	1,383	1,639	230	13,953	4,666	21,799	77,413	5,016	3,212	85,641

1. During the year, the Bank issued HK\$5,038 million (USD650 million) undated non-cumulative subordinated Additional Tier 1 capital securities ("AT1"). Direct issuance costs of HK\$22 million are accounted for as a deduction from the equity instruments.

2. During the year, the Bank redeemed HK\$1,361 million Hybrid Tier 1 capital instruments which are classified as non-controlling interests in the consolidated financial statements, through exchange offer with AT1 (HK\$672 million) and tender offer (HK\$900 million). The purchase premium of HK\$211 million paid in excess of the carrying amount of the non-controlling interests acquired was charged to retained profits.

3. Other reserves include statutory reserve and other reserves.

1. 年內，本行發行港幣50.38億元(美元6.50億)無到期日非累積後償額外股本工具(「額外股本工具」)。直接發行成本港幣2,200萬元經已入賬，並從股本工具中扣除。

2. 年內，本行以交換要約(港幣6.72億元)和收購要約(港幣9億元)方式贖回港幣13.61億元於綜合財務報表中分類為非控股權益之混合一級資本工具。支付超過購入非控股權益賬面值之溢價港幣2.11億元經已於留存溢利中支銷。

3. 其他儲備包括法定儲備及其他儲備。

The notes on pages 149 to 287 form part of these financial statements.

第149至287頁之附註屬本財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended 31st December, 2014 截至2014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 ³	Retained profits	Total	Non-controlling interests	Total equity
		股本	股份溢價	認股權資本儲備—已發行僱員	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 ³	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, 2014 (As restated)	於2014年1月1日 (重報)	5,724	17,770	69	2,955	980	1,639	200	13,877	3,690	16,778	63,682	4,552	68,234
Changes in equity	權益變動													
Profit for the year	年度內溢利	-	-	-	-	-	-	-	-	-	6,661	6,661	113	6,774
Other comprehensive income	其他全面收益	-	-	-	(985)	680	3	-	-	(9)	-	(311)	(5)	(316)
Total comprehensive income	全面收益總額	-	-	-	(985)	680	3	-	-	(9)	6,661	6,350	108	6,458
Shares issued in lieu of dividend (Note 40)	以股代息發行的股份(附註40)	1,664	-	-	-	-	-	-	-	-	-	1,664	-	1,664
Shares issued under Staff Share Option Schemes (Note 40)	根據僱員認股計劃發行的股份(附註40)	50	-	-	-	-	-	-	-	-	-	50	-	50
Shares issued expense	發行股份支出	-	-	-	-	-	-	(2)	-	-	-	(2)	-	(2)
Equity settled share-based transaction (Note 42(f))	以股份為基礎作支付之交易(附註42(f))	-	-	24	-	-	-	-	-	-	-	24	-	24
Transfer	轉賬	9	-	(9)	-	-	-	30	53	619	(702)	-	-	-
Dividends declared or approved during the year	年度內已宣布或核准派發股息	-	-	-	-	-	-	-	-	-	(2,888)	(2,888)	(96)	(2,984)
Transition to no-par value regime on 3rd March, 2014 (Note 40)	過渡至於2014年3月3日之無票面值制度(附註40)	17,770	(17,770)	-	-	-	-	-	-	-	-	-	-	-
At 31st December, 2014	於2014年12月31日	25,217	-	84	1,970	1,660	1,642	228	13,930	4,300	19,849	68,880	4,564	73,444

3. Other reserves include statutory reserve and other reserves.

3. 其他儲備包括法定儲備及其他儲備。

The notes on pages 149 to 287 form part of these financial statements.

第149至287頁之附註屬本財務報表之一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31st December, 2015 截至2015年12月31日止年度

	Notes 附註	2015 HK\$ Mn 港幣百萬元	2014 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	6,749	8,424
Adjustments for:	調整：		
Charge for impairment losses on loans and advances	貸款及墊款減值損失支銷	14	990
Charge for impairment allowances on held-to-maturity investments and available-for-sale financial assets	持至到期投資和可供出售金融資產之減值準備支銷	17	11
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(558)	(645)
Net (profit)/loss on sale of held-to-maturity investments	出售持至到期投資之淨(溢利)/虧損	(3)	2
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利	(257)	(101)
Net (profit)/loss on disposal of subsidiaries and associates	出售附屬公司及聯營公司之淨(溢利)/虧損	(2)	4
Net gain on disposal of fixed assets	出售固定資產之淨盈利	(109)	(74)
Interest expense on certificates of deposit, debt securities and loan capital issued	已發行存款證、債務證券及借貸資本利息支出	1,843	1,855
Depreciation on fixed assets	固定資產折舊	13, 35	664
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入	(40)	(28)
Amortisation of intangible assets	無形資產攤銷	13	32
Amortisation of premium/discount on certificates of deposit, debt securities and loan capital issued	已發行存款證、債務證券及借貸資本的溢價/折扣攤銷	236	218
Revaluation gains on certificates of deposit, debt securities and loan capital issued	重估已發行存款證、債務證券及借貸資本盈利	(45)	(5)
Valuation gains on investment properties	重估投資物業盈利	35	(228)
Equity settled share-based payment expenses	以股份為基礎作支付費用	42(f)	24
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	營運資金變動前的經營溢利	9,901	11,143
(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	7,644	926
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	5,407	(10,544)
Trade bills	貿易票據	41,143	(735)
Trading assets	交易用途資產	(906)	2,420
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	4,377	2,893
Positive fair value of derivatives	衍生工具的正公平價值	(2,668)	88
Advances to customers	客戶墊款	881	(38,559)
Advances to banks and other financial institutions	銀行及其他金融機構墊款	24	(50)
Held-to-maturity debt securities	持至到期債務證券	(208)	(1,319)
Available-for-sale financial assets	可供出售金融資產	(10,436)	(17,789)
Other accounts and accrued interest	其他賬項及應計利息	6,397	3,829
Increase/(decrease) in operating liabilities:	經營負債增/(減)額：		
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	(1,197)	4,400
Deposits from customers	客戶存款	(7,441)	13,213
Trading liabilities	交易用途負債	868	10
Negative fair value of derivatives	衍生工具的負公平價值	2,086	278
Other accounts and provisions	其他賬項及準備	(4,564)	(4,139)
Exchange adjustments	匯兌調整	(2,506)	(962)
NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS	經營活動現金流入/(流出)淨額	48,802	(34,897)
Income tax paid	已付所得稅		
Hong Kong profits tax paid	已付香港利得稅	(794)	(919)
Outside Hong Kong profits tax paid	已付海外利得稅	(383)	(982)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	源自/(用於)經營業務活動之現金淨額	47,625	(36,798)

The notes on pages 149 to 287 form part of these financial statements.

第149至287頁之附註屬本財務報表之一部分。

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

綜合現金流量表(續)

For the year ended 31st December, 2015 截至2015年12月31日止年度

		Notes 附註	2015 HK\$ Mn 港幣百萬元	2014 HK\$ Mn 港幣百萬元
INVESTING ACTIVITIES	投資活動			
Dividends received from associates	收取聯營公司股息		35	172
Dividends received from available-for-sale equity securities	收取可供出售股份證券股息		40	28
Purchase of equity securities	購入股份證券		(2,174)	(1,985)
Proceeds from sale of equity securities	出售股份證券所得款項		1,931	1,780
Purchase of fixed assets	購入固定資產		(446)	(305)
Purchase of investment properties	購入投資物業		(20)	(44)
Proceeds from disposal of fixed assets	出售固定資產所得款項		158	130
Purchase of shareholding in associates	購入聯營公司權益		(61)	(1,139)
Proceeds from disposal of an associate	出售一間聯營公司所得款項		1	–
Purchase of subsidiaries	購入附屬公司	47(a)	(1)	(23)
NET CASH USED IN INVESTING ACTIVITIES	用於投資活動之現金淨額		(537)	(1,386)
FINANCING ACTIVITIES	融資活動			
Ordinary dividends paid	支付普通股股息		(817)	(991)
Distribution to Hybrid Tier 1 issue holders	派發予混合一級資本工具持有人	19(c)	(320)	(330)
Subscription of new shares	認購新股	40	6,576	–
Issue of ordinary share capital	發行普通股股本	40	150	50
Issue of additional equity instruments	發行額外股本工具		4,344	–
Issue of certificates of deposit	發行存款證		61,503	67,798
Issue of debt securities	發行債務證券		11,150	26,426
Issue of loan capital	發行借貸資本		–	3,863
Redemption of Hybrid Tier 1 issued	贖回已發行混合一級資本工具		(900)	–
Redemption of certificates of deposit issued	贖回已發行存款證		(68,298)	(66,414)
Redemption of debt securities issued	贖回已發行債務證券		(19,462)	(8,621)
Interest paid on loan capital	支付借貸資本利息		(1,032)	(755)
Interest paid on certificates of deposit issued	支付已發行存款證利息		(731)	(620)
Interest paid on debt securities issued	支付已發行債務證券利息		(271)	(243)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(用於)/源自融資活動之現金淨額		(8,108)	20,163
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及等同現金項目淨增/(減)額		38,980	(18,021)
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	於1月1日之現金及等同現金項目	47(b)	71,986	90,007
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	於12月31日之現金及等同現金項目	47(b)	110,966	71,986
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		23,857	27,469
Interest paid	利息支出		12,238	14,357
Dividend received	股息收入		80	71

The notes on pages 149 to 287 form part of these financial statements.

第149至287頁之附註屬本財務報表之一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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 financial statements have been prepared in accordance with all applicable HKFRS, which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRS 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 any 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 financial statements.

(b) Basis of Preparation of the Financial Statements

The financial statements for the year ended 31st December, 2015 comprise the Group and the Group's interest in associates.

The measurement basis used in the preparation of the financial statements is the 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));
- derivative financial instruments (Notes 2(f)(ii), (vi) and 2(g)); and
- investment properties (Note 2(h)(ii)).

The preparation of financial statements in conformity with HKFRS 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

本財務報表乃按照香港會計師公會頒布所有適用的《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，以及香港一般採用的會計原則及《公司條例》的要求。本財務報表亦符合《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布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須反映在本期及去年會計期的財務報表。

(b) 財務報表編製基準

截至2015年12月31日止年度的財務報表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，本財務報表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))；
- 衍生金融工具(附註2(f)(ii)，(vi)及2(g))；及
- 投資物業(附註2(h)(ii))。

按《香港財務報告準則》之要求，在編製財務報表時，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 TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(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 HKFRS that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 53.

(c) Basis of Consolidation

These consolidated financial statements 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 Note 1 in the Unaudited Supplementary Financial Information.

(i) Subsidiaries and Non-controlling interests

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to 31st December each year. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. 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 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 those 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 the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity shareholders of the Bank. 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作檢討。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53內，管理層已解釋實施對財務報表有重大影響的《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

除另外陳述外，本綜合財務報表包括本行及其所有附屬公司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列載。

(i) 附屬公司及非控股權益

本綜合財務報表包括本行及其所有附屬公司截至各相關年度之12月31日止的財務報表。附屬公司為本集團所控制之實體。當透過參與從而令本集團面對或獲取不同之回報，及有能力透過控制該實體而影響所獲取之回報，本集團被視作可控制該實體。在評估本集團是否有控制權時，只考慮實質的權力(由本集團及其他人士所擁有)。

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財務報表內計算。在編製綜合財務報表時，集團之間的結餘，交易及現金流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分，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非控股權益按比例應佔該附屬公司的可辨識淨資產以計量非控股權益。

非控股權益在綜合財務狀況表內的股東權益中列示，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 TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(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, if any (Note 2(k)).

(ii) Associates

The consolidated financial statements include the attributable share of the results and reserves of associates based on financial statements prepared at dates not earlier than three months prior to 31st December, 2015. 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 financial statements under the equity method unless it is classified as held-for-sale. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the associate's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the associate's net assets and any impairment loss relating to the investment (Note 2(j) and 2(k)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the associates and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the associate's other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associates, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For these purposes, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, except when unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

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任何減值損失(附註2(k))列賬。

(ii) 聯營公司

本綜合財務報表包括根據截至2015年12月31日止之前不超過三個月之財務報表所編製應佔聯營公司的業績及儲備。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財務報表內入賬。根據權益會計法，投資的入賬方法是先以成本另調整本集團於購入後應佔該聯營公司的可辨識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。

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)**

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)).

The Bank accounts for the results of associates to the extent of dividends received. Investments in associates are stated in the Bank's statement of financial position at cost less any impairment losses (Note 2(k)).

An associate is considered material if it is material to either income statement or statement of financial position of the Group in two consecutive years.

(d) Translation of Foreign Currencies

Foreign currencies transactions during the year 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 gains and losses are recognised 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. Items of statement of financial position, 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.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement when the profit or loss on disposal is recognised.

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。

本行按照已收取股息計算應佔聯營公司業績。在本行的財務狀況表中，聯營公司投資是以成本減除任何減值損失(附註2(k))列賬。

若連續兩年對於本集團的收益表或財務狀況表有重大影響，該聯營公司會被視為重大。

(d) 外幣換算

年度內的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。匯兌盈虧則計入收益表內。

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。財務狀況表的項目中，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，並在股東權益之匯兌儲備內分開累計。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。

當確認出售海外業務的損益時，因該海外業務產生的累計匯兌差額由股東權益計入收益表。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(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:

(i) Interest income

Interest income for all interest-bearing financial instruments is recognised in the income statement on an accruals basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

For impaired loans, the accrual of interest income based on the original terms of the loan is discontinued, but any increase in the present value of impaired loans due to the passage of time is reported as interest income.

(ii) Net income from financial instruments designated at fair value through profit or loss and net trading income

Net income from financial instruments designated at fair value through profit or loss and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with foreign exchange differences and dividend income attributable to those financial instruments.

(iii) Fee and commission income

Fee and commission income is recognised in the income statement when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the costs or risk is incurred and is accounted for as interest income.

Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. If the commitment expires without the Group making a loan, the fee is recognised as revenue on a straight-line basis over the commitment period.

(e) 收入確認

收入按已收或應收價款的公平價值釐定。假設經濟利益有可能流向本集團及收入和支出(如適用)屬可靠計量的，在收益表內確認收入的方法如下：

(i) 利息收入

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。

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。

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。

(ii) 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

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匯兌差額及股息收入。

(iii) 服務費及佣金收入

服務費及佣金收入在有關服務提供時確認在收益表內，但如服務費是為彌補持續為客戶提供一項服務的成本或承受風險而收取或費用性質為利息則除外。在此情況下，服務費在成本或風險產生的會計期內列作收入，並按利息收入入賬。

因本集團開展或購入金融資產而產生之開立或承擔服務費收入／支出須遞延及確認為有效利率之調整。如承擔期滿而本集團毋須貸款，該服務費按承擔期限以直線法列作收入。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)****(iv) Finance income from finance leases**

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.

(v) Rental income from operating leases

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.

(vi) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established unconditionally. 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 at fair value through profit or loss, available for sales or held to maturity and financial liabilities at fair value through profit or loss or debts issued are recognised using trade date accounting. Other financial assets and financial liabilities are recognised using settlement date accounting. From these date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities measured at fair value are recorded.

(iv) 融資租賃收入

融資租賃隱含財務收入按租賃年期確認為利息收入，以令每個會計年度期間剩餘的淨租賃投資回報大致相同。

(v) 經營租賃租金收入

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。

(vi) 股息收入

非上市投資股息收入在股東收取權被無條件確立時才予以確認。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**

本集團根據於初始期購入資產或產生負債時之原定用途，以分類其金融工具。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通過損益以反映公平價值、可供出售或持至到期金融資產及通過損益以反映公平價值的金融負債俱按交易日會計法計算。其他金融資產和金融負債則按結算日會計法計算。該等金融資產及金融負債因公平價值變動而產生的盈利及虧損由該日起計算。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(ii) Categorisation

Fair value through profit or loss

This category comprises financial assets and financial liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition, but excludes those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Trading financial instruments are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are recognised initially, and are subsequently remeasured, at fair value, and classified as assets when their fair value is positive, or as liabilities when their fair value is negative. Derivatives that do not qualify for hedge accounting (Note 2(g)) are accounted for as trading instruments.

Financial instruments are designated at fair value through profit or loss upon initial recognition when:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract; or
- the separation of the embedded derivatives from the financial instrument is not prohibited.

Financial assets and financial liabilities under this category are carried at fair value. Changes in the fair value are included in the income statement in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than (a) those that the Group intends to sell immediately or in the near term, which will be classified as held for trading; (b) those that the Group, upon initial recognition, designates as at fair value through profit or loss or as available-for-sale; or (c) those where the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which will be classified as available-for-sale. Loans and receivables mainly comprise placements with banks and other financial institutions, trade bills and loans and advances to customers.

(ii) 分類

通過損益以反映公平價值

此類別包括持有作交易用途和初始被指定為通過損益以反映公平價值的金融資產及金融負債，但不包括沒有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識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。衍生工具於初始確認，及後按公平價值重新計量，以及當公平價值為正值時分類為資產，或當公平價值為負值時分類為負債。不符合會計對沖法(附註2(g))的衍生工具列作交易工具。

在以下情況於初始確認為指定為通過損益以反映公平價值的金融工具：

- 該資產或負債是按公平價值作內部管理、評估及呈報；
- 該指定可抵銷或重大地減低可能產生的會計錯配；
- 該資產或負債包含嵌入衍生工具，而該嵌入衍生工具可重大地改變按合約產生的現金流；或
- 將嵌入衍生工具從金融工具內分開是不被禁止的。

屬於此類別的金融資產及金融負債按公平價值入賬。因公平價值變動產生之未實現盈利和虧損計入在期內發生的收益表。於出售或重購時，出售所得或支付淨額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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

Securities classified as loans and receivables typically comprise securities issued by the same customers with whom the Group has a lending relationship that are not quoted in an active market. Investment decisions for credit substitute securities are subject to the same credit approval processes as loans, and the Group bears the same customer risk as it does for loans extended to those customers. Additionally the yield and maturity terms are generally directly negotiated by the Group with the issuer. These securities include commercial paper, short term debentures and preference shares issued by the borrower.

Loans and receivables and securities classified as loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any (Note 2(k)).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity which the Group has the positive intention and ability to hold to maturity, other than (a) those that the Group, upon initial recognition, designates as at fair value through profit or loss or available-for-sale; and (b) those that meet the definition of loans and receivables.

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment losses, if any (Note 2(k)).

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.

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而在活躍市場沒有報價的證券，而該客戶是本集團在其批發銀行業務中有借貸關係的相同客戶。作出代替信貸之證券的投資決定與貸款的信貸審批程序相同，尤如本集團須承擔等同借款予同一客戶的風險。另外，回報及到期日條款普遍是透過本集團與客戶直接磋商。此類證券包括商業票據、短期債券及由借款人發行的優先股份。

貸款和應收賬款及分類為貸款和應收賬款的證券按有效利率方法計算攤銷成本並減除任何減值損失入賬(附註2(k))。

持至到期投資

持至到期投資包括有固定或可確定付款金額及有固定期限的非衍生金融資產而本集團有明確意向和能力持至到期日，但不包括(a)本集團於初始期已指定為通過損益以反映公平價值或可供出售，及(b)符合貸款和應收賬款之定義。

持至到期投資採用有效利率方法計算攤銷成本並減除任何減值損失入賬(附註2(k))。

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Other financial liabilities

Financial liabilities, other than trading liabilities and those designated at fair value through profit or loss, are measured at amortised cost using the effective interest method.

(iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the 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.

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset, together with substantially all the risks and rewards of ownership, have been transferred.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

The Group uses the weighted average or first-in first-out method, where appropriate, to determine realised gains and losses to be recognised in the income statement on derecognition.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that includes both the derivative and a host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The embedded derivatives are separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; and (b) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in the income statement.

When the embedded derivative is separated, the host contract is accounted for in accordance with note (ii) above.

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。

如沒有公眾知悉的最後交易價格或在認可交易所的市場報價，或從經紀／交易員獲得屬於非交易所買賣的金融工具報價，又或該市場並不活躍，此工具的公平價值按估值模式估值，而該估值模式可根據實際市場交易提供可靠的估計價格。

當採用現金流折讓價格模式，估計將來現金流按管理層的最佳估計及採用的貼現率是在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，參數是在報告期結束日的市場價格資料。

(iv) 終止確認

當從金融資產獲得現金流的法定權利屆滿或已將重大風險及回報擁有權同時轉移後，本集團終止確認金融資產。

當合約的義務已被履行、取消或期滿，本集團終止確認金融負債。

本集團採用加權平均法或先進先出法(如適用)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) 抵銷

只有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，並在財務狀況表內以淨額列示。

(vi) 嵌入衍生工具

嵌入衍生工具屬於一種混合(結合)式工具的組成部分，該工具包括衍生工具及一主合約，並可改變該結合式工具的現金流，其作用類似一張獨立的衍生工具。當(a)該嵌入衍生工具的經濟特性及風險與主合約並非緊密關連的；及(b)混合(結合)式工具並非按公平價值計量及將公平價值變動於收益表內確認，嵌入衍生工具將與主合約分開並按衍生工具入賬。

當嵌入衍生工具被分開處理，主合約根據上述附註(ii)入賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)****(g) Hedging**

Hedge accounting recognises the offsetting effects on the income statement 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.

If the hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (such as when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and is recognised in accordance with the above policy. 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.

(g) 對沖

對沖會計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在收益表內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對沖會計法的要求；或 (c) 本集團取消對沖指定，本集團會停止繼續採用對沖會計法。

(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，其有效對沖部分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。

如因對沖預計交易而其後須確認為非金融資產或非金融負債，其相關之盈虧由股東權益重新分類並包括在該非金融資產或負債的初始成本或其他賬面值內。如因對沖一項預計交易而其後須確認為金融資產或金融負債，其相關之盈虧由股東權益重新分類並計入相同期間或當購入資產或引起負債而影響該期間之收益表(如當確認為利息收入或支出)。

就現金流量對沖而言，除以上兩段政策已涵蓋外，其相關之盈虧由股東權益重新分類並包括在相同期間或受對沖預計交易所影響期間的收益表。當用作對沖工具已到期或出售，終止或行使，或當本集團取消指定對沖關係但對沖預計交易預期仍會發生，截至此期間所累計的盈利或虧損仍保留在股東權益內，直至交易發生時按以上的政策確認。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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(ii) Fair value hedges

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.

(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 hedging 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.

(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，或當對沖不再符合對沖會計法的要求，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。

(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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)****(h) Properties**

- (i) Bank premises are stated in the statement of financial position at cost or at Directors' valuation as of 1989, 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 financial statements, 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.

- (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 semi-annually by external independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. 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).

(h) 物業

- (i) 行址是按成本或於1989年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。

在編製此等財務報表時，由於可採用香港會計師公會頒布的《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。

- (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半年作估值，該公司擁有適當認可專業資格及對估物業的所在地和類別有近期經驗。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，當一項銀行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。租金付款按附註2(l)所載入賬。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(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) 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.

(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。

(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識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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)****(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.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and 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 impairment allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the impairment allowances the Group makes depends on how well the Group can estimate future cash flows for individually assessed impairment allowances and the model assumptions and parameters used in determining collective impairment allowances. While this necessarily involves judgment, the Group believes that the impairment allowances on loans and advances to customers are reasonable and supportable.

(k) 資產減值損失

本集團須於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。

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參數。

撥備的準確性，須視乎本集團能否在評估個別準備時準確估計交易對手的未來現金流及在判斷整體減值準備時所採用的假設模式及參數。雖然視乎判斷而定，本集團相信貸款損失準備是合理和足夠的。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

All loans and receivables are reviewed and analysed periodically. Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that can be linked objectively to an event occurring after the write-down, will result in a change in the impairment allowances on loans and receivables and will be charged or credited to the income statement. A reversal of impairment losses is limited to the loans and receivables' carrying amount that would have been determined had no impairment loss been recognised in prior years.

Where there is no reasonable prospect of recovery, the loan and the related interest receivables are written off.

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.

(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.

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，從而導致貸款和應收賬款之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。

倘再無合理預期可收回時，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。

(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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

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.

(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, if measurable, or value in use, if determinable.

已確認於收益表之可供出售股份證券的減值損失是不能轉回收益表。其後該資產之公平價值增加則直接確認在其他全面收益。

而可供出售債務證券之公平價值增加，而該增加是可客觀地與已確認減值損失後發生的事件有關連，減值損失可轉回。在此情況下，轉回減值損失於收益表內入賬。

(iv) 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識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(或其單位群組)其他資產的賬面值，但該資產的賬面值不可低過其個別公平價值減出售成本(如可計量的話)或使用值(如可確定的話)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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.

(v) Interim financial reporting and impairment

Under the Listing Rules, 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 rewards of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and rewards 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) except where the asset is classified as an investment property. Impairment losses are accounted for in accordance with the accounting policy as set out in Note 2(k). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2(e).

減值損失之轉回

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。

(v) 中期財務報告及減值

根據《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))。

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

由承租人承擔絕大部分擁有權的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

除該資產已分類為投資物業，當本集團以經營租賃方式租出資產，該資產根據其性質包括在財務狀況表內，及按附註2(i)所載(如適用者)本集團的折舊會計政策計算折舊。減值損失是根據會計政策附註2(k)所載計算。來自經營租賃的收入是根據本行的收入確認政策附註2(e)所載計算。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)****(iii) Operating lease charges**

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

(m) Repossession of Assets

In the recovery of impaired loans and advances, the Group may take possession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group's accounting policy set out in Note 2(k), impairment allowances for impaired loans and advances are maintained after taking into account the net realisable value of the collateral assets, usually resulting in a partial write-off of the loans and advances against impairment allowances. Repossessed assets are reported under other assets if it is highly probable that their carrying amount will be recovered through a sale transaction rather than through continuing use and the assets are available for sale in their present condition. Related loans and advances are then written off.

Repossessed assets are recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses on initial classification and on subsequent remeasurement are recognised in the income statement.

(n) Income Tax

(i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised 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.

(iii) 經營租賃費用

當本集團使用經營租賃資產，除非有其他更具代表性的基準以衡量從該等經營租賃資產獲得利益的模式，其租賃付款按該租賃期所涵蓋的會計年期以等額分期記入收益表。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨付款的組成部分。或有租金在其產生的會計期內在收益表支銷。

(m) 收回資產

在收回減值貸款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2(k)所載的會計政策，計算減值貸款之減值準備已顧及抵押品資產之可變現淨值，通常引致須在減值準備內撇銷部分貸款。如大有可能須透過變賣而不是持續使用該資產，及該資產可在現況下出售，收回資產視作其他資產列賬。有關貸款及墊款隨後撇銷。

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。收回資產毋須計算折舊或攤銷。

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing deductible temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(h)(ii), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each 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.

除了若干有限的例外情況外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在同期內該可扣稅之暫時性差異轉回或在若干期限內由該遞延稅項資產產生的稅損可以收回或留存。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計在某期間內因該稅損或稅免可使用而轉回時，會計入該等差異。

在有限例外情況下，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、初始時已確認不影響會計及應課稅溢利的資產或負債(須不是商業合併的一部分)、及有關投資附屬公司的暫時性差異，就應課稅差異而言，當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；而就可扣稅差異而言，除非該差異在可見將來可以轉回。

當投資物業根據附註2(h)(ii)所載按公平價值列賬，除該物業是需折舊的及以一商業模式持有，而其目的是要透過時間使用而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預期變現或償還該資產及負債的賬面值的方式，按在報告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，對預期不再有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可供扣減的應課稅溢利。

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)**

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(o) Insurance Reserves and Provisions for Outstanding Claims

Insurance reserves, except those attributable to long term business, represent the proportion of retained premiums written in the year relating to the period of risk from 1st January in the following year to the subsequent date of expiry of policies which is carried forward as a provision for unearned premiums and calculated on a daily basis.

The insurance reserve for long term business is ascertained by actuarial valuation.

Full provision is made for the estimated cost of claims notified but not settled at the 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.

(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償還或收回重大遞延稅項負債或資產，該實體計劃以淨額形式變現本期稅項資產及償還本期稅項負債，或同時變現及償還。

(o) 保險基金及未付索償準備

不包括長期業務部分，保險基金指年度內收取但已作保留的保金部分，而有關的風險是屬於下年度1月1日至保單到期日為止，該保留保金視作未賺取保費準備並按每日計算。

長期業務的保險基金是按精算估值。

本集團已就在報告期結束日只已通知但未償付以及已發生但未匯報的索償，經扣除了分保人欠款，作出了充足的準備。此外，已就在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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(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.

(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.

(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。

(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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)****(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; and
- (b) an amount equivalent to the average closing price of the Bank's shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant options.

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

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

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

(r) Related Parties

For the purposes of these financial statements, 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.

(iv) 以股份為基礎作支付

認股權的行使價為以下之最高者：

- (a) 於授出認股權當日本行股份在聯交所日報表的收市價；及
- (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。

當認股權被行使時，所得款項計入股東權益。授予僱員之認股權的公平價值於收益表內確認為支出，而在股東權益賬內的資本儲備作相應的增加。公平價值乃採用三項式期權定價模式，按認股權授予日計算，並顧及授予認股權的條款。當僱員須符合歸屬期條件才可無條件享有該等認股權，估計公平價值總額在歸屬期內攤分入賬，並已考慮認股權歸屬的或然率。

估計可歸屬認股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之所需調整須在檢討期內的收益表支銷或回撥，並在資本儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本行股份的市價有關，確認為支出之金額按歸屬認股權的實際數目作調整（並在資本儲備作相應調整）。

屬股東權益金額確認為資本儲備內，直至當認股權被行使及分配新股時（轉入股本），或當認股權之有效期屆滿時（轉入留存溢利）。

(r) 關聯人士

在編製本財務報表時，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；或
 - (iii) 是本集團或本集團之母公司的主要管理人員之成員。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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| <p>(b) An entity is related to the Group if any of the following conditions applies:</p> <p>(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).</p> <p>(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).</p> <p>(iii) Both entities are joint venture of the same third party.</p> <p>(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.</p> <p>(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.</p> <p>(vi) The entity is controlled or jointly controlled by a person identified in (a).</p> <p>(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).</p> <p>(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.</p> | <p>(b) 在以下任何情況下，一實體會視為與本集團有關聯：</p> <p>(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）。</p> <p>(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）。</p> <p>(iii) 兩個實體是同一第三者的合營公司。</p> <p>(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。</p> <p>(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。</p> <p>(vi) 該實體受在(a)項中所辨識的個人所控制或共同控制。</p> <p>(vii) 在(a)(i)項中所辨識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。</p> <p>(viii) 該實體或是其集團中一部分之任何成員，而提供主要管理人員服務予本集團或本集團之母公司。</p> |
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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.

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

(s) Segment Reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(s) 分部報告

營運分部，及在財務報表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分和區域所在地的表現。

除非分部有相同經濟特性及在產品和服務之性質、生產程序之性質、客戶類別和等級、用作銷售產品和提供服務之方法、及監管環境之性質是相同的，個別重大的營運分部不會在財務報表內合計。如它們擁有以上大部份的標準，並非個別重大的營運分部可能會被合計。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)****(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.

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.

(v) Assets Held for Sale

Non-current assets and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (i) their carrying amounts will be recovered principally through sale; (ii) they are available for sale in their present condition; and (iii) their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the asset (or assets and liabilities in the disposal group) are measured in accordance with applicable HKFRS. On subsequent remeasurement of a disposal group, the carrying amounts of the assets and liabilities that are not within the scope of the measurement requirements of HKFRS5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with applicable HKFRS before the fair value less costs to sell of the disposal group is determined.

Income earned and expenses incurred on assets and liabilities of disposal groups held for sale continue to be recognised in the appropriate line items in the income statement until the transaction is complete.

(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工具。

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。

(v) 持有作出售資產

當(i)其賬面值將主要需通過出售才可收回；(ii)它們可以在現況下可供出售；(iii)出售之機會率是非常高的，非流動資產及出售組別(包括出售組別的資產和負債)按其賬面值及公平價值減出售成本，兩者之較低者，分類為持有作出售資產。

在被初始分類為持有作出售之前，資產的賬面值(或出售組別的資產和負債)按適用的《香港財務報告準則》計算。而往後在重新計算出售組別時，在未決定出售組別的公平價值減成本前，非在《香港財務報告準則》第五號「持有作出售資產的非流動資產及結束營運」所覆蓋的計算要求的資產和負債之賬面值，按適用的《香港財務報告準則》計算。

出售組別的資產和負債之已賺取收入和已發生支出仍繼續在收益表內之有關項目中確認，直至交易完成。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

3. CHANGES IN ACCOUNTING POLICIES 會計政策之變動

The HKICPA has issued the following amendments to HKFRS that are first effective for the current accounting period of the Group:

- Amendments to HKAS 19, *Employee benefits: Defined benefit plans: Employee contributions*
- *Annual Improvements to HKFRSs 2010-2012 Cycle*
- *Annual Improvements to HKFRSs 2011-2013 Cycle*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRS are discussed below:

Amendments to HKAS 19, Employee benefits: Defined benefit plans: Employee contributions

The amendments introduce a relief to reduce the complexity of accounting for certain contributions from employees or third parties under defined benefit plans. When the contributions are eligible for the practical expedient provided by the amendments, a company is allowed to recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, instead of including them in calculating the defined benefit obligation. The amendments do not have an impact on these financial statements as the Group has no defined benefit plans.

Annual Improvements to HKFRSs 2010-2012 Cycle and 2011-2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, Related party disclosures has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

香港會計師公會已頒布數項對本集團本期會計期可首次生效之修訂《香港財務報告準則》:

- 修訂《香港會計準則》第十九號「僱員福利—定額福利計劃—僱員供款」
- 《香港財務報告準則》年度改進2010-2012周期
- 《香港財務報告準則》年度改進2011-2013周期

本集團並未採納任何於本會計期尚未生效的新準則或詮釋。採納修訂《香港財務報告準則》的影響闡釋如下:

修訂《香港會計準則》第十九號「僱員福利—定額福利計劃—僱員供款」

該修訂引進一項緩解以減低若干根據定額福利計劃下僱員或第三者供款所引起會計的複雜性。當該等供款是可適用於該修訂所提供之實質便利，可容許公司將供款用作減低在某期間內提供有關服務的成本，而並非包括在計算定額福利負債內。因本集團並無定額福利計劃，該修訂對本財務報表並無任何影響。

《香港財務報告準則》年度改進2010-2012周期

該兩周期的年度改進包括對九項準則及其它準則相應的修訂。其中，《香港會計準則》第二十四號「關聯人士之披露」經已修訂以擴大關聯人士的定義，以涵蓋由管理實體提供主要管理人員服務予該匯報實體，及需披露獲取由管理實體提供主要管理人員服務所引起的金額。因本集團並無獲取由管理實體提供主要管理人員服務，該修訂對本財務報表並無任何影響。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

4. BANK-LEVEL STATEMENT OF FINANCIAL POSITION 銀行層面之財務狀況表

		2015 HK\$ Mn 港幣百萬元	2014 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	34,538	26,952
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	37,021	8,031
Trade bills	貿易票據	12,054	51,609
Trading assets	交易用途資產	2,316	1,642
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	3,886	8,287
Positive fair value of derivatives	衍生工具的正公平價值	3,106	2,440
Advances to customers and other accounts	客戶墊款及其他賬項	298,396	299,967
Amounts due from subsidiaries	附屬公司欠款	16,093	22,690
Available-for-sale financial assets	可供出售金融資產	67,284	60,175
Held-to-maturity investments	持至到期投資	4,198	3,474
Investments in subsidiaries	附屬公司投資	18,018	17,315
Investments in associates	聯營公司投資	3,265	3,203
Fixed assets	固定資產	8,041	7,675
– Investment properties	– 投資物業	4,251	3,957
– Other property and equipment	– 其他物業及設備	3,790	3,718
Goodwill and intangible assets	商譽及無形資產	1,460	1,460
Deferred tax assets	遞延稅項資產	85	74
Total Assets	資產總額	509,761	514,994
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	19,989	21,988
Deposits from customers	客戶存款	339,441	342,979
Trading liabilities	交易用途負債	889	21
Negative fair value of derivatives	衍生工具的負公平價值	4,091	3,758
Certificates of deposit issued	已發行存款證	39,477	45,353
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	16,457	14,444
– At amortised cost	– 攤銷成本	23,020	30,909
Amounts due to subsidiaries	欠附屬公司款項	1,874	1,803
Current taxation	本期稅項	977	960
Debt securities issued	已發行債務證券	13,597	21,173
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	2,539	7,595
– At amortised cost	– 攤銷成本	11,058	13,578
Deferred tax liabilities	遞延稅項負債	399	580
Other accounts and provisions	其他賬項及準備	5,919	6,169
Loan capital	借貸資本	19,894	21,848
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	2,898	4,513
– At amortised cost	– 攤銷成本	16,996	17,335
Total Liabilities	負債總額	446,547	466,632
Share capital	股本	33,815	25,217
Reserves	儲備	24,383	23,145
Total equity attributable to owners of the Bank	歸屬於本行股東權益總額	58,198	48,362
Additional equity instruments	額外股本工具	5,016	–
		63,214	48,362
Total Equity and Liabilities	股東權益及負債總額	509,761	514,994

Approved and authorised for issue by the Board on 15th February, 2016.

董事會於2016年2月15日核准及授權發布。

Chairman and Chief Executive
DirectorsDavid LI Kwok-po
Winston LO Yau-lai主席兼行政總裁
董事李國寶
羅友禮

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

5. INTEREST INCOME 利息收入

		2015	2014
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Securities classified as held-to-maturity or available-for-sale	分類為持至到期或可供出售的證券	2,458	2,253
Trading assets	交易用途資產	159	124
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	141	278
Loans, deposits with banks and financial institutions, and trade bills	貸款、在銀行和其他金融機構的存款、及貿易票據	20,830	22,802
		23,588	25,457

Included above is interest income accrued on impaired financial assets of HK\$339 million (2014: HK\$133 million) which includes interest income on unwinding of discount on loan impairment losses of HK\$110 million (2014: HK\$20 million) (Note 29(b)) for the year ended 31st December, 2015.

以上包括截至2015年12月31日止年度減值金融資產的應計利息港幣3.39億元(2014年：港幣1.33億元)，其中包括釋放貸款減值損失之折扣的利息收入港幣1.1億元(2014年：港幣2,000萬元)(附註29(b))。

Included within interest income is HK\$23,513 million (2014: HK\$25,175 million), before hedging effect, for financial assets that are not recognised at fair value through profit or loss.

在不包括對沖影響前，來自非按公平價值確認損益的金融資產之利息收入為港幣235.13億元(2014年：港幣251.75億元)。

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

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

6. INTEREST EXPENSE 利息支出

		2015	2014
		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	10,480	11,692
Debt securities issued	已發行債務證券		
– at amortised cost	– 攤銷成本	242	333
– designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	263	222
Subordinated notes carried at amortised cost	按攤銷成本列賬的後償票據	650	528
Other borrowings	其他借款	19	7
		11,654	12,782

Included within interest expense is HK\$11,643 million (2014: HK\$12,803 million), before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

在不包括對沖影響前，來自非按公平價值確認損益的金融負債之利息支出為港幣116.43億元(2014年：港幣128.03億元)。

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

7. 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：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Corporate services	企業服務	1,194	1,132
Credit cards	信用卡	947	905
Loans, overdrafts and guarantees	貸款、透支及擔保	861	946
Trade finance	貿易融資	481	576
Securities and brokerage	證券及經紀	449	357
Other retail banking services	其他零售銀行服務	353	447
Trust and other fiduciary activities	信託及其他代理業務	187	182
Others	其他	544	478
Total fee and commission income	服務費及佣金收入總額	5,016	5,023
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)	4,125	4,168
Fee income	服務費收入	5,016	5,023
Fee expenses	服務費支出	(891)	(855)

8. NET TRADING PROFITS 交易溢利淨額

		2015	2014
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
(Loss)/profit on dealing in foreign currencies and funding swaps	外幣買賣及外匯掉期(虧損)/溢利	(440)	1,584
Profit on trading securities	交易用途證券溢利	63	139
Net gain/(loss) on derivatives	衍生工具淨盈利/(虧損)	566	(896)
Dividend income from listed trading securities	交易用途上市證券的股息收入	40	43
		229	870

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

9. 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

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Revaluation gain on debts issued	重估已發行債務盈利	13		40	
Profit on sale of debts issued	出售已發行債務溢利	3		5	
Revaluation loss on financial assets	重估其他金融資產虧損	(49)		(172)	
Loss on sale of financial assets	出售金融資產淨虧損	(2)		(3)	
		(35)		(130)	

10. NET HEDGING (LOSS)/PROFIT 對沖(虧損)/溢利淨額

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Fair value hedges	公平價值對沖				
– Net gain 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盈利	71		96	
– Net loss on hedging instruments	–用作對沖工具的淨虧損	(81)		(93)	
		(10)		3	

There was insignificant ineffectiveness recognised in the Group's income statement arising from cash flow hedge for the years 2015 and 2014.

於2015年及2014年，因現金流對沖所產生並已在本集團收益表內確認之無效部分是不重大的。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

11. NET INSURANCE REVENUE 保險業務淨收入

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
(a)	Net insurance revenue	(a)	保險業務淨收入		
	Net interest income		淨利息收入	354	294
	Net trading loss		交易虧損淨額	(12)	(7)
	Net loss 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虧損	(5)	–
	Net hedging loss		對沖虧損淨額	(3)	–
	Net insurance premium and other income (b)		淨保費及其他收入 (b)	2,758	2,277
	Other operating income		其他經營收入	3	6
				3,095	2,570
	Net insurance claims and expenses (c)		保險索償及支出淨額 (c)	(2,833)	(2,337)
				262	233
	Operating expenses		經營支出	(3)	(3)
	Impairment loss on available-for-sale financial assets		可供出售金融資產減值損失	(60)	(5)
	Net profit on sale of available-for-sale financial assets		出售可供出售金融資產之淨溢利	173	98
				372	323
(b)	Net insurance premium and other income	(b)	淨保費及其他收入		
	Gross insurance premium income		保費收入總額	2,958	2,623
	Reinsurer's share of gross insurance premium income		保費收入總額之分保份額	(200)	(346)
				2,758	2,277
(c)	Net insurance claims and expenses	(c)	保險索償及支出淨額		
	Claims, benefits and surrenders paid		已付索償、利益及退保	1,906	1,390
	Movement in provisions		準備金變動	848	894
				2,754	2,284
	Reinsurers' share of claim, benefits and surrenders paid		已付索償、利益及退保之分保份額	(50)	(35)
	Reinsurers' share of movement in provisions		準備金變動之分保份額	(5)	(12)
				(55)	(47)
				2,699	2,237
	Net insurance commission expenses		保險佣金支出淨額	134	100
				2,833	2,337

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

12. OTHER OPERATING INCOME 其他經營收入

		2015	2014
		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	16	11
– unlisted	– 非上市	24	17
Rental from safe deposit boxes	保險箱租金收入	86	80
Rental income on properties	物業租金收入	221	149
Others	其他	128	88
		475	345

13. OPERATING EXPENSES 經營支出

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Contributions to defined contribution plan*	定額供款公積金供款*		
– Hong Kong	– 香港	163	152
– Outside Hong Kong	– 香港以外	363	363
Equity-settled share-based payment expenses	以股份為基礎作支付的費用	22	24
Salaries and other staff costs	薪金及其他員工成本	4,790	4,945
Total staff costs	員工成本總額	5,338	5,484
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	697	671
– Maintenance, repairs and others	– 保養、維修及其他	581	570
Total premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出總額	1,278	1,241
Depreciation on fixed assets** (Note 35)	固定資產折舊** (附註35)	523	664
Amortisation of intangible assets (Note 34(b))	無形資產攤銷(附註34(b))	32	32

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

13. OPERATING EXPENSES (CONTINUED) 經營支出(續)

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
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	644		727	
– Legal and professional fees	– 法律及專業服務費	457		414	
– Communications, stationery and printing	– 通訊、文具及印刷	348		340	
– Advertising expenses	– 廣告費	341		261	
– Business promotions and business travel	– 業務推廣及商務旅遊	193		206	
– Card related expenses	– 有關信用卡支出	150		102	
– Insurance expenses	– 保險費	57		37	
– Administration expenses of corporate services	– 企業服務的行政費	20		15	
– Audit fee	– 核數師酬金	17		17	
– Membership fees	– 會員費	16		17	
– Bank charges	– 銀行收費	10		10	
– Donations	– 捐款	5		5	
– Bank licence	– 銀行牌照費	4		4	
– Others	– 其他	299		273	
Total other operating expenses	其他經營支出總額	2,561		2,428	
Total operating expenses***	經營支出總額***	9,732		9,849	

* Forfeited contributions totalling HK\$15 million (2014: HK\$15 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 (2014: Nil).

* 年內沒收之供款共港幣1,500萬元(2014年：港幣1,500萬元)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(2014年：無)。

** During the year, the Group revised the useful lives of certain fixed assets. The revisions were accounted for prospectively as a change in accounting estimates and as a result, the impact for current year and expected impact for future years on depreciation charges are as follows:

** 本集團於年內修訂若干固定資產的使用年限。該修訂視作會計估計變動並只於往後會計年度入賬。因此，該修訂對年內的折舊影響及於未來會計年度的折舊預期影響如下：

Current year 年內	Increase/(decrease) in depreciation charges 折舊支出增加/(減少)					
	2015	2016	Future years 未來會計年度			
HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	2017	2018	2019	Later 往後	
		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
(87)	(36)	4	21	34	64	

*** Included in operating expenses are direct operating expenses of HK\$23 million (2014: HK\$32 million) in respect of investment properties which generated rental income during the year.

*** 年度內經營支出中包括由有租金收益的投資物業產生的直接經營支出，金額為港幣2,300萬元(2014年：港幣3,200萬元)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

14. IMPAIRMENT LOSSES ON LOANS AND ADVANCES 貸款及墊款減值損失

		2015	2014
		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	1,571	927
– releases	– 回撥	(103)	(118)
– recoveries	– 收回	(120)	(224)
		1,348	585
Collective impairment loss	整體減值損失		
– new provisions (Note 29(b))	– 新撥備(附註29(b))	694	405
Net charge to income statement	於收益表支銷淨額	2,042	990

15. NET PROFIT ON SALE OF AVAILABLE-FOR-SALE FINANCIAL ASSETS 出售可供出售金融資產之淨溢利

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net revaluation gain transferred from reserves (Note 42(g))	由儲備轉撥的重估盈利淨額 (附註42(g))	327	79
(Loss)/profit arising in current year	年度內產生的(虧損)/溢利	(70)	22
		257	101

16. NET GAIN ON DISPOSAL OF FIXED ASSETS 出售固定資產之淨盈利

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net gain on disposal of bank premises, furniture, fixtures and equipment	出售行址、傢俬、裝修及設備之 淨盈利	109	74

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

17. INCOME TAX 所得稅

(a) Taxation in the consolidated income statement represents:

(a) 綜合收益表內的稅項指：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Current tax – Hong Kong	本期稅項 – 香港		
Tax for the year (Note 36(a))	本年度稅項(附註36(a))	772	777
Under-provision in respect of prior years	往年度撥備不足	32	35
		804	812
Current tax – outside Hong Kong	本期稅項 – 香港以外		
Tax for the year	本年度稅項	616	942
Write back of over-provision in respect of prior years	往年度撥備過剩的回撥	(65)	(21)
		551	921
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (Note 36(b))	暫時性差異的產生及轉回(附註36(b))	(244)	(83)
		1,111	1,650

The provision for Hong Kong profits tax is calculated at 16.5% (2014: 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%(2014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：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Profit before tax	除稅前溢利	6,749	8,424
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	1,113	1,608
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	350	296
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(310)	(264)
Tax effect of tax losses not recognised	未確認的稅損的稅項影響	9	15
Recognition of deferred tax assets on prior year tax losses	往年稅損確認為遞延稅項資產	(14)	(15)
(Write back of over-provision)/Under-provision in respect of prior years	(撥備過剩的回撥)/往年度撥備不足	(33)	14
Others	其他	(4)	(4)
Actual tax expense	實際稅項支出	1,111	1,650

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

18. 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\$3,795 million (2014: HK\$3,534 million) which has been dealt with in the financial statements of the Bank.

可歸屬於本集團股東綜合溢利包括已計入本行財務報表內的溢利港幣37.95億元(2014年:港幣35.34億元)。

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

		2015	2014
		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 financial statements	已計入本行財務報表之可歸屬於本集團股東綜合溢利	3,795	3,534
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	176	195
Bank's profit for the year	本行年度內溢利	3,971	3,729

19. DIVIDENDS 股息

(a) Dividends attributable to the year

(a) 應屬本年度股息

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interim dividend declared and paid of HK\$0.38 per share on 2,617 million shares (2014: HK\$0.43 per share on 2,329 million shares) (Note 42(i))	已宣布派發及支付中期股息予26.17億股每股港幣0.38元(2014年:23.29億股每股港幣0.43元)(附註42(i))	994	1,001
Second interim dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the end of the reporting period and before the close of the Register of Members of the Bank, of HK\$0.68 per share (2014: HK\$0.68 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0.68元的第二次中期股息(2014年:每股港幣0.68元)	1	-
Second interim dividend of HK\$0.50 per share on 2,641 million shares (2014: HK\$0.68 per share on 2,347 million shares)	第二次中期股息予26.41億股每股港幣0.50元(2014年:23.47億股每股港幣0.68元)	1,320	1,596
		2,315	2,597

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

於報告期結束日該第二次中期股息並未確認為負債。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

19. 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

		2015	2014
		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\$0.68 per share on 2,347 million shares (2014: HK\$0.68 per share on 2,290 million shares) (Note 42(i))	年度內核准及支付予23.47億股每股港幣0.68元(2014年: 22.90億股每股港幣0.68元)的上年度第二次中期股息(附註42(i))	1,597	1,557

(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

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interest paid or payable on the Hybrid Tier 1 capital instruments, the details of which are disclosed in Note 42(i)	已付或應付予混合一級資本工具持有人的利息，詳情已在附註42(i)內披露	320	330

20. 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\$4,991 million (2014: HK\$6,331 million) after the distribution of HK\$320 million (2014: HK\$330 million) to Hybrid Tier 1 issue holders and deduction of HK\$211 million (2014: Nil) premium paid to partial redemption of Hybrid Tier 1 capital instruments, and on the weighted average of 2,561 million (2014: 2,324 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扣減派發予混合一級資本工具持有人港幣3.20億元(2014年: 港幣3.30億元)及已扣除所支付用作贖回部份混合一級資本工具的溢價港幣2.11億元(2014年: 無)後之溢利港幣49.91億元(2014年: 港幣63.31億元)及年度內已發行普通股份的加權平均數25.61億股(2014年: 23.24億股)計算之方法如下:

普通股份的加權平均數

		2015	2014
		Number of shares 股份數目 Mn 百萬	Number of shares 股份數目 Mn 百萬
Issued ordinary shares at 1st January	於1月1日的已發行普通股	2,347	2,290
Effect of subscription of new shares	認購新股的影響	171	-
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	43	34
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	2,561	2,324

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on earnings of HK\$4,991 million (2014: HK\$6,331 million) after the distribution of HK\$320 million (2014: HK\$330 million) to Hybrid Tier 1 issue holders and deduction of HK\$211 million (2014: Nil) premium paid to partial redemption of Hybrid Tier 1 capital instruments, and on 2,561 million (2014: 2,325 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扣減派發予混合一級資本工具持有人港幣3.20億元(2014年：港幣3.30億元)及已扣除所支付用作贖回部份混合一級資本工具的溢價港幣2.11億元(2014年：無)後之溢利港幣49.91億元(2014年：港幣63.31億元)及就年內所有具備潛在攤薄影響的普通股作出調整得出的普通股份之加權平均數25.61億股(2014年：23.25億股)計算。

普通股份之加權平均數(攤薄)

		2015	2014
		Number of shares	Number of shares
		股份數目	股份數目
		Mn 百萬	Mn 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	2,561	2,324
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
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)	2,561	2,325

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

21. DIRECTORS' REMUNERATION 董事酬金

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

根據《公司條例》第383(1)條及《公司(披露董事利益資料)規則》第2部之規定披露董事酬金如下：

	Directors' fees	Salaries, allowances and benefits in kind 薪金、津貼及實物收益	Discretionary bonuses 酌情花紅	Share options 認股權	Retirement scheme contributions 退休計劃供款	2015 Total 總額
	袍金 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
Chairman and Chief Executive 主席兼行政總裁						
Dr. the Hon. Sir David LI Kwok-po 李國寶爵士	0.8	10.6	8.1	7.5	1.0	28.0
Executive Director and Deputy Chief Executive 執行董事兼副行政總裁						
Mr. Adrian David LI Man-kiu 李民橋先生	0.3	3.8	1.8	2.4	0.4	8.7
Mr. Brian David LI Man-bun 李民斌先生	0.3	3.8	1.8	2.4	0.4	8.7
Non-executive Directors 非執行董事						
Prof. Arthur LI Kwok-cheung 李國章教授	0.4	—	—	—	—	0.4
Mr. Aubrey LI Kwok-sing 李國星先生	0.5	—	—	—	—	0.5
Mr. Eric LI Fook-chuen 李福全先生	0.5	—	—	—	—	0.5
Mr. Stephen Charles LI Kwok-sze 李國仕先生	0.3	—	—	—	—	0.3
Dr. Isidro FAINÉ CASAS 范禮賢博士	0.4	—	—	—	—	0.4
Dr. Peter LEE Ka-kit 李家傑博士	0.3	—	—	—	—	0.3
Mr. Masayuki OKU 奧正之先生	0.1	—	—	—	—	0.1
Independent Non-executive Directors 獨立非執行董事						
Dr. Allan WONG Chi-yun 黃子欣博士	0.6	—	—	—	—	0.6
Mr. WONG Chung-hin 黃頌顯先生	0.4	—	—	—	—	0.4
Mr. Winston LO Yau-lai 羅友禮先生	0.7	—	—	—	—	0.7
Tan Sri Dr. KHOO Kay-peng 丹斯里邱繼炳博士	0.4	—	—	—	—	0.4
Mr. Richard LI Tzar-kai 李澤楷先生	0.3	—	—	—	—	0.3
Mr. Kenneth LO Chin-ming 駱錦明先生	0.5	—	—	—	—	0.5
Mr. William DOO Wai-hoi 杜惠愷先生	0.4	—	—	—	—	0.4
Mr. KUOK Khoon-ean 郭孔演先生	0.4	—	—	—	—	0.4
Mr. Valiant CHEUNG Kin-piu 張建標先生	0.8	—	—	—	—	0.8
Mr. Daryl NG Win-kong 黃永光先生	0.2	—	—	—	—	0.2
	8.6	18.2	11.7	12.3	1.8	52.6

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share options	Retirement scheme contributions	2014 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	0.6	10.2	13.4	8.3	1.0	33.5
Executive Director and Deputy Chief Executive 執行董事兼副行政總裁							
Mr. Adrian David LI Man-kiu ¹	李民橋先生 ¹	0.2	1.5	1.2	1.2	0.1	4.2
Mr. Brian David LI Man-bun ¹	李民斌先生 ¹	0.2	1.5	1.2	1.2	0.1	4.2
Non-executive Directors 非執行董事							
Prof. Arthur LI Kwok-cheung	李國章教授	0.4	–	–	–	–	0.4
Mr. Aubrey LI Kwok-sing	李國星先生	0.4	–	–	–	–	0.4
Mr. Richard LI Tzar-kai	李澤楷先生	0.3	–	–	–	–	0.3
Mr. Eric LI Fook-chuen	李福全先生	0.4	–	–	–	–	0.4
Mr. Stephen Charles LI Kwok-sze	李國仕先生	0.3	–	–	–	–	0.3
Dr. Isidro FAINÉ CASAS	范禮賢博士	0.3	–	–	–	–	0.3
Dr. Peter LEE Ka-kit	李家傑博士	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	0.5	–	–	–	–	0.5
Mr. WONG Chung-hin	黃頌顯先生	0.4	–	–	–	–	0.4
Mr. Winston LO Yau-lai	羅友禮先生	0.6	–	–	–	–	0.6
Tan Sri Dr. KHOO Kay-peng	丹斯里邱繼炳博士	0.3	–	–	–	–	0.3
Dr. Thomas KWOK Ping-kwong	郭炳江博士	0.4	–	–	–	–	0.4
Mr. Kenneth LO Chin-ming	駱錦明先生	0.4	–	–	–	–	0.4
Mr. William DOO Wai-hoi	杜惠愷先生	0.4	–	–	–	–	0.4
Mr. KUOK Khoon-ean	郭孔演先生	0.3	–	–	–	–	0.3
Mr. Valiant CHEUNG Kin-piu	張建標先生	0.7	–	–	–	–	0.7
		7.4	13.2	15.8	10.7	1.2	48.3

¹ Appointed Executive Director of the Bank with effect from 2nd August, 2014, with remuneration calculated on a pro-rata basis therefrom.

¹ 由2014年8月2日起獲委任為本行執行董事，酬金自即日起按比例計算。

Included in the above remuneration were share options granted to ED 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 TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

22. FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

		2015	2014
		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	29	26
Performance-related bonuses	表現獎勵花紅	15	25
Share options	認股權	17	19
Pension contributions	退休金供款	2	3
		63	73

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：

	2015	2014
	Number of Employees 僱員人數	Number of Employees 僱員人數
HK\$港幣元		
8,500,001 – 9,000,000	3	–
9,000,001 – 9,500,000	1	–
9,500,001 – 10,000,000	–	4
28,000,001 – 28,500,000	1	–
33,000,001 – 33,500,000	–	1

Included in the emoluments of the five top-paid employees were the emoluments of 3 (2014: 3) Directors and 2 (2014: 2) senior management members. Their director's emoluments have been included in Note 21 above.

5名薪酬最高的僱員中包括3位(2014年：3位)董事及2位(2014年：2位)高層管理人員。他們的董事酬金已包括於上述附註21內。

23. 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 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高層管理人員作為資源分配及表現評核的方式是一致的。本集團列報以下九個可匯報分部。營運分部並未包括在以下的可匯報分部內。

(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.

(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。

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

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款及證券業務貸款。

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

財資市場包括在香港之財資運作及證券買賣。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(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 mainly include insurance business, trust business, securities & futures broking, money lender activities and corporate financial advisory in Hong Kong.

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

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

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

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

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、行址及在香港之其他附屬公司的業績(除已包括在其他香港銀行業務內的附屬公司)。

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

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

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

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 TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

23. SEGMENT REPORTING (CONTINUED) 分部報告(續)

(a) Business segments (continued)

(a) 營業分部(續)

		2015													
		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
		Personal banking	Corporate banking	Treasury markets	Wealth management	Financial institutions	Others	China operations	Overseas operations	Corporate services	Others	Others	Inter-segment elimination	Total	
		個人銀行	企業銀行	財資市場	財富管理	金融機構	其他	中國業務	國際業務	企業服務	其他	其他	交易抵銷	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	
Net interest income/(expense)	淨利息收入/(支出)	2,694	2,451	(22)	337	52	312	4,775	1,172	5	11,776	158	-	11,934	
Non-interest income/(expense)	非利息收入/(支出)	819	526	(413)	457	17	737	1,254	160	1,196	4,753	743	(366)	5,130	
Operating income	經營收入	3,513	2,977	(435)	794	69	1,049	6,029	1,332	1,201	16,529	901	(366)	17,064	
Operating expenses	經營支出	(1,823)	(216)	(140)	(197)	(13)	(636)	(3,924)	(465)	(834)	(8,248)	(1,850)	366	(9,732)	
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	1,690	2,761	(575)	597	56	413	2,105	867	367	8,281	(949)	-	7,332	
(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	(128)	(110)	-	(9)	-	(56)	(1,704)	(29)	(11)	(2,047)	5	-	(2,042)	
Impairment losses on available-for-sale financial assets	可供出售金融資產之減值損失	-	-	(15)	-	-	(2)	-	-	-	(17)	-	-	(17)	
Operating profit/(loss) after impairment losses	已扣除減值損失後之經營溢利/(虧損)	1,562	2,651	(590)	588	56	355	401	838	356	6,217	(944)	-	5,273	
Profit/(Loss) on sale of fixed assets, loans and receivable, held-to-maturity investments and available-for-sale financial assets	出售固定資產、貸款及應收賬項、持至到期投資及可供出售金融資產之溢利/(虧損)	(2)	1	93	-	-	9	151	-	(1)	251	116	-	367	
Profit on sale of subsidiaries/associates	出售附屬公司/聯營公司之溢利	-	-	-	-	-	-	-	-	2	2	-	-	2	
Valuation gains on investment properties	重估投資物業盈利	-	-	-	-	-	-	-	49	3	52	497	-	549	
Share of profits less losses of associates	應佔聯營公司溢利減虧損	-	-	-	-	-	(3)	182	378	1	558	-	-	558	
Profit/(Loss) before taxation	除稅前溢利/(虧損)	1,560	2,652	(497)	588	56	361	734	1,265	361	7,080	(331)	-	6,749	
Depreciation for the year	年內折舊	(61)	(1)	(2)	(3)	-	(25)	(232)	(18)	(28)	(370)	(153)	-	(523)	
Segment assets	分部資產	68,719	142,731	165,533	25,627	7,022	18,231	321,280	88,083	2,269	839,495	17,912	(81,806)	775,601	
Investments in associates	聯營公司投資	-	-	-	-	-	50	1,102	4,591	20	5,763	-	-	5,763	
Total assets	資產總額	68,719	142,731	165,533	25,627	7,022	18,281	322,382	92,674	2,289	845,258	17,912	(81,806)	781,364	
Total liabilities	負債總額	279,214	1,124	80,117	21,436	6	13,958	275,796	77,011	405	749,067	2,148	(55,492)	695,723	
Capital expenditure incurred during the year	年度內資本開支	48	-	2	-	-	16	154	14	131	365	104	-	469	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2014 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				
		Personal banking	Corporate banking	Treasury markets	Wealth management	Financial institutions	Others	China operations	Overseas operations	Corporate services	Others	Others	Others	Others	Others				
		個人銀行 HK\$ Mn 港幣百萬元	企業銀行 HK\$ Mn 港幣百萬元	財資市場 HK\$ Mn 港幣百萬元	財富管理 HK\$ Mn 港幣百萬元	金融機構 HK\$ Mn 港幣百萬元	其他 HK\$ Mn 港幣百萬元	中國業務 HK\$ Mn 港幣百萬元	國際業務 HK\$ Mn 港幣百萬元	企業服務 HK\$ Mn 港幣百萬元	其他 HK\$ Mn 港幣百萬元	其他 HK\$ Mn 港幣百萬元	其他 HK\$ Mn 港幣百萬元	其他 HK\$ Mn 港幣百萬元	其他 HK\$ Mn 港幣百萬元				
Net interest income	淨利息收入	2,572	2,168	65	271	154	264	5,958	1,114	6						12,572	102	1	12,675
Non-interest income	非利息收入	753	669	40	354	25	635	1,458	160	1,141						5,235	668	(346)	5,557
Operating income	經營收入	3,325	2,837	105	625	179	899	7,416	1,274	1,147						17,807	770	(345)	18,232
Operating expenses	經營支出	(1,653)	(201)	(143)	(193)	(13)	(607)	(4,318)	(484)	(803)						(8,415)	(1,779)	345	(9,849)
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	1,672	2,636	(38)	432	166	292	3,098	790	344						9,392	(1,009)	-	8,383
(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	(114)	(74)	1	(2)	-	(32)	(877)	113	(4)						(989)	(1)	-	(990)
Impairment losses on held-to-maturity investments and available-for-sale financial assets	持至到期投資及可供出售金融資產之減值損失	-	-	(11)	-	-	-	-	-	-						(11)	-	-	(11)
Operating profit/(loss) after impairment losses	已扣除減值損失後之經營溢利/(虧損)	1,558	2,562	(48)	430	166	260	2,221	903	340						8,392	(1,010)	-	7,382
Profit/(Loss) on sale of fixed assets, held-to-maturity investments and available-for-sale financial assets	出售固定資產、持至到期投資及可供出售金融資產之溢利/(虧損)	-	27	74	-	-	4	69	-	(1)						173	-	-	173
Loss on sale of subsidiaries	出售附屬公司之虧損	-	-	-	-	-	-	-	(4)	-						(4)	-	-	(4)
Valuation gains on investment properties	重估投資物業溢利	-	-	-	-	-	-	-	-	-						-	228	-	228
Share of profits less losses of associates	應佔聯營公司溢利減虧損	-	-	-	-	-	(5)	223	426	1						645	-	-	645
Profit/(Loss) before taxation	除稅前溢利/(虧損)	1,558	2,589	26	430	166	259	2,513	1,325	340						9,206	(782)	-	8,424
Depreciation for the year	年內折舊	(71)	(2)	(4)	(4)	(1)	(28)	(322)	(20)	(26)						(478)	(186)	-	(664)
Segment assets	分部資產	58,929	173,050	140,170	29,917	9,813	17,536	372,623	102,380	2,222						906,640	18,030	(134,862)	789,808
Investments in associates	聯營公司投資	-	-	-	-	-	55	972	5,036	20						6,083	-	-	6,083
Total assets	資產總額	58,929	173,050	140,170	29,917	9,813	17,591	373,595	107,416	2,242						912,723	18,030	(134,862)	795,891
Total liabilities	負債總額	278,557	1,164	94,513	23,218	4	13,355	328,698	91,134	387						831,030	2,379	(110,962)	722,447
Capital expenditure incurred during the year	年度內資本開支	28	1	2	7	-	33	116	9	42						238	85	-	323

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

23. 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。

		2015					
		Hong Kong	People's Republic of China	Other Asian Countries	Others	Inter-segment elimination	Total
		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	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
Operating income	經營收入	9,234	6,368	1,012	892	(442)	17,064
Profit before taxation	除稅前溢利	4,480	778	767	724	-	6,749
Total assets	資產總額	465,519	308,726	40,885	48,776	(82,542)	781,364
Total liabilities	負債總額	398,241	275,804	34,678	42,820	(55,820)	695,723
Contingent liabilities and commitments	或然負債及承擔	70,449	159,151	4,450	8,430	-	242,480
Capital expenditure during the year	年度內資本開支	182	164	117	6	-	469

		2014					
		Hong Kong	People's Republic of China	Other Asian Countries	Others	Inter-segment elimination	Total
		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	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
Operating income	經營收入	9,081	7,716	1,052	795	(412)	18,232
Profit before taxation	除稅前溢利	4,130	2,735	847	712	-	8,424
Total assets	資產總額	465,465	361,094	58,701	46,233	(135,602)	795,891
Total liabilities	負債總額	413,374	328,728	52,201	39,462	(111,318)	722,447
Contingent liabilities and commitments	或然負債及承擔	71,153	168,579	4,808	4,028	-	248,568
Capital expenditure during the year	年度內資本開支	158	129	29	7	-	323

24. CASH AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (Note 47(b))
現金及在銀行和其他金融機構的結存(附註47(b))

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cash in hand	現金	1,379		1,597	
Balances with central banks	在中央銀行的結存	36,339		48,274	
Balances with banks and other financial institutions	在銀行和其他金融機構的結存	31,404		20,487	
		69,122		70,358	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

25. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (Note 47(b))

在銀行及其他金融機構的存款(附註47(b))

		2015	2014
		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	80,828	50,769
Placements with central banks	在中央銀行的存款	-	-
		80,828	50,769
Maturing	到期期限		
- within one month	- 1個月內	62,384	26,536
- between one month and one year	- 1個月至1年內	18,444	24,233
		80,828	50,769

26. TRADE BILLS 貿易票據

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross trade bills	貿易票據總額	19,533	60,679
Less: Individual impairment allowances	減：個別減值準備	(1)	(4)
		19,532	60,675

Movement of individual impairment allowances

個別減值準備的變動

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	4	4
Net provisions released back to income statement	撥回收益表的準備淨額	-	(8)
Amounts written off	撤銷額	(3)	-
Recoveries	收回額	-	8
At 31st December	於12月31日	1	4

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

27. TRADING ASSETS 交易用途資產

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 47(b))	國庫債券(包括外匯基金票據) (附註47(b))	1,178	78
Certificates of deposits held (Note 47(b))	持有的存款證(附註47(b))	1,192	–
Debt securities (Note 47(b))	債務證券(附註47(b))	1,620	1,412
Equity securities	股份證券	1,345	1,374
Investment funds	投資基金	–	21
		5,335	2,885
Issued by:	發行機構:		
Central governments and central banks	中央政府和中央銀行	1,189	129
Public sector entities	公營機構	8	52
Banks and other financial institutions	銀行及其他金融機構	2,768	1,170
Corporate entities	企業實體	1,370	1,501
Other entities	其他實體	–	33
		5,335	2,885
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	11	13
Listed outside Hong Kong	在香港以外地區上市	25	113
		36	126
Unlisted	非上市	3,954	1,364
		3,990	1,490
Equity securities	股份證券		
Listed in Hong Kong	在香港上市	1,124	1,131
Listed outside Hong Kong	在香港以外地區上市	221	243
		1,345	1,374
Investment funds	投資基金		
Listed in Hong Kong	在香港上市	–	7
Listed outside Hong Kong	在香港以外地區上市	–	14
		–	21
		5,335	2,885

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

28. 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

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Certificates of deposit held (Note 47(b))	持有的存款證(附註47(b))	476	1,495
Debt securities (Note 47(b))	債務證券(附註47(b))	3,410	6,792
Equity securities	股份證券	326	353
Investment funds	投資基金	124	73
		4,336	8,713
Issued by:	發行機構:		
Central governments and central banks	中央政府和中央銀行	90	94
Banks and other financial institutions	銀行及其他金融機構	2,012	5,072
Corporate entities	企業實體	2,110	3,474
Other entities	其他實體	124	73
		4,336	8,713
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	797	1,093
Listed outside Hong Kong	在香港以外地區上市	1,589	3,597
		2,386	4,690
Unlisted	非上市	1,500	3,597
		3,886	8,287
Equity securities	股份證券		
Listed in Hong Kong	在香港上市	116	128
Listed outside Hong Kong	在香港以外地區上市	210	225
		326	353
Investment funds	投資基金		
Listed in Hong Kong	在香港上市	20	-
Listed outside Hong Kong	在香港以外地區上市	15	9
		35	9
Unlisted	非上市	89	64
		124	73
		4,336	8,713

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

29. 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

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
(i)	Advances to customers		441,506		443,287
	Less: Impairment allowances				
	– Individual		(1,021)		(419)
	– Collective		(1,360)		(935)
			439,125		441,933
(ii)	Other accounts				
	Advances to banks and other financial institutions		31		55
	Less: Impairment allowances				
	– Individual		(1)		(1)
			30		54
	Notes and bonds (Note 47(b))		1		1
	Certificates of deposit held (Note 47(b))		–		116
	Accrued interest		2,635		2,904
	Customer liabilities under acceptances		20,602		26,460
	Other accounts		9,778		10,703
			33,016		40,184
	Less: Impairment allowances				
	– Individual		(19)		(13)
	– Collective		(19)		(18)
			32,978		40,153
	Assets held for sale (Note 56)		955		–
			473,088		482,140

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(b) Impairment allowances against advances and other accounts

(b) 墊款及其他賬項之減值準備

		2015							
		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	419	935	1	-	13	18	433	953
New provisions charged to income statement	收益表內支銷的新準備	1,548	692	-	-	23	2	1,571	694
Net provisions released back to income statement	撥回收益表的準備淨額	(109)	-	-	-	(4)	-	(113)	-
Amounts written off	撇銷額	(801)	(219)	-	-	(6)	-	(807)	(219)
Recoveries	收回額	120	-	-	-	-	-	120	-
Effect of discounting (Note 5)	計算折扣的影響(附註5)	(110)	-	-	-	-	-	(110)	-
Transfer	轉賬	7	-	-	-	(7)	-	-	-
Exchange adjustments	匯兌調整	(53)	(48)	-	-	-	(1)	(53)	(49)
At 31st December	於12月31日	1,021	1,360	1	-	19	19	1,041	1,379

		2014							
		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	323	699	2	-	13	17	338	716
New provisions charged to income statement	收益表內支銷的新準備	863	403	-	-	64	2	927	405
Net provisions released back to income statement	撥回收益表的準備淨額	(308)	-	(1)	-	(5)	-	(314)	-
Amounts written off	撇銷額	(691)	(153)	-	-	(5)	-	(696)	(153)
Recoveries	收回額	215	-	-	-	1	-	216	-
Effect of discounting (Note 5)	計算折扣的影響(附註5)	(20)	-	-	-	-	-	(20)	-
Transfer	轉賬	54	-	-	-	(54)	-	-	-
Exchange adjustments	匯兌調整	(17)	(14)	-	-	(1)	(1)	(18)	(15)
At 31st December	於12月31日	419	935	1	-	13	18	433	953

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

29. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶墊款及其他賬項(續)

(c) Advances to customers – by industry sectors

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

(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金管局所採用的類別和定義。

		2015		2014	
		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
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	13,009	67.44	17,177	71.40
– Property investment	– 物業投資	41,890	87.44	38,906	86.53
– Financial concerns	– 金融企業	10,011	70.44	15,562	82.32
– Stockbrokers	– 股票經紀	2,894	85.34	1,901	95.94
– Wholesale and retail trade	– 批發與零售業	18,250	67.56	21,070	56.15
– Manufacturing	– 製造業	4,494	55.72	7,090	50.93
– Transport and transport equipment	– 運輸與運輸設備	5,758	80.15	6,835	67.01
– Recreational activities	– 娛樂活動	155	56.66	138	56.53
– Information technology	– 資訊科技	1,251	27.87	836	15.53
– Others	– 其他	21,370	76.27	19,113	69.23
– Sub-total	– 小計	119,082	76.51	128,628	73.10
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	1,050	100.00	1,058	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	40,805	100.00	33,052	100.00
– Credit card advances	– 信用卡墊款	4,552	0.00	5,079	0.00
– Others	– 其他	21,191	83.99	19,181	82.12
– Sub-total	– 小計	67,598	88.25	58,370	85.42
Total loans for use in Hong Kong	在香港使用的貸款總額	186,680	80.76	186,998	76.95
Trade finance	貿易融資	5,998	66.66	5,527	59.14
Loans for use outside Hong Kong*	在香港以外使用的貸款*	248,828	66.25	250,762	71.38
Total advances to customers	客戶墊款總額	441,506	72.39	443,287	73.57

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

* 在香港以外使用的貸款包括以下在中國內地使用的貸款。

		2015		2014	
		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	42,468	60.86	40,010	60.01
Property investment	物業投資	33,439	95.63	32,701	98.51
Wholesale and retail trade	批發與零售業	22,931	75.90	32,072	80.53
Manufacturing	製造業	8,687	46.67	11,224	61.73
Others	其他	77,247	53.85	73,200	61.45
		184,772	65.42	189,207	70.80

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(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：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(i) Property development	(i) 物業發展		
a. Individually impaired loans	a. 已個別減值的貸款	39	42
b. Individual impairment allowance	b. 個別減值準備	5	10
c. Collective impairment allowance	c. 整體減值準備	222	116
d. Provision charged to income statement	d. 於收益表支銷的準備		
– individual impairment loss	– 個別減值損失	174	1
– collective impairment loss	– 整體減值損失	136	67
e. Written off	e. 撇銷	–	–
(ii) Property investment	(ii) 物業投資		
a. Individually impaired loans	a. 已個別減值的貸款	598	299
b. Individual impairment allowance	b. 個別減值準備	24	3
c. Collective impairment allowance	c. 整體減值準備	269	175
d. Provision charged to income statement	d. 於收益表支銷的準備		
– individual impairment loss	– 個別減值損失	63	13
– collective impairment loss	– 整體減值損失	130	67
e. Written off	e. 撇銷	33	9
(iii) Loans for purchase of residential properties	(iii) 購買其他住宅物業的貸款		
a. Individually impaired loans	a. 已個別減值的貸款	356	236
b. Individual impairment allowance	b. 個別減值準備	23	12
c. Collective impairment allowance	c. 整體減值準備	141	82
d. Provision charged to income statement	d. 於收益表支銷的準備		
– individual impairment loss	– 個別減值損失	80	23
– collective impairment loss	– 整體減值損失	57	29
e. Written off	e. 撇銷	50	11
(iv) Wholesale and retail trade	(iv) 批發與零售業		
a. Individually impaired loans	a. 已個別減值的貸款	1,455	633
b. Individual impairment allowance	b. 個別減值準備	502	74
c. Collective impairment allowance	c. 整體減值準備	146	124
d. Provision charged to income statement	d. 於收益表支銷的準備		
– individual impairment loss	– 個別減值損失	727	318
– collective impairment loss	– 整體減值損失	74	57
e. Written off	e. 撇銷	189	286
(v) Hotels	(v) 酒店		
a. Individually impaired loans	a. 已個別減值的貸款	912	637
b. Individual impairment allowance	b. 個別減值準備	56	58
c. Collective impairment allowance	c. 整體減值準備	63	49
d. Provision charged to income statement	d. 於收益表支銷的準備		
– individual impairment loss	– 個別減值損失	62	59
– collective impairment loss	– 整體減值損失	29	22
e. Written off	e. 撇銷	62	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

29. 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。

		2015				
		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	181,968	243	643	152	263
People's Republic of China	中華人民共和國	212,621	3,809	4,037	818	978
Other Asian Countries	其他亞洲國家	19,376	22	155	35	51
Others	其他	27,541	5	138	16	68
Total	總額	441,506	4,079	4,973	1,021	1,360
% of total advances to customers	佔客戶墊款總額的百分比			1.13%		
Market value of security held against impaired advances to customers	減值客戶墊款抵押品市值			8,239		
		2014				
		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	186,000	226	404	95	248
People's Republic of China	中華人民共和國	213,984	1,784	2,108	307	563
Other Asian Countries	其他亞洲國家	20,813	79	143	17	68
Others	其他	22,490	7	81	–	56
Total	總額	443,287	2,096	2,736	419	935
% of total advances to customers	佔客戶墊款總額的百分比			0.62%		
Market value of security held against impaired advances to customers	減值客戶墊款抵押品市值			4,680		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Impaired loans and advances are individually assessed loans with objective evidence of impairment on an individual basis. The above information by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk.

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。

(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：

		2015			2014		
		Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments	Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments
		最低租賃付款現值	相關未來利息收入	最低租賃付款總額	最低租賃付款現值	相關未來利息收入	最低租賃付款總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Amounts receivable:	應收賬款：						
Within one year	1年以內	1,172	161	1,333	1,336	181	1,517
After one year but within five years	1年以後至5年內	1,660	320	1,980	1,694	295	1,989
After five years	5年以後	2,921	499	3,420	2,594	427	3,021
		5,753	980	6,733	5,624	903	6,527
Less: Individual impairment allowances	減：個別減值準備	(30)			(8)		
Net investment in finance leases	融資租賃的淨投資額	5,723			5,616		

The net investment in finance leases is carried on the statement of financial position as advances to customers and other accounts. No accrual is made for the interest income relating to future periods.

融資租賃的淨投資額被視作客戶墊款及其他賬項在財務狀況表中列賬，未來期間的利息收入並無計算。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

30. AVAILABLE-FOR-SALE FINANCIAL ASSETS 可供出售金融資產

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 47(b))	國庫債券(包括外匯基金票據) (附註47(b))	17,920	27,906
Certificates of deposit held (Note 47(b))	持有的存款證(附註47(b))	2,228	1,626
Debt securities (Note 47(b))	債務證券(附註47(b))	70,136	54,116
Equity securities	股份證券	2,832	2,895
Investment funds	投資基金	479	273
		93,595	86,816
Issued by:	發行機構:		
Central governments and central banks	中央政府和中央銀行	19,013	28,238
Public sector entities	公營機構	553	691
Banks and other financial institutions	銀行及其他金融機構	32,582	27,788
Corporate entities	企業實體	40,927	29,788
Other entities	其他實體	520	311
		93,595	86,816
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	18,236	12,511
Listed outside Hong Kong	在香港以外地區上市	21,344	11,391
		39,580	23,902
Unlisted	非上市	50,704	59,746
		90,284	83,648
Equity securities	股份證券		
Listed in Hong Kong	在香港上市	800	766
Listed outside Hong Kong	在香港以外地區上市	1,501	1,376
		2,301	2,142
Unlisted	非上市	531	753
		2,832	2,895
Investment funds	投資基金		
Listed in Hong Kong	在香港上市	92	-
Listed outside Hong Kong	在香港以外地區上市	63	29
		155	29
Unlisted	非上市	324	244
		479	273
		93,595	86,816

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

31. HELD-TO-MATURITY INVESTMENTS (Note 47(b)) 持至到期投資(附註47(b))

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Treasury bills (including Exchange Fund Bills)	國庫債券(包括外匯基金票據)	1,143	737
Certificates of deposit held	持有的存款證	1,478	2,710
Debt securities	債務證券	3,578	3,300
		6,199	6,747
Issued by:	發行機構:		
Central governments and central banks	中央政府和中央銀行	1,850	1,546
Public sector entities	公營機構	22	22
Banks and other financial institutions	銀行及其他金融機構	1,156	2,495
Corporate entities	企業實體	3,171	2,684
		6,199	6,747
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	2,673	1,905
Listed outside Hong Kong	在香港以外地區上市	1,588	1,590
		4,261	3,495
Unlisted	非上市	1,938	3,252
		6,199	6,747
Fair value:	公平價值:		
Listed securities	上市證券	4,309	3,516
Unlisted securities	非上市證券	1,940	3,218
		6,249	6,734

Movement of impairment allowances

減值準備的變動

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	-	-
Net provisions released back to income statement	撥回收益表的準備淨額	-	(3)
Recoveries	收回額	-	3
At 31st December	於12月31日	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

32. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

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.

Details of these companies are as follows:

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。

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 Blue Sky Real Estate Fund L.P.	Cayman Islands 開曼群島	NIL		50.5%	Acting as a Limited Partner to BEA/AGRE China Real Estate Fund, L.P. 出任BEA/ARGE China Real Estate Fund, L.P.有限責任合夥人
BEA Consortium GS Investors L.P.	BVI 英屬處女群島	NIL		100%	Acting as a limited partner of a limited partnership 有限責任合夥人
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
Blue Care JV (BVI) Holdings Limited	BVI 英屬處女群島	HK\$港幣20,000,000元		80%	Investment holding 投資控股
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Hong Kong 香港	HK\$港幣625,000,000元	100%		Insurance 保險
Caribbean Corporate Services Ltd.	Barbados 巴巴多斯	BDS\$2,000巴巴多斯元		60.49%	Corporate secretarial and accounting services 法人團體秘書及會計服務
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(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 The Bank 銀行 所佔權益	The Group 集團 所佔權益	Nature of business 業務性質
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
Chongqing Dongrong Business Consultancy Company Limited 重慶市東榮商務諮詢有限公司	PRC 中華人民共和國	HK\$港幣6,300,000元		100%	Business consultancy services 商業諮詢服務
Chongqing Liangjiang New Area Credit Gain Finance Company Limited 重慶兩江新區領達小額貸款 有限公司	PRC 中華人民共和國	US\$50,000,000美元	100%		Micro-finance loan 小額貸款
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390,000,000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
Dean Street Property Limited	BVI 英屬處女群島	GBP英鎊1,900,000元		100%	Property development 物業發展
East Asia Electronic Data Processing (Guangzhou) Limited (Note 1) 東亞電子資料處理(廣州)有限公司 (附註1)	PRC 中華人民共和國	US\$3,000,000美元		100%	Servicing 服務
East Asia Facility Management Limited 東亞設施管理有限公司	Hong Kong 香港	HK\$港幣10,000元		100%	Facility management 設施管理
* East Asia Holding Company, Inc.	U.S.A. 美國	US\$5美元	100%		Bank holding company 銀行控股公司
East Asia Indonesian Holdings Limited	Seychelles 塞舌爾	US\$100,000美元		100%	Investment holding 投資控股
East Asia International Trustees Limited	BVI 英屬處女群島	US\$1,301,000美元		100%	Trustee 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 Properties Holding Company Limited 東亞物業控股有限公司	Hong Kong 香港	HK\$港幣6,510,000元	100%		Investment holding 投資控股

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

32. 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 Property Agency Company Limited 東亞物業代理有限公司	Hong Kong 香港	HK\$港幣1,000,000元	100%		Property agency 物業代理
East Asia Property Holdings (Jersey) Limited	BVI 英屬處女群島	GBP英鎊9元	100%		Property holding 物業持有
East Asia Secretaries (BVI) Limited	BVI 英屬處女群島	HK\$港幣300,000,000元		75.61%	Investment holding 投資控股
East Asia Securities Company Limited 東亞證券有限公司	Hong Kong 香港	HK\$港幣25,000,000元	100%		Securities broking 證券買賣
East Asia Strategic Holdings Limited	BVI 英屬處女群島	US\$50,000,000美元	100%		Investment holding 投資控股
Innovate Holdings Limited	BVI 英屬處女群島	US\$1美元(Ordinary 普通股) US\$324,345,000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 specially set up for BEA's Hybrid Tier 1 issue 為東亞銀行混合一級 資本而成立之特定 目的投資工具公司
Keen Sight Development Limited	BVI 英屬處女群島	US\$29,490,000美元	100%		Investment holding 投資控股
Powerhouse Worldwide Limited	BVI 英屬處女群島	US\$29,490,000美元		100%	Investment holding 投資控股
Shaanxi Fuping BEA Rural Bank Corporation (Note 1) 陝西富平東亞村鎮銀行有限責任公司 (附註1)	PRC 中華人民共和國	CNY人民幣20,000,000元	100%		Banking and other financial businesses 銀行及有關的金融 服務
Shenzhen Credit Gain Finance Company Limited (Note 1) 深圳市領達小額貸款有限公司 (附註1)	PRC 中華人民共和國	CNY人民幣300,000,000元	100%		Micro-finance loan 小額貸款

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(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	
Skyray Holdings Limited	BVI 英屬處女群島	HK\$港幣450,000,000元	100%		Investment holding 投資控股
Speedfull Limited	BVI 英屬處女群島	HK\$港幣450,000,000元		100%	Investment holding 投資控股
The Bank of East Asia (China) Limited (Note 1) 東亞銀行(中國)有限公司 (附註1)	PRC 中華人民共和國	CNY人民幣11,160,000,000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 Europe (Holdings) Limited	Hong Kong 香港	HK\$港幣1元		75.61%	Investment holding 投資控股
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10,000,000元		75.61%	Investor services 投資者服務
Tricor Japan Holdings GK	Japan 日本	JPY1,000,000日圓		52.93%	Nominee company 受託代管公司
Tricor Outsourcing (Thailand) Ltd.	Thailand 泰國	THB泰銖10,000,000元		57.46%	Business outsourcing 業務外包
Tricor Services (BVI) Limited	BVI 英屬處女群島	US\$250,000美元		75.61%	Registered agent and trustee services 註冊代理及信託服務
Tricor Services (Macau) Limited 卓佳專業商務(澳門)有限公司	Macau 澳門	MOP25,000澳門元		75.61%	Business services 商業服務

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

32. 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	
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
Tricor Services Limited 卓佳專業商務有限公司	Hong Kong 香港	HK\$港幣10,000,000元		75.61%	Business, corporate and investor services 商業·企業及投資者 服務

* Companies not audited by KPMG. The financial statements of the subsidiaries not audited by KPMG reflect total net assets and total income constituting approximately 0.8% and 0.0% respectively of the related consolidated totals.

Notes:

1. Represents a wholly foreign owned enterprise registered under the PRC laws.
2. The above subsidiaries have no non-controlling interests material to the Group except for Innovate Holdings Limited.

The following table lists out the information relating to Innovate Holdings Limited, the only subsidiary of the group which has a material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

* 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財務報表之資產總額及收入總額分別佔相關綜合總額的0.8%及0.0%。

附註：

1. 指一根據中華人民共和國法例註冊之全資擁有外資企業。
2. 除Innovate Holdings Limited外，以上附屬公司之非控制性權益對本集團並不重大。

下表列載本集團內唯一有重大非控制性權益之附屬公司，Innovate Holdings Limited。以下之財務摘要是指並未沖銷任何集團之間交易的金額。

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Non-current assets	非流動資產	2,514		3,878	
Net assets	淨資產	2,514		3,878	
Carrying amount of NCI	非控制性權益之賬面值	2,514		3,878	
Revenue	收入	-		-	
Profit for the year	年度溢利	-		-	
Total comprehensive income	全面收益總額	-		-	
Profit allocated to NCI	分配予非控制性權益之溢利	-		-	
Dividend paid or payable to NCI	已付或應付予非控制性權益之股息	320		330	

Details on the accounting treatment of the above NCI are set out in Notes 19(c) and 43.

以上非控制性權益的會計處理方法之詳情已在附註19(c)及43內列載。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

33. INVESTMENTS IN ASSOCIATES 聯營公司投資

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Share of net assets	應佔淨資產	5,391	5,711
Goodwill	商譽	372	372
		5,763	6,083
Less: Impairment allowances	減：減值準備	-	-
		5,763	6,083

Loans to associates amounting to HK\$233 million (2014: HK\$233 million) are included under placements with banks and other financial institutions.

聯營公司貸款共港幣2.33億元(2014年：港幣2.33億元)已包括在在銀行及其他金融機構的存款。

The following list contains only the particulars of principal associates which are not individually material to the Group:

以下列載只包括對本集團個別地沒有重大影響的主要聯營公司：

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				
Brilliance- BEA Auto Finance Co., Ltd.	PRC 中華人民共和國		22.5%	Auto finance and other related financial businesses 汽車貸款及其他有關金融業務
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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

33. INVESTMENTS IN ASSOCIATES (CONTINUED) 聯營公司投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary shares 普通股 held by		Nature of business 業務性質
		The Bank 銀行所佔權益	The Group 集團所佔權益	
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
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

		2015 HK\$ Mn 港幣百萬元	2014 HK\$ Mn 港幣百萬元
Aggregate information of associates that are not individually material	個別不重大聯營公司之總和資料		
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	個別不重大聯營公司在綜合財務報表 之總和賬面值	5,763	6,083
Aggregate amounts of the Group's share of those associates'	本集團佔該等聯營公司之總和 金額		
Profit from continuing operations	源自持續營運溢利	558	645
Post-tax profit or loss from discontinued operations	源自已停止營運之除稅後溢利或虧損	-	-
Other comprehensive income	其他全面收益	(902)	(310)
Total comprehensive income	全面收益總額	(344)	335
Reconciliation of carrying amounts to the Group's total interest in the associates	賬面值與本集團於聯營公司的 權益對賬		
Carrying amount of material associates	重大聯營公司之賬面值	-	-
Carrying amount of individual immaterial associates	個別不重大聯營公司之賬面值	5,763	6,083
Interest in associates in the consolidated financial statements	在綜合財務報表中聯營公司權益	5,763	6,083

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

34. 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 are amortised over their estimated economic useful life.

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。購入無形資產按其估計經濟使用期攤銷。

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Goodwill	商譽	2,685	2,722
Acquired intangible assets	購入無形資產	1,198	1,233
		3,883	3,955

(a) Goodwill

(a) 商譽

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	2,722	2,724
Additions through acquisition of subsidiaries	經收購附屬公司的增置	1	17
Exchange adjustments	匯兌調整	(38)	(19)
At 31st December	於12月31日	2,685	2,722

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識的現金生產單位如下：

		2015	2014
		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	1,177	1,214
Others	其他	48	48
		2,685	2,722

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

34. GOODWILL AND INTANGIBLE ASSETS (CONTINUED) 商譽及無形資產(續)

(a) Goodwill (continued)

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The pre-tax discount rate used for value-in-use calculations is 11.36%–11.50% (2014: 11.34%–11.50%) and the long-term growth rate is 2.2%–6% (2014: 3.5%–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.

(b) Intangible assets (other than goodwill)

Intangible assets consist of building naming rights only. 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:

Naming rights: Over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

(a) 商譽(續)

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流作估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

用於計算使用價值的除稅前折扣率為11.36%–11.50% (2014: 11.34%–11.50%) 及長期增長率為2.2%–6% (2014: 3.5%–10%)。

管理層根據過往表現及預計市場發展以釐定預算淨溢利。所採用的加權平均增長率與內部預測是一致的。

(b) 無形資產(商譽除外)

無形資產只包括建築物命名權。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：

命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。

		2015	2014
		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	1,419	1,419
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	(14)	–
Exchange adjustments	匯兌調整	(2)	–
At 31st December	於12月31日	1,403	1,419
Accumulated amortisation	累計攤銷		
At 1st January	於1月1日	(186)	(153)
Amortisation charge for the year (Note 13)	年度內攤銷(附註13)	(32)	(32)
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	12	–
Exchange adjustments	匯兌調整	1	(1)
At 31st December	於12月31日	(205)	(186)
Carrying amount at 31st December	於12月31日賬面值	1,198	1,233

Note: HK\$2 million was transferred to assets held for sale (see Note 56).

附註：港幣200萬元轉至持有作出售資產(見附註56)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

35. FIXED ASSETS 固定資產

		Investment properties	Bank premises	2015 Furniture, fixtures and equipment	Sub-total	Total
		投資物業	行址	傢俬、裝修及設備	小計	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2015	於2015年1月1日	4,544	8,729	5,003	13,732	18,276
Additions	增置	22	67	379	446	468
Additions through acquisition	經收購的增置	-	-	1	1	1
Revaluation surplus	重估盈餘	549	-	-	-	549
Transfer from bank premises to investment properties	由行址轉入投資物業	24	(24)	-	(24)	-
Revaluation surplus on bank premises transferred to investment properties (Note 42(b))	行址重估盈餘轉入投資物業(附註42(b))	-	12	-	12	12
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	-	-	(70)	(70)	(70)
Transfer from investment properties to bank premises	由投資物業轉入行址	(222)	222	-	222	-
Redevelopment cost	重建成本	(2)	-	-	-	(2)
Disposals	出售	-	(43)	(118)	(161)	(161)
Exchange adjustments	匯兌調整	(24)	(260)	(102)	(362)	(386)
At 31st December, 2015	於2015年12月31日	4,891	8,703	5,093	13,796	18,687
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2015	於2015年1月1日	-	1,491	3,668	5,159	5,159
Charge for the year (Note 13)	年度內支銷(附註13)	-	175	348	523	523
Revaluation surplus on bank premises transferred to investment properties (Note 42(b))	行址重估盈餘轉入投資物業(附註42(b))	-	(2)	-	(2)	(2)
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	-	-	(62)	(62)	(62)
Written off on disposal	出售時撇銷	-	(8)	(104)	(112)	(112)
Exchange adjustments	匯兌調整	-	(43)	(73)	(116)	(116)
At 31st December, 2015	於2015年12月31日	-	1,613	3,777	5,390	5,390
Net book value at 31st December, 2015	賬面淨值於2015年12月31日	4,891	7,090	1,316	8,406	13,297
The gross amounts of the above assets are stated:	上述資產的總額列示如下:					
At cost	按成本	-	7,891	5,093	12,984	12,984
At Directors' valuation - 1989	按董事估值 - 1989年	-	812	-	812	812
At professional valuation - 2015	按專業估值 - 2015年	4,891	-	-	-	4,891
		4,891	8,703	5,093	13,796	18,687

Note: HK\$8 million was transferred to assets held for sale (see Note 56).

附註：港幣800萬元轉至持有作出售資產(見附註56)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

35. FIXED ASSETS (CONTINUED) 固定資產(續)

		Investment properties	Bank premises	2014 Furniture, fixtures and equipment	Sub-total	Total
		投資物業	行址	傢俬、裝修及設備	小計	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2014	於2014年1月1日	4,400	8,875	5,057	13,932	18,332
Additions	增置	1	10	295	305	306
Additions through acquisition	經收購的增置	-	-	6	6	6
Revaluation surplus	重估盈餘	228	-	-	-	228
Transfer from bank premises to investment properties	由行址轉入投資物業	3	(3)	-	(3)	-
Revaluation surplus on bank premises transferred to investment properties (Note 42(b))	行址重估盈餘轉入投資物業(附註42(b))	-	2	-	2	2
Transfer from investment properties to bank premises	由投資物業轉入行址	(84)	84	-	84	-
Transfer from furniture, fixtures and equipment to bank premises	由傢俬、裝修及設備轉入行址	-	49	(49)	-	-
Reclassify to other accounts	重新分類至其他賬項	(30)	(72)	-	(72)	(102)
Redevelopment cost	重建成本	43	-	-	-	43
Disposals	出售	-	(65)	(245)	(310)	(310)
Exchange adjustments	匯兌調整	(17)	(151)	(61)	(212)	(229)
At 31st December, 2014	於2014年12月31日	4,544	8,729	5,003	13,732	18,276
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2014	於2014年1月1日	-	1,314	3,488	4,802	4,802
Additions through acquisition	經收購的增置	-	-	5	5	5
Charge for the year (Note 13)	年度內支銷(附註13)	-	178	486	664	664
Transfer from furniture, fixtures and equipment to bank premises	由傢俬、裝修及設備轉入行址	-	36	(36)	-	-
Written off on disposal	出售時撇銷	-	(19)	(235)	(254)	(254)
Exchange adjustments	匯兌調整	-	(18)	(40)	(58)	(58)
At 31st December, 2014	於2014年12月31日	-	1,491	3,668	5,159	5,159
Net book value at 31st December, 2014	賬面淨值於2014年12月31日	4,544	7,238	1,335	8,573	13,117
The gross amounts of the above assets are stated:	上述資產的總額列示如下:					
At cost	按成本	-	7,917	5,003	12,920	12,920
At Directors' valuation - 1989	按董事估值 - 1989年	-	812	-	812	812
At professional valuation - 2014	按專業估值 - 2014年	4,544	-	-	-	4,544
		4,544	8,729	5,003	13,732	18,276

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

物業公平價值之釐定

(i) 公平價值分級

根據《香港財務報告準則》第十三號/釐定公平價值/三級公平價值分級之分類定義，下表列示本集團於報告期末按重覆發生基準以釐定物業之公平價值。分類予每一分級之公平價值釐定取決於以下所採用的估值模式的參數之可觀察性及重要性：

第一級估值：釐定公平價值只採用第一級參數，即於釐定日在活躍市場相同資產或負債的未經調整報價。

第二級估值：釐定公平價值採用第二級參數，即不符合第一級的可觀察參數，及未採用重要的非可觀察參數。非可觀察參數是指沒有市場資料之參數。

第三級估值：釐定公平價值採用重要的非可觀察參數。

		Fair value at 31st December, 2015 於2015年12月31日 之公平價值		Fair value measurements as at 31st December, 2015 categorised into 於2015年12月31日釐定公平價值之分類					
				Level 1 第一級		Level 2 第二級		Level 3 第三級	
		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
Recurring fair value measurement	重覆發生的公平價值釐定								
Investment properties	投資物業								
Commercial – Hong Kong	商業 – 香港	4,330		-		-		4,330	
Commercial – People's Republic of China	商業 – 中華人民共和國	428		-		-		428	
Commercial – Others	商業 – 其他	133		-		-		133	
		4,891		-		-		4,891	

		Fair value at 31st December, 2014 於2014年12月31日 之公平價值		Fair value measurements as at 31st December, 2014 categorised into 於2014年12月31日釐定公平價值之分類					
				Level 1 第一級		Level 2 第二級		Level 3 第三級	
		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
Recurring fair value measurement	重覆發生的公平價值釐定								
Investment properties	投資物業								
Commercial – Hong Kong	商業 – 香港	4,033		-		-		4,033	
Commercial – People's Republic of China	商業 – 中華人民共和國	448		-		-		448	
Commercial – Others	商業 – 其他	63		-		-		63	
		4,544		-		-		4,544	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

35. FIXED ASSETS (CONTINUED) 固定資產(續)

Fair value measurement of properties (continued)

(i) Fair value hierarchy (continued)

During the year ended 31st December, 2015 and 2014, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued by independent valuers as at 31st December, 2015 and 2014.

Investment properties in Hong Kong were valued at HK\$4,330 million (2014: HK\$4,033 million) as at 31st December, 2015 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 financial statements as at 31st December, 2015 and it was performed on an open market value basis. Details of valuation techniques are described below:

(ii) Information about Level 3 fair value measurements

物業公平價值之釐定(續)

(i) 公平價值分級(續)

截至2015年及2014年12月31日止年度，沒有第一級和第二級兩者之間的轉移，亦未有第三級的轉入或轉出。本集團的政策是只確認於匯報期期末公平價值分級之間發生的轉移。

於2015年及2014年12月31日，所有本集團的投資物業均由獨立估值師估價。

於2015年12月31日，香港投資物業的估值為港幣43.30億元(2014年：港幣40.33億元)。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估值物業的所在地及類別有近期經驗。估值是以公開市場價值為基礎，並已計入2015年12月31日之賬項內。估值模式詳述如下：

(ii) 有關第三級釐定公平價值資料

	Valuation techniques 估值模式	Unobservable input 非可觀察輸入參數
Investment properties 投資物業	Income capitalisation approach 收入還原法	Market rental 市場租金 Capitalisation rate 還原率
	Direct comparison approach 直接比較法	Premium (discount) on quality of the buildings 樓宇質素溢價(折扣)

Investment properties not under construction

The fair value of investment properties is determined by adoption of the Income Capitalisation Approach whereby the existing rental income of all lettable units of the property are capitalised for their respective unexpired terms of contractual tenancies whilst vacant units are assumed to be let at their respective market rents as at the valuation date. Upon expiry of the existing tenancies, each unit is assumed to be let at its market rent as at the valuation date, which in turn capitalised at the market yield as expected by investors for each type of property. Due consideration has been given to expectations of the renewals of Government lease upon its expiry. The summation of the capitalised value of the term income for the leased portion, the capitalised value of the reversion income as appropriately deferred for the leased portion and the capitalised value for the vacant portion provides the market value of the property.

The market rentals of all lettable units are made (a) by reference to the rentals fetched in the property and/or (b) by reference to the lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yields achieved in analysed market sales transactions and the market expectation from property investors. This expected return reflects implicitly the quality of the investment, the expectation of the potential for future rental growth and capital appreciation, operating costs, risk factor and the like.

非正在建築中的投資物業

投資物業的公平價值是按採納收入還原法計算，其方法是將現時物業已出租單位之租金收入按其分別未到期租約條款還原，而空置單位則假設於估價日每一單位可按市值租金租出，再根據投資者預期每一類別物業之市場回報來還原。其中已顧及並預期政府之租約於期限屆滿後可續約。出租部分期間收入之還原值、已適當遞延出租部分之歸還收入的還原值及空置部分之還原值之總和計算出物業的市場價值。

所有已租出單位市場租金之計算是(a)參考由物業賺取的租金及/或(b)參考鄰近所租出之類同物業。採納之還原率是參考分析市場出售交易得出之回報及物業投資者對市場的預期。此預期回報已潛在地反映投資的質素、預期未來租金增長和資本增值的潛力、營運成本、風險因素及其他。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

As a supporting approach to the Income Capitalisation Approach, the Direct Comparison Approach is also adopted as a check for the valuation. Comparable sales transactions of similar properties in the locality are collected and analysed each in terms of a price per square footage. The collected comparables are then adjusted to take account of the discrepancies between the property and comparables in terms of time, location, age, building quality and the like.

The fair value measurement is positively correlated to the market rental and negatively correlated to the capitalisation rate.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

除收入還原法外，亦採納直接比較法以核實估值。在鄰近可比較類同物業之出售交易會被收集及分析，以計算每一平方呎的價值。已收集之比較資料根據物業及可比較資料的差異，並按時間、位置、樓齡、樓宇質素及其他作調整。

釐定公平價值與市場租金有正面相互關聯及與還原率有負面相互關聯。

期間該等第三級公平價值釐定之餘額變動如下：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Investment properties – Commercial – Hong Kong 投資物業 – 商業 – 香港			
At 1st January 於1月1日		4,033	3,843
Transfer from bank premises to investment properties 由行址轉入投資物業		24	3
Transfer from investment properties to bank premises 由投資物業轉入行址		(222)	(84)
Revaluation surplus 重估盈餘		497	228
Redevelopment cost 重建成本		(2)	43
At 31st December 於12月31日		4,330	4,033
Investment properties – Commercial – People's Republic of China 投資物業 – 商業 – 中華人民共和國			
At 1st January 於1月1日		448	459
Exchange adjustments 匯兌調整		(20)	(11)
At 31st December 於12月31日		428	448
Investment properties – Commercial – Others 投資物業 – 商業 – 其他			
At 1st January 於1月1日		63	98
Additions 增置		22	1
Revaluation surplus 重估盈餘		52	–
Reclassify to other accounts 重新分類至其他賬項		–	(30)
Exchange adjustments 匯兌調整		(4)	(6)
At 31st December 於12月31日		133	63

Fair value adjustment of investment properties is recognised in the line item "valuation gains on investment properties" on the face of the consolidated income statement.

All the gains recognised in the income statement for the year arise from the properties held at the end of the reporting period.

投資物業的公平價值調整在綜合收益表上之「重估投資物業盈利」項下確認。

所有確認於年度收益表之盈利均源自於報告期結束日持有之物業。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

35. 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：

		2015		2014	
		Investment properties 投資物業	Bank premises 行址	Investment properties 投資物業	Bank premises 行址
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	111	614	63	660
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)	3,958	1,381	3,697	1,218
On medium-term lease (10–50 years)	中期租約(10至50年)	372	1,286	336	1,316
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)	22	94	–	39
On medium-term lease (10–50 years)	中期租約(10至50年)	428	3,660	448	3,940
On short-term lease (below 10 years)	短期租約(10年以下)	–	55	–	65
		4,891	7,090	4,544	7,238

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 10 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

集團以經營租賃形式租出投資物業。租賃年期通常由1年至10年，到期日後可再續約但其他條款須另議。所有租約並不包括或有租金。

Rental income receivable from investment properties held for use under operating leases amounted to HK\$221 million in 2015 (2014: HK\$149 million). There was no contingent rental recognised during the year 2015 (2014: Nil).

於年內，以經營租賃形式租出的投資物業之應收租金為港幣2.21億元(2014年：港幣1.49億元)。2015年年度內未有確認或有租金(2014年：無)。

The total future minimum lease payments of bank premises and investment properties held for use under non-cancellable operating leases are receivable as follows:

以不可撤銷經營租賃作出租的行址及投資物業的未來最低應收租賃付款總額如下：

		2015		2014	
		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	224		193	
After one year but within five years	1年以後至5年內	211		204	
After five years	5年以後	1		21	
		436		418	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Provision for Hong Kong profits tax for the year (Note 17(a))	本年度香港利得稅準備 (附註17(a))	772	777
Provisional profits tax paid	已付暫繳利得稅	(704)	(616)
		68	161
Balance of profits tax provision relating to prior years	以往年度利得稅準備 餘額	662	561
Taxation outside Hong Kong	在香港以外稅項	595	450
		1,325	1,172

(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：

		2015						
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available- for-sale securities	Tax losses	Others	Total
遞延稅項源自:		超過有關折舊 的折舊免稅額	物業重估	金融資產的 減值損失	可供出售 證券重估	稅損	其他	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January, 2015	於2015年1月1日	325	197	10	157	(9)	(90)	590
(Credited)/charged to income statement (Note 17(a))	收益表內(存入)/支銷 (附註17(a))	(40)	(18)	(284)	-	(2)	100	(244)
Charged/(credited) to reserves (Notes 42(b) and (g))	儲備內支銷/(存入) (附註42(b)及(g))	-	17	-	(6)	-	-	11
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有 作出售資產 (附註56)	-	-	-	-	5	-	5
Transfer	轉賬	-	-	(1)	-	(11)	12	-
Exchange and other adjustments	匯兌及其他調整	-	(3)	5	(2)	(1)	(8)	(9)
At 31st December, 2015	於2015年12月31日	285	193	(270)	149	(18)	14	353

Note: HK\$5 million was transferred to assets held for sale (see Note 56).

附註：港幣500萬元轉至持有作出售資產(見附註56)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(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:	遞延稅項源自:	2014						Total
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	
		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	可供出售證券重估	稅損	其他	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2014	於2014年1月1日	388	199	117	(9)	(11)	(157)	527
(Credited)/charged to income statement (Note 17(a))	收益表內(存入)/支銷(附註17(a))	(63)	1	(105)	-	2	82	(83)
(Credited)/charged to reserves (Notes 42(b) and (g))	儲備內(存入)/支銷(附註42(b)及(g))	-	(1)	-	164	-	-	163
Exchange and other adjustments	匯兌及其他調整	-	(2)	(2)	2	-	(15)	(17)
At 31st December, 2014	於2014年12月31日	325	197	10	157	(9)	(90)	590

		2015		2014	
		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		(181)		(96)
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		534		686
			353		590

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$974 million (2014: HK\$1,017 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9.74億元(2014年：港幣10.17億元)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：

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Expiring within 5 years	於五年內到期		72		56
Expiring more than 5 years	五年後到期		92		114
No expiry date	無到期日		810		847
			974		1,017

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

37. OTHER LIABILITIES 其他負債

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(a)	Trading liabilities 交易用途負債		
	Exchange fund bills sold 外匯基金票據空倉	888	1
	Shares sold 股份空倉	1	20
		889	21
(b)	Other accounts and provisions 其他賬項及準備		
	Accrued interest payable 應計應付利息	4,269	4,853
	Acceptance draft payable 應付承兌票據	20,602	26,460
	Liabilities held for sale (Note 56) 持有作出售負債(附註56)	225	-
	Other accounts 其他賬項	20,231	18,768
		45,327	50,081

38. LOAN CAPITAL 借貸資本

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
USD600 million subordinated notes, measured at amortised cost	按攤銷成本列賬的6億美元後償票據	4,887	4,899
USD500 million subordinated notes (under the Euro Medium Term Note Programme), measured at amortised cost	按攤銷成本列賬的5億美元後償票據(按歐洲形式中期票據計劃)	3,895	3,907
SGD800 million subordinated notes (under the Euro Medium Term Note Programme), measured at amortised cost	按攤銷成本列賬的8億新加坡元後償票據(按歐洲形式中期票據計劃)	4,330	4,667
USD500 million subordinated notes (under the Euro Medium Term Note Programme), measured at amortised cost	按攤銷成本列賬的5億美元後償票據(按歐洲形式中期票據計劃)	3,884	3,862
		16,996	17,335

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

38. LOAN CAPITAL (CONTINUED) 借貸資本(續)

The Group has not had any defaults of principal, interest or other breaches with respect to its debt securities during the years ended 31st December, 2015 and 2014.

Two tranches of loan capital of face value totalling HK\$4,650 million (USD600 million) and carrying amount totalling HK\$4,887 million (2014: HK\$4,899 million) were issued on 16th July, 2010 (USD450 million) and on 23rd July, 2010 (USD150 million) by the Bank. These subordinated notes carrying a coupon rate of 6.125% qualifying as Tier 2 capital are listed on the Singapore Stock Exchange and will mature on 16th July, 2020. Hedge ineffectiveness of HK\$5 million loss in 2015 (2014: HK\$4 million loss) was recorded under fair value hedge accounting.

Loan capital of face value of HK\$3,875 million (USD500 million) and carrying amount of HK\$3,895 million (2014: HK\$3,907 million) represents 6.375% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 4th November, 2011 by the Bank. The notes are listed on the Singapore Stock Exchange and will mature on 4th May, 2022. Hedge ineffectiveness of HK\$0.1 million loss in 2015 (2014: 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, 2015 for the USD100 million subordinated notes was HK\$808 million (USD104.3 million) (2014: HK\$837 million (USD107.9 million)).

Loan capital of face value of HK\$4,385 million (SGD800 million) and carrying amount of HK\$4,330 million (2014: HK\$4,667 million) represents two tranches of 4.25% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 13th March, 2012 (SGD600 million) and on 27th April, 2012 (SGD200 million) by the Bank. The notes are listed on the Singapore Stock Exchange and will mature on 13th September, 2022. Hedge ineffectiveness of HK\$0.9 million profit in 2015 (2014: HK\$8 million profit) was recorded under the fair value hedge accounting.

Loan capital of face value of HK\$3,875 million (USD500 million) and carrying amount of HK\$3,884 million (2014: HK\$3,862 million) represents 4.25% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 20th November, 2014 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 20th November, 2024. Hedge ineffectiveness of HK\$1 million profit in 2015 (2014: HK\$2 million loss) was recorded under the fair value hedge accounting.

截至2015及2014年12月31日止年度內本集團對其所發行之債務證券的本金和利息並無違約或不履行。

兩宗票面值總額港幣46.50億元(6億美元)及賬面值總額港幣48.87億元(2014年:港幣48.99億元)的借貸資本,是指由本行於2010年7月16日(4.5億美元)及於2010年7月23日(1.5億美元)發行年息6.125%,並評定為二級資本的後償票據。該票據於新加坡交易所上市,並將於2020年7月16日到期。在2015年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損為港幣500萬元(2014年:港幣400萬元虧損)。

票面值港幣38.75億元(5億美元),即賬面值港幣38.95億元(2014年:港幣39.07億元)的借貸資本,是指由本行於2011年11月4日發行年息6.375%,並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於新加坡交易所上市,並將於2022年5月4日到期。就其中4億美元後償票據而言,在2015年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損為港幣10萬元(2014年:港幣200萬元虧損)。於2015年12月31日,其中1億美元後償票據的公平價值則為港幣8.08億元(1.043億美元)(2014年12月31日:港幣8.37億元(1.079億美元))。

票面值港幣43.85億元(8億新加坡元)及賬面值港幣43.30億元(2014年:港幣46.67億元)的借貸資本,是指由本行於2012年3月13日(6億新加坡元)及於2012年4月27日(2億新加坡元)發行兩宗年息4.25%,並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於新加坡交易所上市,並將於2022年9月13日到期。在2015年,因採用公平價值對沖會計法而錄得的無效對沖部分溢利港幣90萬元(2014年:港幣800萬元溢利)。

票面值港幣38.75億元(5億美元)及賬面值港幣38.84億元(2014年:港幣38.62億元)的借貸資本,是指由本行於2014年11月20日發行年息4.25%,並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於香港交易所上市,並將於2024年11月20日到期。在2015年,因採用公平價值對沖會計法而錄得的無效對沖部分溢利港幣100萬元(2014年:港幣200萬元虧損)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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 may at its discretion grant to any employees, including ED 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 Scheme 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 2011 Scheme 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2007年僱員認股計劃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2011計劃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 Scheme 2007 in year 2010:

(a) 認股權詳情：

(i) 在2010年期間根據2007年僱員認股計劃所授予的認股權：

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
06/7/2010	06/7/2010-05/7/2011	06/7/2011-06/7/2015	28.49

(ii) Share options granted under 2011 Scheme in years 2011 to 2014:

(ii) 在2011年至2014年根據2011計劃所授予的認股權：

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
10/5/2012	T1	10/5/2012-09/5/2013	10/5/2013-10/5/2018	28.99
10/5/2012	T2	10/5/2012-09/5/2014	10/5/2014-10/5/2019	28.99
10/5/2012	T3	10/5/2012-09/5/2015	10/5/2015-10/5/2020	28.99
03/5/2013	T1	03/5/2013-02/5/2014	03/5/2014-03/5/2019	31.40
03/5/2013	T2	03/5/2013-02/5/2015	03/5/2015-03/5/2020	31.40
03/5/2013	T3	03/5/2013-02/5/2016	03/5/2016-03/5/2021	31.40
02/5/2014	T1	02/5/2014-01/5/2015	02/5/2015-02/5/2020	32.50
02/5/2014	T2	02/5/2014-01/5/2016	02/5/2016-02/5/2021	32.50
02/5/2014	T3	02/5/2014-01/5/2017	02/5/2017-02/5/2022	32.50

(iii) Share options granted under 2011 Scheme in year 2015:

(iii) 在2015年根據2011計劃所授予的認股權：

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
04/5/2015	T1	04/5/2015-03/5/2016	04/5/2016-04/5/2021	34.15
04/5/2015	T2	04/5/2015-03/5/2017	04/5/2017-04/5/2022	34.15
04/5/2015	T3	04/5/2015-03/5/2018	04/5/2018-04/5/2023	34.15

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****39. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED) 以股份為基礎作支付的交易(續)**

(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：

		2015		2014	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均行使價	認股權數目	加權平均行使價	認股權數目
		HK\$ 港幣元	Mn 百萬	HK\$ 港幣元	Mn 百萬
Outstanding at the beginning of the year	年初結餘	30.98	25	30.21	21
Exercised during the year	年度內行使	29.03	(5)	27.10	(2)
Granted during the year	年度內授予	34.15	6	32.50	6
Lapsed during the year	年度內失效	-	-	-	-
Outstanding at the end of the year	年末結餘	32.10	26	30.98	25
Exercisable at the end of the year	年末可供行使	31.20	14	30.48	14

The weighted average share price at the date of exercise for share options exercised during the year was HK\$32.38 (2014: HK\$31.83).

年度內於行使認股權當日的加權平均股價為港幣32.38元(2014年：港幣31.83元)。

The options outstanding at 31st December, 2015 had an exercise price from HK\$28.99 to HK\$34.15 (2014: from HK\$28.49 to HK\$32.50) and a weighted average remaining contractual life of 4.49 years (2014: 4.32 years).

於2015年12月31日，尚未行使認股權的行使價由港幣28.99元至港幣34.15元(2014年：由港幣28.49元至港幣32.50元)，及剩餘合約年期之加權平均數為4.49年(2014年：4.32年)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(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參數。

		2015	2014
Fair value at measurement date	於計量日的公平價值		
– Tranche 1	一部分1	HK\$港幣2.80元	HK\$港幣4.93元
– Tranche 2	一部分2	HK\$港幣2.80元	HK\$港幣5.04元
– Tranche 3	一部分3	HK\$港幣2.73元	HK\$港幣5.08元
Share price	股價	HK\$港幣34.15元	HK\$港幣32.50元
Exercise price	行使價	HK\$港幣34.15元	HK\$港幣32.50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)	14.25%	22.14%
Option life	認股權年期		
– Tranche 1	一部分1	6 years年	6 years年
– Tranche 2	一部分2	7 years年	7 years年
– Tranche 3	一部分3	8 years年	8 years年
Expected dividends	預計股息	5.06%-5.40%	4.76%-5.11%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(根據外匯基金票據)	1.14%	1.34%

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 TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

40. SHARE CAPITAL 股本

		2015		2014	
		No. of shares		No. of shares	
		股份數目	股份數目	股份數目	股份數目
		Mn 百萬	HK\$ Mn 港幣百萬元	Mn 百萬	HK\$ Mn 港幣百萬元
Ordinary shares issued and fully paid:	已發行及繳足普通股：				
At 1st January	於1月1日	2,347	25,217	2,290	5,724
Subscription of new shares	發行新股	223	6,576	-	-
Shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份	5	150	2	50
Transition to no-par value regime on 3rd March 2014 (Note)	過渡至2014年3月3日之無票面值制度(附註)	-	-	-	17,770
Transfer of the fair value of options from capital reserve – share options issued (Note 42(f))	認股權的公平價值轉自資本儲備—已發行認股權(附註42(f))	-	16	-	9
Shares issued in lieu of dividends	以股代息發行的股份	66	1,856	55	1,664
At 31st December	於12月31日	2,641	33,815	2,347	25,217

Note: The transaction to the no-par value regime under the Companies Ordinance occurred automatically on 3rd March, 2014. On that date, the share premium account and any capital redemption reserve were subsumed into share capital in accordance with section 37 of Schedule 11 to the Ordinance. These changes did not impact on the number of shares in issue or the relative entitlement of any of the members. Since that date, all changes in share capital have been made in accordance with the requirement of Parts 4 and 5 of the Ordinance.

附註：根據《公司條例》而過渡至無票面值制度已於2014年3月3日自動生效。於該日，股份溢價賬及任何資本贖回儲備皆按《公司條例》附表11第37條被歸納為股本。此變動對已發行股份數目或任何股東的相關權益並無任何影響。由該日起，所有股本之變動已根據《公司條例》第4部及第5部之要求。

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 Scheme 2007 will be exercisable between the first and the fifth anniversaries of the date of grant while share options granted under 2011 Scheme will be exercisable on the Vesting Date and ending on the fifth anniversary of the Vesting Date.

根據已核准的僱員認股權計劃(「計劃」)，認股權授予合格僱員以認購本行的普通股股份。認股權行使價與相關股份於授予日的公平價值相同。除在有關計劃的規則另有規定外，根據2007僱員認股計劃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2011計劃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。

Shares issued under Staff Share Option Schemes

During the year, options were exercised to subscribe for 5 million ordinary shares in the Bank at a consideration of HK\$150 million which was credited to share capital account. HK\$16 million has been transferred from the capital reserve to the share capital account in accordance with policy set out in Note 2(q)(iv).

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500萬股之代價為港幣1.50億元，並已存入股本。根據會計政策附註2(q)(iv)所載，已由資本儲備轉撥港幣1,600萬元往股本內。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

41. ADDITIONAL EQUITY INSTRUMENTS 額外股本工具

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
USD650 million undated non-cumulative subordinated capital securities	6.50億美元無到期日非累積後償資本證券	5,016		-	

On 2nd December, 2015, the Bank issued undated non-cumulative subordinated capital securities ("Additional Tier 1 Capital Securities") with a face value of US\$650 million (equivalent to HK\$5,016 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.50% coupon until the first call date on 2 December 2020. The coupon will be reset every five years if the Additional Tier 1 Capital Securities are not redeemed to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 3.834% per annum.

The first scheduled coupon payment date will be 2nd June, 2016 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding capital securities from 2nd December, 2020 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

於2015年12月2日，本行發行面值6.50億美元(扣除有關發行成本後等值港幣50.16億元)無到期日非累積後償資本證券「額外一級資本證券」。該額外一級資本證券是無到期日及附帶5.50%息率，直至2020年12月2日的第一次收回日。如該額外一級資本證券並未按相等於當時五年期美國庫券息率加年息3.834%之固定利率贖回，息率將會按每五年重新釐定。

第一次預定利息支付日為2016年6月2日，而利息將按每半年支付。本行有權取消支付利息(但須受該額外一級資本證券已列載之條款及細則所規限)及已取消之利息是不可累積的。除非下次預定利息經已支付，本行是禁止宣布派發股息予普通股股東。

如金管局通知本行並認為本行如不撇銷本金將無法繼續經營，該額外一級資本證券之本金將會按與經金管局協商後或接受其指令下撇銷。

由2020年12月2日起或以後任何利息支付日，本行可行使購入權以贖回所有現存的資本證券，但須受已列載之條款及細則所規限。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

42. RESERVES 儲備

		The Group 集團		The Bank 銀行	
		2015	2014	2015	2014
		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
(a) General reserve	(a) 一般儲備				
At 1st January	於1月1日	13,930	13,877	13,441	13,441
Transfer from retained profits	撥自留存溢利	23	53	-	-
At 31st December	於12月31日	13,953	13,930	13,441	13,441
(b) Revaluation reserve on bank premises	(b) 行址重估儲備				
At 1st January	於1月1日	1,642	1,639	1,581	1,578
Recognition of deferred tax liabilities (Note 36(b))	確認遞延稅項負債 (附註36(b))	(17)	1	(4)	1
Revaluation surplus on bank premises transferred to investment properties	行址重估盈餘轉入 投資物業	14	2	14	2
At 31st December	於12月31日	1,639	1,642	1,591	1,581
(c) Statutory reserves	(c) 法定儲備				
At 1st January	於1月1日	4,285	3,666	-	-
Transfer from retained profits	撥自留存溢利	425	619	-	-
At 31st December	於12月31日	4,710	4,285	-	-
(d) Capital reserve	(d) 資本儲備				
At 1st January	於1月1日	228	200	-	-
Transfer from retained profits	撥自留存溢利	2	30	-	-
Shares issued expense	發行股份支出	-	(2)	-	-
At 31st December	於12月31日	230	228	-	-
(e) Exchange revaluation reserve	(e) 匯兌重估儲備				
At 1st January	於1月1日	1,970	2,955	64	98
Exchange adjustments	匯兌調整	(2,132)	(985)	(58)	(34)
At 31st December	於12月31日	(162)	1,970	6	64
(f) Capital reserve – staff share options issued	(f) 資本儲備 – 已發行僱員 認股權				
At 1st January	於1月1日	84	69	84	69
Transfer of the fair value of options to share capital (Note 40)	認股權公平價值撥入股本 (附註40)	(16)	(9)	(16)	(9)
Additions	增加	22	24	22	24
At 31st December	於12月31日	90	84	90	84

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		The Group 集團		The Bank 銀行	
		2015	2014	2015	2014
		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
(g)	Investment revaluation reserve	(g)	投資重估儲備		
	At 1st January	1,660	980	1,161	928
	Changes in fair value of securities	(17)	915	(68)	285
	Reversal upon disposal (Note 15)	(327)	(79)	(185)	(23)
	Recognition of deferred tax liabilities (Note 36(b))	6	(164)	27	(29)
	Impairment loss and amortisation	61	8	(1)	-
	Other movement	-	-	(13)	-
	At 31st December	1,383	1,660	921	1,161
(h)	Other reserves	(h)	其他儲備		
	At 1st January	15	24	-	-
	Share of changes in equity of associates	(59)	(9)	-	-
	At 31st December	(44)	15	-	-
(i)	Retained profits	(i)	留存溢利		
	At 1st January	19,849	16,778	6,814	5,643
	Net profit for the year	5,522	6,661	3,971	3,729
	Transfer to general reserve	(23)	(53)	-	-
	Transfer to statutory reserve	(425)	(619)	-	-
	Transfer to capital reserve	(2)	(30)	-	-
	Premium paid for partial redemption of Hybrid Tier 1	(211)	-	-	-
	Other movement	-	-	140	-
	Dividends (Note 19)				
	- Interim dividend	(994)	(1,001)	(994)	(1,001)
	- Second interim dividend	(1,597)	(1,557)	(1,597)	(1,557)
	- Hybrid Tier 1	(320)	(330)	-	-
	At 31st December	21,799	19,849	8,334	6,814
(j)	Total reserves	(j)	儲備總額	24,383	23,145

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

42. RESERVES (CONTINUED) 儲備(續)

General reserve was set up from the transfer of retained earnings and the realised revaluation surplus on disposal of properties.

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。

Revaluation reserve on bank premises and exchange revaluation reserve have been set up and are dealt with in accordance with the accounting policies adopted for the revaluation of bank premises and foreign currency translation.

行址及匯兌重估儲備的建立及處理是根據重估行址和外幣折算所採用的會計政策。

Statutory reserves are set up to satisfy the statutory requirements of certain overseas subsidiaries and associates mainly for the purpose of covering unidentified potential losses on risk assets in addition to those recognised under the prevailing accounting requirements in their jurisdictions.

法定儲備是用作滿足若干海外附屬公司及聯營公司之法定要求，主要用途為除按當地現行會計要求下已確認而需額外涵蓋風險資產的不可辨別之可能損失。

Capital reserve represents the capitalisation of subsidiaries' and associates' reserves.

資本儲備指附屬公司及聯營公司儲備的資本化發行。

Capital reserve – staff share options issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in Note 2(q)(iv).

資本儲備(已發行僱員認股權)包括根據已採納有關附註2(q)(iv)所載以股份為基礎作支付的會計政策確認授予本行僱員之實際或估計未行使認股權數目的公平價值。

Investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities held until the securities are derecognised and is dealt with in accordance with the accounting policies in Notes 2(f) and (k).

投資重估儲備包括持有可供出售證券直至證券被終止確認的累計公平價值變動淨額，有關處理的會計政策已詳載於附註2(f)和(k)。

Other reserves represent share of changes in equity of associates in respect of investment revaluation reserve and revaluation reserve of bank premises.

其他儲備包括應佔聯營公司權益之投資重估儲備及重估行址儲備的變動。

A regulatory reserve is maintained to satisfy the provisions of the Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the HKMA. As at 31st December, 2015, HK\$5,269 million (2014: HK\$5,715 million) was included in the retained profits in this respect which was distributable to equity holders of the Group subject to consultation with the HKMA.

為符合《銀行業條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款減值損失金額。經諮詢金管局後，儲備的變動已直接在留存溢利內劃定。於2015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52.69億元(2014年：港幣57.15億元)，但派發前須諮詢金管局。

At 31st December, 2015 the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$15,158 million (2014: HK\$13,681 million). After the end of the reporting period the directors declared a second interim dividend of HK\$0.50 per ordinary share (2014: HK\$0.68 per share), amounting to HK\$1,320 million (2014: HK\$1,596 million). The dividend has not been recognised as a liability at the end of the reporting period.

於2015年12月31日，可派發予本行股東的儲備總額為港幣151.58億元(2014年：港幣136.81億元)。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0.50元(2014年：每股港幣0.68元)，總額達港幣13.20億元(2014年：港幣15.96億元)。於報告期結束日並未確認該股息為負債。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

43. NON-CONTROLLING INTERESTS 非控股權益

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
At 1st January	於1月1日	4,564		4,552	
– final dividend in respect of previous year	– 上年度末期股息	(82)		(96)	
– partial redemption of Hybrid Tier 1	– 贖回部分混合一級資本	(1,361)		–	
Other comprehensive income	其他全面收益	(25)		(5)	
Profit for the year	年度內溢利	116		113	
At 31st December	於12月31日	3,212		4,564	

The non-controlling interests include HK\$2,514 million (2014: HK\$3,878 million) of Hybrid Tier 1 capital instruments.

The Hybrid Tier 1 capital instruments comprising step-up subordinated notes (“Notes”) of face value HK\$2,514 million (USD324 million) and carrying amount of HK\$2,898 million at bank level (2014: face value HK\$3,878 million (USD500 million) and carrying amount of HK\$4,513 million at bank level) and non-cumulative preference shares (“Innovate Preference Shares”) of HK\$2,514 million (USD324 million) (2014: HK\$3,878 million (USD500 million)) 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 Additional Tier 1 capital of the Bank and the Group. In the consolidated financial statements, the Notes are eliminated and the Innovate Preference Shares are classified as non-controlling interests.

During the year, the Bank redeemed HK\$1,361 million Hybrid Tier 1 capital instruments which are classified as non-controlling interests in the consolidated financial statements, through exchange offer with Additional Tier 1 capital securities (HK\$672 million) and tender offer (HK\$900 million). The purchase premium of HK\$211 million paid in excess of the carrying amount of the non-controlling interests acquired was charged to retained profits.

非控股權益包括港幣25.14億元(2014年：港幣38.78億元)的混合一級資本工具。

混合一級資本工具包括分別由本行發行面值港幣25.14億元(3.24億美元)及在銀行層面之賬面值港幣28.98億元(2014年：面值港幣38.78億元(5億美元)及銀行層面之賬面值港幣45.13億元)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25.14億元(3.24億美元)非累積優先股份(「Innovate」優先股)，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額外一級資本。在綜合財務報表中，票據已被抵銷及Innovate優先股份則被分類為非控股權益。

年內，本行以交換要約(港幣6.72億元)和收購要約(港幣9億元)方式贖回港幣13.61億元於綜合財務報表中分類為非控股權益之混合一級資本工具。支付超過購入非控股權益賬面值之溢價港幣2.11億元已經於留存溢利中支銷。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FINANCIAL RISK MANAGEMENT 財務風險管理

This section presents information on the Group's management of principal risks.

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

The RIC stands at the highest level of the Group's risk governance structure below the Board. It is chaired by the Chairman & Chief Executive and includes two INED(s) and three NED(s). The RIC provides direct oversight of the formulation of institutional risk appetite, which documents the levels of risk that the Group is willing to undertake with regard to its financial capacity, strategic direction, prevailing market conditions, and regulatory requirements.

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

The Crisis Management Committee and Risk Management Committee comprise the Group's Chairman & Chief Executive, Senior Advisors, Senior Management and the Group Chief Risk Officer.

The specialised risk management committees – namely, Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee – comprise the Group's Senior Advisors, Senior Management, the Group Chief Risk Officer and where appropriate division heads from the relevant areas.

本部分載述有關本集團財務風險管理的資料。

按照金管局及其他監管機構發出的規定，本集團已建立一個有效的風險管治及管理架構。該架構的構造令董事會及管理層能夠以適當授權和制衡履行彼等的風險管理相關職責。該等職責包括根據本集團的業務策略及目標制定風險偏好及風險政策，以管理上述策略的執行，並設立風險審批、控制、監控及補救的程序及限制。

風險委員會為本集團僅次於董事會的最高風險管治單元，由主席兼行政總裁擔任主席，其他成員包括兩名獨立非執行董事及三名非執行董事。風險委員會直接監督機構風險偏好的制定，而機構風險偏好列明本集團就其財務能力、策略性指引、目前市況及監管要求而言可承擔的風險水平。

風險委員會亦確保本集團的風險偏好反映於政策及程序上，讓管理層行使其業務職能時採納。透過行政人員層面的危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會及營運風險管理委員會以及風險管理處的協調，風險委員會定期檢討本集團的風險管理架構，並確保所有與風險相關的重要任務符合既有政策以適當資源完成。

危機管理委員會及風險管理委員會由本集團主席兼行政總裁、高級顧問、高層管理人員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及營運風險管理委員會由本集團高級顧問、高層管理人員、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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

To identify and manage all potential risks in a more holistic and effective manner, the Bank will implement an enterprise risk management framework in 2016.

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

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

As required of all Authorised Institutions under the HKMA’s Supervisory Policy Manual on “Recovery Planning”, the Bank has established a Group Recovery Plan, which has been approved by the Board. The Group Recovery Plan helps ensure that the Bank is able to recover quickly from periods of severe stress and preserve or restore its capital and liquidity levels.

為確保風險管理責任於組織內分工明確，本行已採納「三道防線」風險管理架構。第一道防線由本行各業務單位及職能單位組成，負責管理其在業務過程中產生的風險。第二道防線由風險管理處及合規處組成，獨立監督風險承受單元。第三道防線為直接向審核委員會匯報的稽核處。稽核處定期評估本行由第一及第二道防線所設計的風險管理架構、監控及管治流程的充裕性，以協助審核委員會監督本行的整體風險管理及內部監控系統。

為了更全面及更有效地識別及管理所有潛在風險，本行將於2016年設立企業風險管理架構。

本集團已制定政策，以識別、衡量、監察、控制及匯報各類風險，並於適當的情況下調配資本以抵禦該等風險。相關政策均定期檢討及改善，以符合市場轉變及法定要求，及達致風險管理程序中的最佳做法。本集團的主要風險管理政策及控制限額由董事會批准，並且受到監控及定期檢討。董事會已將持續管理風險的責任授予風險委員會、風險管理委員會及專責風險管理委員會。與重要風險管理相關的事項須上報至董事會，以協助董事會監督風險管理。此外，集團風險總監的日常職責為監督集團風險管理相關事項，包括但不限於風險管理基礎架構及策略、風險偏好、風險管治文化及有關資源。

壓力測試為本集團風險管理的重要部分。本集團定期對相關的主要風險進行壓力測試，評估受壓營商環境(包括中國內地及香港出現嚴重經濟下滑等假設情景)對本集團的財務狀況，尤其是資本充足、盈利能力及流動資金，可能產生的影響。有需要時，管理層亦會果斷制訂並執行應對措施以減低潛在影響。

根據金管局監管政策手冊對所有認可機構有關「恢復規劃」的要求，本行已制定集團恢復計劃，該計劃已獲董事會批准。集團恢復計劃有助確保本行在遇到嚴峻壓力時能夠迅速復元，並維持或恢復資本及流動性水平。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

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

(a) Credit risk management

Credit risk arises from the possibility that a customer or counterparty in a transaction may default. Such risk may arise from counterparty risks from loans and advances, issuer risks from the securities business and counterparty risks from trading activities.

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

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

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

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.

每一個新產品的推出，須通過審批過程，包括業務和財務分析和風險評估。這些新產品首先由新產品評審工作組審核及評估，並由督導組認可及由風險管理委員會批准。督導組的主席為集團風險總監，並由支援職能的處級主管組成。

(a) 信貸風險管理

信貸風險源於客戶或交易對手未能履行其承擔，可來自本集團貸款及墊款中的交易對手風險、證券業務的發行商風險和交易活動的交易對手風險。

信貸委員會負責管理所有與本集團信貸風險有關的事務，而本集團風險管理處轄下的信貸風險管理部則負責監察與信貸風險有關的活動。本集團透過設定目標市場分部、制定適當的信貸政策和執行信貸評核程序，以及監控資產素質，來識別和管理信貸風險。信貸風險控制限額設有不同層次。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

本集團在評估與個別客戶或交易對手相關的信貸風險時，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，以識別、衡量、監察、控制及匯報本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸風險管理手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收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、有關法定要求及風險管理程序的最佳做法。

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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.

本集團持續進行多個層次的信貸分析和監控。有關政策乃旨在儘早發現需要特別監控的交易對手、行業或產品的風險承擔。交易組合的整體風險和個別減值貸款及潛在減值貸款，均定期予以監控。

(ii) Retail credit risk

The Group's retail credit policy and approval process are designed for the fact that there are high volumes of relatively homogeneous and small value transactions in each retail loan category. The design of internal rating system and formulation of credit policies are primarily based on the demographic factors and the loss experience of the loan portfolios. The Group monitors its own and industry experience to determine and periodically revise product terms and desired customer profiles.

(ii) 零售信貸風險

本集團的零售信貸政策和審批程序是因應各類零售貸款中均有大量類似的小額交易而制定的。在設計內部評級系統和制訂信貸政策時，本集團的主要考慮因素包括人口結構因素和有關貸款組合過往的損失。本集團監控本身和行業狀況以釐定和定期修訂產品條款和目標客戶組合。

(iii) Credit for treasury transactions

The credit risk of the Group's treasury transactions is managed in the same way as the Group manages its corporate and bank lending risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

(iii) 財資交易的信貸風險

本集團採用企業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) 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.

(iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請、組合保存和抵押要求。

(v) Master netting arrangements

To mitigate credit risks, the Group enters into master netting arrangements with same counterparties. Netting agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will be terminated and all amounts outstanding will be settled on a net basis. Except for the event of default, all outstanding transactions with the counterparty are settled on a gross basis and generally do not result in offsetting the assets and liabilities in the statement of financial position.

(v) 淨額結算總安排

本集團與其相同對手簽訂淨額結算總安排以減低信貸風險。若發生違約事件，根據淨額結算協議，所有與該對手之交易會終止及所有結餘金額以淨額結算。除發生違約事件外，所有與對手之交易會以總額結算及在財務狀況表中的資產和負債通常不會互相抵銷。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(a) Credit risk management (continued)

(v) Master netting arrangements (continued)

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

(a) 信貸風險管理(續)

(v) 淨額結算總安排(續)

下表列示受抵銷、具法律效力之淨額結算總安排及相近協議約束的金融工具詳情。

		Gross amounts of recognised financial liabilities set off in the statement of financial position		2015		Net amount
		Gross amounts of recognised financial assets	Gross liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related financial instruments that are not set off	
		已確認金融資產總額	於財務狀況表中抵銷之已確認金融負債總額	於財務狀況表中列示的金融資產淨額	未有於財務狀況表中抵銷之相關金額	淨額
		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
Assets	資產					
Positive fair value of derivatives	衍生工具的正公平價值	28	-	28	(28)	-
Other accounts	其他賬項	403	(387)	16	-	16
Total	總額	431	(387)	44	(28)	16

		Gross amounts of recognised financial assets set off in the statement of financial position		2015		Net amount
		Gross amounts of recognised financial liabilities	Gross assets set off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related financial instruments that are not set off	
		已確認金融負債總額	於財務狀況表中抵銷之已確認金融資產總額	於財務狀況表中列示的金融負債淨額	未有於財務狀況表中抵銷之相關金額	淨額
		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
Liabilities	負債					
Negative fair value of derivatives	衍生工具的負公平價值	140	-	140	(28)	112
Other accounts	其他賬項	519	(387)	132	-	132
Total	總額	659	(387)	272	(28)	244

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2014				
		Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related financial instruments that are not set off	Net amount
		已確認 金融資產 總額 HK\$ Mn 港幣百萬元	中抵銷之 已確認金融 負債總額 HK\$ Mn 港幣百萬元	於財務狀況表 中列示的 金融資產淨額 HK\$ Mn 港幣百萬元	未有於 財務狀況表 中抵銷之 相關金額 HK\$ Mn 港幣百萬元	淨額 HK\$ Mn 港幣百萬元
Assets	資產					
Positive fair value of derivatives	衍生工具的正公平價值	103	–	103	(91)	12
Other accounts	其他賬項	1,031	(643)	388	–	388
Total	總額	1,134	(643)	491	(91)	400

		2014				
		Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related financial instruments that are not set off	Net amount
		已確認 金融負債 總額 HK\$ Mn 港幣百萬元	中抵銷之 已確認金融 資產總額 HK\$ Mn 港幣百萬元	於財務狀況表 中列示的 金融負債淨額 HK\$ Mn 港幣百萬元	未有於 財務狀況表 中抵銷之 相關金額 HK\$ Mn 港幣百萬元	淨額 HK\$ Mn 港幣百萬元
Liabilities	負債					
Negative fair value of derivatives	衍生工具的負公平價值	156	–	156	(91)	65
Other accounts	其他賬項	643	(643)	–	–	–
Total	總額	799	(643)	156	(91)	65

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(a) Credit risk management (continued)

(vi) 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.

(vii) 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 asset 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)

(vi) 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。

(vii) 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：

		2015	2014
		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	67,743	68,761
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	80,828	50,769
Trade bills	貿易票據	19,532	60,675
Trading assets	交易用途資產	3,990	1,489
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	3,886	8,287
Positive fair value of derivatives	衍生工具的正公平價值	6,205	3,537
Loans and advances to customers	客戶貸款及墊款	439,125	441,933
Available-for-sale financial assets	可供出售金融資產	90,284	83,648
Held-to-maturity investments	持至到期投資	6,199	6,747
Other assets	其他資產	33,635	39,820
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	34,465	34,254
Loan commitments and other credit related commitments	貸款承擔及其他與信貸有關的承擔	208,015	214,314
		993,907	1,014,234

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(viii) 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:

(viii) 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：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross loans and advances to customers	客戶貸款及墊款總額		
– neither past due nor impaired	– 無逾期及減值	435,669	439,607
– past due but not impaired	– 有逾期但未有減值	864	944
– impaired	– 已減值	4,973	2,736
		441,506	443,287

Of which:

其中：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross loans and advances to customers that are neither past due nor impaired	無逾期及減值的客戶貸款及墊款總額		
– pass	– 合格	422,886	435,385
– special mention	– 需要關注	12,783	4,222
		435,669	439,607

The Group classifies the loans and advances in accordance with the loan classification system required to be adopted for reporting to the HKMA.

本集團根據用作匯報予金管局的貸款分類系統以分類貸款。

The ageing analysis of loans and advances to customers that are past due but not impaired is as follows:

已逾期但未有減值之客戶貸款及墊款的年期分析如下：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross loans and advances to customers that are past due but not impaired	有逾期但未有減值的客戶貸款及墊款總額		
– overdue 3 months or less	– 逾期3個月以下	864	944

Loans and advances that would be past due or impaired had the terms not been renegotiated amounted to HK\$77 million as at 31st December, 2015 (2014: HK\$83 million).

於2015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7,700萬元(2014年：港幣8,300萬元)。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(a) Credit risk management (continued)

(ix) 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.

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:

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Aaa	Aaa	10,035		11,158	
Aa1 to Aa3	Aa1至Aa3	19,538		26,133	
A1 to A3	A1至A3	34,225		32,118	
P-1 (Short term)	P-1(短期)	251		587	
Baa1 to Baa3	Baa1至Baa3	23,379		14,585	
Below Baa3	Baa3以下	3,438		4,008	
(NB)	(註)	90,866		88,589	
Unrated	無評級	13,494		11,699	
Total	總額	104,360		100,288	

NB: As at 31st December 2015, the Group has debt securities of HK\$2,435 million with investment grade assigned by PRC local rating agencies (2014: HK\$4,580 million).

(x) 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.

(a) 信貸風險管理(續)

(ix) 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。

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：

(x) 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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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.

For contingent liabilities and commitments that are unconditionally cancellable (Note 46), 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:

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。

對於或然負債及可無條件取消的承擔(附註46)，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：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Fair value of collateral and other credit enhancements held against financial assets that are:	持有作抵押金融資產之抵押品及其他信用提升的公平價值如下：		
– neither past due nor impaired	– 無逾期及減值	314,160	322,591
– past due but not impaired	– 有逾期但未有減值	809	931
		314,969	323,522

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(b) Market risk management

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

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

The use of derivatives for proprietary trading and the sale of derivatives to customers as risk management products 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 market risk that must be managed are:

(i) Currency risk

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

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries, and associated companies, are excluded from value-at-risk ("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 its foreign currency denominated assets closely with corresponding liabilities in the same currencies.

(b) 市場風險管理

市場風險是指不利的價格變動的風險，源自所有對市場風險敏感的財務工具，包括債務證券、外匯合約、股份和衍生工具以及結構性產品。市場風險管理旨在減少本集團因財務工具內在的波動性而承受的風險。

資產負債管理委員會負責處理本集團一切與市場風險相關的事項，亦負責定期檢討利率走勢及釐定相應的未來業務策略。本集團風險管理處轄下的資產負債管理部，負責監察與市場風險有關的活動。

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分程序。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，即為場外或場內交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，本集團主要管理的市場風險包括：

(i) 貨幣風險

本集團的外幣持倉源自外匯買賣(包括衍生工具)、商業銀行業務和結構性外匯風險。本集團的非結構性外幣風險主要以美元、人民幣、英鎊、日圓及新加坡元為單位。所有外幣持倉均維持在董事會或資產負債管理委員會所訂定的限額內。

結構性外匯持倉主要源自於本集團分行、附屬公司和聯營公司的外匯投資，其有關的溢利及虧損因為已撥入儲備，所以未計算在風險值內。管理此等外幣投資的主要目的，是保障本集團的儲備免受匯率波動的影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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:

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10%如下：

		2015			2014		
		USD美元	RMB人民幣	MYR馬幣	USD美元	RMB人民幣	MYR馬幣
		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
Net structural position	結構性持倉淨額	2,168	12,287	2,123	2,143	11,623	2,610

(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 re-pricing of interest-bearing assets, liabilities, and off-balance sheet items. 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 of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

(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、負債及資產負債表外項目在再定息時的時差所致，亦與無息負債持倉有關，其中包括股東資金和往來賬戶及若干定息貸款和負債。利率風險由本集團資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

(iii) Equity risk

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

(iii) 股份風險

本集團的股份持倉來自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會、投資委員會或資產負債管理委員會批准的限額範圍進行日常管理。

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

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。

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

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。

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.

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(b) Market risk management (continued)

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

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

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

Value-at-risk statistics

		2015			
		At 31st December	Maximum	Minimum	Mean
		於12月31日	最高	最低	平均
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
VaR for total trading activities	交易活動的風險值總額	32	60	22	36
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	8	22	6	10
VaR for interest rate trading positions	利率交易持倉的風險值	3	8	2	4
VaR for equity trading positions	股份交易持倉的風險值	24	51	14	26

		2014			
		At 31st December	Maximum	Minimum	Mean
		於12月31日	最高	最低	平均
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
VaR for total trading activities	交易活動的風險值總額	23	33	16	24
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	8	11	3	6
VaR for interest rate trading positions	利率交易持倉的風險值	4	9	1	4
VaR for equity trading positions	股份交易持倉的風險值	16	23	13	18

* Including all foreign exchange positions but excluding structured foreign exchange positions.

(b) 市場風險管理(續)

本集團通過參數法評估本集團交易組合的風險值，其中，風險值乃透過組成份的有關方差及協方差計算得出。該方法是依據過往市場息率與價格的波動、99%置信水平、1日持倉期以及1年過往觀察期來推算，其中對較近期觀察給予相等或較高的權重，並且據此採用較高的風險值。

由分行及附屬公司的淨投資產生的結構性外匯持倉不會包括在計算外匯交易持倉的風險值內。

除上市股份外，私人股份基金及非上市股份（統稱「非上市證券」）的賬面值均由本集團管理層按限額控制。非上市證券及非交易上市股份是根據特定限額管理及並不包括在交易股份持倉的風險值內。資產負債管理委員會須定期檢討該限額。

風險值統計

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2015			
		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值總額	66	90	60	73

		2014			
		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值總額	59	109	51	84

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值的計算方法，根據受壓期間的相關市場因素，對投資組合計算的風險值。

(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.

(c) 營運風險管理

營運風險是指由於內部流程、人員和系統的不足或缺陷，或因外部事件而導致損失的風險。

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。

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

營運風險管理委員會負責監督本集團的營運風險管理，而本集團風險管理處轄下的營運風險管理部則負責監察與營運風險有關的活動。

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

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、業務持續規劃等。

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 Division.

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，並經稽核處獨立審閱後得出滿意的結果。

(d) Liquidity risk management

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

(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。

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

流動資金風險管理是為了確保本集團維持充足的現金流量以配合所有財務承擔，並掌握業務擴展的機會，當中包括確保本集團能夠在即時或合約期滿時滿足客戶的提款要求，在借款期滿時能夠還款，符合法定的流動性覆蓋比率，以及掌握貸款和投資的機會。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****44. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)****(d) Liquidity risk management (continued)**

The Asset and Liability Management Committee is delegated by the Board to oversee the Group's liquidity risk management. The Asset and Liability Management Committee sets the strategy, policy, and limits for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Regular meetings are held to review the compliance status of the monitoring matrix established and the need for any change in strategy and policy. Liquidity is managed daily by the Capital Markets & Liquidity Management Department under the Treasury Markets Division of the Group within the set limits. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to liquidity risk. The Internal Audit Division performs periodic reviews to ensure that the liquidity risk management functions are carried out effectively.

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

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

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

(d) 流動資金風險管理(續)

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。流動資金狀況由本集團資金市場處轄下的資本市場及流動資金管理部每日按所訂限額範圍進行管理。本集團風險管理處轄下的資產負債管理部，負責監察與流動資金風險相關的活動。稽核處會定期作出檢討，確保流動資金風險管理功能得以有效執行。

流動性覆蓋比率於2015年1月1日生效，對本集團的流動資金風險管理施以更嚴格的監管制度。《銀行業(流動性)規則》要求本集團必須於2019年達致最低流動性覆蓋比率。過渡期間，有關百分比將由2015年的60%升至2019年的100%，自2016年起監管要求每年增加10%。為確保遵守不斷提升的監管要求，資產負債管理委員會會定期接收有關流動性覆蓋比率重大變動的報告和其建議補救措施以應對不利變動，其中來自(包括但不限於)存款成分及其餘下期限、短期貸款活動以及本集團資產及負債組合策略。為將流動性覆蓋比率維持在合適範圍內，已訂立內部流動性覆蓋比率目標。在規劃資產及負債組合策略時，相關業務單位協助本集團評估資產增長及融資架構對流動性覆蓋比率的影響，以供資產負債管理委員會檢討和決策。

本集團在努力有效管理流動性覆蓋比率的過程中，著力留住忠實客戶及維持客戶關係，藉以增強存款基礎。本集團在零售、小企業和大額融資之間保持資金平衡，避免資金集中於任何一種來源。本集團透過發行存款證、中期票據、後償債項、貨幣市場拆借及借貸進入專業市場，獲取額外資金，並維持於當地金融市場的地位、以及優化資產及負債的期限。

至於內部，集團內公司間的融資交易乃按一般正常交易原則進行，處理方式與其他第三方交易一致，並接受定期監督及適當控制。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

In addition to observing the statutory LCR, the Group has established different liquidity metrics – including but not limited to the loan-to-deposit ratio, cumulative mismatch ratio, funding concentration ratio, intra-group exposure threshold, and cross currency funding ratio – to measure and analyse the Group's liquidity risks. As a majority of the Group's liquidity risk arises from the maturity mismatch gap between the Group's asset and liability portfolios, the Group manages liquidity risk by conducting cash flow analysis and projections. These are carried out on a regular basis to identify funding needs arising from on and off-balance sheet items in a specific time frame over a set of time horizons. The Group maintains sufficient liquid assets as a liquidity cushion that can be accessed in times of stress. The high quality liquid assets for fulfilling the LCR consist of cash, short term funds, exchange fund bills, and notes. The majority of the HQLAs are denominated in Hong Kong dollars. Contingent funding sources are maintained to provide strategic liquidity to meet unexpected and material cash outflows.

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

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

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

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

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

除緊守法定的流動性覆蓋比率外，本集團已設立不同的流動資金標準以衡量及分析流動資金風險，包括(但不限於)貸存比率、累積錯配比例、資金集中比率、集團內公司間風險限額及跨貨幣資金比率。由於本集團大部分流動資金風險來自資產與負債組合之間的期限錯配差距，本集團會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，作為能夠在資金受壓時取用的流動資金緩衝。實現流動性覆蓋比率所需的優質流動資產包括現金、短期資金、外匯基金票據和債券，其中大部分優質流動資產以港幣計值。本集團維持應急融資來源，能提供策略性的流動資金，以應付未能預計的大量資金需求。

本集團亦會定期進行壓力測試，以分析流動資金風險。透過運用適當的虛擬及歷史假設，本集團的壓力測試均已考慮資產負債表內外項目及其對現金流量造成的影響。市場流動資金風險的評估及檢討納入各個控制環節，包括投資／交易策略、市場風險監控、估值及組合檢討。三個壓力情景(即個別銀行危機、整體市場危機，以及結合上述兩種情況的綜合危機)均採用金管局監管政策手冊「穩健的流動資金風險管理系統及管控措施」界定的最短存活期。

本集團會參照壓力測試結果，確認集團內的潛在弱點，並制訂應急融資政策及計劃，當中載列了本集團處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

應急融資政策及計劃旨在提供防患未然的積極措施，並訂明以下三個階段：

1. 本集團運用預早警報指標，當中包括質量性及數量性的措施，藉以監督內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知資產負債管理委員會。資產負債管理委員會將考慮適當的補救措施，並在合適情況下考慮採用危機管理措施。
2. 本集團已設立危機管理委員會，並由主席兼行政總裁擔任主席，專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。
3. 於最後階段，本集團會在危機結束後對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境中的任何轉變，本集團會每年進行演習測試，並會定期檢討應急融資政策及計劃。應急融資政策及計劃如有任何重大變動，均須分別取得董事會及資產負債管理委員會的批准。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(d) Liquidity risk management (continued)

Analysis of assets and liabilities by remaining maturity:

(d) 流動資金風險管理(續)

資產及負債的剩餘期限分析：

		2015							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	41,490	826	-	71	-	-	26,735	69,122
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	62,384	15,985	2,459	-	-	-	80,828
Trade bills	貿易票據	73	3,602	7,955	7,901	-	-	1	19,532
Trading assets	交易用途資產	-	1,197	1,121	456	1,166	50	1,345	5,335
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	-	116	430	1,148	2,192	-	450	4,336
Positive fair value of derivatives	衍生工具的正公平價值	-	-	-	-	-	-	6,205	6,205
Advances to customers and other accounts	客戶墊款及其他賬項	5,273	49,881	43,983	98,596	170,843	95,511	9,001	473,088
Available-for-sale financial assets	可供出售金融資產	-	5,338	11,072	11,647	47,846	14,381	3,311	93,595
Held-to-maturity investments	持至到期投資	94	1,081	831	1,289	2,330	574	-	6,199
Undated assets	無註明日期資產	-	-	-	-	-	-	23,124	23,124
Total assets	資產總額	46,930	124,425	81,377	123,567	224,377	110,516	70,172	781,364
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	8,175	15,635	4,889	1,960	1,408	59	-	32,126
Deposits from customers	客戶存款	188,745	118,877	114,813	93,761	24,547	-	-	540,743
- Demand deposits and current accounts	- 活期存款及往來賬戶	73,471	-	-	-	-	-	-	73,471
- Savings deposits	- 儲蓄存款	113,332	-	-	-	-	-	-	113,332
- Time, call and notice deposits	- 定期及通知存款	1,942	118,877	114,813	93,761	24,547	-	-	353,940
Trading liabilities	交易用途負債	-	831	7	50	-	-	1	889
Negative fair value of derivatives	衍生工具的負公平價值	-	-	-	-	-	-	6,909	6,909
Certificates of deposit issued	已發行存款證	-	9,168	8,457	16,172	3,480	-	-	37,277
Current taxation	本期稅項	-	-	-	1,325	-	-	-	1,325
Debt securities issued	已發行債務證券	-	841	2,852	2,066	7,838	-	-	13,597
Loan capital	借貸資本	-	-	-	-	16,996	-	-	16,996
Other liabilities	其他負債	850	5,206	7,302	14,338	7,533	2,713	7,919	45,861
Total liabilities	負債總額	197,770	150,558	138,320	129,672	61,802	2,772	14,829	695,723
Net gap	淨差距	(150,840)	(26,133)	(56,943)	(6,105)	162,575	107,744		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

		2014							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	36,188	13	-	-	-	-	34,157	70,358
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	4	26,532	18,522	5,711	-	-	-	50,769
Trade bills	貿易票據	60	9,982	16,013	34,620	-	-	-	60,675
Trading assets	交易用途資產	-	135	253	257	820	25	1,395	2,885
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	-	1,268	1,025	1,242	3,934	818	426	8,713
Positive fair value of derivatives	衍生工具的正公平價值	-	-	-	-	-	-	3,537	3,537
Advances to customers and other accounts	客戶墊款及其他賬項	7,144	67,645	49,403	105,308	156,071	90,070	6,499	482,140
Available-for-sale financial assets	可供出售金融資產	-	4,191	20,650	9,841	39,261	9,705	3,168	86,816
Held-to-maturity investments	持至到期投資	34	1,760	675	1,463	2,629	186	-	6,747
Undated assets	無註明日期資產	-	-	-	-	-	-	23,251	23,251
Total assets	資產總額	43,430	111,526	106,541	158,442	202,715	100,804	72,433	795,891
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	3,860	13,445	9,194	5,561	1,217	46	-	33,323
Deposits from customers	客戶存款	169,769	128,604	134,960	96,039	18,749	63	-	548,184
- Demand deposits and current accounts	- 活期存款及往來賬戶	67,337	-	-	-	-	-	-	67,337
- Savings deposits	- 儲蓄存款	100,782	-	-	-	-	-	-	100,782
- Time, call and notice deposits	- 定期及通知存款	1,650	128,604	134,960	96,039	18,749	63	-	380,065
Trading liabilities	交易用途負債	-	-	-	-	-	-	21	21
Negative fair value of derivatives	衍生工具的負公平價值	-	-	-	-	-	-	4,823	4,823
Certificates of deposit issued	已發行存款證	-	7,959	12,849	17,931	5,659	-	-	44,398
Current taxation	本期稅項	-	-	-	1,172	-	-	-	1,172
Debt securities issued	已發行債務證券	-	1,948	5,264	6,508	8,704	-	-	22,424
Loan capital	借貸資本	-	-	-	-	12,436	4,899	-	17,335
Other liabilities	其他負債	1,061	8,217	10,512	14,353	7,290	2,220	7,114	50,767
Total liabilities	負債總額	174,690	160,173	172,779	141,564	54,055	7,228	11,958	722,447
Net gap	淨差距	(131,260)	(48,647)	(66,238)	16,878	148,660	93,576		

As the trading and available-for-sale portfolios may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於作交易及可供出售用途的組合可能於到期前出售或客戶存款可能在到期前被提取，合約到期日並非代表未來現金流的預計日期。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(d) Liquidity risk management (continued)

The following tables provide an analysis of the undiscounted cashflow projection of the financial liabilities of the Group at the end of the reporting period based on the dates of their contractual payment obligations:

(d) 流動資金風險管理(續)

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：

		2015							Undated
		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	
		賬面值	現金流出總額	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	32,126	32,241	8,175	20,588	2,000	1,419	59	-
Deposits from customers	客戶存款	540,743	544,937	188,867	234,387	94,987	26,695	1	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	73,471	73,511	73,507	4	-	-	-	-
- Savings deposits	- 儲蓄存款	113,332	113,332	113,332	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	353,940	358,094	2,028	234,383	94,987	26,695	1	-
Trading liabilities	交易用途負債	889	889	-	838	50	-	-	1
Negative fair value of derivatives	衍生工具的負公平價值	6,909	6,909	-	-	-	-	-	6,909
Certificates of deposit issued	已發行存款證	37,277	37,622	-	17,730	16,342	3,550	-	-
Current taxation	本期稅項	1,325	1,325	-	-	1,325	-	-	-
Debt securities issued	已發行債務證券	13,597	13,872	6	3,693	2,070	8,103	-	-
Loan capital	借貸資本	16,996	19,821	-	235	647	18,939	-	-
Interest rate swaps	利率掉期合約	5,873	5,873	5	574	1,447	3,562	285	-
Other liabilities	其他負債	45,861	45,861	850	12,508	14,338	7,533	2,713	7,919
Total	總額	701,596	709,350	197,903	290,553	133,206	69,801	3,058	14,829

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註 (續)

		2014							
		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	現金流出總額	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	33,323	33,430	3,860	22,695	5,594	1,235	46	-
Deposits from customers	客戶存款	548,184	552,165	169,813	264,574	97,663	20,052	63	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	67,337	67,379	67,376	3	-	-	-	-
- Savings deposits	- 儲蓄存款	100,782	100,783	100,783	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	380,065	384,003	1,654	264,571	97,663	20,052	63	-
Trading liabilities	交易用途負債	21	21	-	-	-	-	-	21
Negative fair value of derivatives	衍生工具的負公平價值	4,823	4,823	-	-	-	-	-	4,823
Certificates of deposit issued	已發行存款證	44,398	44,933	-	21,019	18,121	5,793	-	-
Current taxation	本期稅項	1,172	1,172	-	-	1,172	-	-	-
Debt securities issued	已發行債務證券	22,424	22,996	-	7,313	6,737	8,946	-	-
Loan capital	借貸資本	17,335	21,653	-	241	657	15,001	5,754	-
Interest rate swaps	利率掉期合約	6,224	6,224	-	724	1,289	3,937	274	-
Other liabilities	其他負債	50,767	50,767	1,061	18,729	14,353	7,290	2,220	7,114
Total	總額	728,671	738,184	174,734	335,295	145,586	62,254	8,357	11,958

(e) Interest rate risk management

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

The Group manages the interest rate risk on the banking book primarily by focusing on re-pricing mismatches. Gap analysis provides a static view of the maturity and re-pricing characteristics of the Group's assets, liabilities and off-balance sheet positions. Re-pricing gap limits are set to control the Group's interest rate risk.

(e) 利率風險管理

資產負債管理委員會獲董事會授權，負責監察本集團的利率風險管理，訂立管理利率風險的策略與政策，並制定相應措施，以確保執行有關策略與政策。利率風險由本集團資金市場處按董事會或資產負債管理委員會批核的限額範圍進行日常管理。本集團風險管理處轄下的資產負債管理部，負責監察利率風險相關的活動。稽核處會定期作出檢討，確保利率風險管理功能得以有效執行。

本集團管理銀行賬冊利率風險的主要方法是集中於重訂息率的錯配。差距分析可讓本集團從靜態角度瞭解資產、負債和資產負債表外持倉的到期情況及重訂息特點。本行設有重訂息率差距限額以控制本集團的利率風險。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. 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 the Group's assets, liabilities and off-balance sheet positions and is performed on a monthly basis. Sensitivity limits are set to control the Group's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee on a regular basis.

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)

本集團每月進行敏感度分析，以估算利率變動對盈利和經濟價值的影響，當中假設本集團資產、負債和資產負債表外持倉的收益率曲線出現200個基點的利率衝擊。本集團設有敏感度限額，以控制本集團的盈利及經濟價值兩方面的利率風險承擔。有關結果定期向資產負債管理委員會匯報。

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。

		2015			2014		
		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	945	64	258	534	3	570
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	(132)	89	201	(199)	118	59

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.

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，因大部分貸款屬於浮息貸款；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敏感度分析的結果可能有所不同。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(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)：

		2015						
		Over 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	65,015	-	7	-	4,100	69,122	
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	78,602	2,226	-	-	-	80,828	
Trade bills	貿易票據	11,599	7,930	-	-	3	19,532	
Trading assets	交易用途資產	2,318	456	1,166	50	1,345	5,335	
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	547	1,148	2,192	67	382	4,336	
Positive fair value of derivatives	衍生工具的正公平價值	-	-	-	-	6,205	6,205	
Advances to customers and other accounts	客戶墊款及其他賬項	375,181	50,844	10,399	3,415	33,249	473,088	
Available-for-sale financial assets	可供出售金融資產	28,687	9,075	39,419	13,099	3,315	93,595	
Held-to-maturity investments	持至到期投資	2,006	1,289	2,330	574	-	6,199	
Non-interest bearing assets	非帶息資產	-	-	-	-	23,124	23,124	
Total assets	資產總額	563,955	72,968	55,513	17,205	71,723	781,364	
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	27,202	4,606	245	59	14	32,126	
Deposits from customers	客戶存款	402,138	94,128	22,528	189	21,760	540,743	
Trading liabilities	交易用途負債	831	57	-	-	1	889	
Negative fair value of derivatives	衍生工具的真公平價值	-	-	-	-	6,909	6,909	
Certificates of deposit issued	已發行存款證	21,754	12,730	2,793	-	-	37,277	
Debt securities issued	已發行債務證券	4,980	2,784	5,833	-	-	13,597	
Loan capital	借貸資本	-	-	16,996	-	-	16,996	
Non-interest bearing liabilities	非帶息負債	-	-	-	-	47,186	47,186	
Total liabilities	負債總額	456,905	114,305	48,395	248	75,870	695,723	
Interest rate sensitivity gap	利率敏感度差距	107,050	(41,337)	7,118	16,957			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. 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)

		2014						
		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	65,139	-	-	-	5,219	70,358	
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	45,291	5,478	-	-	-	50,769	
Trade bills	貿易票據	26,905	33,731	-	-	39	60,675	
Trading assets	交易用途資產	309	257	820	26	1,473	2,885	
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	2,293	1,242	3,934	881	363	8,713	
Positive fair value of derivatives	衍生工具的正公平價值	-	-	-	-	3,537	3,537	
Advances to customers and other accounts	客戶墊款及其他賬項	358,729	60,707	19,248	4,260	39,196	482,140	
Available-for-sale financial assets	可供出售金融資產	33,396	10,580	28,942	9,039	4,859	86,816	
Held-to-maturity investments	持至到期投資	2,640	1,292	2,629	186	-	6,747	
Non-interest bearing assets	非帶息資產	-	-	-	-	23,251	23,251	
Total assets	資產總額	534,702	113,287	55,573	14,392	77,937	795,891	
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	28,141	4,023	1,079	-	80	33,323	
Deposits from customers	客戶存款	418,723	94,487	15,364	63	19,547	548,184	
Trading liabilities	交易用途負債	-	-	-	-	21	21	
Negative fair value of derivatives	衍生工具的負公平價值	-	-	-	-	4,823	4,823	
Certificates of deposit issued	已發行存款證	26,266	14,353	3,779	-	-	44,398	
Debt securities issued	已發行債務證券	7,332	7,588	7,504	-	-	22,424	
Loan capital	借貸資本	-	-	12,436	4,899	-	17,335	
Non-interest bearing liabilities	非帶息負債	-	-	-	-	51,939	51,939	
Total liabilities	負債總額	480,462	120,451	40,162	4,962	76,410	722,447	
Interest rate sensitivity gap	利率敏感度差距	54,240	(7,164)	15,411	9,430			

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(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：

		2015 %百分率	2014 %百分率
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	0-5.00	0-5.76
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	0.01-52.79	0.01-52.24
Securities (Note)	證券(附註)	0.03-5.25	0.02-8.53
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	0-6.31	0.04-5.95
Deposits from customers	客戶存款	0-4.42	0-5.87
Certificates of deposit issued and loan capital	已發行存款證及借貸資本	0.04-6.47	0.16-8.50

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

The Group regularly carries out projection of portfolio mix for optimal asset allocation to diversify risk and achieve returns that are commensurate with the risks taken. Projection of Capital Adequacy Ratio and Internal Capital Adequacy Assessment Process are also regularly conducted to assess the level of capital needed to support the risks that the Group faces.

(g) Legal risk management

Legal risk is the risk arising from the potential that unenforceable contracts, fraud cases, non-compliance with legal/regulatory requirements, lawsuits or adverse judgements may disrupt or otherwise negatively affect the operations or financial condition of the Group.

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

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

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

(f) 策略性風險管理

策略性風險管理的目的是監控因不良商業決定或不當地執行實施良好商業決定而引致對盈利或資本方面的風險。

本集團轄下的風險管理處監控本集團現行生息資產組合及融資策略下的活動，並定期向資產負債管理委員會、風險管理委員會、風險委員會及董事會匯報有關情況。

本集團定期進行投資組合預計以優化資產配置，從而分散風險並獲取與所承擔風險相稱的回報。資本充足比率預計及內部資本充足評估程序亦會定期進行，以評估本集團應對相關風險所需的資本水平。

(g) 法律風險管理

法律風險是指出現合約未能執行、詐騙案件、不遵守法律／監管規定的要求、訴訟或不利判決的情況，因而對本集團的日常運作或財務狀況可能構成干擾或其他負面影響的潛在風險。

法律風險管理的目的，在於識別、評估、監控及匯報法律風險，以及遵守相關監管規定的要求。

本集團提供由合資格內部人員及／或外聘律師／專業人士講解的適當培訓課程，並發出定期提示予員工。當處理法律事宜，本集團僱用合資格內部人士，並於必要及適當的情況下徵詢外聘律師包括大律師及資深大律師的意見。

營運風險管理委員會負責持續監督本集團的法律風險管理。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****44. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)****(h) Reputation risk management**

Reputation risk is the risk that the Group's reputation is damaged by events that result in negative publicity about the Group's business practices, conduct, or financial condition. Such negative publicity, whether true or not, may impair public confidence in the Group and may result in costly litigation, or a decline in customers, business, and/or revenue.

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

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

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

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

(i) Money laundering and terrorist financing risk management

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

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

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

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

(h) 信譽風險管理

信譽風險源自公眾對本集團有關營商手法、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及可能導致高昂的訴訟費用，或令本集團客戶、業務及／或收入減少。

信譽風險管理的目的，在於識別、評估、監控及匯報信譽風險，以及遵守相關監管規定的要求。

本集團制訂各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的信譽。

本集團制定並遵從信譽風險管理手冊，該手冊載錄對信譽風險實施系統化管理的方法，包括識別、評估、監管、減低及控制信譽風險的機制，藉此保護及提升本集團的信譽。並已建立指引，快速應對並管理未能預期的事件。

營運風險管理委員會負責持續監督本集團的信譽風險管理。

(i) 洗錢與恐怖分子資金籌集風險管理

洗錢與恐怖分子資金籌集風險是指將本集團所提供的金融服務用作下列用途所引致的風險：

- (i) 隱瞞或掩蓋從事違法活動所得款項的性質或來源；或
- (ii) 掩蔽或掩蓋恐怖分子／恐怖主義組織與資金來源之間的關係(無論資金來源屬合法或違法)。

倘未能預防或阻止上述活動，可能會被監管機構判處罰金及制裁、或損害本集團的信譽。

為管理洗錢與恐怖分子資金籌集風險，本集團針對打擊洗錢與恐怖分子資金籌集制定全集團政策及相關指引、確立管治原則及最低標準，避免集團成員及其業務被利用於協助洗錢及為恐怖分子籌集資金。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

(j) Technology risk management

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

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

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

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

(k) 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.

Capital managed by the Group to achieve these objectives includes ordinary share capital, retained profits, other reserves, and non-controlling interests after deductions for goodwill and intangible assets. It also includes subordinated liabilities and collectively assessed impairment allowances.

針對洗錢與恐怖分子資金籌集，本集團已建立機構風險評估機制，並透過集團成員各自進行的評估，以識別、估算及了解本集團承受的相關風險。藉由機構風險評估，計算本集團所承受的殘留風險(已經計及所識別的固有風險及現有控制措施的效能)。

(j) 科技風險管理

科技風險(包括網絡保安風險及電子銀行風險)是指因技術程序、人員或計算系統不足或出現故障；或因未經授權使用或被破壞科技資源而導致損失的風險。

本集團已建立科技風險管理機制，包括全面的控制政策、標準、指引及程序。

與網絡系統及應用程式保安、客戶身份驗證、新產品及服務風險評估、以及資料保密及完整性相關的控制措施已被採納。

營運風險管理委員會負責持續監督本集團的科技風險相關事項。

(k) 資本管理

金管局制定及監察本集團整體的資本規定。在實施現行的資本規定時，金管局規定本集團維持既定的總資本對總風險加權資產比率。本集團根據風險值模式計算交易組合的市場風險，及根據內部評級作為信貸風險之風險比重的基準。銀行業務分為交易賬冊或銀行賬冊。風險加權資產依照特別規定而定，特別規定旨在反映與資產的不同風險水平及資產負債表外的風險。

除符合監管規定外，本集團管理資本的主要目的是保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

以求達至該目的，本集團管理資本包括股本、留存溢利、其他儲備，及非控股權益及經已扣除商譽和無形資產。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

44. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

(k) Capital management (continued)

The HKMA supervises the Group on both a consolidated basis and a solo-consolidated basis, which sets capital requirements and receives information of capital adequacy on a regular basis for the Group as a whole. Individual overseas branches and banking subsidiaries 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.

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 Risk Management Committee, RIC and the Board.

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.

The capital adequacy ratios as at 31st December, 2015 and 31st December, 2014 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 Capital Rules of the Banking Ordinance.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2015 and 31st December, 2014 and the Group's capital ratios are well above the minimum required by the HKMA.

(k) 資本管理(續)

金管局按綜合基準及單獨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。個別海外分行及銀行附屬公司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。

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，並由風險管理委員會、風險委員會及董事會定期檢討。

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。

2015年12月31日及2014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《銀行業條例》的《資本規則》。

截至2015年12月31日及2014年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. FAIR VALUES OF FINANCIAL INSTRUMENTS 金融工具的公平價值

(a) Financial instruments carried at fair value

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

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

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

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

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

(a) 以公平價值列賬的金融工具

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

第一級－參考同一工具在活躍市場取得的市場報價。

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**財務報表附註(續)****45. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)****(a) Financial instruments carried at fair value (continued)**

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

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

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

(a) 以公平價值列賬的金融工具(續)

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

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

財務報表附註(續)

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

下表是分析於報告期期末，在公平價值分級內金融工具之公平價值的處理方式：

		2015				2014			
		Level One 第一級 HK\$ Mn 港幣百萬元	Level Two 第二級 HK\$ Mn 港幣百萬元	Level Three 第三級 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元	Level One 第一級 HK\$ Mn 港幣百萬元	Level Two 第二級 HK\$ Mn 港幣百萬元	Level Three 第三級 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Recurring fair value measurement	重覆發生的公平價值釐定								
Assets	資產								
Trading assets	交易用途資產	2,276	3,059	-	5,335	1,599	1,286	-	2,885
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	2,877	1,459	-	4,336	5,052	3,661	-	8,713
Positive fair value of derivatives	衍生工具的正公平價值	-	3,064	3,141	6,205	-	1,983	1,554	3,537
Available-for-sale financial assets	可供出售金融資產	51,672	41,173	750	93,595	53,513	32,310	993	86,816
		56,825	48,755	3,891	109,471	60,164	39,240	2,547	101,951
Liabilities	負債								
Trading liabilities	交易用途負債	889	-	-	889	21	-	-	21
Negative fair value of derivatives	衍生工具的負公平價值	-	3,892	3,017	6,909	-	3,252	1,571	4,823
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	-	18,996	-	18,996	-	22,039	-	22,039
		889	22,888	3,017	26,794	21	25,291	1,571	26,883

During the years ended 31st December 2015 and 2014, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2015年及2014年12月31日止之年內，根據第一級及第二級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移。本集團的政策是只確認於報告期期末公平價值分級之間發生的轉移。

Information about significant unobservable inputs in Level 3 valuations

有關第三級估值的重要非可觀察參數資料

	Valuation technique 估值模式	Significant unobservable input(s) 重要非可觀察參數
Unlisted available-for-sale equity instruments 非上市可供出售股份工具	Discounted cash flow model 現金流折扣模式	Forecasted cash flows and terminal growth rate 預計現金流及終端增長率
Structured derivatives 結構性衍生工具	Option model 期權模式	Expected volatility 預計波幅

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(a) Financial instruments carried at fair value (continued)

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

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

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

(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)

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

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

在第三級之金融工具估價是受以上所述之相同估值監控機制及金融工具估價組的定期檢視。

(1) 使用重要而非可觀察之參數的金融工具估價

已列賬並含有重要而非可觀察參數的工具，其公平價值之變動如下：

		2015		
		Positive fair value of derivatives	Available-for-sale financial assets	Total
		衍生工具的 正公平價值	可供出售 金融資產	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元
Assets	資產			
At 1st January, 2015	於2015年1月1日	1,554	993	2,547
Purchases	購入	-	60	60
Settlements	結算	(333)	(322)	(655)
Changes in fair value recognised in the income statement	公平價值變動確認於 收益表	1,920	(15)	1,905
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	-	75	75
Exchange adjustments	匯兌調整	-	(41)	(41)
At 31st December, 2015	於2015年12月31日	3,141	750	3,891
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	-	75	75
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	1,920	-	1,920

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2014		
		Positive fair value of derivatives 衍生工具的 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, 2014	於2014年1月1日	585	1,010	1,595
Purchases	購入	–	20	20
Settlements	結算	(204)	(120)	(324)
Changes in fair value recognised in the income statement	公平價值變動確認於 收益表	1,173	(14)	1,159
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	–	98	98
Exchange adjustments	匯兌調整	–	(1)	(1)
At 31st December, 2014	於2014年12月31日	1,554	993	2,547
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	–	98	98
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	1,173	(14)	1,159

		2015	2014
		Negative fair value of derivatives 衍生工具的 負公平價值 HK\$ Mn 港幣百萬元	Negative fair value of derivatives 衍生工具的 負公平價值 HK\$ Mn 港幣百萬元
Liabilities	負債		
At 1st January	於1月1日	1,571	565
Settlements	結算	(336)	(185)
Changes in fair value recognised in the income statement	公平價值變動確認於 收益表	1,782	1,191
At 31st December	於12月31日	3,017	1,571
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	1,782	1,191

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(a) Financial instruments carried at fair value (continued)

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

(a) 以公平價值列賬的金融工具(續)

(2) 因重要而非可觀察之假設變動至合理可行之另類假設所產生的影響

		2015			
		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
Positive fair value of derivatives	衍生工具的正公平價值	262	(262)	-	-
Available-for-sale financial assets	可供出售金融資產	-	-	63	(63)
		262	(262)	63	(63)
Negative fair value of derivatives	衍生工具的負公平價值	252	(252)	-	-

		2014			
		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
Positive fair value of derivatives	衍生工具的正公平價值	130	(130)	-	-
Available-for-sale financial assets	可供出售金融資產	-	-	83	(83)
		130	(130)	83	(83)
Negative fair value of derivatives	衍生工具的負公平價值	131	(131)	-	-

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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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

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

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31st December, 2015 and 2014 except as follows:

(b) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假定，以釐定如下的金融工具的公平價值：

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

除下列者外，本集團以成本或攤銷成本入賬的金融工具賬面值，與其於2015年12月31日及2014年同日之公平價值相若。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

(b) Fair values of financial instruments carried at other than fair value (continued) (b) 以公平價值以外列賬的金融工具公平價值(續)

		2015				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公平價值	第一級	第二級	第三級
		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
Financial assets	金融資產					
Held-to-maturity investments	持至到期投資	6,199	6,249	4,309	1,940	-
Financial liabilities	金融負債					
Certificates of deposit issued	已發行存款證	20,820	20,831	-	20,831	-
Debt securities issued	已發行債務證券	11,058	11,118	-	11,118	-
Subordinated liabilities	後償負債	16,996	17,367	-	17,367	-

		2014				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公平價值	第一級	第二級	第三級
		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
Financial assets	金融資產					
Held-to-maturity investments	持至到期投資	6,747	6,734	3,516	3,218	-
Financial liabilities	金融負債					
Certificates of deposit issued	已發行存款證	29,954	29,942	-	29,942	-
Debt securities issued	已發行債務證券	14,829	14,927	-	14,927	-
Subordinated liabilities	後償負債	17,335	18,192	-	18,192	-

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 level 2 fair values using the following method and there is no change to the valuation technique:

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.

釐定公平價值通常是較具主觀性的，及根據在其一特定時間點按金融工具之特性及相關市場資料而作出。本集團釐定第二級公平價值是採納以下方法及估值模式並無改變：

第二級 – 估值模式是以可觀察參數為基準。此類別工具估值包括採用：在活躍市場內相近工具有報價的市場價格；在較不活躍之市場內相近工具有報價的價格；或其他估值模式而所有重要參數是直接或間接地由市場資料可觀察到。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

46. 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：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Direct credit substitutes	直接信貸代替品	32,679	32,120
Transaction-related contingencies	與交易有關的或然項目	1,039	1,118
Trade-related contingencies	與貿易有關的或然項目	747	1,016
Commitments that are unconditionally cancellable without prior notice	可無條件取消而毋須事先通知的承擔	168,798	170,895
Other commitments with an original maturity	其他承擔的原到期日：		
– up to 1 year	– 1年或以下	15,796	20,640
– over 1 year	– 1年以上	23,421	22,779
		242,480	248,568
Credit risk weighted amounts	信貸風險加權金額	30,430	28,953

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 TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

46. 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:

(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。

集團的每項衍生工具主要類別的名義金額摘要如下：

		2015				
		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 符合對沖會計法 HK\$ Mn 港幣百萬元		Others, including held for trading 其他，包括持有作交易用途 HK\$ Mn 港幣百萬元		Total 總額 HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約					
Forwards and futures	遠期交易及期貨	-	-	107,585		107,585
Swaps	掉期交易	4,622	5,598	255,411		265,631
Options purchased	購入期權	-	-	43,050		43,050
Options written	沽出期權	-	-	42,379		42,379
Interest rate contracts	利率合約					
Forwards and futures	遠期交易及期貨	-	-	981		981
Swaps	掉期交易	45,782	22,373	554,972		623,127
Equity contracts	股份合約					
Swaps	掉期交易	-	-	4,017		4,017
Options purchased	購入期權	-	-	2,901		2,901
Options written	沽出期權	-	-	3,010		3,010
Others	其他	-	-	9,329		9,329
		50,404	27,971	1,023,635		1,102,010

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2014			
		Qualifying for hedge accounting 符合對沖會計法 HK\$ Mn 港幣百萬元	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 金融工具模式管理 HK\$ Mn 港幣百萬元	Others, including held for trading 其他，包括持有 作交易用途 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約				
Forwards and futures	遠期交易及期貨	542	–	52,020	52,562
Swaps	掉期交易	–	–	364,361	364,361
Options purchased	購入期權	–	–	63,369	63,369
Options written	沽出期權	–	–	63,870	63,870
Interest rate contracts	利率合約				
Forwards and futures	遠期交易及期貨	–	–	689	689
Swaps	掉期交易	36,726	32,935	230,409	300,070
Equity contracts	股份合約				
Swaps	掉期交易	–	–	6,869	6,869
Options purchased	購入期權	–	–	3,185	3,185
Options written	沽出期權	–	–	3,213	3,213
Others	其他	–	–	3,956	3,956
		37,268	32,935	791,941	862,144

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 TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

46. 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

		2015			2014		
		Fair value 公平價值		Credit risk weighted amounts* 信貸風險 加權金額*	Fair value 公平價值		Credit risk weighted amounts* 信貸風險 加權金額*
		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	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	859	1,696	378	497	277	547
Swaps	掉期交易	1,574	1,590	3,351	729	2,187	2,764
Options purchased	購入期權	1,403	1,449	2,202	747	739	2,036
Options written	沽出期權	-	19	762	-	9	524
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	2	-	-	1	1	-
Swaps	掉期交易	2,119	1,932	1,090	1,157	1,162	1,647
Options purchased	購入期權	-	-	-	-	-	-
Equity contracts	股份合約						
Swaps	掉期交易	75	86	69	167	167	419
Options purchased	購入期權	163	112	371	172	68	228
Options written	沽出期權	1	23	86	1	148	109
Others	其他	9	2	760	66	65	113
		6,205	6,909	9,069	3,537	4,823	8,387

* The Bank adopted the Foundation Internal Ratings Based ("IRB") approach according to Capital Rules for calculating the credit risk weighted amount as at 31st December, 2015 and 31st December, 2014.

* 根據《資本規則》，本行採納「基礎內部評級基準計算法」計算於2015年12月31日及2014年12月31日之信貸風險之風險加權金額。

The tables above give the contractual or notional amounts, fair value and credit risk weighted amounts of off-balance sheet transactions. The fair value is calculated for the purposes of deriving the credit risk weighted amounts. These are assessed in accordance with the Capital Rules. Fair value represents the cost of replacing all contracts which have a positive value when marked to market.

上表列出資產負債表以外交易的合約或名義金額、公平價值及信貸風險加權金額。公平價值是用來計算信貸風險加權金額。該等金額是按照《資本規則》作評估。公平價值是指重置所有按市場價值計算差額時附有正值的合約成本。

Fair value is a close approximation of the credit risk for these contracts as at the end of the reporting period. The credit risk weighted amount refers to the amount as computed in accordance with the Capital Rules.

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《資本規則》計算。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(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:

(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：

		2015		2014	
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
		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
Exchange rate contracts	匯率合約	-	-	-	-
Interest rate contracts	利率合約	411	249	361	153
		411	249	361	153

(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, 2015 and 2014, the net fair value of derivatives held as cash flow hedges was insignificant.

The time periods in which the hedged cash flows are expected to occur and affect the consolidated statement of comprehensive income are as follows:

(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2015年12月31日及2014年同日，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。

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：

		Over one year		Over five years	
		Within one year	but within five year		
		1年以內	1年以上至5年	5年以上	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
At 31st December, 2015	於2015年12月31日				
Cash inflows from assets	來自資產的現金流入	-	894	194	
Cash outflows from liabilities	來自負債的現金流出	-	-	-	
Net cash inflows	淨現金流入	-	894	194	
At 31st December, 2014	於2014年12月31日				
Cash inflows from assets	來自資產的現金流入	-	129	610	
Cash outflows from liabilities	來自負債的現金流出	-	-	-	
Net cash inflows	淨現金流入	-	129	610	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

46. 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)

(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, 2015, the net fair value of such interest rate swaps was HK\$162 million (2014: HK\$208 million) comprising assets of HK\$411 million (2014: HK\$361 million) and liabilities of HK\$249 million (2014: HK\$153 million).

(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.

(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)

(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率波動而影響長期定息金融工具的公平價值變動。

於2015年12月31日，該等利率掉期的公平價值淨額為港幣1.62億元(2014年：港幣2.08億元)，包括資產港幣4.11億元(2014年：港幣3.61億元)及負債港幣2.49億元(2014年：港幣1.53億元)。

(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。

		Notional amounts with remaining life of 剩餘期限的名義金額							
		2015				2014			
		1 year or less	Over 1 year to 5 years	Over 5 years	Total	1 year or less	Over 1 year to 5 years	Over 5 years	Total
		1年或以下	1年以上至5年	5年以上	總額	1年或以下	1年以上至5年	5年以上	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Interest rate derivatives	利率衍生工具	464,365	152,323	7,420	624,108	187,504	103,463	9,792	300,759
Currency derivatives	貨幣衍生工具	398,757	68,046	994	467,797	423,816	118,327	2,018	544,161
Other derivatives	其他衍生工具	8,983	1,122	-	10,105	8,531	8,693	-	17,224
		872,105	221,491	8,414	1,102,010	619,851	230,483	11,810	862,144

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(c) Capital commitments

Capital commitments outstanding at 31st December and not provided for in the financial statements were as follows:

		2015	2014
		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	228	181
Expenditure authorised but not contracted for	已核准支出但未簽約	153	41
		381	222

(c) 資本承擔

於12月31日未償付但並未在財務報表中提撥準備的資本承擔如下：

(d) Operating lease commitments

At 31st December, 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Properties	物業		
Within one year	1年以內	573	554
After one year but within five years	1年至5年內	863	926
After five years	5年以後	129	178
		1,565	1,658

(d) 經營租賃承擔

於2015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：

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Equipment	設備		
Within one year	1年以內	8	8
After one year but within five years	1年至5年內	16	13
		24	21

The Group 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 TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

47. 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

		2015		2014	
		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	-		-	
Advances and other accounts less provisions	已扣除準備之墊款及其他賬項	-		7	
Fixed assets	固定資產	-		1	
Current taxation	本期稅項	-		-	
Other accounts and provisions	其他賬項及準備	-		(2)	
		-		6	
Goodwill arising on consolidation	賬項綜合時產生的商譽	1		17	
Total purchase price	以現金支付的購入價	1		23	
Less: Cash and cash equivalents acquired	減：購入的現金及等同現金項目	-		-	
Cash flow on acquisition net of cash acquired	已扣除所購入現金的現金流	1		23	

(b) Cash and cash equivalents

(b) 現金及等同現金項目

(i) Components of cash and cash equivalents in the consolidated cash flow statement

(i) 在綜合現金流量表內現金及等同現金項目的組成部分

		2015		2014	
		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	42,983		36,575	
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	61,823		26,357	
Treasury bills with original maturity within three months	原本期限為3個月以內的國庫債券	4,862		6,697	
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	1,125		1,682	
Debt securities with original maturity within three months	原本期限為3個月以內的債務證券	-		675	
Add: Cash and balances with banks and other financial institutions included in "Assets held for sale" (Note 56)	加：包括在「持有作出售資產」(附註56)的現金及在銀行和其他金融機構的結存	173		-	
		110,966		71,986	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(ii) Reconciliation with the consolidated statement of financial position

(ii) 與綜合財務狀況表的對賬

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions (Note 24)	現金及在銀行及其他金融機構的結存(附註24)	69,122	70,358
Placements with banks and other financial institutions (Note 25)	在銀行及其他金融機構的存款(附註25)	80,828	50,769
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 27)	– 交易用途資產(附註27)	3,990	1,489
– designated at fair value through profit or loss (Note 28)	– 指定為通過損益以反映公平價值(附註28)	3,886	8,287
– advances and other accounts (Note 29(a))	– 墊款及其他賬項(附註29(a))	1	117
– available-for-sale (Note 30)	– 可供出售(附註30)	90,284	83,648
– held-to-maturity (Note 31)	– 持至到期(附註31)	6,199	6,747
		104,360	100,288
Cash and balances with banks and other financial institutions included in “Assets held for sale” (Note 56)	包括在「持有作出售資產」(附註56)的現金及在銀行和其他金融機構的結存	173	–
Amounts shown in the consolidated statement of financial position	在綜合財務狀況表出現的金額	254,483	221,415
Less: Amounts with an original maturity of beyond three months	減：原本期限為3個月以上的金額	(117,378)	(115,646)
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	(26,139)	(33,783)
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	110,966	71,986

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

48. 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。

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Secured liabilities	有抵押負債		6,577		6,534
Assets pledged:	抵押資產：				
Advances to customers and other accounts	客戶墊款及其他賬項		687		1,036
Available-for-sale financial assets	可供出售金融資產		5,919		5,822
Held-to-maturity investments	持至到期投資		155		733
			6,761		7,591

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。

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cash collateral for borrowed securities	用作證券借貸的現金抵押品		-		49
Margin accounts for open futures and forward contracts	用作開立期貨及遠期合約的孖展賬戶		2,262		1,644
			2,262		1,693

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 TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

49. LOANS TO DIRECTORS AND ENTITIES CONNECTED WITH DIRECTORS 董事及與董事有關連實體的貸款

The aggregate of loans to directors of the Bank and entities connected with directors disclosed pursuant to Section 383(1)(d) of the Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

根據《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規則》第3部規定，本行董事及與董事有關連實體之貸款總額披露如下：

		2015 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	1,834
By subsidiaries	由附屬公司借出	123
		1,957
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	2,621
By subsidiaries	由附屬公司借出	137
		2,758

There was no interest due but unpaid nor any impairment allowance made against these loans at 31st December, 2015.

於2015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。

Loans to Officers

For 2014, the aggregate of loans to officers of the Bank disclosed pursuant to Section 78 of Schedule 11 to the Companies Ordinance, with reference to Section 161B of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:

行政人員貸款

在2014年，根據《公司條例》附表11第78條，並參照前香港《公司條例》(第32章)第161B條規定，本行行政人員之貸款總額披露如下：

		2014 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	1,935
By subsidiaries	由附屬公司借出	156
		2,091
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	6,158
By subsidiaries	由附屬公司借出	256
		6,414

There was no interest due but unpaid nor any impairment allowance made against these loans at 31st December, 2014.

於2014年12月31日，沒有逾期未償付利息，亦未有對該等貸款作減值準備。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

50. 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 21 and certain of the highest paid employees as disclosed in Note 22, is as follows:

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Short-term employee benefits	短期僱員福利	110		114	
Post-employment benefits	僱員退休福利	6		6	
Equity compensation benefits	股份補償福利	22		24	
		138		144	

(b) The Group maintains certain retirement benefit schemes for its staff as per Note 2(q)(iii). In 2015, the total amount of contributions the Group made to the schemes was HK\$169 million (2014: HK\$159 million).

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

The interest received from and interest paid to the Group's related parties for the 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:

		Key management personnel		Subsidiaries		Associates	
		主要管理人員		附屬公司		聯營公司	
		2015	2014	2015	2014	2015	2014
		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	104	87	353	723	17	12
Interest expense	利息支出	37	61	79	88	-	-
Amounts due from	關聯人士的欠款	5,836	4,613	16,093	22,690	743	617
Amounts due to	欠關聯人士的款項	3,741	4,721	1,874	1,804	95	96
Maximum amounts due from	關聯人士的最高欠款	8,323	9,572	24,982	26,848	853	1,494
Maximum amounts due to	欠關聯人士的最高款項	9,419	8,529	1,951	2,731	904	1,093
Committed facilities to	給予信貸承諾	3,400	6,371	2,316	861	290	421

(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21中所披露支付予本行董事及在附註22中所披露支付予本行若干最高薪酬僱員的金額如下：

(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2015年內，本集團對該等計劃的供款總數為港幣1.69億元(2014年：港幣1.59億元)。

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

於2015年，本集團從關聯人士所收取與支付予他們的利息，及在2015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：

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

51. EQUITY COMPENSATION PLANS 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board may at its discretion grant to any employees of the Group, including Executive Director 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\$港幣元
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
03/5/2013(T1)	03/5/2013–02/5/2014	03/5/2014–03/5/2019	31.40
03/5/2013(T2)	03/5/2013–02/5/2015	03/5/2015–03/5/2020	31.40
03/5/2013(T3)	03/5/2013–02/5/2016	03/5/2016–03/5/2021	31.40
02/5/2014(T1)	02/5/2014–01/5/2015	02/5/2015–02/5/2020	32.50
02/5/2014(T2)	02/5/2014–01/5/2016	02/5/2016–02/5/2021	32.50
02/5/2014(T3)	02/5/2014–01/5/2017	02/5/2017–02/5/2022	32.50
04/5/2015(T1)	04/5/2015–03/5/2016	04/5/2016–04/5/2021	34.15
04/5/2015(T2)	04/5/2015–03/5/2017	04/5/2017–04/5/2022	34.15
04/5/2015(T3)	04/5/2015–03/5/2018	04/5/2018–04/5/2023	34.15

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

51. 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

2015		Exercise price per share 每股行使價 HK\$港幣元	Outstanding at 1/1/2015 於2015年1月1日 尚未行使	Number of share options 認股權數目			Outstanding at 31/12/2015 於2015年12月31日 尚未行使
Date of grant 授予日期	Tranche 部分			Granted 已授予	Exercised 已行使	Lapsed 已失效	
06/7/2010		28.49	3,440,000	-	3,440,000	-	-
05/5/2011	T1	32.00	1,930,000	-	50,000	-	1,880,000
05/5/2011	T2	32.00	1,930,000	-	-	-	1,930,000
05/5/2011	T3	32.00	1,940,000	-	-	-	1,940,000
10/5/2012	T1	28.99	1,264,000	-	100,000	-	1,164,000
10/5/2012	T2	28.99	1,264,000	-	100,000	-	1,164,000
10/5/2012	T3	28.99	1,940,000	-	768,000	-	1,172,000
03/5/2013	T1	31.40	1,880,000	-	666,000	-	1,214,000
03/5/2013	T2	31.40	1,880,000	-	-	-	1,880,000
03/5/2013	T3	31.40	1,890,000	-	-	-	1,890,000
02/5/2014	T1	32.50	1,992,000	-	50,000	-	1,942,000
02/5/2014	T2	32.50	1,992,000	-	-	-	1,992,000
02/5/2014	T3	32.50	2,003,500	-	-	-	2,003,500
04/5/2015	T1	34.15	-	2,030,000	-	-	2,030,000
04/5/2015	T2	34.15	-	2,030,000	-	-	2,030,000
04/5/2015	T3	34.15	-	2,040,000	-	-	2,040,000
Total 總額			25,345,500	6,100,000	5,174,000	-	26,271,500

2014		Exercise price per share 每股行使價 HK\$港幣元	Outstanding at 1/1/2014 於2014年1月1日 尚未行使	Number of share options 認股權數目			Outstanding at 31/12/2014 於2014年12月31日 尚未行使
Date of grant 授予日期	Tranche 部分			Granted 已授予	Exercised 已行使	Lapsed 已失效	
05/5/2009		21.25	435,000	-	435,000	-	-
06/7/2010		28.49	3,600,000	-	160,000	-	3,440,000
05/5/2011	T1	32.00	1,930,000	-	-	-	1,930,000
05/5/2011	T2	32.00	1,930,000	-	-	-	1,930,000
05/5/2011	T3	32.00	1,940,000	-	-	-	1,940,000
10/5/2012	T1	28.99	1,830,000	-	566,000	-	1,264,000
10/5/2012	T2	28.99	1,930,000	-	666,000	-	1,264,000
10/5/2012	T3	28.99	1,940,000	-	-	-	1,940,000
03/5/2013	T1	31.40	1,880,000	-	-	-	1,880,000
03/5/2013	T2	31.40	1,880,000	-	-	-	1,880,000
03/5/2013	T3	31.40	1,890,000	-	-	-	1,890,000
02/5/2014	T1	32.50	-	1,992,000	-	-	1,992,000
02/5/2014	T2	32.50	-	1,992,000	-	-	1,992,000
02/5/2014	T3	32.50	-	2,003,500	-	-	2,003,500
Total 總額			21,185,000	5,987,500	1,827,000	-	25,345,500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(c) No share options were cancelled during the years ended 31st December, 2015 and 2014.

(c) 截至2015年12月31日及2014年12月31日年度內並未有認股權被註銷。

(d) Details of share options exercised

(d) 已行使認股權詳情

Exercise period 行使期間	Date of grant 授予日期	Number of share options 認股權數目	
		2015	2014
February 2月	05/5/2009	-	420,000
March 3月	06/7/2010	1,040,000	-
	10/5/2012 (T1)	-	566,000
	03/5/2013 (T1)	666,000	-
April 4月	06/7/2010	450,000	-
	05/5/2009	-	15,000
May 5月	06/7/2010	1,450,000	-
	10/5/2012 (T1)	50,000	-
	06/7/2010	500,000	-
	05/5/2011 (T1)	50,000	-
	10/5/2012 (T1)	50,000	-
	10/5/2012 (T2)	100,000	-
June 6月	10/5/2012 (T3)	100,000	-
	02/5/2014 (T1)	50,000	-
	06/7/2010	-	160,000
	10/5/2012 (T2)	-	666,000
	10/5/2012 (T3)	668,000	-
August 8月		5,174,000	1,827,000

52. 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 19(a).

董事於報告期結束日後擬派發第二次中期股息。詳情已在附註19(a)作披露。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

53. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

The preparation of financial statements 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 financial statements and the reported amounts of revenues and expenses for the years presented. Changes in assumptions may have a significant impact on the financial statements 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 financial statements therefore present the financial position and results fairly, in all material respects.

Management discussed with the AC the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

(a) Key sources of estimation uncertainty

Notes 34, 39 and 45 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.

在編製本集團的財務報表時，管理層必須作出若干於該等財務報表的日期，對所匯報資產及負債之金額和或然資產及負債披露有影響的估計和假定，同時亦須作出若干對報告年度內收入及支出之金額有影響的估計和假定。如本集團更改該等假定，便可能對作出有關改變期間的財務報表產生重大影響。採用此等不同的假定和估計意味本集團之報告會有所不同。在各個重要環節方面，本集團認為已作出適當之假定，而本集團的財務報表均能公平地反映其財政狀況和業績。

管理層已與審核委員會商討關於本集團重要會計政策及估計的制定、選擇和披露，以及該等政策和估計的應用。

(a) 估計不穩定因素的主要來源

附註34、39和45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定及其風險因素。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定，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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

(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 Special Investment Vehicle ("SIV") is based on its net asset values as provided by the SIV's manager.

(b) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

(i) Held-to-maturity investments

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Group evaluates its intention and ability to hold such investments till maturity.

If the Group fails to hold these investments to maturity other than for certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale, as such class is deemed to have been tainted.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

(ii) Recognition of deferred tax assets

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The Group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

(ii) 金融工具的估值

本集團對金融工具估值的會計政策列載於附註2。金融工具的公平價值主要根據認可之交易所的市場報價，或就非在交易所作交易的金融工具而言，則根據經紀／交易員的報價。債務抵押債券的公平價值由聲譽良好的經紀按買入價提供報價，及經已被管理層小心評估其適當性。特別投資工具的公平價值是根據特別投資工具之管理人所提供該工具的資產淨值。

(b) 本集團應用會計政策的重要會計判斷

本集團應用會計政策的若干重要會計判斷如下：

(i) 持至到期投資

本集團將設有固定或可確定付款金額和固定到期日，以及本集團有確信的意向及能力持有至到期日的非衍生金融資產，分類為持至到期投資。在作出有關判斷時，本集團會評估本身是否有意向及能力持有該等投資至到期日。

除若干特殊情況外，若本集團未能持有該等投資至到期日，本集團會將整個可持至到期日的投資組合，重新分類為可供出售。這是由於此類投資已被蒙污。

以上之情況會導致原以攤銷成本計量的可持至到期投資改以公平價值計量。

(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。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

54. COMPARATIVE FIGURES 比較數字

To better reflect the nature of periodic payments and receipts arising from interest rate contracts, such payments and receipts arising from interest rate contracts which are qualifying hedging instruments for or individually managed in conjunction with interest bearing financial assets are first netted together and then combined with the interest income from the corresponding financial assets. Similarly, payments and receipts arising from interest rate contracts which are qualifying hedging instruments for or individually managed in conjunction with interest bearing financial liabilities are also first netted together and then combined with the interest expense from the corresponding financial liabilities.

The net payments and receipts arising from interest rate contracts other than the above are included in net trading profits.

Certain 2014 comparative figures have been restated to conform to current year's presentation. Please refer to Consolidated Income Statement, Consolidated Statement of Changes in Equity, Notes 5, 6, 8, 11, 23 and 42 for the effect of restatement.

為更有效反映來自利率合約之定期支出及收入的性質，作為帶息金融資產的合格對沖工具或可個別地與帶息金融資產共同管理的利率合約所產生的支出及收入首先抵銷，淨額與其相關金融資產產生的利息收入合併。同樣地，作為帶息金融負債的合格對沖工具或可個別地與帶息金融負債共同管理的利率合約所產生的支出及收入首先抵銷，淨額與其相關金融負債產生的利息支出合併。

來自並非上述之利率合約的淨支出及收入，則列作交易淨溢利。

若干2014年的比較數字經已重報以符合本年度的呈報方式。請參閱綜合收益表、綜合權益變動表、附註5、6、8、11、23及42中所述的重報影響。

55. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2015

在截至2015年12月31日止年度前已公布但尚未生效的修訂、新標準和詮釋所產生的可能影響

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31st December, 2015 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

直至此等財務報表之發布日期，香港會計師公會已頒布了多項修訂及新準則；但該等修訂和新準則於截至2015年12月31日止會計年度尚未生效，因此尚未應用於此等財務報表。可能與本集團有關之修訂和新準則如下。

	Effective for accounting periods beginning on or after 由會計期開始或以後起生效
Annual improvements to HKFRSs 2010-2014 cycle 每年對《香港財務報告準則》之提升2010至2014循環	1st January, 2016 2016年1月1日
Amendments to HKFRS 10 and HKAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i> 經修訂《香港財務報告準則》第10號及《香港會計準則》第28號「投資者與其聯營公司或合營企業之間的資產銷售或投入」	1st January, 2016 2016年1月1日
Amendments to HKFRS 11, <i>Accounting for acquisitions of interests in joint operations</i> 經修訂《香港財務報告準則》第11號「收購合營業務權益之會計處理」	1st January, 2016 2016年1月1日
Amendments to HKAS 1, <i>Disclosure initiative</i> 經修訂《香港會計準則》第1號「披露計劃」	1st January, 2016 2016年1月1日
Amendments to HKAS 16 and HKAS 38, <i>Clarification of acceptable methods of depreciation and amortisation</i> 經修訂《香港會計準則》第16號及《香港會計準則》第38號「釐清折舊及攤銷之可接受方法」	1st January, 2016 2016年1月1日
HKFRS 15, <i>Revenue from contracts with customers</i> 《香港財務報告準則》第15號「與客戶之間的合同產生的收入」	1st January, 2018 2018年1月1日
HKFRS 9, <i>Financial instruments</i> 《香港財務報告準則》第9號「金融工具」	1st January, 2018 2018年1月1日

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

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 9, Financial Instruments

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.

The new impairment methodology in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under HKFRS 9 it is not necessary for a credit event to have occurred before credit losses are recognised.

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.

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9號「金融工具」

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分金融負債的要求，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。

在《香港財務報告準則》第9號所提倡之新減值計算方法是以「預計信貸損失」模式取代《香港會計準則》第39號之「已發生損失」模式。根據《香港財務報告準則》第9號，確認信貸損失是毋須一項信貸事件已經發生。

本集團現正研究實施《香港財務報告準則》第9號的影響，但須量化對當刊載該等綜合財務報表日期時之影響是不切實際的。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

56. ASSETS HELD FOR SALE 持有作出售資產

(a) The assets and liabilities of the disposal group held for sale is summarized below:

(a) 持有作出售之出售組別的資產和負債摘要如下：

		2015
		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	173
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	35
Advances to customers and other accounts	客戶墊款及其他賬項	598
Fixed assets (Note 35)	固定資產(附註35)	8
– Investment properties	– 投資物業	–
– Other property and equipment	– 其他物業及設備	8
Goodwill and intangible assets (Note 34)	商譽及無形資產(附註34)	2
Deferred tax assets (Note 36(b))	遞延稅項資產(附註36(b))	5
Assets held for sale	持有作出售資產	821
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	40
Current taxation	本期稅項	1
Other accounts and provisions	其他賬項及準備	184
Liabilities held for sale (Note 37(b))	持有作出售負債(附註37(b))	225

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

The considerations of the sales were determined after arm’s length negotiations between the Bank and SinoPac. The sale transaction of Tung Shing requires regulatory approval from the Securities and Futures Commission of Hong Kong and the Financial Supervisory Commission of Taiwan (“FSC”), while the disposal of BEA Wealth Management requires approval from the FSC and the Investment Commission of the Ministry of Economic Affairs in Taiwan.

Up to 15th February 2016, the transactions have still to be approved by the relevant regulatory authorities. The subsidiaries are classified as assets held for sale in the financial statements.

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

是次出售乃東亞銀行及永豐金控以公平磋商決定。出售東盛之交易尚待香港證券及期貨事務監察委員會及台灣金融監督管理委員會(「台灣金管會」)批准，而出售東亞證券(台灣)之交易則有待台灣金管會及台灣經濟部投資審議委員會的批准。

截至2016年2月15日，該等交易仍然有待有關監管當局批准。在財務報表中，該等附屬公司分類為持有作出售資產。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

財務報表附註(續)

		2015 HK\$ Mn 港幣百萬元
(b) Assets held for sale (Note 29(a))	(b) 持有作出售資產(附註29(a))	
Disposal group held for sale	持有作出售的組別	821
Other properties and loans	其他物業及貸款	134
		955
Liabilities held for sale (Note 37(b))	持有作出售負債(附註37(b))	
Disposal group held for sale	持有作出售的組別	225

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 financial statements and does not form part of the audited financial statements.

The preparation of supplementary financial information is in accordance with the Banking (Disclosure) Rules and consolidated supervision arrangement approved by HKMA.

以下所披露的資料只屬於財務報表的附帶資料而並不構成已審核財務報表之一部分。

編制補充財務資料是根據《銀行業(披露)規則》及金管局核准的綜合監管要求。

(1) CAPITAL ADEQUACY 資本充足

		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Capital base	股本基礎		
– Common Equity Tier 1 capital	– 普通股權一級資本	61,571	53,424
– Additional Tier 1 capital	– 額外一級資本	7,210	2,835
– Total Tier 1 capital	– 一級資本總額	68,781	56,259
– Tier 2 capital	– 二級資本	17,703	19,197
– Total capital	– 資本總額	86,484	75,456
Risk weighted assets by risk type	風險加權資產類別		
– Credit risk	– 信貸風險	458,920	410,891
– Market risk	– 市場風險	17,231	13,355
– Operational risk	– 營運風險	30,553	29,687
		506,704	453,933
Less: Deductions	減: 扣除	(3,018)	(2,479)
		503,686	451,454

		2015	2014
		% 百分率	% 百分率
Common Equity Tier 1 capital ratio	普通股權一級資本比率	12.2	11.8
Tier 1 capital ratio	一級資本比率	13.7	12.5
Total capital ratio	總資本比率	17.2	16.7

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

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

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

The list of subsidiaries that are not included in consolidation for regulatory purposes are:

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

以下附屬公司並未包括在用作監管用途之綜合計算內：

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Abacus (Nominees) Limited	Nominee company 受託代管公司	–	–	–	–
Abacus Business Consultants Sdn. Bhd.	Dormant 不活動	–	–	–	–
Abacus Company Administration Sdn. Bhd.	Corporate director and secretarial services 法人團體董事及秘書服務	–	–	–	–
Abacus Share Registrars Ltd 雅柏勤證券登記有限公司	Name reservation 預留公司名稱	–	–	–	–
Acheson Limited	Trustee and shareholder services 信託及股東服務	–	–	–	–
Agensi Pekerjaan Tricor Sdn Bhd	Employment agency 職業介紹機構	–	–	–	–
Albridge Corporate Advisory Services Ltd	Corporate services 企業服務	–	–	–	–
Albridge Services London Ltd	Dormant 不活動	–	–	–	–
Alhart Limited	Nominee company 受託代管公司	–	–	–	–
Ample Delight Limited 承悅有限公司	Investment holding 投資控股	383	383	383	383
Asia Management Services Sdn Berhad 亞洲管理服務有限公司	Management services 管理服務	4	4	4	4
Asia Securities Sdn Berhad	Management services (Dormant) 管理服務(不活動)	–	–	–	–
Atsumi & Sakai UK Limited	Dormant (use as name protection vehicle) 不活動(用作名稱保護工具)	–	–	–	–

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Barbinder & Co. Pte. Ltd.	Share registration 證券登記		6		2
Barbinder & Co., Sdn. Bhd.	Dormant 不活動		–		–
BC (BVI) Holdings Limited	Investment holding 投資控股		16		16
BEA Blue Sky Company Limited	Acting as the sole general partner to BEA Blue Sky Real Estate Fund L.P. 出任 BEA Blue Sky Real Estate Fund L.P. 單一普通合夥人		1		1
BEA Blue Sky Real Estate Fund L.P.	Acting as a limited partner to BEA/AGRE China Real Estate Fund L.P. 出任 BEA/AGRE China Real Estate Fund L.P. 有限責任合夥人		71		68
BEA Blue Sky SLP Limited	Acting as a special limited partner to BEA/AGRE China Real Estate Fund L.P. 出任 BEA/AGRE China Real Estate Fund L.P. 特殊有限責任合夥人		–		–
BEA Consortium GS Investors L.P.	Acting as a limited partner of a limited partnership 有限責任合夥人		129		129
BEA Insurance Agency Limited 東亞保險代理有限公司	Insurance 保險		–		–
BEA Insurance Brokerage (Taiwan) Limited 東亞銀保險經紀人股份有限公司	General and life insurance broker 一般及人壽保險經紀		1		1
BEA Life Limited 東亞人壽保險有限公司	Life insurance 人壽保險		11,383		895
BEA Pacific Asia Limited	Dormant 不活動		–		–
BEA Pacific Holding Company Limited (in Members' Voluntary Liquidation)	Investment holding 投資控股		1		1
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Asset management 資產管理		499		477
BEA Wealth Management Services (Taiwan) Limited 東亞證券股份有限公司	Wealth management services 財富管理服務		193		85
Becmac Limited	Nominee shareholder 股東代名人		–		–
Beecroft Limited	Nominee company 受託代管公司		–		–

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets	Total equity
		資產總額	股東權益總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Bentley Services Limited	Nominee director 董事代名人	–	–
Blue Care (BVI) Holdings Limited	Investment holding 投資控股	16	16
Blue Care JV (BVI) Holdings Limited	Investment holding 投資控股	18	18
Blue Care Medical Services Limited 寶康醫療服務有限公司	Medical services 醫療服務	36	25
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Insurance 保險	3,427	831
Branford Investments Limited	Nominee services 受託代管服務	–	–
Camceb Limited	Nominee shareholder 股東代名人	–	–
Cane Garden Bay Limited	Nominee director/shareholder 董事/股東代名人	–	–
Capico Asset Management Sdn. Bhd.	Corporate director and secretarial services 法人團體董事及秘書服務	–	–
Caribbean Corporate Services Ltd.	Corporate secretarial and accounting services 法人團體秘書及會計服務	13	10
CCSL St. Lucia Ltd.	Holding company 控股公司	1	–
Central Town Limited 匯中興業有限公司	Property investment 物業投資	656	434
Century Able Limited 階潤有限公司	Investment holding 投資控股	798	798
Cheam Holdings Limited	Nominee director 董事代名人	–	–
Cheam Nominees Limited	Nominee director 董事代名人	–	–
Chongqing Dongrong Business Consultancy Company Limited 重慶市東榮商務諮詢有限公司	Business consultancy services 商業諮詢服務	6	1
Chua, Woo & Company Sdn. Bhd.	Dormant 不活動	–	–
Citiview Capital Limited	Acting as the general partner and limited partner of a limited partnership 普通合夥人及有限責任合夥人	13	2
Clacton Company Limited	Nominee company 受託代管公司	–	–
Cloud Paging Nominees Limited	Dormant 不活動	–	–

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Corona Light Limited	Investment holding 投資控股		930		930
Crystal Gleaming Limited	Investment holding 投資控股		930		930
Dean Street Property Limited	Property development 物業發展		37		31
Delanez Limited	Nominee director/shareholder 董事/股東代名人		–		–
Denroy Nominees Limited	Nominee director 董事代名人		–		–
Dersale Limited	Nominee director/shareholder 董事/股東代名人		–		–
Directra Overseas Services Inc.	Nominee company 受託代管公司		–		–
Directra Services Limited	Nominee company 受託代管公司		–		–
EA Securities Limited	Investment holding 投資控股		–		(63)
East Asia Corporate Services (BVI) Limited	Registered agent and trustee services 註冊代理及信託服務		25		24
East Asia Corporate Services (Nominees) Ltd.	Nominee director/shareholder 董事/股東代名人		–		–
East Asia Financial Services (BVI) Ltd.	Investment holding 投資控股		1		1
East Asia Futures Limited 東亞期貨有限公司	Futures and options trading 期貨及期權交易		59		59
East Asia Indonesian Holdings Limited	Investment holding 投資控股		137		130
East Asia International Trustees Holdings (BVI) Limited	Investment holding 投資控股		10		10
East Asia International Trustees Limited	Trustee services 信託服務		27		25
East Asia Properties Holding Company Limited 東亞物業控股有限公司	Investment holding 投資控股		6		(67)
East Asia Property Agency Company Limited 東亞物業代理有限公司	Property agency 物業代理		12		12
East Asia Property Holdings (Jersey) Limited	Property holding 物業持有		96		38

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets	Total equity
		資產總額	股東權益總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
East Asia Property Management (China) Limited 東亞物業管理(中國)有限公司	Property management 物業管理	–	–
East Asia Secretaries (BVI) Limited	Investment holding 投資控股	594	594
East Asia Secretaries Limited 東亞秘書有限公司	Secretarial services 秘書服務	–	–
East Asia Securities Company Limited 東亞證券有限公司	Securities broking 證券買賣	1,109	786
East Asia Strategic Holdings Limited	Investment holding 投資控股	417	417
Elemen Limited	Nominee shareholder 股東代名人	–	–
Epsilon Registration Services Sdn. Bhd.	Dormant 不活動	–	–
Equity Trustee Limited	Trustee 信託服務	1	1
Essex Nominees Limited	Nominee director/shareholder 董事/股東代名人	–	–
Evatthouse Corporate Services Pte. Ltd.	Corporate secretarial and advisory services 法人團體秘書及諮詢服務	101	4
Fitz Services Pte. Ltd.	Business and management consultancy services 商業及管理諮詢服務	–	–
Fortra Services Limited	Nominee company 受託代管公司	–	–
Gainsville Limited	Nominee shareholder 股東代名人	–	–
Gil Services Pte. Ltd.	Business and management consultancy services 商業及管理諮詢服務	–	–
Gladwood Limited	Nominee director/shareholder 董事/股東代名人	–	–
Gold Sweep Sdn Bhd	Investment holding 投資控股	73	2
Golden Empire International Inc.	Property investment 物業投資	–	–
Golden Properties Finance Ltd.	Mortgage financing 按揭財務	–	–
Golden Queen International Ltd.	Property investment 物業投資	–	–
Grimma Company Limited	Nominee company 受託代管公司	–	–

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
High Town Limited	Investment holding 投資控股		4		4
ICEA Capital Limited 工商東亞融資有限公司	Dormant 不活動		70		70
ICIS China (HK) Co Limited	Name reservation service 預留公司名稱服務		–		–
International Holdings Corporation	Trust related services 信託相關服務		–		–
Jinmao (China) Hotel Investments and Management Limited 金茂(中國)酒店投資管理有限公司	Name reservation service 預留公司名稱服務		–		–
Kaliwood Corporation	Nominee director/shareholder 董事/股東代名人		–		–
Keen Sight Development Limited	Investment holding 投資控股		229		228
Leader One Limited	Investment holding 投資控股		7		–
Linkwall Investments Limited 領皇投資有限公司	Trustee 信託服務		–		–
Maccabee (Nominees) Limited	Nominee director 董事代名人		–		–
Mache Holdings Limited	Nominee shareholder 股東代名人		–		–
Mache Nominees Limited	Nominee shareholder 股東代名人		–		–
Mactors Limited	Nominee director 董事代名人		–		–
Maintex Limited	Nominee director 董事代名人		–		–
Malplaquet Limited	Nominee director, shareholder and secretary 董事、股東及秘書代名人		–		–
Manchester Property Holdings Ltd.	Property holding 物業控股		32		13
Menroy Registrars Limited	Nominee director 董事代名人		–		–
Nickel Resources International Holdings Company Limited 鎳資源國際控股有限公司	Provision of name reservation service 預留公司名稱服務		–		–
Norpac Holdings Limited	Custodian services 保管服務		–		–

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HKS Mn	港幣百萬元	HKS Mn	港幣百萬元
Outsource Centre Pte. Ltd.	Accounting and payroll services 會計及支薪服務	5		1	
Overseas Nominees Limited	Nominee services 受託代管服務	–		–	
Pen Ling Limited	Nominee company 受託代管公司	–		–	
PFA Corporate Consultants Sdn Bhd	Consultancy, advisory and nominees services 諮詢、顧問及受託代管服務	–		–	
PFA Registration Services Sdn. Bhd.	Dormant 不活動	1		1	
Powerhouse Worldwide Limited	Investment holding 投資控股	226		226	
Ramillies Limited	Nominee director, shareholder and secretary 董事、股東及秘書代名人	–		–	
Red Phoenix Limited	Leasing of motor vehicles 汽車租賃	1		1	
Roebuck Limited	Directorship services 董事職務服務	–		–	
Rontors Limited	Nominee director 董事代名人	–		–	
Rosland Corporate Management Limited	Nominee shareholder 股東代名人	–		–	
Secretaries Limited 秘書商業服務有限公司	Name reservation service 預留公司名稱服務	–		–	
Secretarius Services Sdn. Bhd.	Corporate director and secretarial services 法人團體董事及秘書服務	–		–	
Selene Throne (HK) Limited	Name reservation service 預留公司名稱服務	–		–	
Shaftesbury Property Holdings Limited	Investment holding 投資控股	114		114	
Shaftesbury Property Investments Limited	Investment holding 投資控股	73		73	
Shareg Nominees Limited	Nominee services 受託代管服務	–		–	
Silver River International Limited	Acting as the general partner and limited partner of a limited partnership 普通合夥人及有限責任合夥人	172		–	
Silver Sunlight Limited	Acting as the general partner of a limited partnership 普通合夥人	–		–	
Skyray Holdings Limited	Investment holding 投資控股	450		450	

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Songket Bakery Sdn. Bhd.	Development and trading of computer software and provision of computer software related maintenance services (in striking off) 電腦軟件開發及買賣以及提供相關之軟件保養服務(除名中)	–	–	–	–
Speedfull Limited	Investment holding 投資控股	450	450	450	450
Standard Registrars Limited 標準證券登記有限公司	Name reservation service 預留公司名稱服務	–	–	–	–
Strath Corporate Services Limited	Business and corporate services 商業及企業服務	–	–	–	–
Swan Nominees Limited	Nominee shareholder 股東代名人	–	–	–	–
Tabernacle Assets Limited 德繼有限公司	Protector of trust 信託保障人	–	–	–	–
Teeroy Limited	Trustee 信託服務	–	–	–	–
Tengis International Limited	Authorised signatories services 授權簽署服務	–	–	–	–
Tengis Limited 登捷時有限公司	Name reservation service 預留公司名稱服務	–	–	–	–
Tengis Services Limited	Act as account holder for clients' funds for payroll and Mandatory Provident Fund 出任客戶支薪及強積金帳戶持有人	–	–	–	–
The Bank of East Asia (Nominees) Limited 東亞銀行受託代管有限公司	Nominee services 受託代管服務	–	–	–	–
The Bank of East Asia (Nominees) Private Limited	Nominee services 受託代管服務	–	–	–	–
The Bank of East Asia Charitable Foundation Limited 東亞銀行慈善基金有限公司	Charitable institution 慈善機構	–	–	–	–
The Bank of East Asia Nominees (UK) Limited	Dormant 不活動	–	–	–	–
Travelsafe Limited	Dormant 不活動	–	–	–	–
Tricor (B) Sdn. Bhd.	Corporate business and investor services 企業、商業及投資者服務	6	6	3	3

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Tricor A&S Corporate Services KK	Corporate secretarial, tax and accounting, payroll, banking and cash management services 公司秘書、稅務及會計、支薪、銀行及現金管理服務	1		1	
Tricor Abacus Limited 卓佳雅柏勤有限公司	Investor services 投資者服務	1		1	
Tricor Asia Limited	Act as account holder for clients' funds for payroll and payment processing 出任客戶支薪及付款處理帳戶持有人	–		–	
Tricor Authorised Representative Limited	Authorised representative services 授權代表服務	–		–	
Tricor Board Dynamics Sdn Bhd	Temporarily ceased business operations 暫時停止業務運作	–		–	
Tricor Business Services Sdn. Bhd.	Accounting, payroll and administration services 會計、支薪及行政服務	114		7	
Tricor Caribbean Limited	Inactive 不活躍	–		–	
Tricor CNP Corporate Services Pte. Ltd.	Corporate services 企業服務	5		2	
Tricor Consultancy (Beijing) Limited 東亞卓佳諮詢(北京)有限公司	Business consultancy in China 國內商業諮詢	168		162	
Tricor Consulting Limited	Consultancy services 諮詢服務	4		–	
Tricor Corporate Secretaries Limited	Dormant 不活動	–		–	
Tricor Corporate Secretary Limited	Corporate services 企業服務	–		–	
Tricor Corporate Services Sdn. Bhd.	Provision of corporate secretarial services 提供公司秘書服務	19		5	
Tricor Custodian Limited 忠港投資有限公司	Process agent and escrow services 法律程序文件代理人及委託交易服務	–		–	
Tricor Europe (Holdings) Limited	Investment holding 投資控股	25		–	
Tricor Executive Recruitment Ltd.	Executive recruitment 高級管理人才招聘	4		(9)	
Tricor Executive Resources Limited 卓佳行政資源顧問有限公司	Executive search and selection 搜羅及選核高級管理人才	2		(4)	
Tricor Fiduciaries Limited	Trust services 信託服務	–		–	

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Tricor Firmley Limited	Nominee company and corporate services 受託代管公司及企業服務	–	–	–	–
Tricor Friendly Limited 卓佳準誠有限公司	Investor services 投資者服務	1	1	1	1
Tricor Global Limited	Investment holding 投資控股	10	10	10	10
Tricor Greater China Limited 卓佳大中華有限公司	Investor of Tricor Beijing Wholly Foreign Owned Enterprise 卓佳北京外商投資企業投資者	24	19	19	19
Tricor Hive Sdn Bhd	Business of incubation and business centres 創業服務中心及商務中心	34	6	6	6
Tricor Holdings Limited	Investment holding 投資控股	1,127	1,098	1,098	1,098
Tricor Holdings Pte. Ltd.	Investment holding 投資控股	432	215	215	215
Tricor HSP Japan JV K.K.	Consultancy services 諮詢服務	2	1	1	1
Tricor HSP Singapore Pte. Ltd.	Secretarial and accounting services 秘書及會計服務	2	1	1	1
Tricor Humatrix Asia Pte. Ltd	Payroll and accounting services 支薪及會計服務	7	5	5	5
Tricor Humatrix (M) Sdn. Bhd.	To carry on and transact in providing software 從事軟件提供	2	–	–	–
Tricor Human Capital Limited	Consultancy services (human capital, human resources), dormant status 諮詢服務(人力資本·人力資源)· 不活動公司	–	–	–	–
Tricor IAG Fund Administration (Hong Kong) Limited	Fund administration services 基金管理	–	(6)	(6)	(6)
Tricor IAG Fund Administration (Singapore) Pte. Limited	Activities auxiliary to fund management activities 基金管理附屬服務	1	(3)	(3)	(3)
Tricor International Trustee Limited	Trustee 信託服務	2	2	2	2
Tricor Investor & Issuing House Services Sdn. Bhd.	Shares registration service 證券登記服務	7	6	6	6
Tricor Investor Services Limited 卓佳證券登記有限公司	Investor services 投資者服務	57	43	43	43
Tricor Investor Services Sdn. Bhd.	Shares registration service 證券登記服務	–	14	14	14

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets	Total equity
		資產總額	股東權益總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Tricor Japan Holdings GK	Nominee company 受託代管公司	–	–
Tricor Japan Limited 卓佳日本有限公司	Consulting, accounting, human resources & office administrative service 諮詢、會計、人力資源及辦公室行政服務	10	9
Tricor K.K.	Business process outsourcing 業務流程外包	64	30
Tricor Knowledge House Sdn Bhd	Organizing training courses and workshops 籌劃培訓課程及工作坊	1	–
Tricor Labour and Social Security Corporation	Labour and social security service 勞工及社會保障服務	–	–
Tricor Nominees Limited	Founder member of Tricor's HK shelf companies 為卓佳香港空殼公司之創辦成員	–	–
Tricor Nominees (Overseas) Limited	Nominee company (acting as first director & shareholder of Tricor's BVI shelf companies which remain unsold for 6 months) 受託代管公司(擔任6個月仍未售出的 卓佳英屬處女群島空殼公司的 首任董事及股東)	–	–
Tricor Outsourcing (Thailand) Ltd.	Business outsourcing 業務外包	40	5
Tricor Praesidium Limited	Compliance & corporate services 合規及企業服務	1	(3)
Tricor PrimePartners Corporate Services Pte. Ltd.	Providing secretarial, accounting, share registration services and employment agencies (Excluding maid agencies) 提供秘書、會計、股票登記服務及 僱傭公司(不包女傭中介)	1	1
Tricor Progressive Limited 卓佳廣進有限公司	Investor services 投資者服務	1	1
Tricor Representatives Limited	Process agent or escrow services 法律程序文件代理人及委託交易服務	–	–
Tricor Roots Business Intelligence Sdn Bhd.	Development and trading of computer software and provision of software related consultancy services 電腦軟件開發及買賣以及提供相關之 軟件諮詢服務	15	15
Tricor Roots Consulting Sdn Bhd.	Engaged in the business of installation of computer software and provision of related consulting services, conducting and organizing seminar and conference 從事電腦軟件裝置及提供相關之諮詢服務 以及開展及組織研討會及會議	7	(8)
Tricor Roots Governance Sdn. Bhd.	Internal audit service 內部審計服務	–	(1)

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Tricor SaaS Sdn Bhd	Software development and other related information technology support 軟件開發以及其他相關資訊科技支援	1		–	
Tricor Secretaries (Labuan) Limited	Secretarial services 秘書服務	1		1	
Tricor Secretaries Limited 卓佳秘書商務有限公司	Business, corporate and investor services 商業、企業及投資者服務	18		17	
Tricor Secretaries Limited	Corporate secretarial services plus registrar and Enterprise Investment Scheme administration services 法人團體秘書服務, 過戶登記處及企業投資計劃行政服務	1		(1)	
Tricor Securities Limited	Nominee and custodian services 受託代管服務	–		–	
Tricor Senedi Sdn Bhd	Information technology support 資訊科技支援	1		(4)	
Tricor Services (Brunei) Ltd	Registered agent 註冊代理	–		–	
Tricor Services (BVI) Limited	Registered agent and trustee services 註冊代理及信託服務	26		22	
Tricor Services (London) Limited	Dormant 不活動	2		1	
Tricor Services (Macau) Limited 卓佳專業商務(澳門)有限公司	Business services 商業服務	4		3	
Tricor Services (Malaysia) Sdn. Bhd.	Investment holding 投資控股	117		70	
Tricor Services Europe LLP	Limited liability partnership 有限責任合夥	30		1	
Tricor Services Europe No. 1 Limited	Dormant 不活動	–		–	
Tricor Services Limited 卓佳專業商務有限公司	Business, corporate and investor services 商業、企業及投資者服務	372		249	
Tricor Signatory Limited	Bank signatory 銀行戶口簽署人	–		–	
Tricor Singapore Pte. Ltd.	Business management and consultancy services, and employment agency 商業管理及諮詢服務、兼職業介紹機構	284		148	
Tricor Standard Limited 卓佳標準有限公司	Investor services 投資者服務	2		2	
Tricor Strath Group Limited	Holding company 控股公司	–		–	

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Tricor Strath Limited	Business and corporate services 商業及企業服務	–	–	–	–
Tricor Tax Corporation	Tax services 稅務服務	2	–	1	–
Tricor Tax Services Sdn. Bhd.	Tax advisory and consulting services 稅務顧問及諮詢服務	3	–	3	–
Tricor Tengis Limited 卓佳登捷時有限公司	Business, corporate and investor services 商業、企業及投資者服務	13	–	9	–
Tricor Trident Nominees Limited	Trustee company 信託人公司	–	–	–	–
Tricor Trustco (Labuan) Limited	Corporate, secretarial & accounting services 企業、秘書及會計服務	17	–	11	–
Tricor Vietnam Company Limited	Management consulting services 管理諮詢服務	1	–	–	–
Tricor WP Corporate Services Pte. Ltd	Business and management consultancy services 商業及管理諮詢服務	26	–	19	–
Trident Corporate Management Limited	Nominee shareholder 股東代名人	–	–	–	–
Tristan Company Limited	Nominee director/shareholder 董事/股東代名人	–	–	–	–
TSV Services (Singapore) Pte. Ltd.	Holding company 控股公司	–	–	–	–
Tudor Nominees Limited	Nominee shareholder 股東代名人	–	–	–	–
Tung Shing Holdings (BVI) Limited	Investment holding 投資控股	–	–	–	–
Turquandia Limited	Nominee shareholder 股東代名人	–	–	–	–
U Care Hong Kong Medical Limited 明康醫療香港有限公司	Medical services 醫療服務	13	–	(15)	–
United Chinese (Nominee) Limited	Dormant 不活動	–	–	–	–
Vanceburg Limited	Nominee shareholder, director, secretary and appointor 股東代名人、董事、秘書及提名人	–	–	–	–
W.T. (Secretaries) Limited	Secretaries services 秘書服務	–	–	–	–
Wai Chiu Company Limited 偉超有限公司	Nominee director/shareholder 董事/股東代名人	–	–	–	–
Wai Hop Company Limited 偉合有限公司	Nominee director/shareholder 董事/股東代名人	–	–	–	–
WCS Nominees Limited	Dormant 不活動	–	–	–	–

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Westboro Limited	Nominee services 受託代管服務	–	–	–	–
Witcombe Corporation	Nominee director/shareholder 董事/股東代名人	–	–	–	–
Woodside Corporate Services Limited	Receiving agent, fund administration, custodial, security trustee and registrar services 收款代理人、基金管理、保管、信託保安 及登記服務	13	13	13	13
WT Management (PTC) Inc	Trustee 信託服務	–	–	–	–

There are no subsidiaries which are included within both the accounting scope of consolidation and the regulatory scope of consolidation but where the method of consolidation differs at 31st December, 2015.

There are no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation at 31st December, 2015.

There are no relevant capital shortfalls in any of the Group's subsidiaries as at 31st December, 2015 (31st December, 2014: Nil) which are not included in the Group's consolidation for regulatory purposes.

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.

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

並未有已包括在用作會計範疇及監管範疇之綜合賬的附屬公司，而於2015年12月31日其綜合計算方法是不相同的。

於2015年12月31日，並未有附屬公司已包括在用作監管範疇之綜合賬但並未包括在用作會計範疇之綜合賬內。

於2015年12月31日(2014年12月31日：無)，本集團之附屬公司並無有關資本不足而未有包括在本集團用作監管用途之綜合賬內。

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

為符合《銀行業(披露)規則》，本集團已在本行網站內增設一節。有關本集團的監管資本工具及其他披露資料，可於本行網站該節內找到，只要瀏覽本行網站www.hkbea.com主頁內「監管披露」的連繫或http://www.hkbea.com/regulatory_disclosures/index_tc.html的直接連繫。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED) 未經審核補充財務資料(續)

(2) LIQUIDITY POSITION 流動資金狀況

		2015 % 百分率	The year ended 截至31/12/2014 止年度 % 百分率
Average liquidity coverage ratio	平均流動性覆蓋比率		
– First quarter	– 第一季	127.2	N.A.
– Second quarter	– 第二季	137.5	N.A.
– Third quarter	– 第三季	132.1	N.A.
– Fourth quarter	– 第四季	151.2	N.A.
Average liquidity ratio for the year	年度內平均流動資金比率	N.A.	50.2

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

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

The average liquidity ratio for the year ended 31st December, 2014 was the simple average of each calendar month's average liquidity ratio, which was computed on the consolidated basis as required by the HKMA for its regulatory purposes, and was in accordance with the Fourth Schedule to the Banking Ordinance.

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

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

截至2014年12月31日止年度之平均流動資金比率是每月平均比率的簡單平均數，其計算是根據金管局訂定用作規管用途的綜合基準及香港《銀行業條例》附表4。

(3) INTERNATIONAL CLAIMS 國際債權

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

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

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(3) INTERNATIONAL CLAIMS (CONTINUED) 國際債權(續)

		2015								
		Non-bank private sector 非銀行私營機構					Total	Of which 其中：		
		Banks	Official sector	Non-bank financial institutions	Non-financial private sector	Others	claims	Cross-border claims	Local claims (in all currencies)	
		銀行	官方部門	非銀行金融機構	私營機構非金融	其他	總額	跨國債權	所在地債權(所有貨幣)	
		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	
Counterparty country/ jurisdiction	交易對手的國家/司法權									
Developed countries	發達國家	28,334	6,077	4,416	32,787	-	71,614	39,280	32,334	
Offshore centres	離岸中心	12,606	42,102	20,531	215,979	3	291,221	28,421	262,800	
- of which: Hong Kong	- 其中：香港	9,281	35,297	19,917	194,412	3	258,910	23,394	235,516	
Developing Europe	發展中歐洲	-	-	-	54	-	54	54	-	
Developing Latin America and Caribbean	發展中的拉丁美洲和加勒比	-	-	-	184	-	184	184	-	
Developing Africa and Middle East	發展中的非洲和中東地區	91	-	26	-	-	117	109	8	
Developing Asia and Pacific	發展中的亞洲和太平洋地區	100,385	32,630	30,215	233,699	-	396,929	120,525	276,404	
- of which: China	- 其中：中華人民共和國	89,081	31,356	28,395	223,628	-	372,460	102,882	269,578	
Total	總額	141,416	80,809	55,188	482,703	3	760,119	188,573	571,546	

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

		2014													
		Non-bank private sector 非銀行私營機構					Of which 其中：								
		Official sector 官方部門		Non-bank financial institutions 非銀行 金融機構		Non-financial private sector 非金融 私營機構		Others 其他		Total claims 總額		Cross-border claims 跨國債權		Local claims (in all currencies) 所在地債權 (所有貨幣)	
		Banks 銀行	Official sector 官方部門	Non-bank financial institutions 非銀行 金融機構	Non-financial private sector 非金融 私營機構	Others 其他		Total claims 總額	Cross-border claims 跨國債權		Local claims (in all currencies) 所在地債權 (所有貨幣)				
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元				
Counterparty country/ jurisdiction	交易對手的國家/ 司法權														
Developed countries	發達國家	15,818	7,003	1,440	26,507	32		50,800	22,493		28,307				
Offshore centres	離岸中心	10,033	41,661	6,607	236,427	6		294,734	28,783		265,951				
- of which: Hong Kong	- 其中：香港	9,204	32,594	6,524	211,437	-		259,759	24,311		235,448				
Developing Europe	發展中歐洲	-	-	-	47	-		47	47		-				
Developing Latin America and Caribbean	發展中的拉丁美洲和加勒比	-	-	-	200	-		200	30		170				
Developing Africa and Middle East	發展中的非洲和中東地區	111	141	-	40	-		292	290		2				
Developing Asia and Pacific	發展中的亞洲和太平洋地區	136,224	4,400	11,559	280,169	-		432,352	112,648		319,704				
- of which: China	- 其中：中華人民共和國	128,267	3,168	11,059	269,877	-		412,371	97,481		314,890				
Total	總額	162,186	53,205	19,606	543,390	38		778,425	164,291		614,134				

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

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

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(4) MAINLAND ACTIVITIES 內地活動

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

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

		On-balance sheet exposure 資產負債表 以內的風險 HK\$ Mn 港幣百萬元	2015 Off-balance sheet exposure 資產負債表 以外的風險 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Type of counterparties	交易對手的類別			
1. Central government, central government-owned entities and their subsidiaries and joint ventures	1. 中央政府、屬中央政府擁有之機構與其附屬公司及合營企業	26,087	3,934	30,021
2. Local governments, local government-owned entities and their subsidiaries and joint ventures	2. 地方政府、屬地方政府擁有之機構與其附屬公司及合營企業	16,568	1,762	18,330
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	3. 居住中國內地的中國公民或其他於境內註冊成立之其他機構與其附屬公司及合營企業	155,502	34,997	190,499
4. Other entities of central government not reported in item 1 above	4. 並無於上述(1)項內報告的中央政府之其他機構	3,746	1,570	5,316
5. Other entities of local governments not reported in item 2 above	5. 並無於上述(2)項內報告的地方政府之其他機構	3,948	98	4,046
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6. 居住中國境外的中國公民或於境外註冊之其他機構，其於中國內地使用之信貸	8,507	304	8,811
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7. 其他被視作為內地非銀行客戶之風險	39,950	1,616	41,566
Total	總額	254,308	44,281	298,589
Total assets after provision	扣除撥備後總資產	737,558		
On-balance sheet exposures as percentage of total assets	資產負債表內之風險承擔佔總資產的比例	34.5%		

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

		On-balance sheet exposure 資產負債表 以內的風險 HK\$ Mn 港幣百萬元	2014 Off-balance sheet exposure 資產負債表 以外的風險 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Type of counterparties	交易對手的類別			
1. Central government, central government-owned entities and their subsidiaries and joint ventures	1. 中央政府、屬中央政府擁有之機構與其附屬公司及合營企業	23,037	4,636	27,673
2. Local governments, local government-owned entities and their subsidiaries and joint ventures	2. 地方政府、屬地方政府擁有之機構與其附屬公司及合營企業	18,205	3,996	22,201
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	3. 居住中國內地的中國公民或其他於境內註冊成立之其他機構與其附屬公司及合營企業	191,383	35,420	226,803
4. Other entities of central government not reported in item 1 above	4. 並無於上述(1)項內報告的中央政府之其他機構	6,776	2,067	8,843
5. Other entities of local governments not reported in item 2 above	5. 並無於上述(2)項內報告的地方政府之其他機構	3,634	401	4,035
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6. 居住中國境外的中國公民或於境外註冊之其他機構，其於中國內地使用之信貸	6,950	347	7,297
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7. 其他被視作為內地非銀行客戶之風險	32,328	2,128	34,456
Total	總額	282,313	48,995	331,308
Total assets after provision	扣除撥備後總資產	798,037		
On-balance sheet exposures as percentage of total assets	資產負債表內之風險承擔佔總資產的比例	35.4%		

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

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

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(5) LEVERAGE RATIO 槓桿比率

		2015	2014
		% 百分率	% 百分率
Leverage ratio	槓桿比率	8.3	N.A.

The disclosure on leverage ratio is effective since 31st March, 2015 and is computed on the same consolidated basis as specified in a notice from the HKMA in accordance with section 3C of the Capital Rules. The relevant disclosures pursuant to section 45A of the Banking (Disclosure) Rules can be found on the Bank's website accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at www.hkbea.com or at the following direct link: www.hkbea.com/regulatory_disclosures.

槓桿比率之披露是由2015年3月31日起生效，其計算乃按金管局根據《資本規則》第3C條頒布的通知內所指定的綜合基準。根據《銀行業(披露)規則》第45A條的有關披露資料，可瀏覽本行網站www.hkbea.com主頁內「監管披露」的連繫或按www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html的直接連繫。

(6) COUNTERCYCLICAL CAPITAL BUFFER RATIO 逆周期緩衝資本比率

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

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

(7) CAPITAL CONSERVATION BUFFER RATIO 防護緩衝資本比率

Under section 3M of the Capital Rules, the capital conservation buffer ratio for calculating the Bank's buffer level is 0% for 2015.

根據《資本規則》第3M條，就2015年而言，用以計算緩衝水平的防護緩衝資本比率是0%。

(8) HIGHER LOSS ABSORBENCY RATIO 較高吸收虧損能力比率

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

根據《資本規則》第3V條，金管局已將本銀行指定為具本地系統重要性認可機構。就2015年而言，適用於具本地系統重要性認可機構的較高吸收虧損能力比率是0%。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(9) 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

		2015		2014	
		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
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	610	0.1	1,076	0.3
– 1 year or less but over 6 months	– 6個月以上至1年	1,535	0.4	469	0.1
– Over 1 year	– 1年以上	1,934	0.4	551	0.1
		4,079	0.9	2,096	0.5
Rescheduled advances to customers	經重組客戶墊款	78	0.0	83	0.0
Total overdue and rescheduled advances	逾期及經重組墊款總額	4,157	0.9	2,179	0.5
Secured overdue advances	有抵押逾期墊款	3,597	0.8	1,871	0.4
Unsecured overdue advances	無抵押逾期墊款	482	0.1	225	0.1
Market value of security held against secured overdue advances	有抵押逾期墊款抵押品市值	6,804		3,870	
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	799		302	

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.

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

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(9) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS (CONTINUED)

逾期、經重組及收回資產(續)

(a) Overdue and rescheduled advances (continued)

An asset considered as an eligible collateral should generally satisfy the following:

- (a) The market value of the asset is readily determinable or can be reasonably established and verified;
- (b) The asset is marketable and there exists a readily available secondary market for disposing of the asset;
- (c) The Bank's right to repossess the asset is legally enforceable and without impediment; and
- (d) The Bank is able to secure control over the asset if necessary.

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

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

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

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

(b) Advances to banks

(a) 逾期及經重組墊款(續)

可視作合格抵押品的資產須符合下列條件：

- (a) 該資產的市值是可即時決定的或是可合理地確定及證實的；
- (b) 該資產是有市價的及有二手市場可即時將該資產出售；
- (c) 本行收回資產的權利是有法律依據及沒有障礙的；及
- (d) 本行在有需要時可對該資產行使控制權。

合格抵押品主要分為下列兩種：

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

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

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

(b) 銀行墊款

		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Advances to banks overdue for	逾期銀行墊款				
– 6 months or less but over 3 months	– 3個月以上至6個月	–	–	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	–	–	–	–
– Over 1 year	– 1年以上	–	–	–	–
		–	–	–	–
Rescheduled advances to banks	經重組銀行墊款	–	–	–	–
Total overdue and rescheduled advances	逾期及經重組銀行墊款總額	–	–	–	–

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(c) Other overdue and rescheduled assets**(c) 其他逾期及經重組資產**

		2015		Other assets*	
		Accrued interest	Debt securities	Other assets*	
		應計利息	債務證券	其他資產*	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	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	–	–	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	–	–	–	–
– Over 1 year	– 1年以上	–	–	–	1
		–	–	–	1
Rescheduled assets	經重組資產	–	–	–	–
Total other overdue and rescheduled assets	其他逾期及經重組資產總額	–	–	–	1

		2014		Other assets*	
		Accrued interest	Debt securities	Other assets*	
		應計利息	債務證券	其他資產*	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	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	–	–	–	–
– 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
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	–	–	–	4

* 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**

		2015	2014
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Reposessed land and buildings*	收回土地及建築物*	317	280
Reposessed vehicles and equipment	收回汽車及設備	–	4
Reposessed machines	收回機器	–	2
Total reposessed assets	收回資產總額	317	286

The amount represents the estimated market value of the reposessed assets as at 31st December.

此等金額指於12月31日收回資產的估計市值。

* The balance included HK\$7 million (2014: Nil) relating to properties that were contracted for sale but not yet completed.

* 結餘中並包括港幣700萬元已簽約出售但仍未成交的物業(2014年：無)。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(10) 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:

Risk areas 風險範圍	Approach for assessing capital adequacy 評估資本充足率的方法
Credit Risk 信貸風險	Foundation Internal Ratings-Based (“IRB”) Approach 基礎內部評級基準計算法
Market Risk 市場風險	Internal Models Approach 內部模式計算法
Operational Risk 營運風險	Standardised Approach 標準計算法

(b) Principal risks

This section presents information on the Group’s management of principal risks.

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

The RIC stands at the highest level of the Group’s risk governance structure below the Board. It is chaired by the Chairman & Chief Executive and includes two INED(s) and three NED(s). The RIC provides direct oversight of the formulation of institutional risk appetite, which documents the levels of risk that the Group is willing to undertake with regard to its financial capacity, strategic direction, prevailing market conditions, and regulatory requirements.

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

The Crisis Management Committee and Risk Management Committee comprise the Group’s Chairman & Chief Executive, Senior Advisors, Senior Management and the Group Chief Risk Officer.

The specialised risk management committees – namely, Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee – comprise the Group’s Senior Advisors, Senior Management, the Group Chief Risk Officer and where appropriate division heads from the relevant areas.

(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：

(b) 主要風險

本部分載述有關本集團主要風險管理的資料。

按照金管局及其他監管機構發出的規定，本集團已建立一個有效的風險管治及管理架構。該架構的構造令董事會及管理層能夠以適當授權和制衡履行彼等的風險管理相關職責。該等職責包括根據本集團的業務策略及目標制定風險偏好及風險政策，以管理上述策略的執行，並設立風險審批、控制、監控及補救的程序及限制。

風險委員會為本集團僅次於董事會的最高風險管治單元，由主席兼行政總裁擔任主席，其他成員包括兩名獨立非執行董事及三名非執行董事。風險委員會直接監督機構風險偏好的制定，而機構風險偏好列明本集團就其財務能力、策略性指引、目前市況及監管要求而言可承擔的風險水平。

風險委員會亦確保本集團的風險偏好反映於政策及程序上，讓管理層行使其業務職能時採納。透過行政人員層面的危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會及營運風險管理委員會以及風險管理處的協調，風險委員會定期檢討本集團的風險管理架構，並確保所有與風險相關的重要任務符合既有政策以適當資源完成。

危機管理委員會及風險管理委員會由本集團主席兼行政總裁、高級顧問、高級管理人員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及營運風險管理委員會由本集團高級顧問、高層管理人員、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。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

To identify and manage all potential risks in a more holistic and effective manner, the Bank will implement an enterprise risk management framework in 2016.

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

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

As required of all Authorised Institutions under the HKMA’s Supervisory Policy Manual on “Recovery Planning”, the Bank has established a Group Recovery Plan, which has been approved by the Board. The Group Recovery Plan helps ensure that the Bank is able to recover quickly from periods of severe stress and preserve or restore its capital and liquidity levels.

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

為確保風險管理責任於組織內分工明確，本行已採納「三道防線」風險管理架構。第一道防線由本行各業務單位及職能單位組成，負責管理其在業務過程中產生的風險。第二道防線由風險管理處及合規處組成，獨立監督風險承受單元。第三道防線為直接向審核委員會匯報的稽核處。稽核處定期評估本行由第一及第二道防線所設計的風險管理架構、監控及管治流程的充裕性，以協助審核委員會監督本行的整體風險管理及內部監控系統。

為了更全面及更有效地識別及管理所有潛在風險，本行將於2016年設立企業風險管理架構。

本集團已制定政策，以識別、衡量、監察、控制及匯報各類風險，並於適當的情況下調配資本以抵禦該等風險。相關政策均定期檢討及改善，以符合市場轉變及法定要求，及達致風險管理程序中的最佳做法。本集團的主要風險管理政策及控制限額由董事會批准，並且受到監控及定期檢討。董事會已將持續管理風險的責任授予風險委員會、風險管理委員會及專責風險管理委員會。與重要風險管理相關的事項須上報至董事會，以協助董事會監督風險管理。此外，集團風險總監的日常職責為監督集團風險管理相關事項，包括但不限於風險管理基礎架構及策略、風險偏好、風險管治文化及有關資源。

壓力測試為本集團風險管理的重要部分。本集團定期對相關的主要風險進行壓力測試，評估受壓營商環境(包括中國內地及香港出現嚴重經濟下滑等假設情景)對本集團的財務狀況，尤其是資本充足、盈利能力及流動資金，可能產生的影響。有需要時，管理層亦會果斷制訂並執行應對措施以減低潛在影響。

根據金管局監管政策手冊對所有認可機構有關「恢復規劃」的要求，本行已制定集團恢復計劃，該計劃已獲董事會批准。集團恢復計劃有助確保本行在遇到嚴峻壓力時能夠迅速復元，並維持或恢復資本及流動性水平。

每一個新產品的推出，須通過審批過程，包括業務和財務分析和風險評估。這些新產品首先由新產品評審工作組審核及評估，並由督導組認可及由風險管理委員會批准。督導組的主席為集團風險總監，並由支援職能的處級主管組成。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)**未經審核補充財務資料(續)****(10) 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 Credit Committee is responsible for managing all credit risk-related issues of the Group, while the Credit Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to credit risk. The Group identifies and manages credit risk by defining the target market segment, formulating appropriate credit policies, and carrying out credit assessment and monitoring of asset quality. Credit risk control limits are set for different levels. Risk, return, and market situation are considered when setting all limits. Active limit monitoring is undertaken.

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

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

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.

(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，可來自本集團貸款及墊款中的交易對手風險、證券業務的發行商風險和交易活動的交易對手風險。

信貸委員會負責管理所有與本集團信貸風險有關的事務，而本集團風險管理處轄下的信貸風險管理部則負責監察與信貸風險有關的活動。本集團透過設定目標市場分部、制定適當的信貸政策和執行信貸評核程序，以及監控資產素質，來識別和管理信貸風險。信貸風險控制限額設有不同層次。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

本集團在評估與個別客戶或交易對手相關的信貸風險時，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，以識別、衡量、監察、控制及匯報本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸風險管理手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收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、有關法定要求及風險管理程序的最佳做法。

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。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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.

(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.

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。

(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。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(10) 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)

(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, 2015 and 31st December, 2014 respectively:

(b) 主要風險(續)

信貸風險管理(續)

(vi) 各風險承擔類別的信貸風險資本要求

下表分別顯示於2015年12月31日及2014年12月31日每種風險承擔類別的信貸風險資本要求情況：

Exposure class	風險承擔類別	Capital requirement	
		資本要求	
		2015	2014
		HK\$ Mn	港幣百萬元
Exposures under IRB Approach	內部評級基準計算法下的風險承擔		
Bank	銀行	7,116	5,863
Corporate	企業	20,643	18,041
Residential mortgage	住宅按揭	1,434	1,067
Qualifying revolving retail	合資格循環零售	639	735
Other retail	其他零售	616	600
Equity booked on banking book subject to Simple Risk-weight Method under Market-based Approach	銀行賬下的股權 —以市場基準計算法下的 簡單風險權重方法計算	1,045	1,053
Equity booked on banking book subject to Internal Models Method under Market-based Approach	銀行賬下的股權 —以市場基準計算法下的 內部模式方法計算	244	201
Equity booked on banking book subject to PD/LGD Approach	銀行賬下的股權 —以PD/LGD計算法計算	–	–
Other equity booked on banking book	其他銀行賬下的股權	995	1,094
Securitisation	證券化類別	1	–
Other exposures under IRB Approach (Including cash and other items, and credit valuation adjustment risk)	內部評級基準計算法下的其他風險 承擔(包括現金及其他項目, 及 信用估值調整風險)	1,947	1,453
Exposures under Standardised Approach	標準計算法下的風險承擔		
Sovereign	主權	–	2
Public sector entities	公營機構	1	–
Bank	銀行	41	870
Securities firms	證券公司	2	–
Corporate	企業	573	771
Regulatory retail	監管零售	220	176
Residential mortgage	住宅按揭	430	343
Other exposures that are not past due	未逾期的其他風險承擔	560	444
Past due	逾期	22	9
Off balance sheet exposure	資產負債表外的風險承擔	113	97
Counterparty exposure	交易對手風險承擔	60	49
Exposures to Central Counterparty	對中央交易對手方的風險承擔	9	1

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Market risk management

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

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

The use of derivatives for proprietary trading and the sale of derivatives to customers as risk management products 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 market risk that must be managed 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 mainly dominated in USD, RMB, GBP, JPY and SGD. All foreign currency positions are managed within limits approved by the Board or the Asset and Liability Management Committee.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries, and associated companies, are excluded from 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 its foreign currency denominated assets closely with corresponding liabilities in the same currencies.

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.

市場風險管理

市場風險是指不利的價格變動的風險，源自所有對市場風險敏感的財務工具，包括債務證券、外匯合約、股份和衍生工具以及結構性產品。市場風險管理旨在減少本集團因財務工具內在的波動性而承受之風險。

資產負債管理委員會負責處理本集團一切與市場風險相關的事項，亦負責定期檢討利率走勢及釐定相應的未來業務策略。本集團風險管理處轄下的資產負債管理部，負責監察與市場風險有關的活動。

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分程序。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，即為場外或場內交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，本集團主要管理的市場風險包括：

(i) 貨幣風險

本集團的外幣持倉源自外匯買賣、商業銀行業務和結構性外匯風險。本集團的非結構性外幣風險主要以美元、人民幣、英鎊、日圓及新加坡元為單位。所有外幣持倉均維持在董事會或資產負債管理委員會所訂定的限額內。

結構性外匯持倉主要源自於本集團分行、附屬公司和聯營公司的外匯投資，其有關的溢利及虧損因為已撥入儲備，所以未計算在風險值內。管理此等外幣投資的主要目的，是保障本集團的儲備免受匯率波動的影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

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。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(10) 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)

(b) 主要風險(續)

市場風險管理(續)

(i) 貨幣風險(續)

		2015						Total
		USD	GBP	RMB	JPY	SGD	Other foreign currencies	Total
		美元	英鎊	人民幣	日圓	新加坡元	其他外幣	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
Spot assets	現貨資產	167,551	28,260	301,093	1,335	22,505	26,147	546,891
Spot liabilities	現貨負債	(157,351)	(19,318)	(291,341)	(3,000)	(25,293)	(28,409)	(524,712)
Forward purchases	遠期買入	149,048	150	117,610	4,190	4,429	8,469	283,896
Forward sales	遠期賣出	(157,288)	(8,799)	(128,386)	(2,430)	(2,221)	(6,115)	(305,239)
Net options position	期權倉淨額	92	(1)	(70)	(4)	-	(8)	9
Net long/(short) non-structural position	非結構性長/(短)盤淨額	2,052	292	(1,094)	91	(580)	84	845

		2014						Total
		USD	GBP	RMB	JPY	SGD	Other foreign currencies	Total
		美元	英鎊	人民幣	日圓	新加坡元	其他外幣	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
Spot assets	現貨資產	192,783	27,725	398,802	866	25,563	21,693	667,432
Spot liabilities	現貨負債	(182,966)	(19,269)	(367,570)	(6,900)	(30,405)	(32,125)	(639,235)
Forward purchases	遠期買入	122,471	968	74,025	6,527	5,891	13,528	223,410
Forward sales	遠期賣出	(129,557)	(9,510)	(106,508)	(467)	(1,589)	(3,186)	(250,817)
Net options position	期權倉淨額	(31)	(1)	(1)	26	-	10	3
Net long/(short) non-structural position	非結構性長/(短)盤淨額	2,700	(87)	(1,252)	52	(540)	(80)	793

		2015				Total
		USD	RMB	MYR	Other foreign currencies	Total
		美元	人民幣	馬幣	其他外幣	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
Net structural position	結構性持倉淨額	2,168	12,287	2,123	925	17,503

		2014				Total
		USD	RMB	MYR	Other foreign currencies	Total
		美元	人民幣	馬幣	其他外幣	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
Net structural position	結構性持倉淨額	2,143	11,623	2,610	922	17,298

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

The current year's figures are prepared after elimination of inter-branch foreign exchange transactions within a subsidiary, The Bank of East Asia (China) Limited, for the purpose of conforming to the prevailing reporting requirements.

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

(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 re-pricing of interest-bearing assets, liabilities, and off-balance sheet items. 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 of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

(iii) Equity risk

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

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

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

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

本年度的數字於編製時已將子公司東亞銀行(中國)有限公司各分行之間的外匯交易會互相抵銷，以符合現行的報告要求。

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

(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、負債及資產負債表外項目在再定息時的時差所致，亦與無息負債持倉有關，其中包括股東資金和往來賬戶及若干定息貸款和負債。利率風險由本集團資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

(iii) 股份風險

本集團的股份持倉來自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會、投資委員會或資產負債管理委員會批准的限額範圍進行日常管理。

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審批核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團承擔市場風險的活動，確保整體及個別市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(10) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(b) Principal risks (continued)

Market risk management (continued)

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

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

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

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:

(b) 主要風險(續)

市場風險管理(續)

本集團通過參數法評估本集團交易組合的風險值，其中，風險值乃透過組成份的有關方差及協方差計算得出。該方法是依據過往市場息率與價格的波動、99%置信水平、1日持倉期以及1年過往觀察期來推算，其中對較近期觀察給予相等或較高的權重，並且據此採用較高的風險值。

由分行及附屬公司的淨投資產生的結構性外匯持倉不會包括在計算外匯交易持倉的風險值內。

除上市股份外，私人股份基金及非上市股份（統稱「非上市證券」）的賬面值均由本集團管理層按限額控制。非上市證券及非交易上市股份是根據特定限額管理及並不包括在交易股份持倉的風險值內。資產負債管理委員會須定期檢討該限額。

本集團採用的先進方法計算所得的市場風險資本要求總額分為兩個部分：特定風險的市場風險資本要求及一般市場風險的市場風險資本要求。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要求。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：

		Market risk capital charge 市場風險資本要求	
		As at 31st December, 2015 於2015年12月31日	As at 31st December, 2014 於2014年12月31日
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Internal Models Approach	內部模式計算法		
– General Market Risk	– 一般市場風險	1,002	782
– VaR	– 風險	383	204
– Stressed VaR	– 受壓風險	619	578
Standardised Approach	標準計算法		
– Specific Market Risk Debt Charge	– 特定市場風險債務要求	221	102
– Specific Market Risk Equity Charge	– 特定市場風險股份要求	155	185
Total	總額	1,378	1,069

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

According to the Capital Rules, the Group adopts back testing to assess the predictive power of the VaR estimation. Back testing consists of a periodic comparison of the daily VaR measures with the subsequent daily actual and hypothetical trading outcomes. Back testing is a statistical technique developed to gauge the quality and accuracy of risk measurement model. 1 exception was found during 2015 (No exception was found during 2014), under 99% confidence level and 250-day observation period.

The Bank uses internal models approach for Vega risk capital charge calculation.

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.

Value-at-risk & Stressed Value-at-risk statistics

		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
Year 2015年					
VaR for total trading activities	交易活動的風險值總額	32	60	22	36
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	8	22	6	10
VaR for interest rate trading positions	利率交易持倉的風險值	3	8	2	4
VaR for equity trading positions	股份交易持倉的風險值	24	51	14	26

根據《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，2015年發現一次例外情況(2014年沒有發現例外情況)。

維加風險的資本要求已採用內部模式計算法。

此外，本集團利用市場風險壓力測試以補足每日風險值的評估。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。

風險及受壓風險值統計

		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
Year 2014年					
VaR for total trading activities	交易活動的風險值總額	23	33	16	24
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	8	11	3	6
VaR for interest rate trading positions	利率交易持倉的風險值	4	9	1	4
VaR for equity trading positions	股份交易持倉的風險值	16	23	13	18

* 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。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(10) 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)

Value-at-risk & Stressed Value-at-risk statistics (continued)

(b) 主要風險(續)

市場風險管理(續)

風險及受壓風險值統計(續)

	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
Year 2015年				
Stressed VaR for total trading activities 交易活動的受壓風險值總額	66	90	60	73

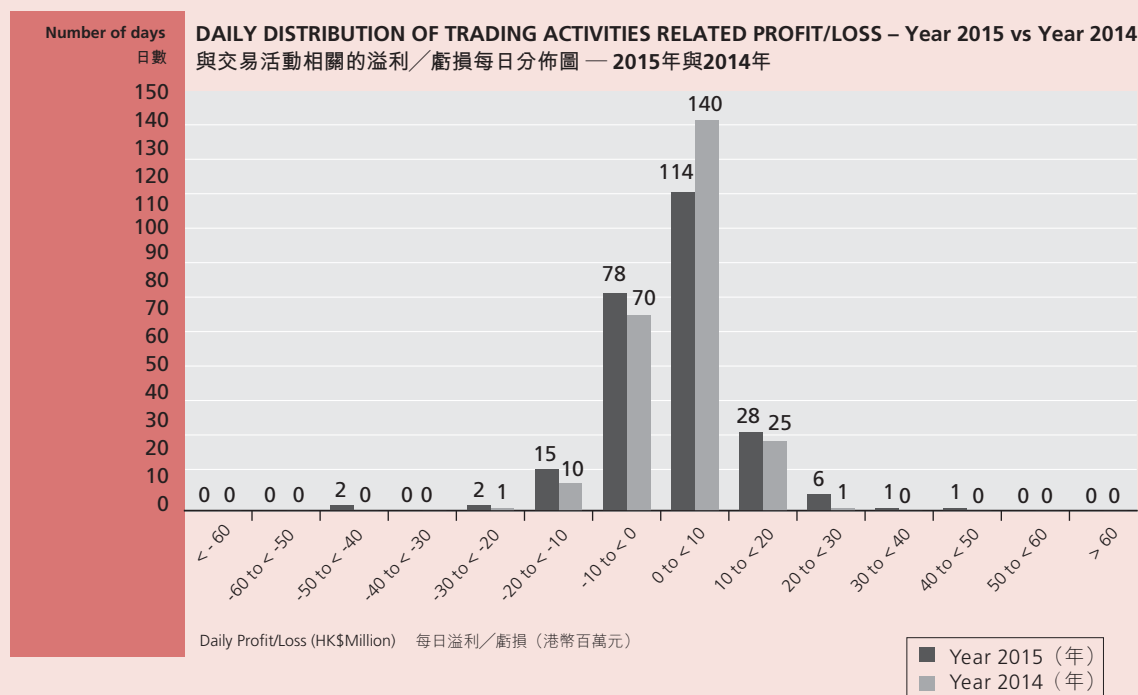
	At 31st December 於12月31日 HK\$ Mn 港幣百萬元	Maximum 最高 HK\$ Mn 港幣百萬元	Minimum 最低 HK\$ Mn 港幣百萬元	Mean 平均 HK\$ Mn 港幣百萬元
Year 2014年				
Stressed VaR for total trading activities 交易活動的受壓風險值總額	59	109	51	84

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值的計算方法，根據受壓期間的相關市場因素，對投資組合計算的風險值。

The average daily profit for all trading activities (including foreign exchange, interest rate and equity trading activities) in 2015 was HK\$1.89 million (average daily profit of HK\$2.15 million in 2014). The standard deviation of the daily profit/loss for the period was HK\$10.43 million (standard deviation of HK\$6.77 million for 2014). The frequency distribution of daily profit/loss is shown below:

於2015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189萬元(2014年的每日平均收入為港幣215萬元)。每日溢利/虧損的標準差為港幣1,043萬元(2014年為港幣677萬元)。以下為每日溢利/虧損的頻率分佈情況：



UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

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

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 the Internal Audit Division.

Capital Charge for Operational Risk

As at 31st December 2015, capital charge for operational risk amounted to HK\$2,444 million (2014: HK\$2,375 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 expected and unexpected, current and future cash flow and collateral needs without affecting daily operations or the financial position. Market liquidity concerns the inability to offset or eliminate a position at market price because of inadequate market depth or market disruption.

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 LCR, and to make new loans and investments as opportunities arise.

營運風險管理

營運風險是指由於內部流程、人員和系統的不足或缺陷，或因外部事件而導致損失的風險。

營運風險管理的目的在於識別、評估、監控及匯報營運風險，以及遵守相關監管規定的要求。

營運風險管理委員會負責監督本集團的營運風險管理，而本集團風險管理處轄下的營運風險管理部則負責監察與營運風險有關的活動。

本集團所採用的營運風險管理工具包括營運風險事件匯報、自我評估監控、主要風險指標、營運手冊、保險政策、業務持續規劃等。

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，並經稽核處獨立審閱後得出滿意的結果。

營運風險的資本要求

於2015年12月31日，營運風險的資本要求為港幣24.44億元(2014年：港幣23.75億元)。

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，在借款期滿時能夠還款，符合法定的流動性覆蓋比率，以及掌握貸款和投資的機會。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)**未經審核補充財務資料(續)****(10) 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)

The Asset and Liability Management Committee is delegated by the Board to oversee the Group's liquidity risk management. The Asset and Liability Management Committee sets the strategy, policy, and limits for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Regular meetings are held to review the compliance status of the monitoring matrix established and the need for any change in strategy and policy. Liquidity is managed daily by the Capital Markets & Liquidity Management Department under the Treasury Markets Division of the Group within the set limits. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to liquidity risk. The Internal Audit Division performs periodic reviews to ensure that the liquidity risk management functions are carried out effectively.

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

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

(b) 主要風險(續)

流動資金風險管理(續)

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。流動資金狀況由本集團資金市場處轄下的資本市場及流動資金管理部每日按所訂限額範圍進行管理。本集團風險管理處轄下的資產負債管理部，負責監察與流動資金風險相關的活動。稽核處會定期作出檢討，確保流動資金風險管理功能得以有效執行。

流動性覆蓋比率於2015年1月1日生效，對本集團的流動資金風險管理施加更嚴格的監管制度。《銀行業(流動性)規則》要求本集團必須於2019年達致最低流動性覆蓋比率。過渡期間，有關百分比將由2015年的60%升至2019年的100%，自2016年起監管要求每年增加10%。為確保遵守不斷提升的監管要求，資產負債管理委員會會定期接收有關流動性覆蓋比率重大變動的報告和其建議補救措施以應對不利變動，其中來自(包括但不限於)存款成分及其餘下期限、短期貸款活動以及本集團資產及負債組合策略。為將流動性覆蓋比率維持在合適範圍內，已訂立內部流動性覆蓋比率目標。在規劃資產及負債組合策略時，相關業務單位協助本集團評估資產增長及融資架構對流動性覆蓋比率的影響，以供資產負債管理委員會檢討和決策。

本集團在努力有效管理流動性覆蓋比率的過程中，著力留住忠實客戶及維持客戶關係，藉以增強存款基礎。本集團在零售、小企業和大額融資之間保持資金平衡，避免資金集中於任何一種資源。本集團透過發行存款證、中期票據、後償債項、貨幣市場拆借及借貸進入專業市場，獲取額外資金，並維持於當地金融市場的地位，以及優化資產及負債的期限。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

In addition to observing the statutory LCR, the Group has established different liquidity metrics – including but not limited to the loan-to-deposit ratio, cumulative mismatch ratio, funding concentration ratio, intra-group exposure threshold, and cross currency funding ratio – to measure and analyse the Group's liquidity risks. As a majority of the Group's liquidity risk arises from the maturity mismatch gap between the Group's asset and liability portfolios, the Group manages liquidity risk by conducting cash flow analysis and projections. These are carried out on a regular basis to identify funding needs arising from on and off-balance sheet items in a specific time frame over a set of time horizons. The Group maintains sufficient liquid assets as a liquidity cushion that can be accessed in times of stress. The high quality liquid assets for fulfilling the LCR consist of cash, short term funds, exchange fund bills, and notes. The majority of the HQLAs are denominated in Hong Kong dollars. Contingent funding sources are maintained to provide strategic liquidity to meet unexpected and material cash outflows.

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

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

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

1. The Group utilises early warning indicators, which cover both qualitative and quantitative measures, and monitors both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position, Asset and Liability Management Committee is informed. The Asset and Liability Management Committee will consider appropriate remedial actions and will consider employing crisis management if the situation warrants.

至於內部，集團內公司間的融資交易乃按一般正常交易原則進行，處理方式與其他第三方交易一致，並接受定期監督及適當控制。

除緊守法定的流動性覆蓋比率外，本集團已設立不同的流動資金標準以衡量及分析流動資金風險，包括(但不限於)貸存比率、累積錯配比例、資金集中比率、集團內公司間風險限額及跨貨幣資金比率。由於本集團大部分流動資金風險來自資產與負債組合之間的期限錯配差距，本集團會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，作為能夠在資金受壓時取用的流動資金緩衝。實現流動性覆蓋比率所需的優質流動資產包括現金、短期資金、外匯基金票據和債券，其中大部分優質流動資產以港幣計值。本集團維持應急融資來源，能提供策略性的流動資金，以應付未能預計的大量資金需求。

本集團亦會定期進行壓力測試，以分析流動資金風險。透過運用適當的虛擬及歷史假設，本集團的壓力測試均已考慮資產負債表內外項目及其對現金流量造成的影響。市場流動資金風險的評估及檢討納入各個控制環節，包括投資/交易策略、市場風險監控、估值及組合檢討。三個壓力情景(即個別銀行危機、整體市場危機，以及結合上述兩種情況的綜合危機)均採用金管局監管政策手冊「穩健的流動資金風險管理系統及管控措施」界定的最短存活期。

本集團會參照壓力測試結果，確認集團內的潛在弱點，並制訂應急融資政策及計劃，當中載列了本集團處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

應急融資政策及計劃旨在提供防患未然的積極措施，並訂明以下三個階段：

1. 本集團運用預早警報指標，當中包括質性及數量性的措施，藉以監督內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知資產負債管理委員會。資產負債管理委員會將考慮適當的補救措施，並在合適情況下考慮採用危機管理措施。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)**未經審核補充財務資料(續)****(10) 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)

2. A Crisis Management Committee, which is chaired by the Chairman & Chief Executive, is formed to handle the crisis. Strategy and procedures for obtaining contingency funding, as well as roles and responsibilities of the parties concerned, are clearly stated.
3. In the final stage, a post-crisis review is carried out to recommend necessary improvements to avoid incidents of a similar nature in the future.

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

Interest rate risk management

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

The Group manages the interest rate risk on the banking book primarily by focusing on re-pricing mismatches. Gap analysis provides a static view of the maturity and re-pricing characteristics of the Group's assets, liabilities and off-balance sheet positions. Re-pricing gap limits are set to control the Group's interest rate risk.

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

(b) 主要風險(續)

流動資金風險管理(續)

2. 本集團已設立危機管理委員會，並由主席兼行政總裁擔任主席，專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。
3. 於最後階段，本集團會在危機結束後對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境中的任何轉變，本集團會每年進行演習測試，並會定期檢討應急融資政策及計劃。應急融資政策及計劃如有任何重大變動，均須分別取得董事會及資產負債管理委員會的批准。

利率風險管理

資產負債管理委員會獲董事會授權，負責監察本集團的利率風險管理，訂立管理利率風險的策略與政策，並制定相應措施，以確保執行有關策略與政策。利率風險由本集團資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。本集團風險管理處轄下的資產負債管理部，負責監察利率風險相關的活動。稽核處會定期作出檢討，確保利率風險管理功能得以有效執行。

本集團管理銀行賬冊利率風險的主要方法是集中於重訂息率的錯配。差距分析可讓本集團從靜態角度瞭解資產、負債和資產負債表外持倉的到期情況及重訂息特點。本集團設有重訂息率差距限額以控制本集團的利率風險。

本集團每月進行敏感度分析，以估算利率變動對盈利和經濟價值的影響，當中假設本集團資產、負債和資產負債表外持倉的收益率曲線出現200個基點的利率衝擊。本集團設有敏感度限額，以控制本集團的盈利及經濟價值兩方面的利率風險承擔。有關結果定期向資產負債管理委員會匯報。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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.

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。

		2015			2014		
		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	945	64	258	534	3	570
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	(132)	89	201	(199)	118	59

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.

(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.

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敏感度分析的結果可能有所不同。

(c) 資本管理

金管局制定及監察本集團整體的資本規定。在實施現行的資本規定時，金管局規定本集團維持既定的總資本對總風險加權資產比率。本集團根據風險值模式計算交易組合的市場風險，及根據內部評級作為信貸風險的風險比重的基準，計算交易組合的市場風險要求。銀行業務分為交易賬冊或銀行賬冊。風險加權資產依照特別規定而定，特別規定旨在反映與資產的不同風險水平及資產負債表外的風險。

除符合監管規定外，本集團管理資本的主要目的是保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)**未經審核補充財務資料(續)****(10) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)****(c) Capital management (continued)**

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 Risk Management Committee, RIC and the Board.

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, 2015 and 31st December, 2014 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 Capital Rules of the 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, 2015 and 31st December, 2014 and the Group is well above the minimum required ratio set by the HKMA.

(c) 資本管理(續)

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，並由風險管理委員會、風險委員會及董事會定期檢討。

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。

2015年12月31日及2014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《銀行條例》的《資本規則》。

截至2015年12月31日及2014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)

(11) 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.

(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.

本節呈列本集團對根據內部評級基準計算法計算的信貸風險承擔進行的風險管理資料。

本集團採納基礎內部評級基準計算法以評估信貸風險的資本充足度，並於風險管理程序中使用內部評級系統處理不同類型的交易對手。

(a) 內部評級系統的架構

內部評級系統為本行風險管理及資本充足評估的基礎。整體而言，該評級系統分為20個等級。

就企業、銀行及零售的風險承擔而言，信貸風險的內部量度方法以評估借款人及每項風險承擔的交易特性為基礎。因此，本行的評級架構有兩個層面，第一個是借款人等級，另一個是融通等級。

借款人等級反映借款人違責的風險。借款人一年內的違責或然率與20等級的架構掛鉤，最低的3個等級為違責等級。融通等級已考慮特定交易因素，如抵押品、擔保等。該等因素直接換算出交易的預期損失，再與20等級的架構掛鉤。

另一方面，本行為專門性借貸風險承擔評級時，會使用監管分類準則計算法。根據此計算法，信貸風險承擔會獲得一個已經兼顧借款人及交易特性的單一層面評級，這評級同樣分為20個等級。

就企業及銀行風險承擔而言，自內部評級系統產生的借款人等級與外部信貸評級對應，並作為基準。

(b) 內部評級的應用

本行在多方面均使用自內部評級系統取得的資料，包括但不限於信貸審批、信貸監控、貸款分類、定價、業務策略制訂及資本充足評估方面。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)**未經審核補充財務資料(續)****(11) 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)****(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 independence 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 SMEs, 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.

(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企、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 financial strength and qualitative factors. Financial strength considered profitability, liquidity, asset quality and capital structure, whereas qualitative factors are assessed through operating environment and other internal factors such as funding source and historical performance.

Loss-Given-Default (LGD)

For corporate and bank exposures, the Bank applies the supervisory LGD estimate provided by the HKMA.

For retail exposures, the LGD estimate is based on historical realised loss and total historical default amount within a defined period.

Exposure-at-Default (EAD)

EAD is calculated as sum of on-balance sheet amount and credit equivalent amount of off-balance sheet items. Credit equivalent amount is the exposure amount of off-balance sheet items multiplied by the respective credit conversion factors according to the Capital Rules. For certain revolving retail exposures, the credit conversion factor is estimated with reference to the historical realised further drawdown rate prior to defaults.

The exposure amount disclosed in the following of this report relating to IRB exposure refers to EAD.

(f) 估計及核實內部評級的可變因素、方法及數據

違責或然率

就企業風險承擔而言，違責或然率乃以財務及業務的可變因素估計。財務可變因素為與借款人的盈利能力、資金流動性及資本架構有關的財務比率。而就業務可變因素而言，風險因素按管理質素、行業風險及公司於行內地位作評估。兩項評估乃根據評分卡法結合，從而得出利用本行的違責數據所估計的違責或然率。

就零售風險承擔而言，性質及交易特性相近的借款人會被分成多個組別，而該等組別會被賦予一估計違責或然率。

就銀行風險承擔而言，估計違責或然率時會考慮借款人財務及定性風險評估因素。財務因素考慮借款人的盈利能力、資金流動性、資產質素及資本架構有關的財務比率。而定性風險因素會考慮經營環境及其他內部因素如資金來源及以往業績等作評估。

違責損失率

就企業及銀行風險承擔而言，本行採用金管局提供的監管性估計的違責損失率。

就零售風險承擔而言，違責損失率估計乃基於已界定期間內的過往變現損失及過往違責總額計出。

違責風險承擔

違責風險承擔計算為資產負債表內項目的數額及資產負債表外項目的信貸等值數額的總和。根據《資本規則》，信貸等值數額為資產負債表外項目的風險承擔數額乘以相應的信貸換算因數。就若干循環零售風險承擔而言，信貸換算因數乃參考在過往信貸違責前實際之進一步提取貸款比率而作出估計。

本報告下文所披露有關內部評級基準風險承擔的風險承擔數額所指的是違責風險承擔。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)**未經審核補充財務資料(續)****(11) 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.

(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。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(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 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 Common Equity Tier 1 capital. On the other hand, if total EL amount is less than the eligible provisions, the Bank includes the difference in its Tier 2 capital up to a maximum of 0.6% of the Bank's risk weighted amount for credit risk calculated using IRB Approach.

本集團首先評估客觀減值證據是否個別存在於個別重大金融資產，及個別或整體存在於非個別重大金融資產。若本集團判斷客觀減值證據並不存在於個別評估金融資產，無論重大與否，本集團將有相同風險特性的金融資產歸類，及作整體減值評估。作個別減值評估的資產而減值損失須持續確認，其減值損失不會包括於整體減值準備內。

個別減值準備是根據管理層的最佳估計將可能收回之現金流按原本的有效利率折算為現值。在估計現金流時，管理層須判斷借款人的財政狀況及給予本集團的抵押品或擔保之可變現淨值，並須評估每宗減值資產的真正價值。

當評估所需的整體減值損失準備時，管理層須考慮的因素包括信貸質素、組合規模、信貸集中，及經濟因素。為求估計所需的準備，本集團根據過往之經驗和現時之經濟情況作假設以模擬潛在損失及判斷所需之輸入變數。

撥備的準確性，須視乎本集團能否在評估個別準備時準確估計交易對手的未來現金流及在判斷整體減值準備時所採用的假設模式及變數。雖然視乎判斷而定，本集團相信貸款損失準備是合理和足夠的。

所有貸款和應收賬款須定期作檢討及分析。在較後期間，任何因估計未來現金流的金額及時間與先前估計的有所轉變，而該轉變是可客觀地與撤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，本行會自普通股權一級資本減去超出數額。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二級資本內，上限為以內部評級基準計算法計算所得本行信貸風險的風險加權數額的0.6%。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(11) 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)

(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, 2015 and 31st December, 2014 respectively:

Exposure class	風險承擔類別	Exposure amount 風險承擔數額			
		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Bank	銀行	148,082		85,872	
Corporate	企業	414,199		470,342	
Equity booked on banking book subject to Simple Risk-weight Method under Market-based Approach	銀行賬下的股權 — 以市場基準計算法下的 簡單風險權重方法計算	3,080		3,106	

(h) 受限於監管性估計的風險承擔

下表分別顯示於2015年12月31日及2014年12月31日受限於監管性估計的風險承擔類別及相應的風險承擔數額：

(i) Non-securitisation exposure amount by IRB calculation approach

The following tables indicate the non-securitisation exposure amount under each IRB calculation approach as at 31st December, 2015 and 31st December, 2014 respectively:

2015

Exposure class	風險承擔類別	Exposure amount 風險承擔數額					
		Supervisory		Retail IRB approach	Market- based approach	Specific risk-weight approach	Others
		Foundation IRB approach	Slotting Criteria approach				
基礎內部 評級基準 計算法	監管分類準 則計算法	零售內部 評級基準 計算法	市場基準 計算法	特定風險權 重計算法	其他		
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	
Bank	銀行	148,082	-	-	-	-	-
Corporate	企業	392,796	21,403	-	-	-	-
Residential mortgage	住宅按揭	-	-	77,743	-	-	-
Qualifying revolving retail	合資格循環零售	-	-	28,236	-	-	-
Other retail	其他零售	-	-	11,770	-	-	-
Equity	股權	-	-	-	3,878	-	4,696
Other	其他	-	-	-	-	24,770	-
Total	總額	540,878	21,403	117,749	3,878	24,770	4,696

(i) 內部評級基準計算法下的非證券化類別風險承擔

下表分別顯示於2015年12月31日及2014年12月31日各內部評級基準計算法下的非證券化類別風險承擔數額：

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

2014

Exposure class	風險承擔類別	Exposure amount 風險承擔數額					
		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	Others 其他 HK\$ Mn 港幣百萬元
Bank	銀行	85,872	–	–	–	–	–
Corporate	企業	437,924	32,418	–	–	–	–
Residential mortgage	住宅按揭	–	–	71,718	–	–	–
Qualifying revolving retail	合資格循環零售	–	–	27,996	–	–	–
Other retail	其他零售	–	–	12,716	–	–	–
Equity	股權	–	–	–	3,808	–	5,161
Other	其他	–	–	–	–	19,479	–
Total	總額	523,796	32,418	112,430	3,808	19,479	5,161

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(11) 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

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, the exposure amount and exposure weighted average risk weight under specialised lending across supervisory rating grade and the exposure amount under retail exposures across facility grade as at 31st December, 2015 and 31st December, 2014 respectively:

For bank exposure

2015

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 風險承擔加權平均風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
2	76	18.28%	0.04%
3	15,508	34.43%	0.07%
4	32,853	42.65%	0.11%
5	22,378	53.51%	0.16%
6	22,090	63.62%	0.21%
7	13,253	65.19%	0.25%
8	30,359	78.63%	0.35%
9	6,844	83.27%	0.53%
10	3,303	101.45%	0.84%
11	1,006	129.07%	1.45%
12	140	122.92%	2.06%
13	1	133.09%	2.76%
14	194	180.13%	4.11%
16	77	225.42%	8.39%

(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2015年12月31日及2014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、風險承擔加權平均風險權重及風險承擔加權平均違責或然率、各監管評級等級在專門性借貸下的風險承擔數額及風險承擔加權平均風險權重，以及各級融通在零售風險承擔下的風險承擔數額：

就銀行風險承擔而言

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

For bank exposure

就銀行風險承擔而言

2014

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 風險承擔加權平均風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	12	14.10%	0.03%
2	565	27.01%	0.05%
3	4,748	32.41%	0.07%
4	19,659	45.37%	0.11%
5	9,946	54.82%	0.16%
6	562	52.31%	0.20%
7	5,263	54.24%	0.25%
8	1,749	77.78%	0.33%
9	16,779	104.39%	0.61%
10	12,140	113.85%	0.85%
11	10,483	137.97%	1.39%
12	2,144	152.00%	2.06%
13	1	137.31%	3.09%
14	556	186.27%	4.64%
15	1,265	207.38%	6.67%

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(11) 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

(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

2015

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 風險承擔加權平均風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	232	21.13%	0.03%
2	11,103	17.91%	0.04%
3	17,034	19.41%	0.08%
4	28,900	32.73%	0.12%
5	12,806	39.78%	0.16%
6	31,371	43.70%	0.20%
7	33,101	38.56%	0.24%
8	64,691	49.43%	0.35%
9	48,797	63.29%	0.53%
10	34,348	64.52%	0.86%
11	34,363	73.69%	1.34%
12	15,941	77.10%	1.78%
13	16,083	70.03%	2.54%
14	12,116	98.73%	4.10%
15	7,360	84.50%	6.02%
16	8,230	130.88%	9.38%
17	12,631	166.04%	43.19%
18	944	317.73%	100.00%
19	2,146	286.04%	100.00%
20	599	379.24%	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

2014

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 風險承擔加權平均風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	531	13.05%	0.03%
2	13,865	18.43%	0.04%
3	18,733	18.69%	0.08%
4	35,880	31.68%	0.12%
5	24,020	38.12%	0.16%
6	33,002	43.91%	0.20%
7	68,699	34.62%	0.24%
8	75,644	45.53%	0.36%
9	52,804	46.54%	0.52%
10	59,576	49.29%	0.89%
11	8,886	91.79%	1.39%
12	21,471	58.11%	1.87%
13	8,292	49.20%	2.87%
14	7,230	92.89%	4.48%
15	1,681	88.90%	6.57%
16	2,469	122.62%	9.50%
17	3,340	162.66%	49.92%
18	896	354.00%	100.00%
19	804	316.46%	100.00%
20	101	579.12%	100.00%

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(11) 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 specialised lending

Supervisory rating grade	監管評級等級	2015		2014	
		Exposure amount	Exposure weighted average risk weight	Exposure amount	Exposure weighted average risk weight
		風險承擔數額 HK\$ Mn 港幣百萬元	風險承擔加權 平均風險權重	風險承擔數額 HK\$ Mn 港幣百萬元	風險承擔加權 平均風險權重
Strong	優	19,901	74.20%	30,277	74.20%
Good	良	1,287	95.40%	1,980	95.40%
Satisfactory	尚可	-	-	-	-
Weak	欠佳	167	265.00%	61	265.00%
Default	違責	48	-	100	-

(j) 內部評級基準風險承擔類別的風險評估(續)

就專門性借貸而言

For residential mortgages

就住宅按揭而言

Facility grade	融通等級	Exposure amount	
		風險承擔數額	
		2015	2014
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
1		1,303	191
2		781	-
3		10,922	30,692
4		49,710	3,106
5		6,268	31,352
6		3,335	2,689
7		716	1,320
8		145	-
9		23	-
10		1,446	6
11		683	2,057
12		255	51
13		145	77
14		73	48
15		1,609	30
16		12	5
17		234	94
18		80	-
19		3	-

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

For qualifying revolving retail exposures

就合資格循環零售風險承擔而言

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2015	
	HK\$ Mn 港幣百萬元	2014 HK\$ Mn 港幣百萬元
5	6,045	6,466
6	225	198
7	15,589	13,119
8	1,587	1,400
9	1,285	1,611
10	561	578
11	507	1,672
12	1,545	1,700
13	28	28
14	482	785
15	362	424
16	8	7
18	12	8

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(11) 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			
	2015		2014	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
1	272		186	
2	55		–	
3	940		693	
4	500		–	
5	7		4,700	
6	396		5	
7	3,413		2,743	
8	74		72	
9	4,028		1,264	
10	489		6	
11	339		2,734	
12	570		92	
13	333		74	
14	31		26	
15	220		61	
16	–		2	
17	52		29	
18	33		21	
19	11		–	
20	7		8	

(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, 2014 against the actual outcome for the same portfolios during the financial period ended 31st December, 2015.

Comparison of actual loss and estimated loss

The following tables indicate the actual loss during the financial year ended 31st December, 2015 and 31st December, 2014 which are compared against the estimated loss at 31st December, 2014 and 31st December, 2013 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, 2015 and 31st December, 2014. The difference between the actual loss for the financial year ended 31st December, 2015 and 31st December, 2014 is immaterial when compared with the Group’s loan portfolio in the respective period.

(k) 比較評級估計與實際數字

以於2014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2015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2015年12月31日及2014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2014年12月31日及2013年12月31日的估計損失比較。實際損失指截至2015年12月31日及2014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2015年12月31日及截至2014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)

2015

Exposure class	風險承擔類別	Actual loss for the year ended 31st December, 2015	Estimated 1-year loss at 31st December, 2014
		截至2015年12月31日止 之財政年度的實際損失 HK\$ Mn 港幣百萬元	於2014年12月31日內 估計的一年損失 HK\$ Mn 港幣百萬元
Bank	銀行	-	253
Corporate	企業	911	1,392
Residential mortgage	住宅按揭	45	103
Qualifying revolving retail	合資格循環零售	33	263
Other retail	其他零售	50	106
Total	總額	1,039	2,117

2014

Exposure class	風險承擔類別	Actual loss for the year ended 31st December, 2014	Estimated 1-year loss at 31st December, 2013
		截至2014年12月31日止 之財政年度的實際損失 HK\$ Mn 港幣百萬元	於2013年12月31日內 估計的一年損失 HK\$ Mn 港幣百萬元
Bank	銀行	-	290
Corporate	企業	625	604
Residential mortgage	住宅按揭	14	95
Qualifying revolving retail	合資格循環零售	21	227
Other retail	其他零售	38	124
Total	總額	698	1,340

For specialised lending which is not included in the above tables, the actual loss during the financial year ended 31st December, 2015 and 31st December, 2014 were both HK\$0 million while the estimated loss at 31st December, 2014 and 31st December, 2013 were HK\$142 million and HK\$187 million respectively.

就上表沒有包括在內的專門性借貸而言，截至2015年12月31日及2014年12月31日止財政年度的實際損失均為港幣0百萬元，而在截至2014年12月31日及2013年12月31日的估計損失分別為港幣1.42億元及港幣1.87億元。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(11) 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, 2015 and 31st December, 2014, which is compared against the estimated 1-year probability of default (PD) at 31st December, 2014 and 31st December, 2013 of the respective portfolio.

2015

Exposure class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2015 截至2015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, 2014 於2014年12月31日內 估計的一年 違責或然率
Bank	銀行	0.00%	0.70%
Corporate	企業	2.40%	1.37%
Residential mortgage	住宅按揭	0.30%	0.71%
Qualifying revolving retail	合資格循環零售	0.30%	0.71%
Other retail	其他零售	2.29%	2.93%

2014

Exposure class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2014 截至2014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, 2013 於2013年12月31日內 估計的一年 違責或然率
Bank	銀行	0.00%	0.70%
Corporate	企業	1.49%	0.85%
Residential mortgage	住宅按揭	0.26%	0.69%
Qualifying revolving retail	合資格循環零售	0.33%	0.72%
Other retail	其他零售	1.90%	3.05%

(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2015年12月31日及2014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2014年12月31日及2013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)

(12) 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 Ratings Services are used for all classes of credit exposures under Standardised Approach. The Bank follows the process prescribed in Part 4 of the Capital Rules to map the ratings to the exposures booked in the Bank's banking book.

(a) 外部信貸評估機構的評級

穆迪投資者服務及標準普爾評級服務的信用評級用於標準計算法下的各類信貸風險承擔。本行根據《資本規則》第4部規定的程序，把評級對應本行銀行賬載列的風險承擔。

(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, 2015 and 31st December, 2014 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2015年12月31日及2014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：

2015

Exposure type	風險承擔類別	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure amount after credit risk mitigation 使用減低信貸風險措施後的 風險承擔數額		Risk-weighted 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	81,832	81,832	-	-	-
Public sector entities	公營機構	454	490	-	7	-
Bank	銀行	1,471	793	678	250	264
Securities firm	證券公司	164	148	2	30	1
Corporate	企業	10,971	1,086	6,440	722	6,440
Regulatory retail	監管零售	3,671	-	3,671	-	2,753
Residential mortgage	住宅按揭	11,897	-	11,638	-	5,373
Other exposures that are not past due	未逾期的其他風險承擔	14,313	-	6,998	-	6,998
Past due	逾期	238	-	238	-	281
Off balance sheet exposure	資產負債表外的風險承擔	1,820	202	1,492	13	1,401
Counterparty exposure	交易對手風險承擔	1,782	286	610	142	609
Total	總額	128,613	84,837	31,767	1,164	24,120

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(12) 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) 2014 (b) 標準計算法下風險承擔類別的風險評估(續)

Exposure type	風險承擔類別	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure amount after credit risk mitigation 使用減低信貸風險措施後的 風險承擔數額		Risk-weighted 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	93,321	93,321	–	19	–
Public sector entities	公營機構	558	558	27	–	5
Bank	銀行	32,578	22,954	9,624	6,557	4,322
Corporate	企業	18,790	267	9,505	132	9,505
Regulatory retail	監管零售	2,937	–	2,936	–	2,202
Residential mortgage	住宅按揭	8,052	–	7,806	–	4,286
Other exposures that are not past due	未逾期的其他風險 承擔	12,498	–	5,549	–	5,549
Past due	逾期	100	–	100	–	109
Off balance sheet exposure	資產負債表外的 風險承擔	2,599	145	1,298	–	1,217
Counterparty exposure	交易對手風險承擔	1,545	140	560	64	551
Total	總額	172,978	117,385	37,405	6,772	27,746

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED) 未經審核補充財務資料(續)

(13) 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 securities financing transactions and derivative contracts booked in the banking book or trading book. 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 Capital Rules are considered as recognised credit risk mitigations and the Bank adheres to the criteria as stipulated in the Capital Rules when assessing the eligibility.

Recognised collaterals include both financial and physical collaterals. Financial collaterals include cash deposit, gold, shares and debt securities and mutual fund/undertakings for collective investments in transferable securities, whilst physical collaterals include commercial real estate, residential real estate, vehicles and equipments. The exposure amount after mitigation is determined by applying the standard supervisory haircut laid down in the Capital Rules as an adjustment discount to the current collateral value.

Recognised guarantees are guarantees provided by sovereign entities, public sector entities, banks, regulated securities firms or corporates that have ECAI issuer ratings, and have been allocated a lower risk weight than that allocated to the exposures in respect of which the guarantees have been given.

On-balance and off-balance sheet recognised netting is not adopted by the Bank. As for recognised guarantees and recognised credit derivative contracts, only recognised guarantees provided by bank entities and those provided by the Hong Kong Mortgage Corporation Limited are applied as credit risk mitigation for capital adequacy calculation at the end of the reporting period.

(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，包括與由銀行賬或交易賬中的證券融資交易及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《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《資本規則》規定的準則。

認可抵押品包括金融及實物抵押品。金融抵押品包括現金存款、黃金、股份及債務證券及互惠基金／集體投資於可轉換證券的業務，而實物抵押品包括商業地產、住宅地產、車輛及設備。減低風險後的風險承擔數額乃以《資本規則》訂下的標準監管扣減作為對現行抵押品價值的調整扣減而釐定。

認可擔保乃任何主權實體、公營單位、銀行、受監管證券商號或獲得外部信用評估機構發債人評級的企業所提供的擔保，而該等擔保必須取得比受擔保風險承擔較低的風險權重。

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。至於認可擔保及認可信貸衍生工具合約，本行於計算日只採納由銀行實體或由香港按揭證券有限公司所提供的認可擔保作為減低信貸風險措施，以計算資本充足度。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(13) CREDIT RISK MITIGATION (CONTINUED) 減低信貸風險措施(續)

(b) Non-counterparty credit risk-related exposures covered by recognised collaterals 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非交易對手風險相關的風險承擔數額

Exposure class	風險承擔類別	Exposure amount covered net of specific provisions 扣除特定準備金下計算的 已涵蓋的風險承擔數額			
		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Bank	銀行	2,735		1,906	
Corporate	企業	192,623		221,228	
Retail	零售	82,401		79,845	
Total	總額	277,759		302,979	

As at 31st December, 2015 and 31st December, 2014, total exposures (including counterparty credit risk-related exposures) covered by recognised collaterals or recognised guarantees amounted to HK\$279,322 million and HK\$303,719 million respectively when calculated gross of specific provisions.

於2015年12月31日及2014年12月31日，在未扣除特定準備金下計算的以認可抵押品或認可擔保涵蓋的風險承擔總額(包含交易對手信貸風險相關的風險承擔)分別為港幣2,793.22億元及港幣3,037.19億元。

(c) Total exposures covered by recognised collaterals 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數額

Exposure class	風險承擔類別	Exposure amount covered 已涵蓋的風險承擔數額			
		2015		2014	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Securities firm	證券公司	14		-	
Corporate	企業	3,445		9,018	
Regulatory retail	監管零售	-		1	
Residential mortgage	住宅按揭	259		246	
Other exposures which are not past due	未逾期的其他風險承擔	7,315		6,949	
Past due	逾期	151		82	
Counterparty	交易對手	886		845	
Off balance sheet	資產負債表外項目	190		1,156	
Total	總額	12,260		18,297	

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED) 未經審核補充財務資料(續)

(14) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE 與交易對手信貸風險相關的風險承擔

The Bank has adopted the Current Exposure Method for regulatory capital calculation of its counterparty credit risk arising from securities financing transactions and derivative contracts booked in the banking book and trading book. Internally, the Bank has in place a set of policies and a comprehensive framework to effectively manage such counterparty credit risk. Under this management framework, distinct credit limits for counterparty credit exposure for individual counterparties are determined based on the credit standing of the counterparties, collateral value, contract nature, etc.

The Bank has set out in its internal policies a process for identification of wrong-way risk for individual counterparties. Regular stress-testing is conducted to assess the potential impact of wrong-way risk on the Bank's capital adequacy and profitability.

According to the Credit Support Annexes of the International Swaps and Derivatives Association Master Agreements between the Bank and its major counterparties, and the Bank's credit rating position and outstanding liabilities arising from counterparty credit risk-related transactions as at 31st December, 2015, the Bank would not have to provide any additional collateral if there were a downgrade in the Bank's credit ratings from Moody's Investors Service or Standard & Poor's Ratings Services by one notch.

At 31st December, 2015, 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.

本行採取現行風險承擔方法計算所有由銀行賬及交易賬中的證券融資交易及衍生工具合約所引致的交易對手信貸風險的監管資本。本行已制訂一系列內部政策及完善的管理架構，以有效地管理此等交易對手信貸風險。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、抵押品價值、合約性質等因素釐定。

本行已在內部政策制定識別個別交易對手錯向風險的程序。本行定期進行壓力測試，以評估錯向風險對本行的資金充足度及盈利能力的潛在影響。

根據本行與其主要交易對手所簽訂的國際掉期交易協會主協議之信用附約條款，及本行於2015年12月31日的信用評級狀況及由交易對手信貸風險相關交易所引致的未結清負債，本行將不需要在假設其穆迪投資者服務或標準普爾評級服務的信貸評級遭降一級的情況下向交易對手提供額外的抵押品。

於2015年12月31日，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，亦沒有採納按金管局指引第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)

(14) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE (CONTINUED)

與交易對手信貸風險相關的風險承擔(續)

The following tables indicate the information of counterparty credit risk-related exposures under IRB approach and Standardised approach respectively as at 31st December, 2015 and 31st December, 2014:

於2015年12月31日及2014年12月31日，下表顯示分別在內部評級基準計算法及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：

(a) Counterparty credit risk-related exposures under IRB Approach

(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

2015

		Securities financing transactions	
		Derivative contracts 衍生工具合同 HK\$ Mn 港幣百萬元	證券融資交易 證券融資交易 HK\$ Mn 港幣百萬元
Gross total positive fair value	總公平價值正數	3,564	-
Default risk exposures amount	違責風險承擔數額		
- Bank	- 銀行	5,448	2,156
- Corporate	- 企業	2,539	-
		7,987	2,156
Recognised collateral held	認可抵押品		
- Cash	- 現金	308	-
- Others	- 其他	5	832
		313	832
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責風險承擔數額		
- Bank	- 銀行	5,448	1,324
- Corporate	- 企業	2,226	-
		7,674	1,324
Risk-weighted amount	風險加權數額		
- Bank	- 銀行	3,531	414
- Corporate	- 企業	2,311	-
		5,842	414

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

2014

		Derivative contracts		Securities financing transactions	
		衍生工具合同	證券融資交易	衍生工具合同	證券融資交易
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross total positive fair value	總公平價值正數		2,530		–
Default risk exposures amount	違責風險承擔數額				
– Bank	– 銀行		6,278		49
– Corporate	– 企業		2,502		–
			8,780		49
Recognised collateral held	認可抵押品				
– Cash	– 現金		584		–
– Others	– 其他		7		41
			591		41
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責風險承擔數額				
– Bank	– 銀行		6,278		8
– Corporate	– 企業		1,911		–
			8,189		8
Risk-weighted amount	風險加權數額				
– Bank	– 銀行		6,123		7
– Corporate	– 企業		1,213		–
			7,336		7

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(14) 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

(b) 標準計算法下與交易對手信貸風險相關的風險承擔

2015

		Derivative contracts		Securities financing transactions	
		衍生工具合同	證券融資交易	衍生工具合同	證券融資交易
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross total positive fair value	總公平價值正數	681		-	
Default risk exposures amount	違責風險承擔數額				
- Bank	- 銀行	289		-	
- Corporate	- 企業	566		-	
- Retail	- 零售	927		-	
		1,782		-	
Recognised collateral held	認可抵押品				
- Cash	- 現金	737		-	
- Others	- 其他	149		-	
		886		-	
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責風險承擔數額				
- Bank	- 銀行	289		-	
- Corporate	- 企業	180		-	
- Retail	- 零售	427		-	
		896		-	
Risk-weighted amount	風險加權數額				
- Bank	- 銀行	144		-	
- Corporate	- 企業	180		-	
- Retail	- 零售	427		-	
		751		-	

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

2014

		Derivative contracts 衍生工具合同 HK\$ Mn 港幣百萬元	Securities financing transactions 證券融資交易 HK\$ Mn 港幣百萬元
Gross total positive fair value	總公平價值正數	591	–
Default risk exposures amount	違責風險承擔數額		
– Sovereign	– 主權	1	–
– Bank	– 銀行	155	–
– Corporate	– 企業	497	–
– Retail	– 零售	892	–
		1,545	–
Recognised collateral held	認可抵押品		
– Cash	– 現金	640	–
– Others	– 其他	205	–
		845	–
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責 風險承擔數額		
– Sovereign	– 主權	1	–
– Bank	– 銀行	155	–
– Corporate	– 企業	200	–
– Retail	– 零售	344	–
		700	–
Risk-weighted amount	風險加權數額		
– Sovereign	– 主權	–	–
– Bank	– 銀行	71	–
– Corporate	– 企業	200	–
– Retail	– 零售	344	–
		615	–

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(14) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE (CONTINUED)

與交易對手信貸風險相關的風險承擔(續)

(c) Counterparty credit risk-related exposures to Central Counterparties (c) 對中央交易對手方的與交易對手信貸風險相關風險承擔

2015

		Derivative contracts		Securities financing transactions	
		衍生工具合同	證券融資交易	衍生工具合同	證券融資交易
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross total positive fair value	總公平價值正數	1,857		-	
Default risk exposures amount	違責風險承擔數額	3,464		-	
Recognised collateral held	認可抵押品				
– Cash	– 現金	-		-	
– Others	– 其他	-		-	
		-		-	
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責風險承擔數額	3,464		-	
Risk-weighted amount	風險加權數額	69		-	

2014

		Derivative contracts		Securities financing transactions	
		衍生工具合同	證券融資交易	衍生工具合同	證券融資交易
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross total positive fair value	總公平價值正數	256		-	
Default risk exposures amount	違責風險承擔數額	692		-	
Recognised collateral held	認可抵押品				
– Cash	– 現金	-		-	
– Others	– 其他	-		-	
		-		-	
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責風險承擔數額	692		-	
Risk-weighted amount	風險加權數額	14		-	

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(d) 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, 2015 and 31st December, 2014 respectively:

(d) 會引致交易對手信貸風險的信貸衍生工具合約

於2015年12月31日及2014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：

		2015	2014
		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	39	62
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	-	-
Protection sold	售出保障	-	-
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)

(15) Asset Securitisation 資產證券化

At the end of the reporting period, the Bank only acted as an investor in all securitisation exposures. Ratings from Moody's Investors Service and Standard & Poor's are adopted in assessing securitisation exposures. Since the securitisation exposures held by the Bank are all rated by recognised ECAI designated by the Capital Rules, the Ratings-based Method under the Internal Ratings-Based (Securitisation) Approach is used to calculate the risk-weighted amount for the exposures. The Bank closely monitors the risk arising from these exposures.

All securitisation exposures held by the Bank are rated with investment grades and backed by non-granular pools. The following table indicates the total principal amount and the respective capital requirement of all securitisation exposure as at 31st December 2015 and 31st December 2014:

Risk Weight 風險權重	Principal Amount 本金總額				Capital requirement 資本要求			
	2015		2014		2015		2014	
	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
25%	52		–		1		–	
Total 總額	52		–		1		–	

There was no securitisation exposure subject to deduction from Common Equity Tier 1 capital base as at 31st December 2015 and 31st December 2014 respectively.

本行於計算日在所有證券化類別風險承擔僅作為投資者。本行在評估證券化類別風險承擔時採納穆迪投資服務及標準普爾的評級。由於本行持有的證券化類別風險承擔均經資本規則指定的認可外部信貸評級機構評級，故使用內部評級基準(證券化)計算法下的評級基準方法以計算風險承擔的風險加權金額。本行緊密監察有關風險承擔所產生的風險。

本行所投資的證券化類別風險承擔均獲得投資評級及被歸類為以非多元化組合支持的持倉。下表顯示於2015年12月31日及2014年12月31日所有證券化類別風險承擔的本金總額及相應的資本要求：

於2015年12月31日及2014年12月31日，本行並沒有持有須從普通股權一級資本扣減的證券化類別風險承擔。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED) 未經審核補充財務資料(續)

(16) Equity Exposures Booked in Banking Book 銀行賬下的股權風險承擔

Before 1st January, 2013, the Bank deducted those equity holdings taken for relationship and strategic reasons from the core & supplementary capital and included those equity holdings taken for other reasons in the risk-weighted assets for capital adequacy ratio purpose.

Starting from 1st January, 2013, under the Basel III requirements, the Bank regards those equity holdings taken for relationship and strategic reasons as deductible items from the Tier 1 & Tier 2 capital subject to the applicable thresholds and includes those equity holdings not deducted from the capital base and those taken for other reasons in the risk-weighted assets for capital adequacy ratio purpose.

The Bank applies the same accounting techniques and valuation methodologies as detailed in the Bank's notes on the financial statements for all available-for-sale financial assets, including equity exposures booked in banking book. There are no significant changes during the annual reporting period.

於2013年1月1日以前，本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。

於2013年1月1日或以後，因應巴塞爾資本協定III之規定，本行將因關係及策略性理由而持有的股權視為可扣減項目並按適用的門檻規定從一級及二級資本內扣減，並將未於資本基礎扣減的股權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。

本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財務報表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, 2015 截至2015年12月31日 止年度 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	219
Total unrealised losses deducted from the Bank's reserves but not through the income statement	在儲備內確認而未有經收益表入賬的 未實現虧損的總計	(277)
		For the year ended 31st December, 2014 截至2014年12月31日 止年度 Restated 重報 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	56
Total unrealised gains deducted from the Bank's reserves but not through the income statement	在儲備內確認而未有經收益表入賬的 未實現收益的總計	680

GLOSSARY

詞彙

2011 Scheme 「2011計劃」	Staff Share Option Scheme approved and adopted by the shareholders of the Bank on 19th April, 2011 於2011年4月19日經股東批准及採納的僱員認股計劃
2016 AGM 「2016股東周年常會」	an AGM of the Bank to be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Hong Kong on Friday, 8th April, 2016 at 11:30 a.m. or any adjournment thereof 本行將於2016年4月8日星期五上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會，或其任何續會
AC 「審核委員會」	the Audit Committee of the Bank 本行的審核委員會
ACM 「審核委員會會議」	Audit Committee Meeting 審核委員會會議
AGM 「股東周年常會」	an Annual General Meeting of the Bank 本行的股東周年常會
AML 「反洗黑錢」	Anti-money laundering 反洗黑錢
Article of Association 「組織章程細則」	the articles of association of the Bank (as amended, modified or otherwise supplemented from time to time) 本行的組織章程細則，經不時修訂、修改或以其他方式補充
ATM 「自動櫃員機」	Automated Teller Machine 自動櫃員機
AUM 「管理資產」	Assets under management 管理資產
Bank Group or BEA Group or Group 「集團」或「本集團」	the Bank and its subsidiaries 東亞銀行及其附屬公司
Bank or BEA 「本行」或「東亞銀行」	The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong 東亞銀行有限公司，於香港註冊成立的有限公司
Banking Ordinance 「《銀行業條例》」	Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong) 香港《銀行業條例》(香港法例第155章)
BEA China 「東亞中國」	The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank 東亞銀行(中國)有限公司，本行的全資附屬公司
BEA Foundation 「東亞銀行慈善基金」	The Bank of East Asia Charitable Foundation Limited, a wholly-owned subsidiary of the Bank 東亞銀行慈善基金有限公司，本行的全資附屬公司
BEA Hong Kong 「東亞香港」	the Bank's operations in Hong Kong 本行的香港業務
BEA Macau / Macau Branch 「澳門分行」	the Bank's branch operations in Macau 本行的澳門分行
BEA Taiwan 「台灣分行」	the Bank's branch operations in Taiwan 本行的台灣分行
BEA Union Investment 「東亞聯豐投資」	BEA Union Investment Management Limited, a non-wholly-owned subsidiary of the Bank 東亞聯豐投資管理有限公司，本行的非全資附屬公司
Blue Cross 「藍十字」	Blue Cross (Asia-Pacific) Insurance Limited, a wholly-owned subsidiary of the Bank 藍十字(亞太)保險有限公司，本行的全資附屬公司
BM 「董事會會議」	Board Meeting 董事會會議
Board 「董事會」	Board of Directors of the Bank 本行的董事會
BVI 「英屬處女群島」	British Virgin Islands 英屬處女群島
Capital Rules 「《資本規則》」	Banking (Capital) Rules issued by the HKMA 金管局頒布的《銀行業(資本規則)》
CG Code 「《企業管治守則》」	Corporate Governance Code and Corporate Governance Report, Appendix 14 of the Listing Rules 《上市規則》附錄14內所載的《企業管治守則》及《企業管治報告》
CG-1 「CG-1」	Supervisory Policy Manual CG-1 on Corporate Governance of Locally Incorporated Authorized Institutions, issued by the HKMA 金管局頒布之監管政策手冊CG-1內有關《本地註冊認可機構的企業管治》
CG-5 「CG-5」	Supervisory Policy Manual CG-5 on Guideline on a Sound Remuneration System, issued by the HKMA 金管局頒布之監管政策手冊CG-5內有關《穩健的薪酬制度指引》
Charity Fund 「公益基金」	Shanghai Soong Ching Ling Foundation – BEA Charity Fund 上海宋慶齡基金會 — 東亞銀行公益基金
CHF 「瑞士法郎」	Swiss franc, the lawful currency of Switzerland 瑞士法定貨幣
China, Mainland, Mainland China, or PRC 「中國」或「內地」	People's Republic of China 中華人民共和國

GLOSSARY (CONTINUED)

詞彙 (續)

CNY or RMB 「人民幣」	Chinese yuan or Renminbi, the lawful currency of the PRC 中國法定貨幣
The Community Chest 「公益金」	The Community Chest of Hong Kong 香港公益金
Companies Ordinance 「《公司條例》」	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 《公司條例》(香港法例第 622 章)
Credit Gain 「領達財務」	Credit Gain Finance Company Limited, a wholly-owned subsidiary of the Bank 領達財務有限公司，本行的全資附屬公司
CSR 「企業社會責任」	Corporate social responsibility 企業社會責任
Director(s) 「董事」	includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require 包括任何擔任本行董事職位的人士(無論該人是以何職稱擔任該職位)，或文義另有所指的人士
ED(s) 「執行董事」	Executive Director(s) of the Bank 本行的執行董事
ELCSS-HK 「基督教香港信義會」	Evangelical Lutheran Church Social Service – Hong Kong 基督教香港信義會
EUR 「歐羅」	Euro 歐羅區法定貨幣
GBP 「英鎊」	Pound sterling, the lawful currency of the UK 英國法定貨幣
GDP 「本地生產總值」	Gross domestic product 本地生產總值
HK\$ or HKD 「港幣」	Hong Kong dollar, the lawful currency of Hong Kong 香港法定貨幣
HKAEE 「香港環保卓越計劃」	Hong Kong Awards for Environmental Excellence 香港環保卓越計劃
HKAS 「香港會計準則」	Hong Kong Accounting Standards 香港會計準則
HKCSS 「社聯」	Hong Kong Council of Social Service 香港社會服務聯會
HKEx 「香港交易所」	Hong Kong Exchanges and Clearing Limited 香港交易及結算所有限公司
HKFRS 「香港財務報告準則」	Hong Kong Financial Reporting Standards 香港財務報告準則
HKGOC 「香港綠色機構認證」	Hong Kong Green Organisation Certification 香港綠色機構認證
HKICPA 「香港會計師公會」	Hong Kong Institute of Certified Public Accountants 香港會計師公會
HKMA 「金管局」	Hong Kong Monetary Authority 香港金融管理局
HKPC 「香港生產力促進局」	Hong Kong Productivity Council 香港生產力促進局
Hong Kong or HK 「香港」	Hong Kong Special Administrative Region of PRC 中華人民共和國香港特別行政區
IAS 「高等研究院」	Institute for Advanced Study 高等研究院
INED(s) 「獨立非執行董事」	Independent Non-executive Director(s) of the Bank 本行的獨立非執行董事
JPY 「日圓」	Japanese yen, the lawful currency of Japan 日本法定貨幣
Listing Rules 「《上市規則》」	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, modified or otherwise supplemented from time to time) 聯交所《證券上市規則》，經不時修訂、修改或以其他方式補充
Management 「管理層」	the Chief Executive, Deputy Chief Executives and Division Heads of the Bank 本行的行政總裁、副行政總裁及處級主管
MPF 「強積金」	Mandatory Provident Fund 強制性公積金
NC 「提名委員會」	the Nomination Committee of the Bank 本行的提名委員會

GLOSSARY (CONTINUED)

詞彙 (續)

NCM 「提名委員會會議」	Nomination Committee Meeting(s) 提名委員會會議
NED(s) 「非執行董事」	Non-executive Director(s) of the Bank 本行的非執行董事
NGO(s) 「非政府機構」	Non-governmental organisation(s) 非政府機構
PBOC 「人行」	The People's Bank of China 中國人民銀行
PHAB 「傷健」	Physically handicapped and able-bodied 傷殘與健全人士
PolyU 「理大」	The Hong Kong Polytechnic University 香港理工大學
RC 「薪酬委員會」	the Remuneration Committee of the Bank 本行的薪酬委員會
RCM 「薪酬委員會會議」	Remuneration Committee Meeting(s) 薪酬委員會會議
RIC 「風險委員會」	the Risk Committee of the Bank 本行的風險委員會
RICM 「風險委員會會議」	Risk Committee Meeting(s) 風險委員會會議
The Salvation Army 「救世軍」	The Salvation Army Hong Kong and Macau Command 救世軍港澳軍區
Senior Management 「高層管理人員」	the Deputy Chief Executives of the Bank 本行的副行政總裁
SFO 「《證券及期貨條例》」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 《證券及期貨條例》(香港法例第571章)
SGD 「新加坡元」	Singapore dollar, the lawful currency of Singapore 新加坡法定貨幣
SHKP 「新鴻基地產」	Sun Hung Kai Properties Limited 新鴻基地產發展有限公司
SinoPac Securities 「永豐金證券」	SinoPac Securities Corporation 永豐金證券股份有限公司
SJS 「聖雅各福群會」	St. James' Settlement 聖雅各福群會
SMBC 「三井住友銀行」	Sumitomo Mitsui Banking Corporation 三井住友銀行
SMEs 「中小企」	Small and medium-sized enterprises 中小型企業
SPCA 「愛護動物協會」	Society for the Prevention of Cruelty to Animals 愛護動物協會
SSCLF 「上海宋慶齡基金會」	Shanghai Soong Ching Ling Foundation 上海宋慶齡基金會
Stock Exchange 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Tricor or Tricor Holdings 「卓佳」或「卓佳集團」	Tricor Holdings Limited, a non-wholly-owned subsidiary of the Bank 卓佳集團有限公司，本行的非全資附屬公司
UK 「英國」	United Kingdom 英國
US 「美國」	United States of America 美利堅合眾國
US\$ or USD 「美元」	United States dollar, the lawful currency of the US 美國法定貨幣
WWF 「世界自然基金會」	World Wide Fund for Nature 世界自然基金會

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

2015 full year results announced	15th February, 2016
2015 Second Interim Dividend declared	15th February, 2016
Ex-all date for 2015 Second Interim Dividend	2nd March, 2016
Closure of register of members - 2015 Second Interim Dividend	From 4th March, 2016 to 7th March, 2016 (Both days inclusive)
Record date for 2015 Second Interim Dividend	7th March, 2016
Despatch of Scrip Dividend Scheme Listing Document and Form of Election	7th March, 2016
Despatch of dividend warrants and share certificates for 2015 Second Interim Dividend	(on or about) 31st March, 2016
Closure of register of members - 2016 AGM	7th April, 2016 and 8th April, 2016
2016 AGM	8th April, 2016
2016 interim results to be announced	August, 2016*

* Subject to change

股東資料

財務日誌

公布 2015 年度全年業績	2016 年 2 月 15 日
宣布派發 2015 年度第二次中期股息	2016 年 2 月 15 日
2015 年度第二次中期股息除淨日期	2016 年 3 月 2 日
暫停辦理過戶登記手續 - 2015 年度第二次中期股息	由 2016 年 3 月 4 日 至 2016 年 3 月 7 日 (包括首尾兩天)
2015 年度第二次中期股息記錄日期	2016 年 3 月 7 日
寄發以股代息計劃上市文件及選擇表格	2016 年 3 月 7 日
寄發 2015 年度第二次中期股息單及股票	(約於) 2016 年 3 月 31 日
暫停辦理過戶登記手續 - 2016 股東周年常會	2016 年 4 月 7 日 及 2016 年 4 月 8 日
2016 股東周年常會	2016 年 4 月 8 日
公布 2016 年度中期業績	2016 年 8 月 *

* 可予更改

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