

Notes to the Financial Statements

財務報告附註

1. ACTIVITIES

Fubon Bank (Hong Kong) Limited (“The Bank”) is a licensed bank incorporated and domiciled in Hong Kong and has its registered office at 38 Des Voeux Road Central, Hong Kong.

The Bank, through its branches and subsidiaries, provides a range of banking, financial and related services.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for the year ended 31 December 2011 comprise the Bank and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Group is set out below.

(b) New and revised HKFRSs

The HKICPA has issued a number of revised HKFRS and amendments to HKFRSs that are first effective for the current accounting period or available for early adoption of the Group and the Bank. However, none of the developments have a material impact on the Group’s financial statement for the current or comparative periods.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(c) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis 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 (see Note 2(g));
- derivative financial instruments (see Note 2(g)); and
- certain of the Group’s owned properties (see Note 2(j))

1. 業務

富邦銀行(香港)有限公司(「本行」)為一間於香港註冊成立並以香港為本籍的持牌銀行，其註冊辦事處位於香港中環德輔道中三十八號。

本行透過其分行及附屬公司提供一系列銀行、金融及相關服務。

2. 主要會計政策

截至二零一一年十二月三十一日止年度之綜合財務報告，包括本行及其附屬公司(合稱為「本集團」)及本集團於聯營公司之權益之財務報告。

(a) 遵守聲明

此等財務報告乃根據香港會計師公會(「香港會計師公會」)頒佈的一切適用香港財務報告準則(「香港財務報告準則」，該統稱包括一切適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港普遍採納的會計準則及香港《公司條例》的規定而編製。本集團所採納的主要會計政策概要載於下文。

(b) 新訂及經修訂香港財務報告準則

香港會計師公會已頒佈若干經修訂香港財務報告準則及香港財務報告準則之修訂，並於本期會計期間首次生效或可供本集團及本行提早採納。據此，與本集團之財務報告有關之發展如下：

本集團並無適用任何於本會計期間尚未生效之新訂準則或詮釋。

(c) 財務報告的編製基準

編製財務報告所採用的計算基準為歷史成本法，但下列以公平價值列賬的資產及負債(如下文的會計政策所闡釋)除外：

- 分類為交易用途、指定通過損益以反映公平價值及可供出售之金融工具(見附註2(g))；
- 衍生金融工具(見附註2(g))；及
- 若干本集團擁有之物業(見附註2(j))

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Basis of preparation of the financial statements** (continued)

In addition, the carrying amounts of assets and liabilities that are designated as hedged items in a fair value hedge are adjusted for fair value changes attributable to the hedged risk.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 50.

(d) Investments in subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity, so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

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 and transactions, 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.

2. 主要會計政策 (續)**(c) 財務報告的編製基準**

另外，在公平價值對沖中指定為對沖項目的資產與負債的賬面價值，乃就與對沖風險有關的公平價值變動作出調整。

編製此等符合香港財務報告準則之財務報告需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產及負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成對目前未能從其他來源得出的資產及負債賬面值所作估計之基準。實際數字或會有別於此等估計數字。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如只影響當期，則有關影響於估計變動之當期確認。如該項會計估計之變動影響當期及以後期間，則有關影響於當期及以後期間確認。

管理層應用對財務報告及估計不確定因素之主要來源構成重大影響的香港財務報告準則所作出之判斷於附註 50 中詳述。

(d) 附屬公司投資及非控股權益

附屬公司為本集團控制之實體。於集團有能力監管實體之財務及營運政策以從其活動獲益時，即存在控制權。於評估控制權時，會計入現時可予行使之潛在投票權。

自控制開始日期直至控制結束日期，於受控制附屬公司之投資會併入綜合財務報告內。

集團公司內部間的結餘及交易，以及集團公司內部間交易所產生的任何未變現溢利，均於編製綜合財務報告時悉數抵銷。集團公司內部間交易所產生的未變現虧損與未變現溢利以相同方式抵銷，惟僅限於無證據顯示已出現減值的情況。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(d) Investments in subsidiaries and non-controlling interests**
(continued)

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. The Group measures non-controlling interests at their proportionate share of the subsidiary's net identifiable assets. Non-controlling interests are presented in the consolidated balance sheet separately from equity attributable to the equity shareholders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Bank.

In the Bank's balance sheet, its investments in subsidiaries are stated at cost less impairment losses, if any (see Note 2(m)).

(e) Interests in associates

An associate is an entity 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.

The investment in an associate in the Philippines is not equity accounted for in the consolidated financial statements as it is considered by the Directors to be immaterial to the Group. It is stated at cost less impairment losses in the Group's and the Bank's balance sheet. The result of this associated company is included in the Group's and the Bank's profit or loss to the extent of dividends receivable.

The investment in an associate in the PRC is accounted for in the consolidated financial statements under the equity method. It is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's net identifiable 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, if any (see Notes 2 (m)). The Group's share of the post-acquisition, post-tax results of the associate and any impairment losses for the year are recognised in profit or loss. The Group's share of the post-acquisition, post tax items of the associate's other comprehensive income is recognised in the Group's other comprehensive income.

2. 主要會計政策 (續)**(d) 附屬公司投資及非控股權益** (續)

非控股權益指非由本行(不論是直接間接)應佔附屬公司的權益，而本集團未與該權益持有者達成任何附加協議，以使本集團整體上對該等權益產生符合金融負債定義的合約義務。本集團以彼等應佔附屬公司可識別資產淨值部分計量非控股權益。非控股權益在綜合資產負債表內列賬，但與本行股東應佔權益分開呈列。本集團業績內呈列的非控股權益在綜合收益表內列作非控股權益與本行股東之間就本年度損益總額及全面收益總額之分配。

於本行之資產負債表中，其於附屬公司的投資乃按成本值減去減值虧損(如有)列賬(見附註2(m))。

(e) 於聯營公司之權益

聯營公司為本集團或本行可對其管理(包括參與其財政及營運政策的決定)有重大影響力(惟並非控制或聯合控制)之實體。

由於董事認為於菲律賓之聯營公司的投資對本集團的影響並不重大，故並無以權益法計入綜合財務報告，而於本集團及本行之資產負債表中按成本值扣除減值虧損列賬。該聯營公司之業績以應收的股息於本集團及本行的損益賬中列賬。

中國聯營公司的投資是按權益法記入綜合財務報告，初步以成本入賬，就本集團應佔被投資方的可識別淨資產與收購日期的公平值超過投資成本的部份(如有)作出調整。其後，該投資就本集團應佔該聯營公司資產淨值及有關該投資之任何減值虧損((如有)見附註2(m))在收購後的變動作出調整。本集團應佔聯營公司收購後及除稅後業績以及任何本年度減值虧損於損益賬內確認。本集團應佔聯營公司其他全面收益之收購後及除稅後項目則確認為本集團之其他全面收益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Interests in associates (continued)**

If the Group's share of losses exceeds its interest in the associate, the Group's interest would be 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. The Group's interest in the associate is the carrying amount of the investment under the equity method.

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Bank's balance sheet, its investments in both associates are stated at cost less impairment losses, if any (see Note 2(m)).

(f) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill arising on a business combination is allocated to cash-generating units and is tested annually for impairment (see Note 2(m)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in associates and the investment as a whole is tested for impairment whenever there is objective evidence of impairment (see Note 2(m)).

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in profit or loss.

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 profit or loss on disposal.

2. 主要會計政策(續)**(e) 於聯營公司之權益(續)**

若本集團應佔的虧損超過其於該聯營公司的權益，則本集團的權益會撇減至零；除非本集團已產生法定或推定責任或代該聯營公司作出付款，否則不會繼續確認進一步虧損。本集團於聯營公司的權益，是按照權益法計算投資的賬面值。

本集團與其聯營公司之間交易所產生的未變現損益，是以本集團於聯營公司所佔的權益為限予以抵銷；但假如未變現虧損顯示已轉讓資產出現減值，則這些未變現虧損會即時在損益賬內確認。

本行資產負債表所示於兩家聯營公司的投資，是按成本減去減值虧損(倘有)後入賬(見附註2(m))。

(f) 商譽

商譽是指企業合併或於聯營公司之投資的成本超過本集團在被收購方的可辨別資產、負債和或有負債的公平價值淨值中所佔份額的部分。

商譽是按成本減去任何累計減值虧損後列賬。因業務合併而產生之商譽會分配至現金產生單位，並且每年接受減值測試(見附註2(m))。就聯營公司而言，商譽之賬面值乃計入聯營公司權益之賬面值，而投資則於有減值之客觀證據顯示減值時，接受整體減值測試(見附註2(m))。

本集團於被收購方的可識別資產、負債及或然負債之公平淨值之權益超過業務合併或於聯營公司之投資之成本即時於損益賬內確認。

於本年度出售現金產生單位或聯營公司時，所購入商譽應佔的任何金額均列入出售盈虧計算中。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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 financial liability. Transaction costs on financial assets and financial liabilities designated 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 and financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets is recognised using trade date accounting. Other financial assets and financial liabilities are recognised using settlement date accounting. From these dates, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

(ii) Categorisation

Fair value through profit or loss

This category comprises financial assets and financial liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition.

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 that do not qualify for hedge accounting (Note 2(ii)) are accounted for as trading instruments.

2. 主要會計政策(續)

(g) 金融工具

(i) 初始確認

本集團視乎購入資產或產生負債之目的，最初將金融工具分為以下類別：通過損益以反映公平價值、貸款和應收款項、持至到期投資、可供出售金融資產和其他金融負債。

金融工具最初按公平價值計量，而公平價值一般將與交易價相同。此外，如金融資產或金融負債不屬於指定為通過損益以反映公平價值訂值納入損益賬時，更需加上購入金融資產或發行金融負債所直接涉及之交易成本。指定為通過損益以反映公平價值的金融資產及金融負債的交易成本，會即時支銷。

本集團在成為金融工具合約條文其中一方當日會確認金融資產和金融負債。以定期方式購買或出售之通過損益以反映公平價值之金融資產及金融負債、貸款和應收款項、持至到期投資或可供出售之金融資產使用交易日會計法予以確認。其他金融資產和金融負債按結算日會計法確認。因該等金融資產或金融負債的公平價值變動所產生的任何盈利和虧損由該日起計算。

(ii) 分類

通過損益以反映公平價值

此類別包括持作交易用途和初始確認時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。

持作交易用途之金融工具是收購金融資產或產生金融負債之主要目的為用作交易用途，或屬於一個整體管理的可識別金融工具組合的一部分，並且有證據顯示短期內出售以賺取利潤的交易模式。不符合對沖會計法(附註2(ii))之衍生工具，亦分類為持作交易用途之工具入賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(ii) Categorisation (continued)

Fair value through profit or loss (continued)

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 asset or liability contains an embedded derivative the separation of which from the financial instrument is clearly not prohibited.

Financial assets and liabilities under this category are carried at fair value. Changes in the fair value are included in profit or loss in the period in which they arise. Interest income, interest expense and dividends from instruments in this category are recorded in interest income, interest expense and other operating income respectively. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in profit or loss.

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 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 advances to customers, placements with banks and other financial institutions, and certain debt securities.

Debt securities classified as loans and receivables are not quoted in an active market. Investment decisions for such debt 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. These debt securities include subordinated debt instruments and senior debt instruments issued by borrowers.

2. 主要會計政策(續)

(g) 金融工具(續)

(ii) 分類(續)

通過損益以反映公平價值(續)

於下列情況下，金融工具於初始確認時被指定為通過損益以反映公平價值：

- 資產或負債以公平價值為基準作為內部管理、評估及匯報；
- 有關的指定可消除或大幅減少會計錯配的發生；
- 資產或負債包含一項嵌入衍生工具，且該衍生工具可大幅改變合同規定的現金流量；或
- 資產或負債包含一項嵌入衍生工具，該嵌入衍生工具可以從金融工具分離。

屬於此類別的金融資產和負債按公平價值入賬。公平價值變動計入在發生期內的損益賬。此類別的金融工具所產生的利息收入、利息支出及股息分別列賬於利息收入、利息支出及其他營運收入。於出售或購回時，出售所得淨款項或償付淨額與賬面值的差額計入損益賬。

貸款和應收款項

貸款和應收款項為具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)本集團有計劃即時或於短期內出售而被區分為持作交易用途；(b)於初始確認時已被本集團指定為通過損益以反映公平價值或可供出售；或(c)本集團可能無法收回大部分初始投資而將分類為可供出售資產，但不包括因信用惡化的原因而納入此項類別之資產。貸款和應收款項主要包括向客戶所提供的貸款及存放於銀行及其他金融機構之放款，以及若干債務證券。

分類為貸款和應收款項的債務證券並無於活躍市場報價。該等債務證券有關的投資決定與作出貸款的信貸審批程序相同，本集團須承擔等同向該等客戶授出貸款的相同客戶風險。此類債務證券包括由借款人發行的後償債務工具及優先債務工具。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Financial instruments** (continued)*(ii) Categorisation (continued)**Loans and receivables (continued)*

Loans and receivables are carried at amortised cost using the effective interest rate method less impairment losses, if any (see Note 2(m)).

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 at fair value through profit or loss or as 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 rate method less impairment losses, if any (see Note 2(m)).

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 is 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 either 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 interest income, impairment losses and foreign exchange gains and losses on monetary items such as debt securities which are recognised in profit or loss. Interest income is recognised using the effective interest rate method.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to and must be settled by delivery of such equity instruments are carried at cost less impairment losses, if any (see Note 2(m)).

2. 主要會計政策 (續)**(g) 金融工具** (續)*(ii) 分類* (續)*貸款和應收款項* (續)

貸款和應收款項採用實際利率方法減去減值虧損(如有)後按攤銷成本列賬(見附註2(m))。

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到期日，且本集團有明確意向和能力持至到期的非衍生金融資產，但不包括(a)本集團於初始確認時指定為通過損益以反映公平價值或可供出售，及(b)符合貸款和應收款項定義之項目。

持至到期投資採用實際利率方法減去減值虧損(如有)後按攤銷成本列賬(見附註2(m))。

倘因意向或能力改變而不再適宜將投資分類為持至到期，則須重分類為可供出售並按公平價值重新計量。

可供出售金融資產

可供出售金融資產為指定為可供出售，或未分類為上述任何其他三個類別之非衍生金融資產。彼等包括無固定持有限期之金融資產，但亦可因應流動資金之需要或市場環境變化而出售。

可供出售金融資產以公平價值列賬。因公平價值變動引致之未變現盈利和虧損確認為其他全面收益並於權益內單獨累計，惟債務證券等貨幣項目之利息收入、減值虧損及外匯盈利和虧損須於損益賬內確認。利息收入依實際利率法確認。

於活躍市場並無市場報價且公平價值無法可靠計算的股本投資工具，及與該等股本工具掛鉤以及必須透過交付該等工具進行交付之衍生工具，均按成本減去減值虧損(如有)列賬(見附註2(m))。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(ii) Categorisation (continued)

Available-for-sale financial assets (continued)

When available-for-sale financial assets are sold, gains or losses on disposal comprise the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments previously recognised in other comprehensive income.

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 rate method.

(iii) Fair value measurement principles

The fair value of financial instruments is ideally based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange, a price from a broker/dealer for non-exchange-traded financial instruments is used. If the market for a financial instrument is not active, the fair value of the instrument is estimated using a valuation technique that provides a reliable estimate of the price which could be obtained in an actual market transaction.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date.

(iv) Derecognition

A financial asset is derecognised 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.

2. 主要會計政策(續)

(g) 金融工具(續)

(ii) 分類(續)

可供出售金融資產(續)

當出售可供出售金融資產時，出售盈利或虧損包括出售所得淨款項與賬面值的差額，及先前確認於其他全面收益之累計公平價值調整。

其他金融負債

除交易賬項下負債及該等被指定為通過損益以反映公平價值之負債外，其他金融負債採用實際利率方法計算攤銷成本入賬。

(iii) 計量公平價值之原則

金融工具的公平價值是於結算日根據其市場報價但未減除將來的估計出售成本。金融資產按買入現價作價，而金融負債則按賣出現價作價。

如並沒有認可交易所的最新公開成交價或市場報價，經紀／交易商的報價會被用作非交易所買賣金融工具的報價。若金融工具的市場並不流通，此工具的公平價值按估值模式計算，而該估值模式可根據市場實際交易而提供可靠的估計價格。

當採用現金流折算計價模式，需依據管理層對日後現金流量之估計，並採用在結算日具相近條款及條件的工具所適用之市場利率作為折算率。當採用其他計價模式時，輸入資料是依據結算日的市場數據。

(iv) 終止確認

當收取金融資產現金流量之合約權利到期時或者該金融資產連同擁有權之所有風險或回報已被轉移時，金融資產將被終止確認。

當合約的義務已被履行、取消或期滿，本集團終止確認該金融負債。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Financial instruments (continued)***(v) Offsetting*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset 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 a 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. Embedded derivatives are separated from the host contract and accounted for as a derivative when (i) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; and (ii) the hybrid (combined) instrument is not held at fair value through profit or loss.

When the embedded derivative is separated, the host contract is accounted for in accordance with the accounting policies for the relevant financial instrument. The embedded derivative is classified as a derivative financial instrument in the financial statements.

(h) Repurchase and reverse repurchase transactions

Securities sold subject to a simultaneous agreement to repurchase these securities at a certain later date at a fixed price (repurchase agreement) are retained in the financial statements and measured in accordance with their original measurement principles. The proceeds from the sale are reported as liabilities and are carried at amortised cost.

Securities purchased under agreements to resell (reverse repurchase agreements) are reported as receivables and are carried in the balance sheet at amortised cost.

Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements is recognised as interest income and interest expense respectively, over the life of each agreement using the effective interest rate method.

2. 主要會計政策(續)**(g) 金融工具(續)***(v) 對銷*

若存在一項可依法強制執行的權利可對銷列賬金額，且亦有意以淨額結算或同時變現資產及償付債務，則金融資產及金融負債均予對銷，並把淨金額列入資產負債表內。

(vi) 嵌入式衍生工具

嵌入式衍生工具是混合(組合)工具之一部分，而該工具同時包括衍生工具及主合約，其影響是組合工具之部分現金流量與獨立之衍生工具以相近之方式變動。當嵌入式衍生工具符合下列條件時，則需與主合約分開，並將其作為衍生工具入賬：(i) 嵌入式衍生工具的經濟特徵和風險與主合約的經濟特徵和風險沒有密切關係；及(ii) 混合(組合)工具並不是按公平價值持有並於損益確認。

當嵌入式衍生工具被分開時，主合約根據相關金融工具之會計政策入賬。嵌入式衍生工具分類為衍生金融工具列入財務報告。

(h) 回購交易和反向回購交易

在售出後某特定時間需以固定價格回購該等證券即為根據同步協議(回購協議)售出之證券。此等證券會保留在財務報告內並根據該等證券之原來計量原則計量。出售所得款項乃列作負債並列入報告及以攤銷成本列賬。

根據轉售協議(反向回購協議)購買之證券乃按攤銷成本作為應收款項計入資產負債表。

反向回購協議所賺取之利息與回購協議產生之利息，分別於各個協議有效期間採用實際利率法確認為利息收入及利息支出。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Hedging

Hedge accounting recognises the offsetting effects on profit or loss of changes in the fair values of the hedging instruments and the hedged items. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. Under HKAS 39 hedge accounting is classified into three categories: (a) fair value hedges; (b) cash flow hedges and (c) net investment hedges. The Group only applies hedge accounting for fair value hedging of certain fixed rate available-for-sale investments.

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) Fair value hedge

A fair value hedge seeks to offset risks of changes in the fair value of recognised assets and liabilities that will give rise to a gain or loss being recognised in profit or loss.

The hedging instruments are measured at fair value, with fair value changes recognised in profit or loss. The carrying amounts of the hedged items are adjusted by the changes in fair value attributable to the risk being hedged. These adjustments are recognised in profit or loss to offset the effect of gains or losses on the hedging instruments.

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 rate method is used, is amortised to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

(ii) 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.

2. 主要會計政策(續)

(i) 對沖

對沖會計處理確認對沖工具及對沖項目之公平價值變動對溢利或虧損之抵銷效應。本集團於對沖交易開始時及於日後繼續評估對沖交易中採用之對沖工具是否能高度有效地抵銷對沖項目因應指定利率風險所引致之公平價值變動，並將有關評估記錄。根據香港會計準則第39號，對沖會計處理分為三類：(a) 公平價值對沖；(b) 現金流量對沖及(c) 投資淨額對沖。本集團僅對若干定息可供出售投資的公平價值對沖應用對沖會計處理。

倘(a) 對沖工具到期或被出售、終止或行使；(b) 對沖不再符合對沖會計處理的準則；或(c) 本集團撤回指定，本集團便會分別終止對沖會計處理。

(i) 公平價值對沖

公平價值對沖目的是為抵銷已確認資產及負債的公平價值變動之風險(該等變動將導致須在損益賬內確認損益)。

對沖工具按公平價值列賬，其公平價值變動於損益賬內確認。對沖項目之賬面數額按所對沖之風險所導致之公平價值變動作出調整。此等調整在損益賬內確認，以抵銷對沖工具所產生之損益之影響。

當對沖工具到期或被出售、終止或被行使，對沖不再符合對沖會計法的標準，或本集團撤銷了指定的對沖關係時，截至當時為止對使用實際利率法計算的被對沖項目的任何調整，會在損益賬內攤銷，作為在該項目的剩餘期間重新計算其實際利率的一部分。

(ii) 對沖有效性測試

為符合對沖會計法，本集團於初始訂立對沖時指定對沖工具，亦於初始訂立對沖時及於其整段年期內進行預計有效性評估測試，以證明該項對沖交易能高度有效地發揮預期對沖功能。本集團亦持續地為對沖之實際有效性進行追溯有效性測試。

每項對沖關係均備有詳細文件載列該項對沖有效性之評估方法。本集團就評估對沖的有效性而採用的方法取決於其風險管理策略。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Hedging (continued)****(ii) Hedge effectiveness testing (continued)**

For fair value hedge relationships, the Group utilises both cumulative dollar offset method and regression analysis as the effectiveness testing methodologies for retrospective testing. For prospective effectiveness, the hedging instruments must be expected to be highly effective in achieving offsetting changes in fair value attributable to the hedged risk during the period for which the hedge is designated and is typically demonstrated through matching of critical terms. For actual effectiveness, the hedging instrument should demonstrate that it is highly effective in offsetting changes in fair value attributable to the hedged risk. The Group considers that where changes in fair value offset each other in the range of 80 per cent to 125 percent the hedge is highly effective.

(j) Other property and equipment

The Group's leasehold land and buildings are held under leasehold agreements and, in the absence of reliable information to allow separation of the land and buildings components under the leases the land and buildings are accounted for as properties.

Certain of the Group's leasehold land and premises have been included at Directors' valuation made having regard to independent professional valuations carried out in November 1989. The surplus arising on revaluation was credited to the revaluation reserve. Additions to revalued premises made subsequent to these revaluations are included at cost. The revaluation reserve arising from the November 1989 revaluation was transferred to the capital redemption reserve when the Bank redeemed its "A" and "B" preference shares in 1991 and 1992.

In preparing these financial statements, advantage has been taken of the transitional provisions in paragraph 80A of HKAS 16, Property, Plant and Equipment, with the effect that premises have not been revalued to fair value at the balance sheet date. It is not the Directors' present intention to revalue the premises in the future.

Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the assets when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Gains or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss on the date of retirement or disposal.

2. 主要會計政策(續)**(i) 對沖(續)****(ii) 對沖有效性測試(續)**

就公平價值對沖關係而言，本集團使用累計價值抵銷法及回歸分析作為追溯測試的有效性測試方法。就預計有效性而言，對沖工具必須被預期為在指定對沖期間內能高度有效地抵銷所對沖風險而導致之公平價值變動，通常通過配對關鍵條款顯示有效性。就實際有效性而言，對沖工具必須能夠顯示能夠高度有效地抵銷所對沖風險導致之公平價值變動。本集團認為，公平價值變動抵銷比率在百分之八十至百分之一百二十五的範圍內才被視為有效。

(j) 其他物業及設備

本集團之租賃土地及樓宇根據租賃協議持有，在無可靠資料以允許根據租約分開土地和樓宇之組成部分情況下，土地及樓宇列作物業入賬。

本集團有若干租賃土地及物業已包括在董事編製之估值(已考慮於一九八九年十一月進行之獨立專業估值)。因重新估值而產生之盈餘已撥入估值儲備。獲重估之物業於重新估值後按成本包括在內。當本行於一九九一年和一九九二年贖回「A」類和「B」類優先股後，因一九八九年十一月重新估值而產生之重估儲備已轉撥至資本贖回儲備內。

在編製此等財務報告時，本集團已應用香港會計準則第16號第80A段之過渡性條文，其影響為物業於結算日並無被重新估值為公平價值。董事現時無意將來對物業進行重新估值。

倘若該筆後續費用能產生未來經濟收益(超出現有資產之初始評定之表現標準)予本集團，該筆後續費用會附加在相關並已被確認資產之賬面值。所有其他後續費用於其產生期間被確認為開支。

固定資產報廢或出售固定資產的盈虧乃根據有關資產出售所得款項淨額與其賬面數額之差額而釐定，並於報廢或出售當日於損益賬內確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Other property and equipment (continued)**

Depreciation is calculated to write off the cost or valuation of items of property and equipment using the straight line method over the estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no less than 2% per annum after the date of completion.
- Furniture and equipment is generally depreciated over periods of between three to ten years.

Where parts of an item of property and equipment have different useful lives each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) Leases and hire purchase contracts

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of leased assets

Leases which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases.

(ii) Finance leases

Where the Group is a lessor under finance leases, an amount representing the net investment in the lease is included in the balance sheet as advances to customers. Hire purchase contracts having the characteristics of finance leases are accounted for in the same manner as finance leases. Impairment losses are accounted for in accordance with the accounting policy for impairment (see Note 2(m)).

(iii) Operating leases

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the periods covered by the lease terms, except where an alternative basis is more representative of the pattern of benefits to be delivered from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregated net lease payments made. Contingent rentals are charged to profit or loss in the period in which they are incurred.

2. 主要會計政策(續)**(j) 其他物業及設備(續)**

物業和設備項目於預計可用期限內以直線法攤銷成本或估值以計算折舊如下：

- 於完成日期後，座落在租賃土地之樓宇於租約餘下期間或其預計可用期限之較短期間，每年以不低於2%折舊。
- 傢俱和設備一般於三至十年之期間折舊。

當物業和設備項目之部件有不同使用期限時，每個部件須分開折舊。資產之使用期限及其殘值(如有)均須每年進行覆核。

(k) 租約及租購合約

本集團確定協議具有在協定期限內通過支付一筆或一系列款項而使用某一特定資產或多項資產之權利，則該協議(由一宗交易或一系列交易組成)為租賃或包括租賃。該釐定乃根據安排之內容評估而作出，而非論安排是否具備租賃之法律形式。

(i) 租賃資產分類

凡將擁有權之絕大部分風險與回報轉移至出租人之租約均列為融資租約。未將擁有權之絕大部分風險與回報轉由承租人承擔之租約列為經營租約。

(ii) 融資租約

凡本集團根據融資租約為承租人時，相當於租約中投資淨額之款項作為客戶貸款包括於資產負債表內。具有融資租約特徵之租購合約以同樣方式列賬為融資租約。減值虧損根據減值之會計政策入賬(見附註2(m))。

(iii) 經營租約

凡本集團根據經營租約擁有所持資產之使用權時，則根據租約作出的付款會在租賃期所涵蓋的期間內，以相同的分期款項在損益賬內扣除；惟倘有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。租賃協議所涉及的鼓勵措施均在損益賬中確認為租賃淨付款總額的組成部分。或然租金在其產生的期間內在損益賬扣除。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Repossessed assets

During the recovery of impaired advances to customers, the Group may take repossession of assets held as collateral through court proceedings or voluntary delivery of possession by the borrowers. Where it is intended to achieve an orderly realisation of the impaired assets and the Group is no longer seeking repayment from the borrower, repossessed assets are reported in "Accrued interest and other accounts" and the relevant loans and advances are derecognised. The Group does not hold repossessed assets for its own use.

Repossessed assets are initially 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 subsequent remeasurement are recognised in profit or loss. Any gains on subsequent remeasurement are recognised in profit or loss until the repossessed asset is stated at the amount of related loans and advances at the date of exchange.

(m) Impairment of assets

The carrying amount of the Group's assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence that assets are impaired includes observable data that comes to the attention of the Group about one or more of the following loss events which has an impact on the future cash flows of assets:

Financial assets:

- Significant financial difficulty of the issuer or borrower;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the borrower;
- Disappearance of an active market for financial assets because of financial difficulties; and
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 主要會計政策(續)

(l) 收回資產

於收回已減值客戶貸款期間，本集團可能透過法院訴訟或由借方自願交付財產收回持作抵押之資產。倘預期減值資產將有秩序地變現及本集團不再尋求借方還款時，收回資產在報告內呈列為「應計利息及其他賬目」，而相關借款及貸款則撤銷確認。本集團並無收回資產作為自用。

收回資產最初按相關借款及貸款之款額及公平價值減出售成本之較低者於交易日期記錄，且並不折舊或攤銷。

其後重新計量之減值虧損於損益賬內確認。其後重新計量之收益於損益賬內確認，直至收回資產於初始確認日期以相關借款及貸款之金額列賬。

(m) 資產減值

本集團之資產賬面值於每個結算日進行評估，以釐定是否有減值之客觀證據。資產減值的客觀證據包括本集團注意到以下一項或多項對資產的未來現金流量有影響的虧損事項的可觀察數據：

金融資產：

- 發行人或借款人有重大財務困難；
- 違反合約，如拖欠或無法償還利息或本金；
- 借款人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現重大的改變而對借款人有不利影響；
- 金融資產的活躍市場由於財務困難而消失；及
- 於股本工具之投資大幅下跌或長時間下跌至低於其成本值。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets (continued)***Non-financial assets:*

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Group have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Group operates or in the market to which an asset is dedicated;
- Evidence is available of obsolescence or physical damage of an asset; or
- Significant changes with an adverse effect on the Group have taken place during the period, or are expected to take place in the near future, impacting how an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.

If any such evidence exists, the carrying amount is generally reduced to the estimated recoverable amount by means of a charge to profit or loss. For available-for-sale financial assets, the carrying amount is reduced to the fair value.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of advances to customers, which are measured at amortised cost, whose recovery is considered doubtful but not remote. In this case, the impairment losses are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against advances to customers directly and any amounts held in the allowance account relating to that borrower are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. 主要會計政策(續)**(m) 資產減值(續)***非金融資產：*

- 資產的市價當期大幅度下跌，其跌幅明顯高於因時間的推移或者正常使用而預計的下跌；
- 本集團經營所處的技術、市場、經濟或者法律環境或資產所處的市場在當期或者將在近期發生重大變化，從而對本集團產生不利影響；
- 有證據表明資產已經陳舊過時或者其實體已經損壞；或
- 資產使用或預計擬使用的範圍或方式在當期或者預計將在近期發生重大變化，從而對本集團產生不利影響。該等變動包括資產被閒置、計劃終止或重組資產所屬業務、計劃較先前預期日期提前出售資產及將資產的使用年期重新評估為為有限期而非無限期。

倘顯示任何以上證據，賬面值一般須透過在損益賬扣除款項之方式減至估計可收回數額。可供出售金融資產的賬面值直接減至公平價值。

因按攤銷成本計量的客戶貸款的可收回性被視為難以預料而並非微乎其微，就其確認的減值虧損不會從相應的資產中直接撤銷。在此情況下，減值虧損以撥備賬記錄。倘本集團確認能收回應收賬款的機會微乎其微，則視為不可收回金額會直接從客戶貸款中撤銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬的款項在其後收回，則相關的撥備會予以撥回。撥備賬的其他變動及其後收回之前直接撤銷的款項均計入損益賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(i) Loans and receivables

Impairment losses on 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 credit losses consists of two components: individual impairment allowances and an collective impairment allowance.

The Group first assesses whether any objective evidence of impairment exists 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 then 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 any collective assessment of impairment. Assets that are not individually significant are collectively assessed for impairment by grouping together financial assets with similar risk characteristics.

Individual impairment allowances are based upon management's best estimate of the cash flows which are expected to be received discounted at the original effective interest rate. In estimating these cash flows management makes judgments 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 a collective impairment allowance on individually significant loans which are not impaired, 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.

2. 主要會計政策(續)

(m) 資產減值(續)

(i) 貸款和應收款項

貸款和應收款項的減值虧損是資產賬面值，與按其原本實際利率(即初始確認該等資產所用之實際利率)折算預計未來現金流量現值之差額。倘折現之影響屬輕微，短期之應收款項不予折現。

信貸損失撥備總額包括兩個組成部分：個別減值撥備，及綜合減值撥備。

本集團會首先評估金額重大之個別金融資產有否出現客觀之減值證據，並綜合地評估金額不重大之個別金融資產。若本集團認定被評估之個別金融資產並沒有存在減值之客觀證據，無論該金融資產重大與否，均需將該金融資產包含於信貸風險特徵相近之組別中作出綜合減值評估。綜合減值評估並不包括已被個別評估為需確認減值或需繼續確認減值之金融資產。具備類似風險特性的金融資產會綜合起來，以便對個別而言並不重大的資產進行綜合減值評估。

個別減值撥備乃根據管理層對現金流量之最佳估計，即按原實際利率折現預期將獲得之款項。在估計該等現金流量時，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。每項減值資產均按照其理據進行評估。

於評估並未減值之金額重大之個別貸款所需的綜合減值撥備時，管理層須考慮的因素包括信貸素質、組合規模、信貸集中、及經濟因素。為估計所需的撥備，本集團根據過往經驗和現時之經濟情況去釐定潛在風險及輸入變數。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(i) Loans and receivables (continued)

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 allowance. While this necessarily involves judgment, the Group believes that the impairment allowances on advances to customers are reasonable and supportable.

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 be charged or credited to profit or loss. 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.

When there is no reasonable prospect of recovery the loan and the related interest receivable 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. If impairment is identified, 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 the asset's original effective interest rate, where the effect of discounting is material.

All held-to-maturity investments found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

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 profit or loss. A reversal of impairment losses shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2. 主要會計政策(續)

(m) 資產減值(續)

(i) 貸款和應收款項(續)

減值撥備之準確性須視乎本集團能否在評估個別減值撥備時準確估計交易對手的未來現金流量及在釐定綜合減值撥備時所採用的標準假設及參數。雖然此須視乎判斷而定，本集團相信客戶貸款之減值撥備是合理和足夠的。

在較後期間，任何因估計未來現金流量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款項之減值撥備亦需改變，該轉變會支銷或計入損益賬。所轉回的減值虧損以假定往年若沒有確認減值虧損而原應已釐定的資產賬面值為限。

於再無合理預期可收回貸款時，貸款及相關懸欠利息將會予以撇銷。

具有經重新磋商條件之貸款及應收款項是指由於借款人的財務狀況惡化而獲重新議定原來不會獲考慮的特別寬鬆償還款條件的貸款。重新磋商的貸款及應收款項須接受持續監測，以釐定彼等是否仍減值或已逾期。

(ii) 持至到期投資

本集團會從個別和綜合兩個層面考慮持至到期投資是否出現減值。若確定減值，個別減值準備是以資產賬面值與該資產原本的實際利率(如果折現影響重大)折現方式計算預計未來現金流量的現值之間的差額計量。

在個別層面沒有出現減值的所有持至到期投資會接受綜合評估，以確定是否有任何已出現但未確定的減值情況。

如果在往後期間，減值虧損金額減少，而該減少是可客觀地與確認減值虧損後發生的事件有關連，則減值虧損會透過損益賬回撥。減值虧損回撥不得導致資產賬面值超出減值虧損從未在往年確認而應已釐定的資產賬面值。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(iii) Available-for-sale financial assets

Where there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss 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 profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised 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 profit or loss.

(iv) Other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following non-financial assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment;
- investments in subsidiaries and associates.

If any such indication exists, the asset's recoverable amount is estimated.

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 the 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 generate cash inflows independently (i.e. a cash-generating unit).

2. 主要會計政策(續)

(m) 資產減值(續)

(iii) 可供出售金融資產

倘有客觀證據顯示可供出售金融資產已經出現減值，確認為其他全面收益之累計虧損於損益賬內重新分類。在損益賬內確認的累計損失數額等於購入成本(已扣除任何本金還款和攤銷)與當期公平價值之間的差額，減去早前已在損益賬內確認的該資產的任何減值虧損。

在損益賬所確認有關可供出售股本證券之減值虧損不會透過損益賬撥回。該等資產其後之任何公平價值增加確認為其他全面收益。

倘可供出售債務證券之公平價值在日後增加，而有關的增加可以客觀地與確認減值虧損後發生的事件聯繫起來，便會將減值虧損轉回。在該等情況下，減值虧損轉回須在損益賬內確認。

(iv) 其他資產

於各結算日，本公司審閱內部及外來資料以辨認以下非金融資產可有減值跡象或先前已確認之減值虧損已不再存在或可能已減少：

- 物業及設備；
- 附屬公司及聯營公司投資。

如果出現減值跡象，資產的可收回數額便會作估計。

計算可收回數額

資產的可收回數額以其公平值減銷售成本和使用價值兩者中的較高數額為準。在評估使用價值時，會使用除稅前折算率將估計未來現金流量折算至現值。該折算率須反映市場當時所評估的金錢時間價值和該資產的獨有風險。如果資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別(即現金產生單位)釐定可收回數額。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets (continued)***(iv) Other assets (continued)**Recognition of impairment losses*

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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 profit or loss in the year in which the reversals are recognised.

(n) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(o) Employee benefits*(i) Short term employee benefits*

Short term employee benefits include salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits and are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material these amounts are stated at their present values.

2. 主要會計政策(續)**(m) 資產減值(續)***(iv) 商譽及其他資產(續)**確認減值虧損*

倘資產或其所屬之現金產生單位之賬面值超過其可收回數額，則於損益賬確認減值虧損。就現金產生單位確認之減值虧損首先分配作為減少分配至現金產生單位(或業務類別)之任何商譽之賬面數額，繼而按比例基準作為減少業務(或業務類別)之其他資產之賬面數額，惟資產之賬面值將不會減少至低於其個別公平價值減出售成本或使用價值(倘能計算)。

減值虧損轉回

倘若用以釐定可收回數額的估計發生有利的變化，便會將減值虧損轉回。

所轉回的減值虧損以假定往年若沒有確認減值虧損而原應已釐定的資產賬面值為限。所轉回的減值虧損在確認轉回的年度計入損益賬。

(n) 等同現金項目

等同現金項目為短期和流動性極高的投資項目。這些項目可以容易地換算為已知的現金數額，而所須承受的價值變動風險甚小，並在購入後三個月內到期。

(o) 僱員福利*(i) 短期僱員福利*

短期僱員福利包括薪酬、每年花紅、有薪年假、定額福利退休計劃供款及非貨幣福利成本，於本集團僱員提供有關服務之年度內累計。倘延遲付款或清償將會帶來嚴重影響，該等數額須按現值列賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Employee benefits (continued)

(ii) Defined benefit retirement scheme

The Group's obligation in respect of its defined benefit retirement scheme is calculated by estimating the amount of future benefits that the Group is committed to pay to the employees after their retirement using actuarial techniques. Any cumulative unrecognised gains or losses exceeding 10% of the present value of the obligation or the fair value of the plan assets (whichever is higher) at the balance sheet date is amortised to profit or loss over the average remaining service life of the employees in the scheme. Otherwise, the gain or loss is not recognised.

(iii) Share-based payments

The fair value of share options granted to employees by the ultimate holding company is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date 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 the 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/credited to profit or loss for the year of the review. 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 the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the ultimate holding company's shares.

The equity amount is recognised in capital reserve until the option expires (when it is released directly to retained earnings).

2. 主要會計政策(續)

(o) 僱員福利(續)

(ii) 定額福利退休計劃

本集團定額福利退休計劃的責任以精算方式估計本集團對員工承諾支付其未來退休後的福利的金額計算。倘任何未確認累計損益超過有關責任於結算日之現值或計劃資產之公平價值(以較高者為準)之10%，則會按僱員於計劃內之平均剩餘服務年期於收益表內攤銷，否則該損益不予確認。

(iii) 以股份為基礎之付款

由最終控股公司授予僱員認股權的公平價值會確認為僱員成本，並相應在權益內增加資本儲備。公平價值於授予日期計量，當中考慮到授予認股權的條款及條件。倘若僱員須符合歸屬條件才無條件擁有認股權，則認股權的估計公平價值總額會於考慮到認股權歸屬的可能性後在歸屬期內分攤。

於歸屬期內會檢討預期歸屬的認股權數目。對以前年度已確認的累積公平價值所作出的調整，會在檢討年度扣自／計入損益賬。在歸屬日期，確認為開支的金額會作出調整，以反映實際歸屬的認股權數目(並在資本儲備內作出相應調整)，惟倘若僅因未能滿足有關最終控股公司股份市場價格的歸屬條件而沒收則除外。

權益金額於資本儲備內確認，直至認股權到期(於直接撥回至保留溢利時)。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(p) Income tax**

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 profit or loss 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.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

2. 主要會計政策(續)**(p) 所得稅**

本年度之所得稅包括即期稅項以及遞延稅項資產及負債之變動。即期稅項以及遞延稅項資產及負債之變動於損益賬確認，惟與確認為其他全面收益或直接在權益確認之項目相關者除外，在此情況下，相關稅額分別確認為其他全面收益或直接確認為權益。

即期稅項乃預期於本年度就應課稅收入應付之稅項(按於結算日已頒佈或實質頒佈之稅率計算)，以及過往年度應繳稅項之任何調整。

遞延稅項資產及負債乃分別來自可扣稅或應課稅暫時性差異，即因資產及負債分別就財務報告及稅基而言之賬面值之間的差異而產生。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

除若干有限情況外，所有遞延稅項負債及遞延稅項資產當其甚有可能用於抵銷未來應課稅溢利時均會予以確認。

遞延稅項確認額乃按資產及負債之賬面值之預期變現或支付形式，使用於結算日已頒佈或實質頒佈之稅率計算。遞延稅項資產及負債不予折現計算。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income tax (continued)

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

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 related current tax assets and settle the related current tax liabilities on a net basis or realise and settle simultaneously.

2. 主要會計政策(續)

(p) 所得稅(續)

於各結算日，遞延稅項資產之賬面值均進行複核，對預期不再有足夠之應課稅溢利以供使用有關遞延稅項則予扣減。倘若有可能獲得足夠之應課稅溢利，則任何有關扣減均會被撥回。

即期稅項結餘及遞延稅項結餘以及有關變動，均會個別呈列及不作抵銷。如本行或本集團可依法行使權利將即期稅項資產抵銷即期稅項負債，並在符合下列其他條件之情況下，即期稅項資產方會與即期稅項負債抵銷，以及遞延稅項資產會與遞延稅項負債抵銷：

- 如屬即期稅項資產及負債，本行或本集團擬以淨額基準清償或同時變現資產並清償負債；或
- 如屬遞延稅項資產及負債，被同一稅務機關對以下實體徵收所得稅而產生：
 - 同一個應課稅實體；或
 - 不同的應課稅實體，在未來每一個預期將清償或收回重大數額之遞延稅項資產及負債的期間，該等實體擬以淨額變現即期稅項資產及清償即期稅項負債或兩者同時進行。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee to customers, the fair value of the guarantee (being the guarantee fees received) is initially recognised as deferred income within other liabilities.

The deferred income is amortised to profit or loss over the term of the guarantee as income from financial guarantees issued. The carrying amount of the guarantee issued is remeasured in accordance with Note 2(q)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in other liabilities in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other 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, 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.

2. 主要會計政策(續)

(q) 已發出財務擔保、撥備及或然負債

(i) 已發出財務擔保

財務擔保乃要求發行人(即擔保人)因特定債務人未能根據債務文據的條款於到期時付款而蒙受的損失，而向擔保的受益人(持有人)支付特定款項以作出償付的合約。

倘本集團向客戶發出財務擔保，該擔保的公平價值(即已收擔保費用)最初確認為其他負債內的遞延收入。

遞延收入按擔保年期攤銷至損益賬為已發出財務擔保的收入。此外，倘(i)擔保的持有人可能根據擔保向本集團催收款項；及(ii)預期向本集團提出的申索款額高於現時就該擔保列於其他負債項下的數額(即最初確認的金額，扣除累計攤銷)，即須按照附註2(q)(ii)對已發出之擔保重新計量。

(ii) 其他撥備及或然負債

撥備乃本集團或本行因過往事件引致之法律或推定義務而可能需要付出經濟利益以履行有關義務及能作出可靠估計時，就未能確定之時間或數額之其他負債確認。倘金錢時間價值乃屬重大，撥備則以預計用以履行有關義務之開支現值列賬。

倘可能無須付出經濟效益，或未能可靠估計付出之金額，有關義務則披露為或然負債，除非付出經濟利益之可能性極微。需就未來事件發生與否方能確認之可能義務亦只披露為或然負債，除非付出經濟利益之可能性是極微。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Interest income

Interest income from interest-bearing financial instruments is recognised in profit or loss on an accrual basis using the effective interest rate method. Interest income from trading assets and financial assets designated at fair value through profit or loss is recognised on basis of accrued coupon and is recognised in net interest income.

The effective interest rate 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 (for example, prepayment, call and similar option) 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, together with transaction costs and all other premiums or discounts. Cash rebates granted in relation to residential mortgage loans are capitalised and amortised to profit or loss over their expected life.

(ii) Net income from financial instruments designated at fair value through profit or loss and net trading income

Net income from financial instruments designated as 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, foreign exchange differences and dividend income attributable to those financial instruments.

2. 主要會計政策(續)

(r) 收益確認

收益乃按已收或應收代價之公平價值計量。當經濟利益很可能流入本集團，而收入及成本(倘適用)能可靠地計算時，收益會按下列方式在損益賬確認：

(i) 利息收入

計息金融工具之利息收入採用實際利率法按應計基準於損益賬內確認。持作交易用途之資產及指定為通過損益以反映公平價值之金融資產的利息收入按權責發生制確認於損益賬內。

實際利率法乃計算金融資產之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃按金融工具預計年期折讓估計日後現金付款或收入(或適當時按較短期間折讓金融資產之賬面淨值)之比率。計算實際利率時，本集團估計現金流量時，考慮到金融工具之一切合約條款(例如提前還款，認購或類似期權)，而並無計及未來信貸虧損。計算範圍包括實際利率為主體部分訂約各方所付或所收之一切費用及代價，交易成本及其他所有溢價或折讓。住宅按揭貸款之現金回贈會予以資本化，並以其預計期限在損益賬內攤銷。

(ii) 指定為通過損益以反映公平價值之金融工具淨收益以及交易淨收益

指定為通過損益以反映公平價值之金融工具淨收益以及交易淨收益，包括來自該等金融資產及金融負債之公平價值變動(扣除應計票息)之所有盈利及虧損、外匯差額及該等金融工具應佔之股息收入。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Revenue recognition (continued)

(iii) Fee and commission income

Fee and commission income arises on financial services provided by the Group including cash management services, brokerage services, investment banking services, investment management services and project and structured finance transactions services. Fee and commission income is recognised 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 or is accounted for as interest income.

Origination or commitment fees received by the Group which result in the creation or acquisition of a financial instrument are deferred and recognised as an adjustment to the effective interest rate unless it is a trading asset or liability or a financial asset designated at fair value through profit or loss. In this case it is immediately recognised in profit or loss. If the commitment expires without the Group making a loan, the fee is recognised as revenue on expiry.

(iv) Finance income from finance lease and hire purchase contracts
Finance income implicit in finance lease and hire purchase payments is recognised as interest income over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.

(v) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

2. 主要會計政策(續)

(r) 收益確認(續)

(iii) 費用及佣金收入

費用及佣金收入乃本集團提供金融服務，包括現金管理服務、證券服務、投資銀行服務、投資管理服務以及項目及結構性融資交易服務之所得收入。費用及佣金收入於提供相關服務時確認，以彌補向客戶持續提供服務之成本、或為客戶承擔風險，屬利息性質之費用則除外。在該等情況下，費用會於產生成本或風險之會計期間確認為收入或作為利息收入入賬。

本集團已收因增設或購入金融工具而產生之辦理或承擔費用，除有關於持作交易用途之資產或負債或指定為通過損益以反映公平價值之金融資產的相關款項直接於損益賬內確認外，將作為實際利率之調整遞延及確認。如承擔期滿而本集團毋須作出貸款，該費用於期滿時確認為收入。

(iv) 來自融資租約及租購合約之財務收入
融資租約之隱含財務收入及租購付款於租約年期確認為利息收入，以令每個會計期間租約尚餘淨投資額的定期回報率大致相同。應收或然租金於賺取之會計期間確認為收入。

(v) 股息收入

非上市投資之股息收入於股東收取款項之權利確立時予以確認。上市投資之股息收入於投資項目之股價為除息時確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(s) Translation of foreign currencies**

The Group and the Bank's functional currency is Hong Kong Dollars. Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in profit or loss.

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 exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Hong Kong dollars at exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to financial instruments held at fair value through profit or loss and derivative financial instruments are included in net income from financial instruments designated at fair value through profit or loss and net gain/(loss) on derivative financial instruments, respectively. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in profit or loss and are reported within "Other operating income". Differences arising on translation of available-for-sale equity instruments are recognised in other comprehensive income.

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. Assets and liabilities are translated at the closing rate at the date of that balance sheet. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity in the foreign exchange reserve.

On disposal of a foreign operation the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. 主要會計政策(續)**(s) 外幣換算**

本集團及本行的記賬單位幣別為港元。本年度內外幣交易以交易日之匯率換算為港元。以外幣結算的貨幣性資產及負債以結算日之匯率換算為港元。所有外幣換算之損益均撥入損益賬內處理。

以外幣定值並以歷史成本列賬之非貨幣資產與負債按交易日的匯率換算為港元。以外幣結算及以公平價值列賬之非貨幣資產與負債於釐定公平價值當日按當時匯率換算為港元。

通過損益以反映公平價值計入損益賬之金融工具及衍生金融工具的匯兌差額分別包括於指定為通過損益以反映公平價值之金融工具淨收益及衍生工具淨溢利/(虧損)。其他有關貨幣性項目的匯兌差額則於損益賬內呈列為外幣買賣淨盈虧，並於「其他營運收入」內呈報。換算可供出售股本工具之差額確認為其他全面收益。

海外業務的業績按與交易日的匯率相若的匯率換算為港幣。資產及負債則按結算日的收市率換算。產生的匯兌差額確認為其他全面收益，並於外幣換算儲備內累計為權益。

出售海外業務時，在權益內確認與該等海外業務有關之匯兌差額之累計金額，於確認出售盈虧時由權益重新分類至損益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(t) 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.
- (b) an entity is related to the group if any of the following conditions applies:
 - (i) the entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.

2. 主要會計政策(續)**(t) 關連各方**

就此等財務報告而言，被視為與本集團有關連的一方是指：

- (a) 個人或該個人之近親家庭成員，如該個人在以下情況下被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。
- (b) 在以下任何情況下，一實體會視為與本集團有關聯：
 - (i) 該實體及本集團皆是同一集團成員(即每一間母公司、附屬公司及同系附屬公司與其他有關聯)。
 - (ii) 一實體是另一實體的聯營公司或合營公司(或該聯營公司或合營公司與該另一實體均屬同一集團)。
 - (iii) 兩個實體是同一第三者的合營公司。
 - (iv) 一實體是一第三者的合營公司而另一實體則是該第三者的聯營公司。
 - (v) 該實體是提供福利予本集團或與本集團有關聯之實體的僱員離職後之福利計劃。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(t) Related parties** (continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(u) 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.

2. 主要會計政策 (續)**(t) 關連各方** (續)

- (vi) 該實體受在(a)項中所辨別的個人所控制或共同控制。
- (vii) 在(a)(i)項中所辨別的個人而該個人對該實體有重大影響力，或該個人是該實體(或是該實體的母公司)的主要管理人員之成員。

個人的近親家庭成員指預料可影響(或受該個人影響)他們與該實體交易的家庭成員。

(u) 分項報告

財務報告中的經營分部和每個分部項目的金額源自於定期向本集團總營運決策人提供的財務資料，以供管理層對本集團不同業務和地區進行資源分配和業績評價。

重大的單個經營分部不會因財務報告目的而進行加總，除非該等分部擁有相似的經濟特性、產品及服務性質、生產流程、客戶類型和級別、銷售產品或提供服務的方式及監管環境的性質。不重大的單個經營分部如果享有大部分以上相似性質，則可以進行加總。

3. BASIS OF CONSOLIDATION

These consolidated financial statements cover the consolidated positions of the Bank and all its subsidiaries unless otherwise stated (together referred to as the Group) 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 Notes (A) and (B) in the Unaudited Supplementary Financial Information on pages 208 to 210.

4. INTEREST INCOME AND EXPENSE

(a) Interest income

Listed investments	上市投資
Other	其他
Interest income on financial assets that are not at fair value through profit or loss	非通過損益以反映公平價值之金融資產之利息收入
Interest income on trading assets	持作交易用途之資產之利息收入
– listed	– 上市
– unlisted	– 非上市
Interest income on financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產之利息收入

Certain comparative figures have been restated to conform to the current year's presentation.

3. 綜合基準

除另有指明外，該等綜合財務報告包括本行及本行所有附屬公司（統稱為本集團）的綜合狀況，以及本集團於聯營公司之權益。根據《銀行業（披露）規則》所需呈報的資料，其綜合基準載列於第208至210頁未經審核補充財務資料附註(A)及(B)內。

4. 利息收入及支出

(a) 利息收入

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元 (Restated) (重列)
	366,279	403,060
	841,777	768,491
Interest income on financial assets that are not at fair value through profit or loss	1,208,056	1,171,551
Interest income on trading assets		
– listed	105	139
– unlisted	44,102	21,145
Interest income on financial assets designated at fair value through profit or loss	1,919	3,334
	1,254,182	1,196,169

為使列報一致，本集團已重述其上一一年度的比較數據。

4. INTEREST INCOME AND EXPENSE (continued)

(b) Interest expense

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Deposits from customers, banks and other financial institutions and certificates of deposit issued	客戶、銀行同業及其他金融機構之存款及已發行存款證	572,412	316,237
Debt securities issued which are wholly repayable within 5 years	須於五年內全數償還之已發行債務證券	5,881	2,646
Other borrowings	其他借款	13,041	5,248
Interest expense on financial liabilities that are not at fair value through profit or loss	非通過損益以反映公平價值之金融負債之利息支出	591,334	324,131
Interest expense on trading liabilities	交易賬項下負債之利息支出	11,702	5,240
Interest expense on financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債之利息支出	14,992	14,278
		618,028	343,649

4. 利息收入及支出(續)

(b) 利息支出

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
	572,412	316,237
	5,881	2,646
	13,041	5,248
Interest expense on financial liabilities that are not at fair value through profit or loss	591,334	324,131
Interest expense on trading liabilities	11,702	5,240
Interest expense on financial liabilities designated at fair value through profit or loss	14,992	14,278
	618,028	343,649

5. FEE AND COMMISSION INCOME AND EXPENSE

(a) Fee and commission income

Fee and commission income arising from:	由以下業務所產生的費用及佣金收入：
Credit related services	信貸業務
Trade finance services	貿易融資業務
Credit card services	信用卡業務
Securities brokerage and investment services	證券經紀及投資服務
Insurance services	保險業務
Unit trust services	信託基金業務
Other fees	其他費用

of which:	其中：
Fee and commission income arising from:	費用及佣金收入來自：
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	– 非通過損益以反映公平價值之金融資產或金融負債
– Trust or other fiduciary activities	– 信託及其他受託業務

Fee and commission income arising from trust and other fiduciary activities relate to fees from asset management activities where the Group will hold assets or invest on behalf of customers.

Certain comparative figures have been restated to conform to the current year's presentation.

(b) Fee and commission expense

Handling fees and commission	手續費及佣金
Other fees paid	其他已付費用
of which:	其中：
Fee and commission expense arising from:	費用及佣金支出來自：
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	– 非通過損益以反映公平價值之金融資產或金融負債

5. 費用及佣金收入及支出

(a) 費用及佣金收入

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
47,342	52,185	
10,373	8,581	
104,540	97,063	
39,454	51,508	
68,114	58,875	
36,725	41,713	
17,122	20,841	
323,670	330,766	

(Restated)
(重列)

費用及佣金收入來自信託及其他受託業務，與本集團就資產管理業務中代表其客戶持有資產或進行資產投資所收取的費用相關。

為使列報一致，本集團已重述其上一年度之比較數據。

(b) 費用及佣金支出

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
59,390	54,790	
43,336	18,784	
102,726	73,574	
81,298	49,191	

6. OTHER OPERATING INCOME

Gains less losses from dealing

- Foreign exchange
- Trading assets
- Other dealing activities*
- Short selling activities

交易收益減虧損

- 外匯
- 持作交易用途之證券
- 其他買賣交易*
- 賣空交易

Net hedging income from fair value hedges

Net gain on hedged items attributable to the hedged risk

Net loss on hedging instruments

公平價值對沖之淨對沖收入

與對沖風險相關之被對沖項目之淨收益

對沖工具之淨虧損

Net gain/(loss) on financial instruments designated at fair value through profit or loss

Net gain on sale of financial instruments designated at fair value through profit or loss

Revaluation loss on financial instruments designated at fair value through profit or loss

指定為通過損益以反映公平價值之其他金融工具之淨收益/(虧損)

出售指定為通過損益以反映公平價值之其他金融工具之淨收益

指定為通過損益以反映公平價值之金融工具之重估淨虧損

Losses less gains from other financial liabilities measured at amortised cost

Losses less gains from other financial assets measured at amortised cost

Revaluation gain on derivative financial instruments

Dividend income from unlisted available-for-sale financial assets

Rental income

Others

按攤餘成本列賬之其他金融負債之收益減虧損

按攤餘成本列賬之其他金融資產之收益減虧損

衍生金融工具之重估收益

可供出售非上市金融資產之股息收入

租金收入

其他

6. 其他營運收入

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
----------------------------------	----------------------------------

	(9,042)	(63,614)
	8,458	8,258
	63,351	44,600
	(5,505)	(413)
	57,262	(11,169)
	145,197	111,442
	(145,197)	(111,442)
	-	-
	137,212	1,918
	(60,603)	(57,931)
	76,609	(56,013)
	(1,880)	1,097
	(5,657)	-
	37,044	80,675
	33,219	15,265
	1,776	1,659
	11,875	10,560
	210,248	42,074

* Other dealing activities includes customer-driven dealing in derivative financial instruments including equity linked notes, options and structured deposit products.

* 其他買賣交易包括客戶買賣衍生金融工具，包括股票掛鈎票據、期權及結構性存款產品。

6. OTHER OPERATING INCOME (continued)

The net positive financial impact to the profit for the year 2011 from the settlement of the final resolution proposal for certain series of Lehman Brothers Minibonds (“Minibonds”) announced in March 2011 was around HK\$32 million, which partially relieved the losses incurred from the repurchase of Minibonds from customers in previous years. The gain from the collateral recovery from the Minibonds and expenses due to the collateral recovery payments and the ex gratia payments to the Minibonds investors are reflected in other operating income and operating expenses respectively.

7. OPERATING EXPENSES**6. 其他營運收入(續)**

2011年3月公佈的雷曼兄弟迷你債券(「雷曼迷你債券」)最終處理方案的實施，對本行2011年盈利的正面影響約為3千2百萬港元，抵銷部分早年回購雷曼迷你債券的損失。取回抵押品價值的收益，以及給予雷曼迷你債券投資者的抵押品收回款項及特惠款項已分別於其他營運收入及營運支出入帳。

7. 營運支出

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Staff costs	僱員成本		
Contributions to defined contribution scheme	定額供款計劃供款	8,000	6,133
Defined benefit scheme expenses (Note 42(b))	定額福利計劃支出 (附註42(b))	13,599	17,661
Retirement scheme costs	退休計劃成本	21,599	23,794
Equity-settled share-based payment expenses	以股份為基礎作支付之費用	21	10,755
Salaries and other staff costs	薪金及其他僱員成本	459,715	435,381
		481,335	469,930
Premises and other fixed assets	物業及其他固定資產		
Rental of premises	物業租金	48,387	44,647
Depreciation (Note 26)	折舊(附註26)	63,689	61,657
Others	其他	20,146	18,541
Audit fee	核數費用	2,807	2,445
Other operating expenses	其他營運支出		
Business promotion	業務推廣	34,131	68,673
Legal and professional fees	法律顧問費用	31,174	24,322
Communication	通訊	27,158	23,688
Electronic data processing and computer systems	電子資料處理及電腦系統	71,734	79,085
Others	其他	152,147	63,164
		932,708	856,152

7. OPERATING EXPENSES (continued)

During 2007, certain employees of the Group were granted unlisted physically settled options under the share option scheme of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon Financial") for the services rendered to the Group. HKFRS 2 requires the fair value of the options issued to be shown as an expense in the Group financial statements, apportioned over the period from the grant date to the vesting date, with a corresponding credit to reserves (Note 39). There will be no cash expense to Fubon Bank (Hong Kong) Limited as it is not required to make payment to any party in respect of either the issue of the options or their exercise. Shareholders of the Bank will suffer no dilution from the issue of shares by the ultimate holding company in the event that the options are exercised.

Terms and conditions of the share option grants

Date of options granted 授出認股權日期	Exercise price per share 每股行使價 NT\$ 新台幣
31 July 2007 二零零七年七月三十一日	23.50 (previously NT\$25.70) 23.50 (先前為25.70元新台幣)
7 December 2007 二零零七年十二月七日	21.40 (previously NT\$23.50) 21.40 (先前為23.50元新台幣)

50% of the options were exercisable between the second and the third anniversaries of the grant date, 75% were exercisable between the third and fourth anniversaries and 100% between the fourth and fifth anniversaries, provided that the employees remain with the Fubon Group.

7. 營運支出(續)

於二零零七年內，根據本行最終控股公司富邦金融控股股份有限公司(「富邦金控」)的認股權計劃，本集團若干僱員因向本集團提供服務獲授非上市而實股結算之認股權。香港財務報告準則第2號規定已發行認股權的公平價值，由授出日期至歸屬日期之期間按比例於本集團財務報告內列為一項支出，並計處相應的儲備內(附註39)。富邦銀行(香港)有限公司毋須就發行認股權或行使認股權而向任何人士作出付款，因此其將不會發生現金支出。倘該等認股權獲行使，本行股東將不會因最終控股公司發行股份而遭受攤薄。

已授出認股權的條款及條件

	As at 於 31 December 2011 二零一一年 十二月三十一日 Number of options 認股權數目	31 December 2010 二零一零年 十二月三十一日 Number of options 認股權數目
	2,160,000	4,995,000
	2,378,250	6,509,500
	4,538,250	11,504,500

認股權的50%可於授出日期滿兩週年之日至滿三週年之日期間行使，75%可於滿三週年之日至滿四週年之日期間行使，100%可於滿四週年之日至滿五週年之日期間行使，條件是僱員仍受聘於富邦集團。

7. OPERATING EXPENSES (continued)

The number and weighted average exercise prices of share options

		2011 二零一一年		2010 二零一零年	
		Weighted average exercise price 加權 平均行使價	Number of options 認股權數目	Weighted average exercise price 加權 平均行使價	Number of options 認股權數目
Date of options granted	認股權授予日期				
Outstanding at the beginning of the year	年初尚未行使	24.46	11,504,500	24.33	14,099,500
Transferred in during the year	本年度轉入	-	-	23.50	220,000
Exercised during the year	本年度行使	23.11	(4,368,750)	23.75	(2,815,000)
Forfeited during the year	本年度沒收	24.36	(2,597,500)	-	-
Outstanding at the end of the year	年終尚未行使	22.40	4,538,250	24.46	11,504,500
Exercisable at the year end	於年終可行使		4,538,250		7,924,625

The options outstanding at 31 December 2011 have a weighted average remaining contractual life of 0.77 years (2010: 1.78 years). The weighted average share price at the date of exercise for the share options exercised during the year was NT\$38.83 (2010: NT\$38.67).

The share price of Fubon Financial at 31 December 2011 was NT\$32.05 (2010: NT\$40.00).

Fair values of share options

The Group has applied HKFRS 2 "Share-based Payments" to account for share options granted on 31 July 2007 and 7 December 2007.

The fair values of share options granted by the Company were determined by using Black-Scholes option pricing model (the "Model"). The Model is one of the commonly used models to estimate the fair value of an option. The variables and assumptions used in computing the fair value of the share options are based on management's best estimate. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option. The inputs into the Model were as follows:

7. 營運支出(續)

認股權數目及加權平均行使價

於二零一一年十二月三十一日尚未行使之認股權擁有加權平均剩餘合約年期0.77年(二零一零年: 1.78年)。本年度已行使認股權之行使日之加權平均股價為38.83元新台幣(二零一零年: 38.67元新台幣)。

富邦金控於二零一一年十二月三十一日之股價為32.05元新台幣(二零一零年: 40.00元新台幣)。

認股權的公平價值

本集團已應用香港財務報告準則第2號「以股份為基礎的付款」，列賬於二零零七年七月三十一日及二零零七年十二月七日授出的認股權。

本公司採用Black-Scholes認股權定價模型(「該模型」)釐定所授出認股權的公平價值。該模型為普遍採用的模型之一，用於估計認股權的公平價值。於計算認股權公平價值時所採用的變量及假設是以管理層的最佳估計為基準。認股權的價值會隨若干主觀假設的不同變量而變化。就此採納的任何變量變化可能會對估計認股權的公平價值帶來重大影響。輸入該模型的數據如下：

7. OPERATING EXPENSES (continued)**Fair values of share options** (continued)

Closing share price at grant date (NT\$)	於授出日期的股份收市價(新台幣)
Exercise price (NT\$)	行使價(新台幣)
Risk-free interest rate (%) (Note a)	無風險利率(%) (附註a)
Expected life of option (Note b)	預計認股權有效期(附註b)
Expected volatility (%) (Note c)	預計波幅(%) (附註c)
Expected dividend yield (%) (Note d)	預計股息收益率(%) (附註d)
Estimated fair value per share option (NT\$)	每份認股權的估計公平價值(新台幣)

Notes:

- (a) Risk free rate: being the approximate yields of 5-year TWD swap rate traded on the date of grant, matching the expected life of each option.
- (b) Expected life of option: being the period of 5 years commencing on the date of grant, based on the date of grant, based on management's best estimate for the effects of non-transferability, exercise restriction and behavioural consideration.
- (c) Expected volatility: being the implied volatility derived from traded options over Fubon Financial shares at the date of grant.
- (d) Expected dividend per annum: being the annual cash dividend for past financial year. This is nil as the exercise price is adjusted for any dividend paid.

8. DIRECTORS' REMUNERATION

Directors' remuneration paid disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

Basic salaries and other allowances	底薪及其他津貼
Directors' fee	董事袍金
Contributions to pension scheme	退休計劃供款
Discretionary bonuses	酌情花紅
Share-based payment	以股份為基礎之付款

7. 營運支出(續)**認股權的公平價值(續)**

Option granted on 31 July 2007 於二零零七年 七月三十一日 授出的認股權	Option granted on 7 December 2007 於二零零七年 十二月七日 授出的認股權
---	---

	30.50	28.20
	30.50	28.20
	2.41	2.41
	5 years	5 years
	33.37	33.41
	—	—
	10.21	9.45

附註:

- (a) 無風險利率: 即於授出日期交易的五年期台幣掉期利率的概約收益率, 與每份認股權的預計有效期相匹配。
- (b) 預計認股權有效期: 即於授出日期開始五年期限, 基於授出日期, 根據管理層對非轉讓性、行使限制及行為考慮因素影響的最佳估計為基準。
- (c) 預計波幅: 即於授出日期富邦金控股份已交易認股權的隱含波幅。
- (d) 預計每年股息: 即上個財政年度的全年現金股息。此項為零乃由於行使價就任何股息支付作出調整。

8. 董事酬金

根據香港《公司條例》第161條規定披露之董事酬金如下:

	2011	2010
	二零一一年	二零一零年
	HK\$'000	HK\$'000
	千港元	千港元
	10,002	9,261
	5,557	5,025
	491	513
	4,107	3,895
	320	3,789
	20,477	22,483

9. NET GAINS ON DISPOSALS OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

Realisation of revaluation surplus previously recognised in the investment revaluation reserve (Note 12)	過往於投資重估儲備內確認之重估盈餘之變現(附註12)
Net gains arising in the current year	年內淨收益

9. 出售可供出售金融資產之淨收益

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元

49,755	26,192
(5,233)	24,800
44,522	50,992

10. IMPAIRMENT LOSSES ON ADVANCES TO CUSTOMERS

Impairment losses released on/(charged to) advances to customers (Note 20(b))	已(扣除)/撥回之客戶貸款減值虧損(附註20(b))
– Additions	– 增加
– Releases	– 撥回

10. 客戶借款之減值虧損

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元

(43,466)	(119,195)
123,947	109,482
80,481	(9,713)

11. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**(a) Taxation in the consolidated statement of comprehensive income represents:**

The provision for Hong Kong Profits Tax for 2011 is calculated at 16.5% (2010: 16.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be appropriate in the relevant countries.

Current tax-Hong Kong Profits Tax 即期稅項－香港利得稅
Tax for the year 年內稅項
(Over)/under-provision in respect of 過往年度(超額準備)/
prior years 準備不足

Current tax – Overseas Tax 即期稅項－海外稅項
Tax for the year 年內稅項
Under-provision in respect of 過往年度準備不足
prior years

Deferred tax 遞延稅項
Origination and reversal of temporary 暫時性差異產生及
differences (Note 35(b)) 撥回(附註35(b))

11. 綜合全面收益表內的所得稅**(a) 綜合全面收益表內的稅項**

二零一一年之香港利得稅撥備乃根據本年度之評估應課稅溢利之16.5%(二零一零年:16.5%)計算。海外附屬公司之稅項則按有關國家預期適用之估計實際年稅率計算。

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
	24,279	15,042
	(3,031)	14
	21,248	15,056
	-	259
	-	27
	-	286
	12,731	30,906
	33,979	46,248

11. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)**(b) Reconciliation between tax expense and accounting profit at applicable tax rates**

Profit before taxation	除稅前溢利
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	除稅前溢利之估計稅項，按以有關國家適用之應課稅率計算
Tax effect of non-taxable revenue	非應課稅項收入之稅項影響
Tax effect of non-deductible expenses	非可扣減支出之稅項影響
(Over)/under-provision in respect of prior years	過往年度(超額準備)/準備不足
Others	其他
Actual tax expense	實質稅項支出

11. 綜合全面收益表內的所得稅(續)**(b) 稅項支出與按適用應課稅率計算之會計溢利間之對賬**

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
313,744	312,541
51,768	51,569
(29,481)	(11,204)
14,723	8,536
(3,031)	41
-	(2,694)
33,979	46,248

12. OTHER COMPREHENSIVE INCOME

Available-for-sale financial assets: Changes in fair value recognised during the year	可供出售金融資產：本年度確認之公平價值變動
Amortisation of previous revaluation deficits recognised on available-for-sale financial assets which have subsequently been reclassified as other loans and receivables	重新分類為其他貸款及應收款項之可供出售金融資產於以前一年度確認之重估虧蝕攤銷
Amounts transferred to profit or loss: - gains on disposal (Note 9)	轉撥至損益之金額：- 出售收益(附註9)
- impairment losses	- 減值虧損
Share of changes in fair value of available-for-sale financial assets held by an associate	應佔聯營公司之可供出售金融資產公平價值變動
Deferred taxation (Note 35(b))	遞延稅項(附註35(b))
Net movement in the investment revaluation reserve during the year recognised in other comprehensive income	本年度於其他全面收益確認之投資重估儲備淨變動

12. 其他全面收益

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
(264,480)	(24,363)
23,836	33,834
(49,755)	(26,192)
5,415	16,544
9,293	(4,184)
47,069	(2,405)
(228,622)	(6,766)

13. PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK

The consolidated profit attributable to shareholders of the Bank includes a gain of HK\$137,580,000 (2010: HK\$218,696,000) which has been dealt with in the financial statements of the Bank.

Reconciliation of the above amount to the Bank's profit for the year:

Amount of consolidated profit attributable to equity shareholders dealt with in the Bank's financial statements	計入本行財務報告內之股東應佔綜合溢利
Interim dividends from subsidiaries attributable to the profits of previous financial years, approved and paid during the year	附屬公司於本年度通過及派付之來自過往財政年度溢利之中期股息
Bank's profit for the year (Note 39)	本行之本年度溢利(附註39)

14. SEGMENT REPORTING

Segment information is presented in respect of the Group's operating segments which are the components of the Group about which separate financial information is available and evaluated regularly by the Chief Executive Officer in deciding how to allocate resources and in assessing performance.

Operating segments

The Bank and its subsidiaries are principally engaged in the provision of banking and related financial services. Reportable segments of the Group are set out below.

Consumer Finance comprises credit card merchant acquiring, provision of credit card advances, mortgage lending and other consumer lending.

Wealth Management comprises securities brokerage, the sales and distribution of wealth management products to wealth management clients, defined as those with a higher value of assets under administration, provision of banking services to the mass market segment, and provision of insurance and unit trust wealth management services.

Corporate and Investment Banking comprises the Small and Medium Enterprise business, and the Corporate Banking business. The Small and Medium Enterprise business include both personal and corporate equipment financing as well as commercial lending to small and medium enterprises. Corporate Banking business covers trade financing, syndicated loans and other corporate lending.

13. 本行股東應佔溢利

本行股東應佔綜合溢利包括已計入本行財務報告內之溢利137,580,000港元(二零一零年: 218,696,000港元)。

上述金額與本行本年度溢利之對賬:

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
	137,580	218,696
	226,182	86,291
	363,762	304,987

14. 分部資料

分部資料乃根據本集團的經營分部編製。本集團之經營分部為本集團之組成部份，相關之財務資料可被獨立地提供及行政總裁用作定期評估以決定如何分配資源和評核表現。

經營分部

本行及其附屬公司之主要業務為提供銀行及相關之金融服務。本集團可申報業務分部載列如下。

消費金融包括信用卡商戶服務、信用卡信貸服務、按揭及其他消費信貸。

財富管理包括證券買賣，向財富管理客戶(解釋為受管理資產價值較高的客戶)銷售及分銷財富管理產品，向零售市場提供銀行服務，以及提供保險和單位信託財富管理服務。

企業金融包括中小企業業務及企業銀行業務。中小企業業務包括私人及企業設備融資、中小企業商業借貸。企業銀行業務涵蓋貿易融資、銀團貸款及其他企業借貸。

14. SEGMENT REPORTING (continued)**Operating segments** (continued)

Financial Markets mainly engages in foreign exchange and fixed income securities trading activities; the marketing of investment products and managing the Bank's investment portfolio.

Funding Centre manages the overall funding, liquidity and interest rate risk positions arising from the banking activities of the Group.

Segment results, assets and liabilities

For the purpose of segmental analysis, the allocation of revenue reflects the benefits of capital and other funding resources allocated to the operating segments by way of internal capital allocation and fund transfer-pricing mechanisms. To reflect the benefit of joint efforts of two operating segments on a third-party fee-related transaction, operating income derived from the transaction is split and recorded with jointly agreed splitting ratio in the relevant operating segments.

Cost allocation is based on the direct costs incurred by the respective operating segments. For consistency with internal management reporting, there is no apportionment of central management overheads and only wholly and directly attributable costs of support units are charged to the respective operating segments. Rental charges at market rates for usage of premises are reflected in "Operating Expense" and "Inter-segment Expense" for the respective operating segments.

Segment assets mainly include advances to customers less impairment, investment in securities and financial instruments, inter-bank placements, current assets and premises attributable to the operating segments.

Segment liabilities mainly include deposits from customers, certificates of deposit and debt securities issued, inter-bank borrowings, and accruals attributable to the operating segments.

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, impairment losses and additions to non-current segment assets used by the segments in their operations.

Unallocated items mainly comprise the central management unit, management of strategic investments, premises and property management and other activities which cannot be reasonably allocated to specific business segments.

14. 分部資料 (續)**經營分部** (續)

金融市場業務主要從事外匯和定息證券交易活動，投資產品的市場推廣以及本行的投資組合管理。

資金部主要管理本集團整體資金、流動資金以及由銀行業務衍生之利率風險倉盤。

分部業績、資產及負債

按部分析下之收入劃分，是反映各經營分部，透過內部資本分配和資金調撥機制獲分派之資本及其他資金所賺取之回報。為反映兩個經營分部在第三方非利息收入相關交易上聯合努力所賺取之回報，從這交易上所賺取之營運收入將會平分並紀錄在相關之經營分部。

成本分配則以各經營分部之直接成本計算。為與內部管理報告一致，統一管理費用不被分攤，只有完全及直接可歸因於各經營分部的後勤部門費用，將在各經營部門扣除。各經營分部使用物業，按市值計算之租金反映於各經營分部之「營運支出」及「跨分部支出」內。

分部資產主要包括各經營分部應佔客戶貸款減減值、證券投資、金融工具、銀行同業放款、流動資產及物業。

分部負債主要包括各經營分部應佔客戶存款、已發行存款證、已發行債務證券、銀行同業存款及應計款項。

除了分部資料中的除稅前溢利資料外，管理層還被提供其他分部資料包括收入(包括跨業務貸款)、利息支出、折舊、攤銷、減值虧損及用於分部運作的新增非流動分部資產。

未分配項目主要包括中央管理單位、策略投資管理、樓宇及物業管理以及其他未能合理分配到特定業務類別的活動。

14. SEGMENT REPORTING (continued)

Segment results, assets and liabilities (continued)

14. 分部資料(續)

分部業績、資產及負債(續)

		For the year ended 31 December 2011 截至二零一一年十二月三十一日止年度					Reportable Segments Total 可申報 分部總額 HK\$'000 千港元
		Consumer Finance	Wealth Management	Corporate and Investment Banking	Financial Markets	Funding Centre	
		消費金融 HK\$'000 千港元	財富管理 HK\$'000 千港元	企業金融 HK\$'000 千港元	金融市場 HK\$'000 千港元	資金部 HK\$'000 千港元	
Net interest income	淨利息收入	141,233	66,026	178,509	91,905	156,172	633,845
Other operating income/(expense) from external customers	源自外界客戶 其他營運收入/(開支)	142,496	200,674	45,610	16,986	(48,429)	357,337
Fee and commission expense	費用及佣金支出	(85,150)	(3,202)	(1,009)	(1,472)	(3,923)	(94,756)
Other operating income/(expense)	其他營運收入/(開支)	57,346	197,472	44,601	15,514	(52,352)	262,581
Operating income	營運收入	198,579	263,498	223,110	107,419	103,820	896,426
Operating expenses	營運支出	(116,973)	(229,988)	(88,763)	(40,690)	(7,007)	(483,421)
Inter-segment expenses	跨分部支出	(3,414)	(37,463)	(3,718)	-	-	(44,595)
Operating profit/(loss) before gains and impairment losses	未計收益及撥備前 經營溢利/(虧損)	78,192	(3,953)	130,629	66,729	96,813	368,410
(Charge for)/write back of impairment losses on advances to customers	客戶貸款之減值虧損之 (扣除)/回撥	(10,925)	1,122	73,824	-	-	64,021
Impairment losses on other assets	其他資產之減值虧損	-	(133)	(2,543)	-	-	(2,676)
Net gains on disposal of available-for-sale financial assets	出售可供出售金融資產 之淨收益	-	-	-	44,073	449	44,522
Profit/(loss) before taxation	除稅前溢利/(虧損)	67,267	(2,964)	201,910	110,802	97,262	474,277
Operating expenses – depreciation	營運支出 – 折舊	(1,891)	(7,053)	(3,185)	(881)	(78)	(13,088)
Segment assets	分部資產	15,752,154	829,947	16,610,743	7,840,021	17,036,261	58,069,126
Segment liabilities	分部負債	658,198	32,755,066	10,276,842	1,382,980	9,350,512	54,423,598

14. SEGMENT REPORTING (continued)

Segment results, assets and liabilities (continued)

14. 分部資料 (續)

分部業績、資產及負債 (續)

		For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度					Reportable Segments Total 可申報 分部總額
		Consumer Finance	Wealth Management	Corporate and Investment Banking	Financial Markets	Funding Centre	HK\$'000 千港元
		消費金融 HK\$'000 千港元	財富管理 HK\$'000 千港元	企業金融 HK\$'000 千港元	金融市場 HK\$'000 千港元	資金部 HK\$'000 千港元	HK\$'000 千港元
Net interest income	淨利息收入	171,413	53,804	234,796	216,612	172,175	848,800
Other operating income/(expense) from external customers	源自外界客戶 其他營運收入/(開支)	132,709	194,560	46,865	11,034	(40,559)	344,609
Fee and commission expense	費用及佣金支出	(45,701)	(14,938)	(1,737)	(7,451)	-	(69,827)
Other operating income/(expense)	其他營運收入	87,008	179,622	45,128	3,583	(40,559)	274,782
Operating income	營運收入	258,421	233,426	279,924	220,195	131,616	1,123,582
Operating expenses	營運支出	(137,301)	(213,172)	(87,133)	(50,689)	(4,559)	(492,854)
Inter-segment expenses	跨分部支出	(2,905)	(33,001)	(2,982)	-	-	(38,888)
Operating profit/(loss) before gains and impairment losses	未計收益及撥備前 經營溢利/(虧損)	118,215	(12,747)	189,809	169,506	127,057	591,840
(Charge for)/write back of impairment losses on advances to customers	客戶貸款之減值虧損之 (扣除)/回撥	(14,127)	6,510	(4,177)	-	-	(11,794)
Impairment losses on other assets	其他資產之減值虧損	-	(621)	(16,649)	-	-	(17,270)
Impairment losses on available-for-sale financial assets	可供出售證券之 減值虧損	-	-	-	(15,090)	-	(15,090)
Write back of impairment losses on assets acquired under lending agreements	根據貸款協議所得 資產減值虧損之回撥	-	-	17	-	-	17
Net gains on disposal of available-for-sale financial assets	出售可供出售金融資產 之淨收益	-	-	-	30,512	6,845	37,357
Profit/(loss) before taxation	除稅前溢利/(虧損)	104,088	(6,858)	169,000	184,928	133,902	585,060
Operating expenses – depreciation	營運支出 – 折舊	(2,093)	(7,994)	(2,937)	(1,145)	(39)	(14,208)
Segment assets	分部資產	13,869,323	871,515	14,922,453	13,367,291	16,526,738	59,557,320
Segment liabilities	分部負債	520,801	28,545,664	14,893,626	920,695	10,837,386	55,718,172

14. SEGMENT REPORTING (continued)

Reconciliation of Reportable Segment Revenue, Profit & Loss, Assets & Liabilities

Revenues	收入
Reportable segment operating income	可申報分部營運收入
Elimination of inter-segment operating income	跨業務營運收入抵銷
Unallocated revenue	未分配收入
Consolidated operating income	綜合營運收入

Profit before tax	除稅前溢利
Reportable segment profit before tax	可申報分部除稅前溢利
Unallocated operating income	未分配營運收入
Unallocated operating expenses	未分配營運支出
Write back of impairment losses on advances to customers	客戶貸款之減值虧損之回撥
Impairment losses on fixed assets	固定資產之減值虧損
Impairment losses on available-for-sale financial assets	可供出售金融資產減值虧損
Write back of/(charge for) impairment losses on advance to an associate	對聯營公司貸款之減值虧損之回撥/(扣除)
(Charge for)/write back of impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之(扣除)/回撥
Net gains on disposals of available-for-sale financial assets	出售可供出售金融資產之淨收益
Net losses on disposals of fixed assets	出售固定資產之淨虧損
Share of profits of an associate	應佔聯營公司溢利
Consolidated profit before tax	綜合除稅前溢利

14. 分部資料(續)

可申報業務收入、溢利及虧損、資產及負債之對賬

For the year ended	
31 December 2011	31 December 2010
截至二零一一年十二月三十一日止年度	截至二零一零年十二月三十一日止年度
HK\$'000	HK\$'000
千港元	千港元
896,426	1,123,582
(70,241)	(57,732)
240,984	72,263
1,067,169	1,138,113

For the year ended	
31 December 2011	31 December 2010
截至二零一一年十二月三十一日止年度	截至二零一零年十二月三十一日止年度
HK\$'000	HK\$'000
千港元	千港元
474,277	585,060
240,984	72,263
(474,933)	(382,142)
16,460	2,081
(15,733)	-
(5,415)	(4,382)
425	(681)
(5,029)	400
-	13,635
(8,661)	(5,045)
91,369	31,352
313,744	312,541

14. SEGMENT REPORTING (continued)

Reconciliation of Reportable Segment Revenue, Profit & Loss, Assets & Liabilities (continued)

Assets

Reportable segment assets
Unallocated fixed assets
Interests in associates
Unallocated other assets

Consolidated total assets

資產

可申報分部資產
未分配固定資產
於聯營公司之權益
未分類其他資產

綜合資產總額

As at	
於	
31 December	31 December
2011	2010
二零一一年	二零一零年
十二月三十一日	十二月三十一日
HK\$'000	HK\$'000
千港元	千港元
58,069,126	59,557,320
585,683	553,982
800,952	532,353
800,099	1,135,980
60,255,860	61,779,635

Liabilities

Reportable segment liabilities
Unallocated other liabilities

Consolidated total liabilities

負債

可申報分部負債
未分類其他負債

綜合負債總額

As at	
於	
31 December	31 December
2011	2010
二零一一年	二零一零年
十二月三十一日	十二月三十一日
HK\$'000	HK\$'000
千港元	千港元
54,423,598	55,718,172
779,982	967,195
55,203,580	56,685,367

Geographical information

Geographical segment information is based on the locations of the principal operations of the subsidiaries or on the location of the branches of the Bank responsible for reporting the results or booking the assets, the location of customers and the location of assets. For the years ended 31 December 2011 and 2010, all of the Group's operating income and profit before taxation were generated by assets booked by the branches and subsidiaries of the Bank located in Hong Kong. No single country or geographic segment other than Hong Kong contributes 10% or more of the Group's assets, liabilities, profit or loss before taxation, total operating income or contingent liabilities and commitments.

Major Customers

For the years ended 31 December 2011 and 2010, no single customer or a group of customers under common control contributes 10% or more of the Group's revenues.

14. 分部資料(續)

可申報業務收入、溢利及虧損、資產及負債之對賬(續)

區域資料

區域資料之分析是根據附屬公司之主要業務所在地點，或按負責報告業績或將資產入賬之本行分行位置、客戶位置及資產位置予以披露。截至二零一一年及二零一零年十二月三十一日止年度，本集團之所有營運收入及除稅前溢利均是從位於香港的本行分行及附屬公司入賬之資產所產生。除香港外，並無個別國家或區域分部佔本集團的資產、負債、稅前盈利或虧損、總營運收入或或有負債及承擔百分之十或以上。

主要客戶

截至二零一一年及二零一零年十二月三十一日止年度，並無任何單一客戶或共同控制下之一組客戶佔本集團收入10%或以上。

15. CASH AND SHORT-TERM FUNDS

	現金
Cash in hand	現金
Balances with the Hong Kong Monetary Authority ("HKMA")	香港金融管理局結餘
Balances with banks	銀行同業之結餘
Money at call and short notice *	通知及短期存款 *

15. 現金及短期資金

The Group 本集團		The Bank 本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
179,378	99,367	179,378	99,367
109,776	661,488	109,776	661,488
956,884	1,054,548	877,439	1,052,098
3,136,159	961,948	3,136,159	961,948
4,382,197	2,777,351	4,302,752	2,774,901

* Money at call and short notice represents deposits of up to a maximum of one month maturity from the balance sheet date.

* 通知及短期存款指由結算日起計最長一個月到期之存款。

16. BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	以下期間內到期之 銀行同業放款：
Placements with banks maturing within:	
- 3 months or less but over 1 month	- 三個月或以下惟一個月以上
- 1 year or less but over 3 months	- 一年或以下惟三個月以上
Amount due from banks under reverse repurchase agreements	根據逆回購協議應收銀行同業款項

16. 銀行同業及其他金融機構結餘

The Group 本集團		The Bank 本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
873,216	1,481,917	873,216	1,404,955
485,968	544,173	485,968	544,173
1,359,184	2,026,090	1,359,184	1,949,128
120,346	109,579	120,346	109,579
1,479,530	2,135,669	1,479,530	2,058,707

17. TRADING ASSETS

17. 持作交易用途資產

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Trading assets at fair value	持作交易用途資產 之公平價值				
Treasury bills (including Exchange Fund Bills) - unlisted	國庫券(包括外匯基金 票據)·非上市	1,402,635	962,662	1,402,635	962,662
Debt securities	債務證券				
– Listed in Hong Kong	– 於香港上市	523	947	523	947
– Unlisted	– 非上市	2,358	3,049	2,358	3,049
Equity securities	股本證券				
– Listed in Hong Kong	– 於香港上市	–	115	–	–
Total	總值	1,405,516	966,773	1,405,516	966,658
Trading assets are issued by:	持作交易用途資產由 以下機構發行:				
– Governments and central banks	– 政府及中央銀行	1,402,635	962,662	1,402,635	962,662
– Public sector entities	– 公營機構	2,881	3,996	2,881	3,996
– Banks	– 銀行	–	6	–	–
– Corporate entities	– 企業實體	–	109	–	–
		1,405,516	966,773	1,405,516	966,658

18. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

18. 指定為通過損益以反映公平價值之金融資產

		The Group and the Bank 本集團及本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Debt securities at fair value	債務證券之公平價值		
– Listed in Hong Kong	– 於香港上市	81,240	84,724
– Unlisted	– 非上市	–	321,544
Total	總值	81,240	406,268
Financial assets designated at fair value through profit or loss are issued by:	指定為通過損益以反映公平價值之 金融資產由以下機構發行:		
– Corporate entities	– 企業實體	81,240	406,268
		81,240	406,268

18. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Debt securities have been designated at fair value through profit or loss upon initial recognition when either the Group holds related derivatives at fair value through profit or loss and designation therefore eliminates; or significantly reduces an accounting mismatch that would otherwise arise; or the debt securities are managed and evaluated on a fair value basis.

19. DERIVATIVE FINANCIAL INSTRUMENTS

The sale to customers of derivatives as risk management products and the subsequent use of derivatives to manage the resulting positions is an integral part of the Group's business activities. Derivatives 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 and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to hedge these and other trading positions or for balance sheet management. For accounting purposes, derivatives are classified as either held for trading, qualifying for hedge accounting, or managed in conjunction with financial instruments designated at fair value through profit or loss.

(a) Notional amounts of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The notional amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date and do not represent amounts at risk. The following is a summary of the notional amounts of each significant type of derivatives entered into by the Group:

18. 指定為通過損益以反映公平價值之金融資產 (續)

當本集團同時持有與債務證券相關通過損益以反映公平價值的衍生工具，或本集團對該債務證券是以公平價值基準作內部管理、評估及匯報，該債務證券會於初次確認時指定為通過損益以反映公平價值。

19. 衍生金融工具

向客戶出售衍生工具以作為風險管理產品及其後使用衍生工具管理相關持倉，為本集團其中一項業務。該等工具亦用以管理本集團所承受的市場風險，作為其資產負債管理的程序一部分。本集團所採用的衍生工具主要為利率及外匯相關合約，該等合約主要為場外衍生工具。本集團亦參與交易所買賣衍生工具。本集團大部分的衍生工具持倉均為配合客戶需求以及為對沖該等和其他交易倉盤或管理資產負債表而訂立。就會計目的而言，衍生工具被分類為持作交易用途、合資格採用對沖會計法或與指定通過損益以反映公平價值之金融工具共同進行管理。

(a) 衍生工具之名義金額

此等衍生工具指其價值視乎一項或多項有關資產或指數之價值而定之金融合約。此等工具之名義金額顯示於結算日尚未平倉之交易量，而並非代表涉及風險金額。以下為本集團訂立之各主要類型衍生工具之名義金額之概要：

19. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives (continued)

19. 衍生金融工具(續)

(a) 衍生工具之名義金額(續)

		The Group and the Bank 本集團及本行			
		2011 二零一一年			
		Managed in conjunction with financial instruments			
		Qualifying for hedge accounting	designated at fair value through profit or loss 就指定為透過損益 以反映公平價值 之金融工具 共同進行管理	Held for trading	Total
		合資格採用 對沖會計法 HK\$'000 千港元	HK\$'000 千港元	持作交易用途 HK\$'000 千港元	總額 HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具				
- Forwards	- 遠期	-	-	3,499,811	3,499,811
- Swaps	- 掉期	-	-	6,794,764	6,794,764
- Options purchased	- 購入期權	-	-	4,190,913	4,190,913
- Options written	- 沽出期權	-	-	4,157,146	4,157,146
		-	-	18,642,634	18,642,634
Interest rate derivatives	利率衍生工具				
- Swaps	- 掉期	2,948,388	389,106	2,396,810	5,734,304
- Options purchased	- 購入期權	-	-	226,656	226,656
		2,948,388	389,106	2,623,466	5,960,960
Equity derivatives	股票衍生工具				
- Swaps	- 掉期	-	-	331,118	331,118
- Options purchased	- 購入期權	-	-	18,166	18,166
- Options written	- 沽出期權	-	-	18,166	18,166
		-	-	367,450	367,450
Total	總額	2,948,388	389,106	21,633,550	24,971,044

19. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives (continued)

		The Group and the Bank 本集團及本行			
		2010 二零一零年			
		Managed in conjunction with financial instruments			Total
		Qualifying for hedge accounting	designated at fair value through profit or loss	Held for trading	
		就指定為通過損益 以反映公平價值	共同進行管理 之金融工具	持作交易用途	總額
		合資格採用 對沖會計法	共同進行管理 之金融工具	持作交易用途	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Exchange rate derivatives	匯率衍生工具				
- Forwards	- 遠期	-	-	2,902,140	2,902,140
- Swaps	- 掉期	-	-	33,478,191	33,478,191
- Options purchased	- 購入期權	-	-	3,059,047	3,059,047
- Options written	- 沽出期權	-	-	3,043,401	3,043,401
		-	-	42,482,779	42,482,779
Interest rate derivatives	利率衍生工具				
- Swaps	- 掉期	4,367,377	374,348	5,551,516	10,293,241
- Options purchased	- 購入期權	-	-	227,584	227,584
		4,367,377	374,348	5,779,100	10,520,825
Equity derivatives	股票衍生工具				
- Swaps	- 掉期	-	-	342,802	342,802
- Options purchased	- 購入期權	-	-	136,742	136,742
- Options written	- 沽出期權	-	-	136,742	136,742
		-	-	616,286	616,286
Total	總額	4,367,377	374,348	48,878,165	53,619,890

The above amounts are shown on a gross basis without taking into account the effect of any bilateral netting arrangements.

Derivatives reported as qualifying for hedge accounting represent hedging instruments designated as hedges under HKAS 39.

上述金額以總額顯示，並無計及任何雙邊淨額結算安排之影響。

報告為合資格採用對沖會計法之衍生工具指根據香港會計準則第39號指定作為對沖之對沖工具。

19. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Fair values and credit risk weighted amounts of derivatives

Credit risk-weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance. The amount depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100%.

These amounts are shown on a gross basis without taking into account the effect of bilateral netting arrangements and are as below:

19. 衍生金融工具(續)

(b) 衍生工具之公平價值及信貸風險加權金額

信貸風險加權金額指根據《銀行業條例》下之《銀行業(資本)規則》計算之金額。此等金額須視乎交易對手之現況及到期期限特點而定。所採用之信貸風險加權比率介乎0%至100%。

該等金額並無計及雙邊淨額結算安排並以總額顯示如下：

		The Group and the Bank 本集團及本行					
		2011 二零一一年			2010 二零一零年		
		Fair value assets	Fair value liabilities	Credit risk weighted amount	Fair value assets	Fair value liabilities	Credit risk weighted amount
		公平價值資產	公平價值負債	信貸風險 加權金額	公平價值資產	公平價值負債	信貸風險 加權金額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Exchange rate derivatives	匯率衍生工具						
- Forwards	- 遠期	349,373	21,884	19,298	324,873	2,558	3,027
- Swaps	- 掉期	10,505	16,154	15,808	41,791	47,977	90,428
- Options purchased	- 購入期權	23,033	-	51,393	12,503	-	32,238
- Options written	- 沽出期權	-	23,011	-	-	12,459	-
		382,911	61,049	86,499	379,167	62,994	125,693
Interest rate derivatives	利率衍生工具						
- Swaps	- 掉期	94,975	374,513	80,542	94,025	248,676	62,284
- Options purchased	- 購入期權	370	-	-	1,857	-	-
		95,345	374,513	80,542	95,882	248,676	62,284
Equity derivatives	股票衍生工具						
- Swaps	- 掉期	16,264	16,264	5,072	15,079	15,079	13,912
- Options purchased	- 購入期權	116	-	-	1,505	-	-
- Options written	- 沽出期權	-	116	-	-	1,505	-
		16,380	16,380	5,072	16,584	16,584	13,912
Other derivatives	其他衍生工具	-	86,549	-	-	249,060	-
Total	總額	494,636	538,491	172,113	491,633	577,314	201,889

19. DERIVATIVE FINANCIAL INSTRUMENTS (continued)**(c) Fair values of derivatives designated as hedging instruments***Fair value hedges*

Fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of certain of the Bank's subordinated notes issued and certain fixed-rate debt securities due to movements in market interest rates.

The following is a summary of the fair values of derivatives held for hedging purposes entered into by the Group and the Bank:

Interest rate derivatives 利率衍生工具

19. 衍生金融工具(續)**(c) 指定作為對沖工具之衍生工具之公平價值***公平價值對沖*

公平價值對沖包括用作保障本行的若干已發行後償票據及若干定息債券因市場利率變動而出現之公平價值變化的利率掉期。

本集團及本行訂立之持作對沖目的之衍生工具之公平價值摘要如下：

The Group and the Bank
本集團及本行

2011 二零一一年		2010 二零一零年	
Fair value assets 公平價值資產 HK\$'000 千港元	Fair value liabilities 公平價值負債 HK\$'000 千港元	Fair value assets 公平價值資產 HK\$'000 千港元	Fair value liabilities 公平價值負債 HK\$'000 千港元
659	330,558	42,304	215,011

(d) Remaining life of derivative instruments

The following table provides an analysis of the notional amounts of derivatives of the Group and the Bank by relevant maturity grouping based on the remaining periods to settlement at the balance sheet date.

2011 二零一一年

Exchange rate derivatives 匯率衍生工具
Interest rate derivatives 利率衍生工具
Equity derivatives 股票衍生工具

Total 總額

(d) 衍生工具之剩餘期限

下表為本集團及本行，按於結算日時直至交收剩餘期限之相關到期組別劃分之衍生工具名義金額的分析。

The Group and the Bank
本集團及本行

Notional amounts with remaining life of
屬以下剩餘年期之名義金額

Total 總額 HK\$'000 千港元	Over 1		
	1 year or less 一年或以下 HK\$'000 千港元	year to 5 years 一年以上至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
18,642,634	17,628,730	1,013,904	-
5,960,960	1,897,104	2,045,318	2,018,538
367,450	346,480	20,970	-
24,971,044	19,872,314	3,080,192	2,018,538

19. DERIVATIVE FINANCIAL INSTRUMENTS (continued)**(d) Remaining life of derivative instruments** (continued)

2010	二零一零年
Exchange rate derivatives	匯率衍生工具
Interest rate derivatives	利率衍生工具
Equity derivatives	股票衍生工具
Total	總額

19. 衍生金融工具 (續)**(d) 衍生工具之剩餘期限** (續)

The Group and the Bank 本集團及本行			
Notional amounts with remaining life of 屬以下剩餘年期之名義金額			
Total	1 year or less	Over 1 year to 5 years	Over 5 years
總額	一年或以下	一年以上至五年	五年以上
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
42,482,779	41,979,368	503,411	–
10,520,825	5,697,335	3,163,650	1,659,840
616,286	340,738	275,548	–
53,619,890	48,017,441	3,942,609	1,659,840

20. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES**(a) Advances to customers less impairment allowances:**

2011	二零一一年
HK\$'000	HK\$'000
千港元	千港元
Gross advances to customers	客戶貸款總額
Less: Impairment allowances	減：減值撥備
– Individual impairment allowances (note 20(b))	– 個別減值撥備 (附註20(b))
– Collective impairment allowance (note 20(b))	– 綜合減值撥備 (附註20(b))

20. 客戶貸款減減值撥備**(a) 客戶貸款減減值撥備：**

The Group 本集團		The Bank 本行	
2011	2010	2011	2010
二零一一年	二零一零年	二零一一年	二零一零年
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
32,401,522	29,144,794	32,282,396	28,689,622
(92,911)	(163,920)	(69,077)	(83,087)
(70,145)	(119,903)	(68,325)	(110,419)
32,238,466	28,860,971	32,144,994	28,496,116

20. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES

(continued)

(b) Movement in impairment allowances on advances to customers:

20. 客戶貸款減減值撥備(續)

(b) 客戶貸款減值撥備變動：

		The Group 本集團		The Bank 本行	
		Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowance 綜合減值 撥備 HK\$'000 千港元	Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowance 綜合減值 撥備 HK\$'000 千港元
At 1 January 2011	於二零一一年一月一日	163,920	119,903	83,087	110,419
Impairment losses charged to profit or loss (Note 10)	於損益賬扣除之減值虧損(附註10)	27,722	15,744	22,228	15,744
Impairment losses released back to profit or loss (Note 10)	於損益賬撥回之減值虧損(附註10)	(58,445)	(65,502)	(40,484)	(57,838)
Amounts written off	撇賬金額	(69,612)	–	(23,263)	–
Recoveries of advances written off in previous years	過去年度已撇賬貸款之收回	29,326	–	27,509	–
At 31 December 2011 (Note 20(a))	於二零一一年十二月三十一日(附註20(a))	92,911	70,145	69,077	68,325
		The Group 本集團		The Bank 本行	
		Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowance 綜合減值 撥備 HK\$'000 千港元	Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowance 綜合減值 撥備 HK\$'000 千港元
At 1 January 2010	於二零一零年一月一日	364,647	176,044	236,845	143,288
Impairment losses charged to profit or loss (Note 10)	於損益賬扣除之減值虧損(附註10)	119,195	–	80,572	–
Impairment losses released back to profit or loss (Note 10)	於損益賬撥回之減值虧損(附註10)	(53,341)	(56,141)	(33,257)	(32,869)
Amounts written off	撇賬金額	(273,484)	–	(205,197)	–
Recoveries of advances written off in previous years	過去年度已撇賬貸款之收回	13,118	–	10,339	–
Reclassification to other assets	重新回歸至其他資產	(6,215)	–	(6,215)	–
At 31 December 2010 (Note 20(a))	於二零一零年十二月三十一日(附註20(a))	163,920	119,903	83,087	110,419

20. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES

(continued)

(c) Advances to customers analysed by industry sector

The following economic sector analysis of gross advances to customers is based on the categories and definitions used by the HKMA.

20. 客戶貸款減減值撥備(續)

(c) 按行業分類的客戶貸款

以下客戶貸款總額之經濟行業分析乃根據金管局使用的組別及定義。

As at 31 December 於十二月三十一日	The Group 本集團		The Bank 本行	
	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Gross advances for use in Hong Kong				
Industrial, commercial and financial				
– Property development	1,969,810	1,609,496	1,969,810	1,609,496
– Property investment	9,010,242	8,364,456	9,010,029	8,363,982
– Financial concerns	556,993	384,679	556,993	384,679
– Wholesale and retail trade	555,412	415,608	555,205	414,693
– Manufacturing	3,072,912	1,496,567	3,064,750	1,473,625
– Transport and transport equipment	156,336	221,316	98,016	89,211
– Recreational activities	–	9,406	–	9,406
– Information technology	195,271	1,562	195,271	1,335
– Electricity and gas	234,000	234,000	234,000	234,000
– Others	2,055,686	1,946,682	2,040,724	1,887,764
Individuals				
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	11,079	13,531	11,079	13,531
– Loans for the purchase of other residential properties	8,420,630	8,212,100	8,416,468	8,207,308
– Credit card advances	796,061	704,970	796,061	704,970
– Others	1,534,645	1,145,433	1,526,146	1,118,694
Trade finance	28,569,077	24,759,806	28,474,552	24,512,694
Gross advances for use outside Hong Kong	1,772,969	1,047,909	1,772,969	1,047,909
Trade finance	1,772,969	1,047,909	1,772,969	1,047,909
Gross advances for use outside Hong Kong	2,059,476	3,337,079	2,034,875	3,129,019
Gross advances to customers	32,401,522	29,144,794	32,282,396	28,689,622

20. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES

(continued)

(d) Impaired advances to customers

	減值貸款總額 就減值貸款作出的 個別減值撥備
Gross impaired advances	
Individual impairment allowances made against impaired loans	
Amount of collateral held in respect of impaired loans	就減值貸款持有的 抵押品金額

20. 客戶貸款減減值撥備(續)

(d) 客戶減值貸款

The Group 本集團				
	2011 二零一一年 HK\$'000 千港元	% of gross advances 佔貸款總額 百分比	2010 二零一零年 HK\$'000 千港元	% of gross advances 佔貸款總額 百分比
Gross impaired advances	105,747	0.33	192,754	0.66
Individual impairment allowances made against impaired loans	(92,911)		(163,920)	
	12,836		28,834	
Amount of collateral held in respect of impaired loans	10,365		37,400	

	減值貸款總額 就減值貸款作出的 個別減值撥備
Gross impaired advances	
Individual impairment allowances made against impaired loans	
Amount of collateral held in respect of impaired loans	就減值貸款持有的 抵押品金額

The Bank 本行				
	2011 二零一一年 HK\$'000 千港元	% of gross advances 佔貸款總額 百分比	2010 二零一零年 HK\$'000 千港元	% of gross advances 佔貸款總額 百分比
Gross impaired advances	80,011	0.25	97,190	0.34
Individual impairment allowances made against impaired loans	(69,077)		(83,087)	
	10,934		14,103	
Amount of collateral held in respect of impaired loans	7,272		11,079	

Collateral mainly comprises mortgage interests over residential properties and cash deposits with the Group. It does not include any expected recovery (2010: HK\$12.1 million) from companies in liquidation and government guarantee schemes.

Impaired advances are individually assessed loans with objective evidence of impairment on an individual basis.

該等抵押品主要包括居住物業之按揭利息及存放於本集團之現金存款，並不包括預期可從清盤公司及政府擔保計劃回收之金額（二零一零年：12,100,000港元）。

減值貸款是按個別基準在具備客觀的減值證據下而須作個別評估的貸款。

20. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES

(continued)

(e) Net investment in finance leases and hire purchase contracts

Advances to customers include the net investment in motor vehicles and equipment leased to customers under finance leases and hire purchase contracts having the characteristics of finance leases. The contracts usually run for an initial period of 3 to 5 years, with an option for acquiring the leased asset at nominal value. The total minimum lease payments receivable under finance leases and hire purchase contracts and their present values at the year end are as follows:

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Total minimum lease payments due:	最低租賃還款總金額				
	到期期限為：				
- within 1 year	—一年以內	74,422	348,843	3,281	6,749
- after 1 year but within 5 years	—一年以後惟五年以內	29,701	93,037	-	-
- after 5 years	—五年以後	26,500	41,272	-	-
		130,623	483,152	3,281	6,749
Interest income relating to future periods	與未來期間有關之利息收入	(9,867)	(28,741)	(167)	(295)
Present value of the minimum lease payment receivable	應收最低租賃還款之現值	120,756	454,411	3,114	6,454
Collective impairment allowance	綜合減值撥備	(1,820)	(9,710)	-	(226)
Individual impairment allowances	個別減值撥備	(26,948)	(85,514)	(3,114)	(4,681)
Net investment in finance leases and hire purchase contracts	融資租賃及租購合約之投資淨額	91,988	359,187	-	1,547

The maturity profile of the present value of the minimum lease payments before impairment allowances is as follows:

減值撥備前最低租賃還款現值之期限組別如下：

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Within 1 year	一年以內	70,768	331,772	3,114	6,454
After 1 year but within 5 years	一年以後惟五年以內	26,554	86,311	-	-
After 5 years	五年以後	23,434	36,328	-	-
		120,756	454,411	3,114	6,454

21. OTHER LOANS AND RECEIVABLES

Debt securities at amortised cost	債務證券，以攤餘成本列賬
Of which:	其中：
– Listed outside Hong Kong	– 於香港以外上市
– Unlisted	– 非上市
Other loans and receivables are issued by:	其他貸款及應收款項由以下機構發行：
– Banks	– 銀行
– Corporate entities	– 企業實體

During 2008, the Group and the Bank reclassified certain available-for-sale investment securities which met the definition of loans and receivables (if they had not been designated as available-for-sale) and for which there was no longer an active market to loans and receivables. The fair value and carrying value of these securities on the date of reclassification was HK\$3,723.9 million. As at 31 December 2011, the carrying amount and fair value of these reclassified debt securities were HK\$1,204.8 million (2010: HK\$2,802.3 million) and HK\$1,037.8 million (2010: HK\$2,482.3 million) respectively.

The interest income recognised in profit or loss in respect of these debt securities during the year ended 31 December 2011 was HK\$50.6 million (2010: HK\$71.1 million). The fair value change that would have been recognised in the investment revaluation reserve if those debt securities had not been reclassified would be a gain of HK\$33.4 million (2010: loss of HK\$46.5 million).

The above debt securities are neither past due nor impaired as at 31 December 2011 and 2010.

21. 其他貸款及應收款項

The Group and the Bank 本集團及本行		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
		1,204,789	2,802,314
		1,204,789	2,572,133
		–	230,181
		1,204,789	2,802,314
		1,181,600	2,779,452
		23,189	22,862
		1,204,789	2,802,314

於二零零八年，本集團及本行已將若干符合貸款及應收款項定義（如其並未被指定為可供出售類別）及不存在活躍市場之可供出售投資證券重新分類至貸款及應收款項。該等證券於重新分類日期之公平價值及賬面值均為3,723,900,000港元。於二零一一年十二月三十一日，該等債務證券的賬面值及公平價值分別為1,204,800,000港元（二零一零年：2,802,300,000港元）及1,037,800,000港元（二零一零年：2,482,300,000港元）。

該等債務證券於本年內在收益表內確認之利息收入為50,600,000港元（二零一零年：71,100,000港元）。倘該等債務證券並未重新分類，於投資重估儲備中確認之公平價值收益將為收益33,400,000港元（二零一零年：虧損46,500,000港元）。

於二零一一年及二零一零年十二月三十一日，上述經重新分類債務證券既未逾期亦無減值。

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

22. 可供出售金融資產

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Available-for-sale financial assets at fair value	可供出售金融資產之公平價值				
Treasury bills (including Exchange Fund Bills)	國庫券(包括外匯基金票據)				
– Unlisted	– 非上市	1,300,859	2,009,956	1,300,859	2,009,956
Certificates of deposit	存款證				
– Listed outside Hong Kong	– 於香港以外上市	77,802	–	77,802	–
– Unlisted	– 非上市	292,910	–	292,910	–
Debt securities	債務證券				
– Listed in Hong Kong	– 於香港上市	2,756,617	3,828,265	2,756,617	3,828,265
– Listed outside Hong Kong	– 於香港以外上市	4,310,127	5,351,014	4,310,127	5,351,014
– Unlisted	– 非上市	4,781,398	7,155,697	4,781,398	7,155,697
Equity securities	股本證券				
– Listed in Hong Kong	– 於香港上市	5	–	5	–
– Unlisted	– 非上市	211,302	210,902	211,300	210,900
		13,731,020	18,555,834	13,731,018	18,555,832
Available-for-sale financial assets are issued by:	可供出售金融資產由以下機構發行：				
– Governments and central banks	– 政府及中央銀行	3,015,534	4,963,395	3,015,534	4,963,395
– Public sector entities	– 公營機構	618,288	1,410,319	618,288	1,410,319
– Banks	– 銀行	8,159,742	9,799,914	8,159,742	9,799,914
– Corporate entities	– 企業實體	1,937,456	2,382,206	1,937,454	2,382,204
		13,731,020	18,555,834	13,731,018	18,555,832

As at 31 December 2011, debt securities issued by banks include debt securities with fair value of HK\$242.3 million (2010: HK\$350.8 million) issued by multilateral development banks and debt securities with fair value of HK\$601.7 million (2010: HK\$2.5 billion) guaranteed by governments.

於二零一一年十二月三十一日，由銀行機構發行的債務證券包括公平價值為242,300,000港元(二零一零年：350,800,000港元)由多邊發展銀行發行的債務證券及公平價值為601,700,000港元(二零一零年：2,500,000,000港元)由政府擔保的債務證券。

As at 31 December 2011, certain of the Group's and the Bank's available-for-sale equity securities with a fair value of HK\$67.7 million (2010: HK\$37.9 million) were individually determined to be impaired on the basis of a significant or prolonged decline in fair value below cost. Impairment losses on these investments of HK\$5.4 million (2010: HK\$4.4 million) were recognised in profit or loss during the year.

於二零一一年十二月三十一日，本集團若干可供出售股本證券因其公平價值長期或大幅低於成本而被釐定為已減值證券，該等權益證券的公平價值為67,700,000港元(二零一零年：37,900,000港元)。該等權益證券的減值虧損5,400,000港元(二零一零年：4,400,000港元)已於損益中扣除。

As at 31 December 2011, the remaining maturity of certificates of deposit held were more than 1 year but within 5 years.

於二零一一年十二月三十一日，所持存款證的剩餘合約期限超過一年，但少於五年。

23. HELD-TO-MATURITY INVESTMENTS

23. 持至到期投資

		The Group and the Bank 本集團及本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Listed debt securities at amortised cost	上市債務證券，以攤餘成本列賬		
– Listed in Hong Kong	– 於香港上市	75,052	74,826
– Listed outside Hong Kong	– 於香港以外上市	919,730	761,649
		994,782	836,475
Unlisted debt securities at amortised cost	非上市債務證券，以攤餘成本列賬		
– Certificate of deposit held	– 存款證	155,332	155,478
– Other debt securities	– 其他債務證券	1,316,593	1,470,728
		1,471,925	1,626,206
		2,466,707	2,462,681
Held-to-maturity investments are issued by:	持至到期之投資由下列機構發行：		
– Banks	– 銀行	2,235,997	2,231,211
– Corporate entities	– 企業實體	230,710	231,470
		2,466,707	2,462,681
Fair value of held-to-maturity investments:	持至到期投資之公平價值：		
– Listed securities	– 上市證券	1,008,198	886,970
– Unlisted securities	– 非上市證券	1,459,682	1,558,641
		2,467,880	2,445,611

As of 31 December 2011, the certificate of deposit held has remaining contractual maturity over 5 years (2010: over 5 years).

於二零一一年十二月三十一日，所持存款證的剩餘合約到期期限超過五年（二零一零年：超過五年）。

24. INTERESTS IN ASSOCIATES

24. 於聯營公司之權益

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	10,394	5,761	660,785	514,362
Advances	貸款	2,056	7,128	2,056	7,128
Share of net assets	應佔資產淨值	750,985	482,386	–	–
Goodwill	商譽	49,967	49,967	–	–
		813,402	545,242	662,841	521,490
Less: Impairment allowance on unlisted shares	減：非上市股份之減值撥備	(10,394)	(5,761)	(10,394)	(5,761)
Impairment allowance for advances to an associate	向一間聯營公司貸款之減值撥備	(2,056)	(7,128)	(2,056)	(7,128)
		800,952	532,353	650,391	508,601

The associates of the Bank are as follows:

本行之聯營公司如下：

	Place of establishment and operation 註冊成立及營運地址	Proportion of ownership interest 擁有權益比例	Particulars of issued and paid up capital 已發行及繳足之股本詳情	Principal activities 主要業務
Xiamen Bank Co., Ltd 廈門銀行股份有限公司	The People's Republic of China 中華人民共和國	19.99%	214,392,750 ordinary shares of RMB1 each 214,392,750股人民幣1元的普通股	Provision of banking and related finance services 提供銀行及相關金融服務
IBA Finance Corporation	The Philippines 菲律賓	40.00%	20,000,000 ordinary shares of PHP1 each 20,000,000股菲律賓披索1元的普通股	Provision of financing and leasing services 提供財務及租賃服務

The Bank is entitled to appoint three directors to the board of Xiamen Bank which comprises eleven directors. In view of the Bank's representation on the Board of Directors, Xiamen Bank is accounted for as an associated company as the directors believe they have significant influence.

本行有權委任三位董事加入廈門銀行的董事會(由十一位董事組成)。鑒於本行於董事會的代表人數，董事認為彼等具有重大影響力，因此廈門銀行作為一間聯營公司入賬。

The Group has not equity accounted for the investments in IBA Finance Corporation in view of the immaterial amount involved.

由於所涉及之金額微不足道，本集團並無以權益法將於IBA Finance Corporation之投資列入賬內。

24. INTERESTS IN ASSOCIATES (continued)

Summary of financial information of Xiamen Bank Co., Ltd.:

		Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	Equity 權益 HK\$'000 千港元	Revenues 收入 HK\$'000 千港元	Profit 溢利 HK\$'000 千港元
2011	二零一一年					
100 per cent	100%	86,480,243	82,723,439	3,756,804	2,804,030	457,074
Group's effective interest	本集團的實際權益	17,287,400	16,536,415	750,985	560,526	91,369
2010	二零一零年					
100 per cent	100%	62,401,319	59,988,183	2,413,137	1,498,304	156,843
Group's effective interest	本集團的實際權益	12,474,024	11,991,638	482,386	299,511	31,352

25. INVESTMENTS IN SUBSIDIARIES**24. 於聯營公司之權益** (續)

有關廈門銀行股份有限公司的財務資料概要：

25. 附屬公司投資

		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·按成本值	187,601	187,601

All principal subsidiaries which affected the results, assets or liabilities of the Group, are directly owned by the Bank. Details of principal subsidiaries as of 31 December 2011 are as follows:

主要影響本集團業績、資產或負債之全部主要附屬公司均由本行直接擁有。關於各主要附屬公司於二零一一年十二月三十一日之資料詳述如下：

		Issued and fully paid-up ordinary share capital 已發行及繳足 之普通股股本	% of ownership interest held 所持 股權百分比	Principal activities 主要業務
Incorporated and operating in Hong Kong 於香港註冊成立及運作				
Fubon Credit (Hong Kong) Limited	富邦財務(香港)有限公司	HK\$65,000,000 65,000,000 港元	100%	Provision of financing services 提供財務服務
FB Securities (Hong Kong) Limited	富銀證券(香港)有限公司	HK\$8,000,000 8,000,000 港元	100%	Securities broking 證券經紀
FB Investment Management Limited	富銀投資管理有限公司	HK\$8,000,000 8,000,000 港元	100%	Fund management 資金管理
Fubon Nominees (Hong Kong) Limited	Fubon Nominees (Hong Kong) Limited	HK\$200 200 港元	100%	Nominee service 代理人服務
Fubon Insurance Broker Limited	富銀保險顧問有限公司	HK\$100,000 100,000 港元	100%	Insurance broker services 保險經紀人服務

26. FIXED ASSETS

26. 固定資產

		The Group 本集團		
		Premises 物業 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost or valuation	成本值或估值			
At 1 January 2011	於二零一一年一月一日	1,092,598	625,979	1,718,577
Additions	添置	–	98,678	98,678
Disposals	出售	–	(49,821)	(49,821)
At 31 December 2011	於二零一一年十二月三十一日	1,092,598	674,836	1,767,434
Representing:	代表：			
Cost	成本值	1,019,985	674,836	1,694,821
Valuation – 1991	估值 – 一九九一年	72,613	–	72,613
		1,092,598	674,836	1,767,434
Accumulated depreciation and impairment loss	累計折舊及減值虧損			
At 1 January 2011	於二零一一年一月一日	172,950	510,085	683,035
Charge for the year (Note 7)	年內折舊(附註7)	12,452	51,237	63,689
Released on disposal	出售之抵免	–	(41,118)	(41,118)
Impairment loss	減值虧損	15,733	–	15,733
Exchange adjustment	外幣調整	–	(12)	(12)
At 31 December 2011	於二零一一年十二月三十一日	201,135	520,192	721,327
Net book value	賬面淨值			
At 31 December 2011	於二零一一年十二月三十一日	891,463	154,644	1,046,107

26. FIXED ASSETS (continued)

26. 固定資產(續)

		The Group 本集團		
		Premises	Furniture, fixtures and equipment	Total
		物業	傢俬、裝置 及設備	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Cost or valuation	成本值或估值			
At 1 January 2010	於二零一零年一月一日	1,092,598	618,697	1,711,295
Additions	添置	–	23,174	23,174
Disposals	出售	–	(15,892)	(15,892)
At 31 December 2010	於二零一零年十二月三十一日	1,092,598	625,979	1,718,577
Representing:	代表：			
Cost	成本值	1,019,985	625,979	1,645,964
Valuation – 1991	估值—一九九一年	72,613	–	72,613
		1,092,598	625,979	1,718,577
Accumulated depreciation	累計折舊			
At 1 January 2010	於二零一零年一月一日	160,497	471,704	632,201
Charge for the year (Note 7)	年內折舊(附註7)	12,453	49,204	61,657
Released on disposal	出售之抵免	–	(10,823)	(10,823)
At 31 December 2010	於二零一零年十二月三十一日	172,950	510,085	683,035
Net book value	賬面淨值			
At 31 December 2010	於二零一零年十二月三十一日	919,648	115,894	1,035,542

26. FIXED ASSETS (continued)

26. 固定資產(續)

		Premises 物業 HK\$'000 千港元	The Bank 本行 Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost or valuation	成本值或估值			
At 1 January 2011	於二零一一年一月一日	1,055,849	623,342	1,679,191
Additions	添置	–	98,537	98,537
Disposals	出售	–	(49,821)	(49,821)
		1,055,849	672,058	1,727,907
At 31 December 2011	於二零一一年十二月三十一日	1,055,849	672,058	1,727,907
Representing:	代表：			
Cost	成本值	983,236	672,058	1,655,294
Valuation – 1991	估值—一九九一年	72,613	–	72,613
		1,055,849	672,058	1,727,907
Accumulated depreciation and impairment loss	累計折舊及減值虧損			
At 1 January 2011	於二零一一年一月一日	167,924	507,804	675,728
Charge for the year	年內折舊	12,127	51,034	63,161
Released on disposal	出售之抵免	–	(41,118)	(41,118)
Impairment loss	減值虧損	11,494	–	11,494
Exchange adjustment	外幣調整	–	(12)	(12)
		191,545	517,708	709,253
At 31 December 2011	於二零一一年十二月三十一日	191,545	517,708	709,253
Net book value	賬面淨值			
At 31 December 2011	於二零一一年十二月三十一日	864,304	154,350	1,018,654

26. FIXED ASSETS (continued)

Cost or valuation	成本值或估值
At 1 January 2010	於二零一零年一月一日
Additions	添置
Disposals	出售
At 31 December 2010	於二零一零年十二月三十一日
Representing:	代表：
Cost	成本值
Valuation – 1991	估值—一九九一年
Accumulated depreciation	累計折舊
At 1 January 2010	於二零一零年一月一日
Charge for the year	年內折舊
Released on disposal	出售之抵免
At 31 December 2010	於二零一零年十二月三十一日
Net book value	賬面淨值
At 31 December 2010	於二零一零年十二月三十一日

The net book value of those premises which have been stated in the balance sheet at valuation would have been as follows had they been stated at cost less accumulated depreciation:

26. 固定資產(續)

Premises	The Bank 本行	Furniture, fixtures and equipment 傢俬、裝置 及設備	Total 總額
物業 HK\$'000 千港元		HK\$'000 千港元	HK\$'000 千港元
1,055,849		616,106	1,671,955
–		23,128	23,128
–		(15,892)	(15,892)
1,055,849		623,342	1,679,191
983,236		623,342	1,606,578
72,613		–	72,613
1,055,849		623,342	1,679,191
155,796		469,612	625,408
12,128		49,015	61,143
–		(10,823)	(10,823)
167,924		507,804	675,728
887,925		115,538	1,003,463

按估值列入資產負債表內之物業之賬面淨值若以成本值減累計折舊列賬，其賬面淨值如下：

		The Group and the Bank 本集團及本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Net book value at 31 December	於十二月三十一日的賬面淨值	13,565	13,971

26. FIXED ASSETS (continued)

The analysis of net book value of premises is as follows:

Premises held in Hong Kong 於香港持有的物業
 – Long term leases (over 50 years) – 長期租約(超過五十年)
 – Medium term leases (10-50 years) – 中期租約(十年至五十年)

26. 固定資產(續)

該等物業的賬面淨值分析如下：

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
		594,246	613,459	567,087	581,736
		297,217	306,189	297,217	306,189
		891,463	919,648	864,304	887,925

27. GOODWILL

Cost and carrying amounts
At 31 December

成本及賬面值
於十二月三十一日

The goodwill of HK\$514,000 in respect of the Group's interest in a subsidiary has been included in "accrued interest and other accounts". Goodwill of HK\$50.0 million in respect of the Group's interest in an associate has been included in "Interests in associates" (Note 24).

27. 商譽

		The Group 本集團	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
		50,481	50,481

本集團就有關於一間附屬公司之權益之商譽為514,000港元，已列賬於「應計利息及其他賬目」。本集團就有關於一間聯營公司之權益之商譽為50,000,000港元，已列賬於「聯營公司之權益」(附註24)。

28. DEPOSITS AND BALANCES OF BANKS

Deposits and balances from banks
Deposits and balances from the HKMA

銀行同業之存款及結餘
於香港金融管理局之存款及結餘

Amount due to banks under repurchase agreements

回購協議項下應付銀行同業之款項

28. 銀行同業之存款及結餘

		The Group and the Bank 本集團及本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
		1,119,499	1,594,193
		27,561	109,630
		1,147,060	1,703,823
		2,872,368	1,678,970
		4,019,428	3,382,793

29. DEPOSITS FROM CUSTOMERS

Demand deposits and current accounts	活期及往來存款
Savings deposits	儲蓄存款
Call deposits	通知存款
Time deposits	定期存款

29. 客戶存款

The Group and the Bank
本集團及本行

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元

7,229,994	8,376,505
1,164,583	1,354,774
4,159,736	4,757,983
31,233,854	31,548,899
43,788,167	46,038,161

30. TRADING LIABILITIES

Short positions in Exchange Fund Bills/Notes	外匯基金票據/債券之短倉
--	--------------

30. 交易賬項下之負債

The Group and the Bank
本集團及本行

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元

1,382,980	920,695
-----------	---------

31. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Zero coupon bond issued	已發行零息債券
-------------------------	---------

The zero coupon bond with a face value of HK\$520 million and issue price of 48.076615% was issued by the Bank on 12 April 2007. The maturity date for the bond is 12 April 2022 but it can be called by 12 April 2017 on the 10th anniversary of issuance. At the same time, the Bank entered into an interest rate swap to hedge the interest rate risk associated with the bond. Under the terms of the interest rate swap, the Bank makes quarterly floating rate interest payments and receives fixed rate interest income.

31. 指定為透過損益以反映公平價值之金融負債

The Group and the Bank
本集團及本行

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元

333,965	263,986
---------	---------

本行於二零零七年四月十二日發行票面值為520,000,000港元的零息債券，發行價為票面值之48.076615%。債券於二零二二年四月十二日到期，惟可於發行第十週年，即二零一七年四月十二日被贖回。同時，本行為對沖與債券有關之利率風險而訂立了一份利率掉期合約。根據該利率掉期合約之條款，本行每季按浮動利率支付利息，並按固定利率收取利息。

31. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The carrying amount of financial liabilities designated at fair value through profit or loss at 31 December 2011 was HK\$186.0 million (2010: HK\$256.0 million) lower than the contractual amount at maturity for the Group and the Bank.

The zero coupon bond issued is measured at fair value using valuation techniques based on observable market conditions existing at balance sheet date; however data in respect of the Bank's credit risk volatilities and correlations require management's estimation. The total loss arising from the change in the fair value of the zero coupon bond recognised in profit or loss during the year is HK\$70.0 million (2010: HK\$62.9 million), of which there is a loss of HK\$11.9 million (2010: HK\$41.2 million) attributable to change of credit spread.

To the extent the Bank's credit risk volatilities that are not supported by observable market prices are altered by 10% in either direction the fair value of the zero coupon bond would either be lower by HK\$4.8 million (2010: HK\$5.8 million) or higher by HK\$4.7 million (2010: HK\$6.0 million).

32. CERTIFICATES OF DEPOSIT ISSUED

3 months or less but not repayable on demand	三個月或以下惟無需即時還款
1 year or less but over 3 months	一年或以下惟三個月以上
5 years or less but over 1 year	五年或以下惟一年以上

All certificates of deposit issued are measured at amortised cost.

31. 指定為透過損益以反映公平價值之金融負債 (續)

於二零一一年十二月三十一日，指定為透過損益以反映公平價值之金融負債之賬面值比本集團及本行之合約到期日金額低186,000,000港元(二零一零年：256,000,000港元)。

已發行零息債券乃透過基於於結算日的可觀察的市場狀況的估值法按公平價值計算，然而，有關銀行信貸風險變動及相關性之數據需管理層作出估計。本年度於損益中確認的零息債券的公平價值變動虧損總額為70,000,000港元(二零一零年：62,900,000港元)，其中11,900,000港元虧損(二零一零年：41,200,000港元)乃因信貸風險差距變動所致。

倘非由顯著市價支持的銀行信貸風險在任何方向變動達10%，零息債券的公平價值可能低4,800,000港元(二零一零年：5,800,000港元)或高4,700,000港元(二零一零年：6,000,000港元)。

32. 已發行存款證**The Group and the Bank**
本集團及本行

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
327,033	235,672
246,582	306,800
369,165	255,479
942,780	797,951

所有已發行存款證均按攤銷成本列賬。

33. DEBT SECURITIES ISSUED

Variable coupon rate notes	多個息率之票據
Zero coupon notes	零息票據

The variable coupon rate notes and zero coupon notes issued represent the notes issued by the Bank under the Bank's Euro Medium Term Note Programme and are denominated in USD and AUD, and mature at various dates through 2013. These notes issued are measured at amortised cost.

34. OTHER LIABILITIES

Other financial liabilities *	其他金融負債 *
Accounts payable and other liabilities	應付賬項及其他負債

* Other financial liabilities include funds obtained from financial institutions in respect of government bills and notes sold but not yet purchased.

33. 已發行債務證券

The Group and the Bank
本集團及本行

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
229,724	41,401
453,317	-
683,041	41,401

多個息率之票據及零息票據指本行根據其歐元中期票據計劃發行之票據，以美元及澳元計值，並於二零一三年內多個不同日期到期。該等已發行票據乃按攤銷成本列賬。

34. 其他負債

The Group 本集團		The Bank 本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
1,299,959	809,537	1,299,959	809,537
673,789	716,197	653,908	679,232
1,973,748	1,525,734	1,953,867	1,488,769

* 其他金融負債指就已售出但尚未購回之政府票據及債券從金融機構所獲得的資金。

35. INCOME TAX IN THE BALANCE SHEET

(a) Current taxation (recoverable)/provision in the balance sheet represents:

35. 資產負債表內之所得稅

(a) 計入資產負債表之本年度稅項(可回收)/撥備為:

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Provision for Hong Kong Profits Tax for the year	年內香港利得稅準備	24,279	15,043	14,079	2,950
Provisional Hong Kong Profits Tax paid	已付香港暫繳利得稅	(8,041)	(17,721)	-	-
		16,238	(2,678)	14,079	2,950
Balance of Hong Kong Profits Tax provision relating to prior years	承過往年度香港利得稅準備結餘	(24,379)	(12,283)	(12,331)	(12,331)
		(8,141)	(14,961)	1,748	(9,381)
Provision for overseas taxation	海外稅項準備	-	54	-	74
		(8,141)	(14,907)	1,748	(9,307)
<i>Representing:</i>	<i>代表:</i>				
Hong Kong Profits Tax recoverable*	可收回之已付香港利得稅*	(10,250)	(17,677)	-	(9,381)
Provision for Hong Kong Profits Tax*	香港利得稅準備*	2,109	2,716	1,748	-
Overseas taxation recoverable*	可收回之海外稅項*	-	(20)	-	-
Provision for overseas taxation*	海外稅項準備*	-	74	-	74
		(8,141)	(14,907)	1,748	(9,307)

* The amounts of taxation recoverable and payable are expected to be settled within 1 year and are included in the "Accrued interest and other assets" and "Other liabilities" respectively.

* 可收回及應繳稅項金額預計於一年內清償。此等項目分別包括在「應計利息及其他資產」以及「其他負債」內。

35. INCOME TAX IN THE BALANCE SHEET (continued)

(b) Deferred tax assets and liabilities recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated balance sheet and the movements during the year are as follows:

		The Group 本集團						
		Depreciation allowances in excess of related depreciation 超過有關 折舊的折 舊免稅額 HK\$'000 千港元	Defined benefit scheme assets 定額福利 計劃資產 HK\$'000 千港元	Collective impairment allowance 綜合 減值撥備 HK\$'000 千港元	Revaluation of available- for-sale securities 可供出售 證券重估 HK\$'000 千港元	Revaluation of premises 物業重估 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2010	於二零一零年一月一日	(10,808)	(2,733)	29,048	(3,172)	(6,174)	28,915	35,076
(Charged)/credited in arriving at the profit for the year (Note 11(a))	於本年度溢利中(扣除)/撥回(附註11(a))	3,364	2,733	(9,195)	-	114	(27,922)	(30,906)
Charged to other comprehensive income (Note 12)	於其他全面收益中扣除(附註12)	-	-	-	(2,405)	-	-	(2,405)
At 31 December 2010	於二零一零年十二月三十一日	(7,444)	-	19,853	(5,577)	(6,060)	993	1,765
At 1 January 2011	於二零一一年一月一日	(7,444)	-	19,853	(5,577)	(6,060)	993	1,765
(Charged)/credited in arriving at the profit for the year (Note 11(a))	於本年度溢利中(扣除)/撥回(附註11(a))	(3,797)	(1,015)	(8,210)	-	114	177	(12,731)
Credited to other comprehensive income (Note 12)	於其他全面收益中撥回(附註12)	-	-	-	47,069	-	-	47,069
At 31 December 2011	於二零一一年十二月三十一日	(11,241)	(1,015)	11,643	41,492	(5,946)	1,170	36,103

35. 資產負債表內之所得稅(續)

(b) 已確認遞延稅項資產及負債

於綜合資產負債表內確認之遞延稅項資產/(負債)之各組成部分及年內之變動如下:

		The Group 本集團						
		Depreciation allowances in excess of related depreciation 超過有關 折舊的折 舊免稅額 HK\$'000 千港元	Defined benefit scheme assets 定額福利 計劃資產 HK\$'000 千港元	Collective impairment allowance 綜合 減值撥備 HK\$'000 千港元	Revaluation of available- for-sale securities 可供出售 證券重估 HK\$'000 千港元	Revaluation of premises 物業重估 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2010	於二零一零年一月一日	(10,808)	(2,733)	29,048	(3,172)	(6,174)	28,915	35,076
(Charged)/credited in arriving at the profit for the year (Note 11(a))	於本年度溢利中(扣除)/撥回(附註11(a))	3,364	2,733	(9,195)	-	114	(27,922)	(30,906)
Charged to other comprehensive income (Note 12)	於其他全面收益中扣除(附註12)	-	-	-	(2,405)	-	-	(2,405)
At 31 December 2010	於二零一零年十二月三十一日	(7,444)	-	19,853	(5,577)	(6,060)	993	1,765
At 1 January 2011	於二零一一年一月一日	(7,444)	-	19,853	(5,577)	(6,060)	993	1,765
(Charged)/credited in arriving at the profit for the year (Note 11(a))	於本年度溢利中(扣除)/撥回(附註11(a))	(3,797)	(1,015)	(8,210)	-	114	177	(12,731)
Credited to other comprehensive income (Note 12)	於其他全面收益中撥回(附註12)	-	-	-	47,069	-	-	47,069
At 31 December 2011	於二零一一年十二月三十一日	(11,241)	(1,015)	11,643	41,492	(5,946)	1,170	36,103

35. INCOME TAX IN THE BALANCE SHEET (continued)

(b) Deferred tax assets and liabilities recognised (continued)

		The Bank 本行						
		Depreciation allowances in excess of related depreciation	Defined benefit scheme assets	Collective impairment allowance	Revaluation of available-for-sale securities	Revaluation of premises	Other	Total
		超過有關折舊的折舊免稅額	定額福利計劃資產	綜合減值撥備	可供出售證券重估	物業重估	其他	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2010	於二零一零年一月一日	(9,861)	(2,733)	23,643	(3,172)	(6,174)	28,915	30,618
(Charged)/credited in arriving at the profit for the year	於本年度溢利中(扣除)/撥回	3,375	2,733	(5,356)	-	114	(27,922)	(27,056)
Charged to other comprehensive income	於其他全面收益中扣除	-	-	-	(2,405)	-	-	(2,405)
At 31 December 2010	於二零一零年十二月三十一日	(6,486)	-	18,287	(5,577)	(6,060)	993	1,157
At 1 January 2011	於二零一一年一月一日	(6,486)	-	18,287	(5,577)	(6,060)	993	1,157
(Charged)/credited in arriving at the profit for the year	於本年度溢利中(扣除)/撥回	(3,773)	(1,015)	(6,945)	-	114	177	(11,442)
Credited to other comprehensive income	於其他全面收益中撥回	-	-	-	47,069	-	-	47,069
At 31 December 2011	於二零一一年十二月三十一日	(10,259)	(1,015)	11,342	41,492	(5,946)	1,170	36,784

Deferred tax assets and liabilities recognised is summarised as follows:

已確認遞延稅項資產及負債概述如下：

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Net deferred tax asset recognised on the balance sheet	於資產負債表內確認之遞延稅項資產淨額	36,784	1,811	36,784	1,157
Net deferred tax liability recognised on the balance sheet	於資產負債表內確認之遞延稅項負債淨額	(681)	(46)	-	-
		36,103	1,765	36,784	1,157

35. INCOME TAX IN THE BALANCE SHEET (continued)**(c) Deferred tax assets unrecognised**

The Group has no material unrecognised deferred tax asset as at 31 December 2011 (2010: HK\$Nil).

36. SUBORDINATED NOTES ISSUED

US\$200 million 6.125% subordinated notes issued in 2006 *	於二零零六年發行200,000,000美元 年息率為6.125%的後償票據*
US\$200 million 6.125% subordinated notes issued in 2010 **	於二零一零年發行200,000,000美元 年息率為6.125%的後償票據**

* Subordinated notes with face value of US\$200 million (equivalent to HK\$1,553.3 million) which qualified as supplementary capital were issued by the Bank on 25 April 2006. The notes bear interest at 6.125% per annum for the period from the issuance date to 26 April 2011, payable semi-annually. The Bank exercised the one-time call option on 26 April 2011. The carrying amount of these subordinated notes was HK\$1,596.6 million as at 31 December 2010 which includes an adjustment of HK\$41.8 million due to the application of fair value hedge accounting.

** Subordinated notes with face value of US\$200 million (equivalent to HK\$1,553.3 million) and carrying amount of HK\$1,540.3 million which qualify as supplementary capital were issued by the Bank on 30 November 2010 and mature on 30 November 2020.

If at any time the Hong Kong Monetary Authority ("HKMA") determines (having regard to the applicable regulatory framework) that these subordinated notes no longer qualify as supplementary capital, the Bank may, on or after 1 January 2013 at its option and subject to the prior written approval of the HKMA, provide notice to such effect to Noteholders, such notice being a "Change in Status Notice". Upon a Change in Status Notice becoming effective, these subordinated notes shall cease to constitute subordinated obligations of the Bank and shall thereafter constitute direct, unconditional, unsubordinated and unsecured obligations of the Bank and shall at all times thereafter rank pari passu and without any preference among themselves. The payment obligations of the Bank under these subordinated notes shall, save for such exceptions as may be provided by applicable legislation, at all times thereafter rank at least equally with all its other present and future unsecured and unsubordinated obligations including liabilities in respect of deposits.

These subordinated notes bear interest at 6.125% per annum, payable semi-annually. Upon a Change in Status Notice becoming effective, the interest rate for these subordinated notes will become 5.625% per annum, payable semi-annually. These subordinated notes are stated at amortised cost.

35. 資產負債表內之所得稅 (續)**(c) 未確認之遞延稅項資產**

於二零一一年十二月三十一日，本集團並無重大未確認之遞延稅項資產(二零一零年：零)。

36. 已發行後償票據

The Group and the Bank
本集團及本行

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元

	1,596,605
1,540,299	1,540,681
1,540,299	3,137,286

* 本行於二零零六年四月二十五日發行票面值200,000,000美元(相當於1,553,300,000港元)符合附加資本準則之後償票據。該等票據由發行日期起至二零一一年四月二十六日止期間按年息率6.125%計息，須每半年付息一次。本行於二零一一年四月二十六日行使該等票據附帶一次性贖回選擇權。於二零一零年十二月三十一日，該等後償票據之賬面金額為1,596,600,000港元，並已計入因採用公平價值對沖會計法而作出之調整41,800,000港元。

** 本行於二零一零年十一月三十日發行面值200,000,000美元(相當於1,553,300,000港元)及賬面值1,540,300,000港元附附加資本準則後償票據，並於二零二零年十一月三十日到期。

倘若香港金融管理局(「金管局」)於任何時候決定(經考慮適用的法規框架)本後償票據不再合資格作為附加資本，本行可於二零一三年一月一日或之後，在事先獲得金管局書面批准後選擇向票據持有人通知有關影響，該通知即為「地位變更通知」。於「地位變更通知」生效後，本後償票據將不再構成本行之後償責任，並於其後構成本行之直接、無條件、非後償及無抵押責任，並將於其後任何時間享有同等權益，且彼此並無任何優先權。除適用法律可能規定之例外情況外，本行根據本後償票據之付款責任將於其後任何時間至少與其他現有及未來無抵押及非後償負債(包括有關存款之負債)享有同等權益。

本後償票據按年利率6.125%計息，每半年支付一次。地位變更通知生效後，本後償票據之年利率將變為5.625%，每半年支付一次。本後償票據以攤餘成本列賬。

37. SHARE CAPITAL

Authorised:

1,406,592,000 (2010: 1,406,592,000)
ordinary shares of HK\$1 each
1,172,160,000 (2010: 1,172,160,000)
irredeemable cumulative preference
shares of US\$0.10237 each

Issued and fully paid:

1,172,160,000 (2010: 1,172,160,000)
ordinary shares of HK\$1 each
1,172,160,000 (2010: 1,172,160,000)
irredeemable cumulative preference
shares of US\$0.10237 each

法定股本：

1,406,592,000 股(二零一零年：1,406,592,000 股)
每股面值 1 港元之普通股
1,172,160,000 股(二零一零年：1,172,160,000 股)
每股面值 0.10237 美元之
不可贖回累積優先股

已發行及繳足：

1,172,160,000 股(二零一零年：1,172,160,000 股)
每股面值 1 港元之普通股
1,172,160,000 股(二零一零年：1,172,160,000 股)
每股面值 0.10237 美元之不可贖回累積優先股

37. 股本

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
1,406,592	1,406,592	1,406,592
929,966	929,966	929,966
2,336,558	2,336,558	2,336,558
1,172,160	1,172,160	1,172,160
925,359	925,359	925,359
2,097,519	2,097,519	2,097,519

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at a general meeting of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

The irredeemable cumulative preference shares bear a cumulative preference dividend at a fixed rate of 9% per annum, payable semi-annually, on their nominal amount and rank in priority to the ordinary shares with respect to the payment of dividends and any return of capital. Irredeemable cumulative preference shares do not carry voting rights. The Bank may elect not to declare or pay the preference dividend if, during the 12 calendar months preceding a date on which the preference dividend is due to be paid in respect of the preference shares, no dividend or distribution or other payment has been declared or paid on any class of the share capital of the Bank. The deferred preference dividends will not themselves bear interest and the terms of the preference shares will not provide for payment of any form of compensation to the preference shareholders other than payment of the preference dividend. The Bank intends, subject to HKMA approval, to exercise its early redemption option on the preference shares on or shortly after 24 December 2013.

38. SHARE PREMIUM

The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.

普通股持有人有權不時收取股息及有權於本行之股東大會上就每股投一票。所有普通股對本行之剩餘資產享有同等地位。

不可贖回累積優先股根據其面值按固定年息率 9% 計息，每半年支付，並優先於普通股支付股息及返還股本。不可贖回累積優先股不享有投票權。如果於就優先股應予以支付之優先股股息之日期前十二個曆月內，並無就本行任何類別股本而宣派或支付任何股息或分派或其他付款，則本行可選擇不宣派或支付優先股股息。遞延優先股股息本身並不計息，且除支付優先股股息外，將不會就優先股之條款向優先股股東支付任何形式之補償。本行有意於取得金管局同意後，於二零一三年十二月二十四日或其後行使優先股中的提前贖回權。

38. 股份溢價

股份溢價賬之應用受香港《公司條例》第 48B 條監管。

39. RESERVES AND DIVIDENDS

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Bank's individual components of equity between the beginning and the end of the year are set out below:

39. 儲備及股息

本集團綜合權益各成分之期初及期末結餘之對賬載於綜合權益變動表。本行年初及年末之股權各成分變動詳列如下：

		The Bank 本行						
		Capital redemption reserve 資本贖回 儲備 HK\$'000 千港元	Capital cancellation reserve 資本註銷 儲備 HK\$'000 千港元	Capital reserve 資本 儲備 HK\$'000 千港元	Regulatory reserve 法定 儲備 HK\$'000 千港元	Investment revaluation reserve 投資重估 儲備 HK\$'000 千港元	Retained earnings 保留 溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2010	於二零一零年一月一日	372,000	-	15,684	150,010	31,873	1,131,825	1,701,392
Total comprehensive income for the year	本年度全面收益	-	-	-	-	(2,582)	304,987	302,405
- Profit for the year (Note 13)	一年內溢利(附註13)	-	-	-	-	-	304,987	304,987
- Other comprehensive income:	- 其他全面收益：							
Available-for-sale financial assets:	可供出售金融資產：							
net movement in investment revaluation reserve	投資重估儲備淨變動	-	-	-	-	(2,582)	-	(2,582)
Dividend approved and paid in respect of the previous financial year (Note 39(f))	於本年度通過及派付之 上一財政年度股息 (附註39(f))	-	-	-	-	-	(17,582)	(17,582)
Interim dividend paid (Note 39(f))	已派付中期股息(附註39(f))	-	-	-	-	-	(23,443)	(23,443)
Preference share dividend paid during the year (Note 39(f))	年內已派付優先股 股息(附註39(f))	-	-	-	-	-	(83,887)	(83,887)
Equity settled share-based transactions	以股權結算之股份為 基礎之交易	-	-	10,755	-	-	-	10,755
At 31 December 2010 and 1 January 2011	於二零一零年十二月三十一日 及二零一一年一月一日	372,000	-	26,439	150,010	29,291	1,311,900	1,889,640
Total comprehensive income for the year	本年度全面收益	-	-	-	-	(237,914)	363,762	125,848
- Profit for the year (Note 13)	一年內溢利(附註13)	-	-	-	-	-	363,762	363,762
- Other comprehensive income:	- 其他全面收益：							
Available-for-sale financial assets:	可供出售金融資產：							
net movement in investment revaluation reserve	投資重估儲備淨變動	-	-	-	-	(237,914)	-	(237,914)
Dividend approved and paid in respect of the previous financial year (Note 39(f))	於本年度通過及派付之 上一財政年度股息 (附註39(f))	-	-	-	-	-	(35,165)	(35,165)
Cancellation and extinguishment of ordinary shares	普通股註銷	-	293,040	-	-	-	-	293,040
Issuance of new fully paid ordinary shares	發行已全部支付普通股	-	(293,040)	-	-	-	-	(293,040)
Preference share dividend paid during the year (Note 39(f))	年內已派付優先股股息 (附註39(f))	-	-	-	-	-	(84,134)	(84,134)
Transfer to regulatory reserve	轉撥至法定儲備	-	-	-	298,223	-	(298,223)	-
Equity settled share-based transactions	以股權結算之股份為 基礎之交易	-	-	21	-	-	-	21
At 31 December 2011	於二零一一年十二月三十一日	372,000	-	26,460	448,233	(208,623)	1,258,140	1,896,210

39. RESERVES AND DIVIDENDS (continued)**(a) Capital redemption reserve**

The capital redemption reserve arose from the redemption of the Bank's "A" and "B" preference shares in 1991 and 1992 out of its retained earnings. The capital redemption reserve is undistributable under the Hong Kong Companies Ordinance section 79 C(2) but may be applied by the Bank in paying up its unissued shares to be allotted to its members as fully paid bonus shares.

(b) Capital reserve

The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank by the ultimate holding company which has been charged to profit or loss. Details of the terms and conditions of unexpired and unexercised share options are set out in Note 7.

(c) Foreign exchange reserve

The foreign exchange reserve of the Group comprises all foreign exchange differences arising from the translations of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(s).

(d) Regulatory reserve

The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the HKMA.

(e) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets, excluding impairment losses, until the securities are derecognised and is dealt with in accordance with the accounting policies in Note 2(g).

39. 儲備及股息 (續)**(a) 資本贖回儲備**

資本贖回儲備因在一九九一年及一九九二年自本行之保留溢利撥款贖回其「A」及「B」類優先股而產生。根據香港《公司條例》第79C(2)條，資本贖回儲備乃不可分派，但可由本行用以繳付將配發予其股東之未發行股份之股款作繳足紅股。

(b) 資本儲備

資本儲備包括已自損益賬扣除之最終控股公司授予本行僱員之實際或估計未獲行使認股權之公平價值。未到期及未行使之認股權之條款及條件之詳細資料載列於附註(7)內。

(c) 外匯儲備

本集團外匯儲備包括因折算海外業務財務報表所產生之所有外匯差異。該儲備根據附註2(s)所載之會計政策處理。

(d) 法定儲備

為根據《銀行業條例》的規定而保留法定儲備以達至嚴謹監管的目的。該儲備之變動乃在諮詢香港金融管理局之意見後直接從保留溢利轉撥。

(e) 投資重估儲備

投資重估儲備包括可供出售證券之公平價值直至證券停止確認之累計變動淨額(不包括減值虧損)，乃按附註2(g)中之會計政策處理。

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
At 1 January	於一月一日	175,211	175,211	150,010	150,010
Transfer from retained earnings	自保留溢利轉撥	273,086	–	298,223	–
At 31 December	於十二月三十一日	448,297	175,211	448,233	150,010

39. RESERVES AND DIVIDENDS (continued)**(f) Dividends**

- (i) Dividends declared and proposed attributable to the financial year

Interim dividend declared and paid of 2.0 cents per share during 2010	於二零一零年已宣派及已派付之每股中期股息2.0仙
Final dividend of 3.0 cents per share proposed after the balance sheet date for the year ended 31 December 2010	於截至二零一零年十二月三十一日止年度結算日後建議每股末期股息3.0仙

The final dividend was not recognised as a liability at 31 December 2010.

- (ii) Dividends attributable to the previous financial year, approved and paid during the year

Final dividend in respect of the previous financial year, approved and paid during the period of 3.0 cents (2010: 1.5 cents) per share	於期內通過及派付之上一財政年度末期股息每股3.0仙 (二零一零年：1.5仙)
--	---

- (iii) Dividends on irredeemable cumulative preference shares issued by the Bank
Dividends of HK\$84,134,000 (2010: HK\$83,887,000) were paid and charged to retained earnings during the year.

39. 儲備及股息 (續)**(f) 股息**

- (i) 財政年度已宣派及建議之股息

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
-	23,443
-	35,165
-	58,608

末期股息於二零一零年十二月三十一日並未確認為負債。

- (ii) 應付上一財政年度之股息，已於本年度通過及派付

2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
35,165	17,582

- (iii) 本行所發行不可贖回累積優先股股息
於本年度已派付優先股股息84,134,000港元(二零一零年：83,887,000港元)並於保留溢利扣除。

40. NON-CONTROLLING INTERESTS

At 1 January	於一月一日
Loss for the year	年度內虧損
Return of capital on deregistration of a subsidiary	註銷附屬公司時返還股本
At 31 December	於十二月三十一日

40. 非控股權益

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
	1,922	2,691
	(526)	(673)
	-	(96)
	1,396	1,922

41. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the consolidated cash flow statement

Cash and balances with banks	現金及於銀行同業之結餘
Money at call and short notice (Note 15)	通知及短期存款(附註15)
Treasury bills with original maturity within three months	原於三個月內到期之國庫券
Placements with banks with original maturity within three months	原於三個月內到期之銀行同業 及其他金融機構放款

41. 現金及等同現金項目

(a) 綜合現金流動表之現金及等同現金項目

	The Group 本集團	
	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
	1,246,038	1,815,403
	3,136,159	961,948
	2,235,439	64,975
	712,796	1,404,178
	7,330,432	4,246,504

41. CASH AND CASH EQUIVALENTS (continued)**(b) Reconciliation to the consolidated balance sheet**

Cash and short term funds (Note 15)	現金及短期資金(附註15)
Treasury bills	國庫券
– Trading assets (Note 17)	– 持作交易用途之證券(附註17)
– Available-for-sale financial assets (Note 22)	– 可供出售金融資產(附註22)
Balances with banks and other financial institutions (Note 16)	於銀行同業及其他金融機構之結餘(附註16)
Amount shown in the consolidated balance sheet	綜合資產負債表內之金額
Less: Amount with an original maturity of over three months	減：原於三個月以後到期的金額
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流動表內之現金及等同現金項目

41. 現金及等同現金項目(續)**(b) 綜合資產負債表之對賬**

The Group	
本集團	
2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元
4,382,197	2,777,351
1,402,635	962,662
1,300,859	2,009,956
1,359,184	2,026,090
8,444,875	7,776,059
(1,114,443)	(3,529,555)
7,330,432	4,246,504

42. EMPLOYEE RETIREMENT BENEFITS**(a) Defined benefit retirement plans**

The Group operates a retirement scheme, namely the Fubon Bank (Hong Kong) Limited Retirement Scheme (“the Scheme”), which incorporates a defined benefits plan for 37% (2010: 43%) of its full time employees. The Scheme is administered by trustees who are independent. The assets of the Scheme are held separately from those of the Group. The Group has secured Mandatory Provident Fund (“MPF”) exemption status for the Scheme. The Scheme is funded by contributions from the Group in accordance with the trust deed governing the Scheme and based on an independent actuary’s recommendations. The latest independent actuarial valuation of the Scheme was at 31 December 2011 and was prepared by Jacklyn Zhang, Fellow of the Society of Actuaries, of Mercer (Hong Kong) Limited using the projected unit credit actuarial cost method. The actuarial valuation indicates that the Group’s obligations under the Scheme are 78.93% (2010: 82.29%) covered by the plan assets held by the trustee.

42. 僱員退休福利**(a) 定額福利退休計劃**

本集團推行一項退休計劃，名為富邦銀行(香港)有限公司退休計劃(「該計劃」)，為其37%(二零一零年：43%)全職僱員設立一項定額福利計劃。該計劃由獨立受託人管理。該計劃資產與本集團的資產分開持有。本集團就該計劃獲得強制性公積金(「強積金」)的豁免地位。該計劃乃由本集團根據規管該計劃的信託契據，並以獨立精算師的意見為基礎作出供款。該計劃最新的獨立精算估值乃於二零一一年十二月三十一日進行，由 Mercer (Hong Kong) Limited 的 Jacklyn Zhang (美國精算師學會資深會員) 以預計單位信貸方式編製。該精算估值顯示，本集團為該計劃所承擔之責任中，78.93%(二零一零年：82.29%)可透過受託人所持有的計劃資產獲得保障。

42. EMPLOYEE RETIREMENT BENEFITS (continued)**(a) Defined benefit retirement plans** (continued)

Present value of wholly or partly funded obligations	獲全數或部分資助的承擔現值
Fair value of Scheme's assets	該計劃資產的公平價值
Unrecognised actuarial losses	尚未確認的精算虧損
Net asset recognised in the balance sheet	於資產負債表內已獲確認的資產淨值
Amounts in the balance sheet:	於資產負債表之金額：
Assets	資產
Net asset	資產淨值

The asset of HK\$8.6 million (2010: HK\$5.3 million) is included in "Other assets".

The Scheme's assets do not include any ordinary shares issued by the Bank (2010: Fair value of HK\$6,777,000).

42. 僱員退休福利 (續)**(a) 定額福利退休計劃** (續)**The Group and the Bank**
本集團及本行

2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元

(243,826)	(234,723)
192,452	193,146
59,950	46,894
8,576	5,317
8,576	5,317
8,576	5,317

8,600,000港元資產(二零一零年: 5,300,000港元)列賬於「其他資產」。

該計劃的資產並不包括本行發行的普通股(二零一零年: 公平價值共6,777,000港元)。

42. EMPLOYEE RETIREMENT BENEFITS (continued)

(b) Expense recognised in "Operating expenses – staff costs" in the statement of comprehensive income is as follows:

Current service cost	本期服務成本
Interest cost on obligation	所承擔責任之利息成本
Amortisation of actuarial loss/(gain)	精算虧損/(收益)攤銷
Expected return on Scheme's assets	該計劃資產的預計回報

The actual return on the Scheme's assets for the year ended 31 December 2011 amounted to approximately HK\$410,000 surplus (2010: HK\$1,951,000 deficit).

(c) Amounts for the current and previous years

Defined benefit obligation	定額福利責任
Plan assets	計劃資產
Net deficit	淨虧絀
Experience gains/(losses) on scheme liabilities	計劃負債的實際收益/(虧損)
Experience gains/(losses) on scheme assets	計劃資產的實際收益/(虧損)

42. 僱員退休福利(續)

(b) 於全面收益表內「營運支出－僱員成本」一項已獲確認的支出如下：

The Group and the Bank 本集團及本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
13,899	23,421
4,775	6,806
4,220	(2,230)
(9,295)	(10,336)
13,599	17,661

截至二零一一年十二月三十一日止年度，該計劃資產的實際回報盈餘410,000港元(二零一零年：虧絀1,951,000港元)。

(c) 本年度及過往年度金額

The Group and the Bank 本集團及本行				
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
243,826	234,723	270,743	322,075	244,040
192,452	193,146	203,211	213,419	197,898
(51,374)	(41,577)	(67,532)	(108,656)	(46,142)
6,269	8,327	12,629	(4,269)	(4,997)
8,885	12,287	1,021	(2,497)	5,002

42. EMPLOYEE RETIREMENT BENEFITS (continued)(d) **Changes in the present value of the defined benefit obligation are as follows:**

Opening defined benefit obligation	年初定額福利責任
Current service cost	本年度服務成本
Interest cost	利息成本
Participants' contributions	參與者供款
Benefits paid	已付福利
Premiums paid	已付保費
Actuarial loss/(gain) on obligation during the year	年內責任之精算虧損／(收益)
Closing defined benefit obligation	年終定額福利責任

42. 僱員退休福利 (續)

(d) 定額福利責任之現值變動如下：

The Group and the Bank			
本集團及本行			
	2011		2010
	二零一一年		二零一零年
	HK\$'000		HK\$'000
	千港元		千港元
	234,723		270,743
	13,899		23,421
	4,775		6,806
	5,426		6,339
	(23,388)		(37,830)
	—		(340)
	8,391		(34,416)
	243,826		234,723

(e) **Composition of the plan assets are as follows:**

Investments and money market	投資及貨幣市場
Bank balances and cash	銀行結餘及現金
Others	其他

(e) 計劃資產之組成如下：

The Group and the Bank			
本集團及本行			
	2011		2010
	二零一一年		二零一零年
	HK\$'000		HK\$'000
	千港元		千港元
	109,238		96,382
	88,603		97,048
	(5,389)		(284)
	192,452		193,146

42. EMPLOYEE RETIREMENT BENEFITS (continued)**(f) Changes in the fair value of plan assets are as follows:**

Opening fair value of plan assets	年初計劃資產之公平價值
Actual return	實際回報
Assets distributed on settlements	結算分派之資產
Premiums paid	已付保費
Contributions by employer and employees	僱主及僱員之供款
Closing fair value of plan assets	年終計劃資產之公平價值

(g) The principal actuarial assumptions used as at 31 December 2011 are as follows:

Discount rate	貼現率
Long-term rate of return on assets	資產長期回報率
Future salary increases	未來薪金加幅

The long term rate of return on assets (5.0% p.a. for calculating the 2012 net cost) is based on the minimum investment guarantee that is applied to the Scheme's assets.

(h) Mandatory Provident Fund Scheme ("MPF Scheme")

The Group also operates an MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Scheme. The Group participates in an approved MPF scheme with the Bank Consortium Trust Company Limited to provide a scheme choice to both existing and new employees. The MPF scheme is a defined contribution retirement scheme administered by an independent trustee.

Under the MPF scheme, the employer and its employees are each required to make mandatory contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately.

42. 僱員退休福利(續)**(f) 計劃資產之公平價值變動如下：**

The Group and the Bank 本集團及本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
193,146	203,211
410	(1,951)
(23,388)	(37,830)
–	(340)
22,284	30,056
192,452	193,146

(g) 於二零一一年十二月三十一日，所用主要精算假設如下：

The Group and the Bank 本集團及本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
1.0% p.a.	2.2% p.a. 每年 2.2%
5.0% p.a.	5.0% p.a. 每年 5.0%
4.5%	4.5% 每年 4.5%

資產長期回報率(就計算二零一二年成本淨額為每年 5.0%)乃以該計劃的資產所應用的最低投資保障為基準。

(h) 強制性公積金計劃(「強積金計劃」)

本集團亦根據香港強制性公積金計劃條例向根據香港僱傭條例管轄範圍內受僱而未曾納入該計劃內的僱員推行了一項強積金計劃。本集團參與銀聯信託有限公司一項獲認可的強積金計劃，以向現職及新入職僱員提供計劃選擇。強積金計劃乃由獨立受託人所管理的定額供款退休計劃。

根據強積金計劃，僱主及其僱員須各自就計劃按僱員相關收入作出 5% 之強制性供款，並以每月相關收入 20,000 港元為上限。一經對計劃作出供款，供款即予以歸屬。

42. EMPLOYEE RETIREMENT BENEFITS (continued)**(h) Mandatory Provident Fund Scheme ("MPF Scheme")** (continued)

In addition to the mandatory contribution, employees will have an one-off election to make a voluntary contribution of 5% of employee's relevant income. At the same time, the employer will make a matching voluntary contribution accordingly.

43. CONTINGENT LIABILITIES AND COMMITMENTS**(a) Credit related commitments and contingencies**

Credit related commitments and contingencies include forward deposits placed, acceptances, letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the credit default. As the facilities may expire without being drawn upon, the contract amounts do not represent expected future cash flows.

The following is a summary of the contractual and credit risk-weighted amounts of each significant class of credit related commitments and contingencies:

42. 僱員退休福利 (續)**(h) 強制性公積金計劃(「強積金計劃」)** (續)

除強制性供款外，僱員可作出一次一次性選擇，就其相關收入作出5%之自願性供款。同時，僱主將須作出相應的等額自願性供款。

43. 或然負債及承擔**(a) 與信貸有關之承擔及或然項目**

與信貸有關之承擔及或然項目包括用以提供信貸之遠期預約放款、承兌項目、信用證、擔保和承付款項。所涉及之風險基本上與向客戶提供貸款之信貸風險相同。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之數額。由於該等備用貸款可能在未經提取前到期，故合約金額並不代表預計未來現金流量。

以下為每項重大與信貸有關之承擔及或然項目類別之合約金額及信貸加權金額之摘要：

		The Group 本集團			
		2011 二零一一年		2010 二零一零年	
		Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險 加權金額 HK\$'000 千港元	Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險 加權金額 HK\$'000 千港元
Direct credit substitutes	直接信貸替代項目	44,562	44,562	71,606	71,606
Transaction-related contingencies	與交易有關之或然項目	15,326	7,663	21,408	10,704
Trade-related contingencies	與貿易有關之或然項目	239,050	47,810	385,469	77,094
Undrawn loan facilities	未提取之備用貸款				
– which are unconditionally cancellable	– 其中可無條件地取消	14,667,999	–	13,348,722	–
– with an original maturity of not more than one year	原訂到期期限為一年內	–	–	32,276	6,455
– with an original maturity of more than one year	– 原訂到期期限為一年或以上	1,027,240	513,620	441,253	220,627
		15,994,177	613,655	14,300,734	386,486

43. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(a) Credit related commitments and contingencies (continued)

43. 或然負債及承擔(續)

(a) 與信貸有關之承擔及或然項目(續)

		The Bank 本行			
		2011 二零一一年		2010 二零一零年	
		Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險 加權金額 HK\$'000 千港元	Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險 加權金額 HK\$'000 千港元
Direct credit substitutes	直接信貸替代項目	44,562	44,562	77,606	77,606
Transaction-related contingencies	與交易有關之或然項目	15,326	7,663	21,408	10,704
Trade-related contingencies	與貿易有關之或然項目	239,050	47,810	385,469	77,094
Undrawn loan facilities	未提取之備用貸款				
– which are unconditionally cancellable	– 其中可無條件地取消	14,667,999	–	13,348,722	–
– with an original maturity of not more than one year	– 原訂到期期限為一年內	–	–	32,276	6,455
– with an original maturity of more than one year	– 原訂到期期限為一年或以上	1,027,240	513,620	441,253	220,627
		15,994,177	613,655	14,306,734	392,486

The risk weights used in the computation of credit risk weighted amounts range from 0% to 100%.

用於計算信貸風險加權金額之風險加權比率介乎0%至100%。

43. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**(b) Lease commitments**

At 31 December, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Properties:	物業：
– Within one year	– 一年內
– After 1 year but within 5 years	– 一至五年間

(c) Capital commitments

Capital commitments for purchase of equipment and available-for-sale investments outstanding at 31 December not provided for in the financial statements were as follows:

Contracted for	已訂合約
----------------	------

44. TRUST ACTIVITIES

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as the Group does not control the assets.

43. 或然負債及承擔 (續)**(b) 租賃承擔**

於十二月三十一日，不可取消營運租賃下之未來最低應付租金總額如下：

The Group and the Bank 本集團及本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
31,951	26,665
12,035	15,852
43,986	42,517

(c) 資本承擔

於十二月三十一日未於財務報告內提撥之有關購買設備及可供出售投資之未兌現資本承擔如下：

The Group and the Bank 本集團及本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
133,860	172,429

44. 信託業務

本集團一般以託管人及其他受託人的身份代表個人、信託、退休福利計劃及其他機構持有或存置資產。由於本集團並不控制該等資產，因此該等資產及其所產生之收入不會於此等財務報告中列賬。

45. FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Financial instruments carried at fair value

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

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or 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 have a significant effect on the instrument's valuation.

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:

45. 金融工具之公平價值

(a) 以公平價值列賬之金融工具

公平價值之估計一般帶有主觀性質，並於特定時間點基於該金融工具之特性及相關市場資料作出評估。本集團使用下列可反映計量所用之輸入數據之重要性之公平價值等級制度計量公平價值：

- 一級：相同工具於活躍市場之市場報價(未經調整)。
- 二級：基於可觀察數據(直接(即價格)或間接(即源自價格))之估值技術。該分類包括使用下列方法進行估值之工具：類似工具於活躍市場之市場報價；不甚活躍市場之相同或類似工具之報價；或所有重要數據均可直接或間接於市場數據觀察而獲得之其他估值技術。
- 三級：使用重大不可觀察數據之估值技術。該分類包括估值技術並非基於可觀察數據且不可觀察數據對工具之估值有重大影響之所有工具。

下表乃以公平價值等級制度(公平價值據此分類)分析於本報告期末以公平價值計量之金融工具：

		The Group 本集團			
		Level 1 一級	Level 2 二級	Level 3 三級	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2011	二零一一年				
Assets	資產				
Trading assets	持作交易用途資產	1,403,158	2,358	-	1,405,516
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	81,240	-	-	81,240
Derivative financial instruments	衍生金融工具	-	466,343	28,293	494,636
Available-for-sale financial assets	可供出售金融資產	8,546,760	4,886,044	298,216	13,731,020
		10,031,158	5,354,745	326,509	15,712,412
Liabilities	負債				
Trading liabilities	交易賬項下之負債	1,382,980	-	-	1,382,980
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	-	333,965	-	333,965
Derivative financial instruments	衍生金融工具	-	432,532	105,959	538,491
		1,382,980	766,497	105,959	2,255,436

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

2010	二零一零年
Assets	資產
Trading assets	持作交易用途資產
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融資產
Derivative financial instruments	衍生金融工具
Available-for-sale financial assets	可供出售金融資產
Liabilities	負債
Trading liabilities	交易賬項下之負債
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融負債
Derivative financial instruments	衍生金融工具

45. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

The Group 本集團			
Level 1 一級	Level 2 二級	Level 3 三級	Total 總額
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
963,724	3,049	-	966,773
84,724	-	321,544	406,268
-	468,122	23,511	491,633
11,151,066	6,951,393	453,375	18,555,834
12,199,514	7,422,564	798,430	20,420,508
920,695	-	-	920,695
-	263,986	-	263,986
-	320,678	256,636	577,314
920,695	584,664	256,636	1,761,995

2011	二零一一年
Assets	資產
Trading assets	持作交易用途資產
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融資產
Derivative financial instruments	衍生金融工具
Available-for-sale financial assets	可供出售金融資產
Liabilities	負債
Trading liabilities	交易賬項下之負債
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融負債
Derivative financial instruments	衍生金融工具

The Bank 本行			
Level 1 一級	Level 2 二級	Level 3 三級	Total 總額
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
1,403,158	2,358	-	1,405,516
81,240	-	-	81,240
-	466,343	28,293	494,636
8,546,760	4,886,044	298,214	13,731,018
10,031,158	5,354,745	326,507	15,712,410
1,382,980	-	-	1,382,980
-	333,965	-	333,965
-	432,532	105,959	538,491
1,382,980	766,497	105,959	2,255,436

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

2010	二零一零年	The Bank 本行			Total 總額
		Level 1 一級	Level 2 二級	Level 3 三級	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets		資產			
Trading assets	持作交易用途資產	963,609	3,049	-	966,658
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融資產	84,724	-	321,544	406,268
Derivative financial instruments	衍生金融工具	-	468,122	23,511	491,633
Available-for-sale financial assets	可供出售金融資產	11,151,066	6,951,393	453,373	18,555,832
		12,199,399	7,422,564	798,428	20,420,391
Liabilities		負債			
Trading liabilities	交易賬項下之負債	920,695	-	-	920,695
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融負債	-	263,986	-	263,986
Derivative financial instruments	衍生金融工具	-	320,678	256,636	577,314
		920,695	584,664	256,636	1,761,995

During the year 2011 and 2010, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy.

(i) Valuation of financial instruments with significant unobservable inputs

The following methods have been applied in determining the fair values of financial instruments under Level 3 of the fair value hierarchy:

- (i) the fair value of unquoted equity investments is estimated using the net asset value as reported by management of the investee companies;
- (ii) the fair value of unlisted investment funds is estimated using the net asset value as reported by the managers of such funds;
- (iii) the fair value of structured investment vehicles, collateralised debt obligations and certain debt securities is estimated using the net asset value as reported by the respective counterparties; and
- (iv) the fair value of certain structured debt securities is estimated based on an independent external valuation reports with a discount to take into account the legal risk of the recovery process.

45. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

於二零一一年及二零一零年，並無金融工具在公平價值等級制度一級與二級之間有重大轉換。

(i) 使用重大不可觀察數據進行之金融工具估值

以下方法已用於釐定公平價值等級制度三級下之金融工具之公平價值：

- (i) 沒有市價之股本投資之公平價值乃使用該等被投資公司管理層申報的資產淨值進行估計；
- (ii) 非上市投資基金之公平價值是以該等基金之經理申報的資產淨值進行估計；
- (iii) 結構性投資工具、債務抵押證券及若干債務證券之公平價值是以各交易對手申報的資產淨值進行估計；
- (iv) 若干結構性債務證券之公平價值是根據獨立外部估值報告並計及收回程序的法律風險後進行估計。

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

- (i) Valuation of financial instruments with significant unobservable inputs (continued)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

Assets
資產

2011

二零一一年

At 1 January 2011	於二零一一年一月一日
Purchases	購買
Sales	出售
Settlements	結算
Changes in fair value	在損益賬內確認之
recognised in profit or loss:	公平價值變動
– Impairment losses on	– 可供出售金融資產
available-for-sale financial assets	減值虧損
– Other operating income	– 其他營運收入
Changes in fair value recognised	在其他全面收益內確認之
in other comprehensive income	公平價值變動
At 31 December 2011	於二零一一年十二月三十一日
Total gains or losses for the year	於結算日持有之資產計入
included in other comprehensive	其他全面收益之
income for assets held at the	本年度收益或虧損總額
balance sheet date	
Total gains or losses for the year	於結算日持有之資產計入
included in profit or loss for assets	損益賬之本年度收益或
held at the balance sheet date	虧損總額

45. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

- (i) 使用重大不可觀察數據進行之金融工具估值(續)

下表載列公平價值等級制度三級內公平價值計量之年初餘額與年終餘額之對賬：

The Group
本集團

Financial assets designated at fair value through profit or loss 指定為通過損益 以反映公平價值 之金融資產 HK\$'000 千港元	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	Available-for- sale financial assets 可供出售 金融資產 HK\$'000 千港元	Total 總額 HK\$'000 千港元
321,544	23,511	453,375	798,430
–	–	29,564	29,564
–	–	(7,542)	(7,542)
(458,644)	–	(155,551)	(614,195)
–	–	(5,415)	(5,415)
137,100	4,782	–	141,882
–	–	(16,215)	(16,215)
–	28,293	298,216	326,509
–	–	(16,215)	(16,215)
–	(27,649)	28,383	734

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs (continued)

Assets
資產

		Financial assets designated at fair value through profit or loss 指定為通過損益以反映公平價值之金融資產			Available-for-sale financial assets 可供出售金融資產	Total 總額
		HK\$'000 千港元	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	HK\$'000 千港元		
2010	二零一零年					
At 1 January 2010	於二零一零年一月一日	310,113	148,571	549,508	1,008,192	
Purchases	購買	22,076	–	90,337	112,413	
Sales	出售	(936)	–	(96,551)	(97,487)	
Settlements	結算	–	–	(75,128)	(75,128)	
Changes in carrying value recognised in profit or loss	在損益賬內確認之賬面值變動	–	–	985	985	
Changes in fair value recognised in profit or loss:	在損益賬內確認之公平價值變動：					
– Impairment losses on available-for-sale financial assets	– 可供出售金融資產減值虧損	–	–	(2,928)	(2,928)	
– Other operating income	– 其他營運收入	(9,709)	(125,060)	–	(134,769)	
Changes in fair value recognised in other comprehensive income	在其他全面收益內確認之公平價值變動	–	–	(12,848)	(12,848)	
At 31 December 2010	於二零一零年十二月三十一日	321,544	23,511	453,375	798,430	
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	於結算日持有之資產計入其他全面收益之本年度收益或虧損總額	–	–	3,695	3,695	
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	於結算日持有之資產計入損益賬之本年度收益或虧損總額	(9,709)	(197,123)	420	(206,412)	

45. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察數據進行之金融工具估值(續)

The Group
本集團

		Financial assets designated at fair value through profit or loss 指定為通過損益以反映公平價值之金融資產			Available-for-sale financial assets 可供出售金融資產	Total 總額
		HK\$'000 千港元	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	HK\$'000 千港元		
2010	二零一零年					
At 1 January 2010	於二零一零年一月一日	310,113	148,571	549,508	1,008,192	
Purchases	購買	22,076	–	90,337	112,413	
Sales	出售	(936)	–	(96,551)	(97,487)	
Settlements	結算	–	–	(75,128)	(75,128)	
Changes in carrying value recognised in profit or loss	在損益賬內確認之賬面值變動	–	–	985	985	
Changes in fair value recognised in profit or loss:	在損益賬內確認之公平價值變動：					
– Impairment losses on available-for-sale financial assets	– 可供出售金融資產減值虧損	–	–	(2,928)	(2,928)	
– Other operating income	– 其他營運收入	(9,709)	(125,060)	–	(134,769)	
Changes in fair value recognised in other comprehensive income	在其他全面收益內確認之公平價值變動	–	–	(12,848)	(12,848)	
At 31 December 2010	於二零一零年十二月三十一日	321,544	23,511	453,375	798,430	
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	於結算日持有之資產計入其他全面收益之本年度收益或虧損總額	–	–	3,695	3,695	
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	於結算日持有之資產計入損益賬之本年度收益或虧損總額	(9,709)	(197,123)	420	(206,412)	

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs (continued)

Assets
資產

2011	二零一一年
At 1 January 2011	於二零一一年一月一日
Purchases	購買
Sales	出售
Settlements	結算
Changes in fair value recognised in profit or loss:	在損益賬內確認之
– Impairment losses on available-for-sale financial assets	公平價值變動 – 可供出售金融資產減值虧損
– Other operating income	– 其他營運收入
Changes in fair value recognised in other comprehensive income	在其他全面收益內確認之 公平價值變動
At 31 December 2011	於二零一一年十二月三十一日
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	於結算日持有之資產計入 其他全面收益之 本年度收益或虧損總額
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	於結算日持有之資產計入 損益賬之本年度收益或 虧損總額

45. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察數據進行之金融工具估值(續)

The Bank
本行

Financial assets designated at fair value through profit or loss 指定為通過損益以反映公平價值之金融資產 HK\$'000 千港元	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	Available-for-sale financial assets 可供出售金融資產 HK\$'000 千港元	Total 總額 HK\$'000 千港元
321,544	23,511	453,373	798,428
–	–	29,564	29,564
–	–	(7,542)	(7,542)
(458,644)	–	(155,551)	(614,195)
–	–	(5,415)	(5,415)
137,100	4,782	–	141,882
–	–	(16,215)	(16,215)
–	28,293	298,214	326,507
–	–	(16,215)	(16,215)
–	(27,649)	28,383	734

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs (continued)

Assets
資產

		Financial assets designated at fair value through profit or loss 指定為通過損益以反映公平價值之金融資產		Available-for-sale financial assets 可供出售金融資產	Total 總額
		HK\$'000 千港元	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	HK\$'000 千港元	
2010	二零一零年				
At 1 January 2010	於二零一零年一月一日	310,113	148,571	549,506	1,008,190
Purchases	購買	22,076	–	90,337	112,413
Sales	出售	(936)	–	(96,551)	(97,487)
Settlements	結算	–	–	(75,128)	(75,128)
Changes in carrying value recognised in profit or loss	在損益賬內確認之賬面值變動	–	–	985	985
Changes in fair value recognised in profit or loss:	在損益賬內確認之公平價值變動：				
– Impairment losses on available-for-sale financial assets	– 可供出售證券金融資產減值虧損	–	–	(2,928)	(2,928)
– Other operating income	– 其他營運收入	(9,709)	(125,060)	–	(134,769)
Changes in fair value recognised in other comprehensive income	在其他全面收益內確認之公平價值變動	–	–	(12,848)	(12,848)
At 31 December 2010	於二零一零年十二月三十一日	321,544	23,511	453,373	798,428
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	於結算日持有之資產計入其他全面收益之本年度收益或虧損總額	–	–	3,695	3,695
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	於結算日持有之資產計入損益賬之本年度收益或虧損總額	(9,709)	(197,123)	420	(206,412)

45. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察數據進行之金融工具估值(續)

The Bank
本行

	Financial assets designated at fair value through profit or loss 指定為通過損益以反映公平價值之金融資產		Available-for-sale financial assets 可供出售金融資產	Total 總額
	HK\$'000 千港元	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	HK\$'000 千港元	
2010	二零一零年			
At 1 January 2010	於二零一零年一月一日	310,113	148,571	549,506
Purchases	購買	22,076	–	90,337
Sales	出售	(936)	–	(96,551)
Settlements	結算	–	–	(75,128)
Changes in carrying value recognised in profit or loss	在損益賬內確認之賬面值變動	–	–	985
Changes in fair value recognised in profit or loss:	在損益賬內確認之公平價值變動：			
– Impairment losses on available-for-sale financial assets	– 可供出售證券金融資產減值虧損	–	–	(2,928)
– Other operating income	– 其他營運收入	(9,709)	(125,060)	–
Changes in fair value recognised in other comprehensive income	在其他全面收益內確認之公平價值變動	–	–	(12,848)
At 31 December 2010	於二零一零年十二月三十一日	321,544	23,511	453,373
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	於結算日持有之資產計入其他全面收益之本年度收益或虧損總額	–	–	3,695
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	於結算日持有之資產計入損益賬之本年度收益或虧損總額	(9,709)	(197,123)	420

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

- (i) Valuation of financial instruments with significant unobservable inputs (continued)

Liabilities
負債

2011

At 1 January 2011	二零一一年	於二零一一年一月一日
Settlement		結算
Changes in fair value recognised in the profit or loss		在損益賬內確認之公平價值變動
– Revaluation loss on collateralised debt obligation		– 債務抵押證券之重估虧損
– Other operating income		– 其他營運收入
At 31 December 2011		於二零一一年十二月三十一日
Total gains or losses for the year included in profit or loss for liabilities held at the balance sheet date		於結算日持有之負債計入損益賬之本年度收益或虧損總額

Liabilities
負債

2010

At 1 January 2010	二零一零年	於二零一零年一月一日
Changes in fair value recognised in the profit or loss		在損益賬內確認之公平價值變動
– Revaluation loss on collateralised debt obligation		– 債務抵押證券之重估虧損
– Other operating income		– 其他營運收入
At 31 December 2010		於二零一零年十二月三十一日
Total gains or losses for the year included in profit or loss for liabilities held at the balance sheet date		於結算日持有之負債計入損益賬之本年度收益或虧損總額

45. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

- (i) 使用重大不可觀察數據進行之金融工具估值(續)

The Group and the Bank
本集團及本行Derivative financial
instruments
衍生金融工具HK\$'000
千港元Total
總額HK\$'000
千港元

	(256,636)	(256,636)
	155,728	155,728
	(177)	(177)
	(4,874)	(4,874)
	(105,959)	(105,959)
	27,288	27,288

The Group and the Bank
本集團及本行Derivative financial
instruments
衍生金融工具HK\$'000
千港元Total
總額HK\$'000
千港元

	(368,023)	(368,023)
	(13,673)	(13,673)
	125,060	125,060
	(256,636)	(256,636)
	183,450	183,450

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

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

Although the Group believes that its estimates of fair value are appropriate, the use of different methodology or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 of the fair value hierarchy, a 10% change in either direction in the net asset value reported by respective counterparties would have the following effects:

45. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

- (ii)
- 重大不可觀察假設出現變動對可行替代合理假設之影響*

雖然本集團相信其公平價值估計屬適宜，但是使用不同方法或假設可能導致公平價值之不同計量。就公平價值等級制度三級下之公平價值計量而言，各交易對手申報之資產淨值向任意方向變動10%可能產生下列影響：

		The Group and the Bank 本集團及本行			
		Effect on profit or loss 對損益賬的影響		Effect on other comprehensive income 對其他全面收益的影響	
		Favourable 有利變動 HK\$'000 千港元	Unfavourable 不利變動 HK\$'000 千港元	Favourable 有利變動 HK\$'000 千港元	Unfavourable 不利變動 HK\$'000 千港元
2011	二零一一年				
Assets	資產				
Available-for-sale financial assets	可供出售金融資產	-	(6,775)	29,822	(23,047)
Derivatives financial instruments	衍生金融工具	2,829	(2,829)	-	-
Liabilities	負債				
Derivatives financial instruments	衍生金融工具	10,596	(10,596)	-	-

		The Group and the Bank 本集團及本行			
		Effect on profit or loss 對損益賬的影響		Effect on other comprehensive income 對其他全面收益的影響	
		Favourable 有利變動 HK\$'000 千港元	Unfavourable 不利變動 HK\$'000 千港元	Favourable 有利變動 HK\$'000 千港元	Unfavourable 不利變動 HK\$'000 千港元
2010	二零一零年				
Assets	資產				
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融資產	32,154	(32,154)	-	-
Available-for-sale financial assets	可供出售金融資產	2,037	(2,037)	43,300	(43,300)
Derivatives financial instruments	衍生金融工具	2,351	(2,351)	-	-
Liabilities	負債				
Derivatives financial instruments	衍生金融工具	25,664	(25,664)	-	-

45. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

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

- (i) the fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the balance sheet date;
- (ii) the fair value of variable rate financial instruments and loans is assumed to be approximated by their carrying amounts. Changes in the credit quality of these financial instruments and loans 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; and
- (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.

The carrying amount of the Group's and the Bank's financial instruments carried at cost or amortised cost are not significantly different from their fair values as at 31 December 2011 and 2010 except as follows:

45. 金融工具之公平價值(續)

(b) 非以公平價值列賬之金融工具之公平價值

下列方法及重大假設已應用於釐定於下表列示之金融工具之公平價值：

- (i) 假設活期存款及無特定期限之儲蓄賬戶之公平價值為於結算日可要求還款之金額；
- (ii) 假設浮息金融工具及貸款之公平價值接近其賬面金額。釐定公平價值毛額時並不計算該等金融工具及貸款信貸質量之變化，此乃由於信貸風險之影響透過自賬面金額及公平價值扣除減值虧損及撥備金額予以確認；及
- (iii) 有關定息貸款及按揭銷成本列賬之按揭的公平價值是透過比較貸款時之市場利率與相若貸款之現時市場利率所計算。由於信貸風險之影響透過自賬面金額及公平價值扣除減值虧損及撥備金額予以單獨確認，於釐定總公平價值時並未考慮組合內各貸款之信貸質量變化。

本集團及本行按成本或攤銷成本列賬之金融工具之賬面值與其於二零一一年及二零一零年十二月三十一日之公平價值並無重大差異，惟以下所列除外：

		The Group 本集團			
		2011 二零一一年		2010 二零一零年	
		Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元	Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元
<i>Financial assets</i>					
	金融資產				
Advances to customers	客戶貸款	1,123,014	1,112,456	1,116,708	1,089,773
Other loans and receivables	其他貸款及應收款項	1,204,789	1,037,835	2,802,314	2,482,312
Held-to-maturity investments	持至到期投資	2,466,707	2,467,880	2,462,681	2,445,611
<i>Financial liabilities</i>					
	金融負債				
Deposits from customers	客戶存款	31,233,854	31,385,962	31,548,899	31,548,767
Other liabilities	其他負債	1,299,959	1,299,973	809,537	811,815

46. MATERIAL RELATED PARTY TRANSACTIONS (continued)**(a) Income/expenses** (continued)

<i>Subsidiaries</i>	附屬公司
Interest income	利息收入
Interest expense	利息支出
Fee and commission income	費用及佣金收入
Fee and commission expense	費用及佣金支出

(b) Placement of deposits

<i>Fellow subsidiaries</i>	同系附屬公司
Cash and short-term funds	現金及短期資金
<i>Fellow subsidiaries</i>	同系附屬公司
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘
<i>Fellow subsidiaries</i>	同系附屬公司
Accrued interest and other assets	應計利息及其他資產

Balances with banks and other financial institutions represent placements with fellow subsidiaries. There was no outstanding balance as at 31 December 2011 (2010: HKD1,093,999,000). Placements during the year ended 31 December 2011 amounted to HKD10,074,846,000 (2010: HKD44,097,205,000) while repayments during the same period amounted to HKD11,168,845,000 (2010: HKD43,003,206,000).

There was no impairment allowance made against the above placement of deposits with related parties.

The amounts of placement of deposits from subsidiaries are included in "Amount due from subsidiaries" of the Bank.

46. 重大關連各方交易 (續)**(a) 收入／支出** (續)

The Bank	
本行	
2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元
242	1,715
203	224
5,643	7,985
47,740	53,214

(b) 放款

The Group and the Bank	
本集團及本行	
2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元
1,954	23,876
–	1,093,999
–	731

銀行同業及其他金融機構結餘代表與同系附屬公司的拆放同業，於二零一一年十二月三十一日並無結餘(二零一零年：1,093,999,000港元)。年內拆放放款共10,074,846,000港元(二零一零年：44,097,205,000港元)，而年內拆放償還共11,168,845,000港元(二零一零年：43,003,206,000港元)。

上述與關連方放款並無減值撥備。

本行對附屬公司放款結餘列賬於「應收附屬公司款項」。

46. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Acceptance of deposits

<i>Ultimate holding company</i>	最終控股公司
Deposits from customers	客戶存款
<i>Fellow subsidiaries</i>	同系附屬公司
Deposits and balances of banks	銀行同業存款及結餘
<i>Fellow subsidiaries</i>	同系附屬公司
Deposits from customers	客戶存款

Inter-bank takings from fellow subsidiaries are included in “Deposits and balances of banks” along with deposits from fellow subsidiaries. There was no outstanding balance as at 31 December 2011 (2010: HKD 233,217,000). Acceptances during the year ended 31 December 2011 amounted to HKD 6,326,144,000 (2010: HKD 4,655,778,000) while repayments during the same period amounted to HKD 6,559,361,000 (2010: HKD 5,010,311,000).

The amounts of acceptance of deposits from subsidiaries are included in “Amount due to subsidiaries” of the Bank.

(d) Financial instruments

<i>Fellow subsidiary</i>	同系附屬公司
Derivative contracts (notional principal)	衍生工具合約(名義本金額)

46. 重大關連各方交易(續)

(c) 接納存款

The Group and the Bank 本集團及本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
1,286	-
18,182	273,292
14,863	7,002

與同系附屬公司的同業拆放及存款均包括在「銀行同業存款及結餘」。於二零一一年十二月三十一日，並無與同系附屬公司的同業拆放(二零一零年：233,217,000港元)。年內接納拆放共6,326,144,000港元(二零一零年：4,655,778,000港元)，而年內償還拆放共6,559,361,000港元(二零一零年：5,010,311,000港元)。

本行接納附屬公司存款結餘列賬於「應付附屬公司款項」。

(d) 金融工具

The Group and the Bank 本集團及本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
827,862	2,478,607

46. MATERIAL RELATED PARTY TRANSACTIONS (continued)**(e) Loans to officers**

Loans to officers of the Bank disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

Aggregate amount of relevant loans at 31 December by the Bank	本行相關貸款於十二月三十一日的總額
Maximum aggregate amount of relevant loans outstanding during the year by the Bank	本行年內尚未償還相關貸款之最高總額

There was no interest due but unpaid nor any impairment allowance made against these loans at 31 December 2011 (2010: Nil).

(f) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Bank's Directors as disclosed in Note 8 is as follows:

Salaries and short-term employee benefits	薪金及短期僱員福利
---	-----------

Total remuneration is included in "staff cost" (see Note 7).

46. 重大關連各方交易 (續)**(e) 高級職員貸款**

本行根據香港《公司條例》第161B條須予披露之高級職員貸款如下：

The Group and the Bank 本集團及本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
8,358	9,115
9,115	13,368

於二零一一年十二月三十一日，此等貸款並無逾期未償付利息，或就有關貸款進行任何減值撥備(二零一零年：無)。

(f) 主要管理人員酬金

主要管理人員之酬金(包括附註8所披露付予本行董事之款項)如下：

The Group and the Bank 本集團及本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
46,192	55,003

酬金總額計入「僱員成本」(見附註7)。

46. MATERIAL RELATED PARTY TRANSACTIONS (continued)**(f) Key management personnel remuneration** (continued)

Several key management personnel have been granted unlisted physically settled options over shares of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. with various vesting periods for services rendered to the Group. The share based payment expense is included in "staff cost" (see Note 7). Key management personnel are defined as directors and members of the management committee.

(g) Credit facilities to key management personnel

During the year, the Bank provided loans and credit facilities to key management personnel of the Group and their close family members and companies controlled or significantly influenced by them. The credit facilities were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with other employees. The amounts involved, other than transactions with the ultimate holding company and fellow subsidiaries, are set out below.

Loans, at 31 December	於十二月三十一日貸款餘額
Interest income	利息收入
Credit facilities, at 31 December	於十二月三十一日信貸服務

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no individually assessed impairment allowance been made on the above balances at the year end.

The Bank's policies for lending to related parties take into account the requirements under the Hong Kong Banking Ordinance and the guidelines of the HKMA. The Group sets internal limits – individual and aggregate group limits for individual, group, secured and unsecured exposures – and carefully monitors exposure to related parties, whether individual or corporate, and takes the necessary measures to control the risk of connected lending. Approvals are made by the Credit Committee, Managing Director and/or the Executive Credit Committee.

46. 重大關連各方交易 (續)**(f) 主要管理人員酬金** (續)

若干主要管理人員因向本集團提供服務而被授予於多個期間歸屬的本行最終控股公司富邦金融控股股份有限公司的非上市而實股結算之認股權。以股份形式支付的開支計入「僱員成本」(見附註7)。主要管理人員被定義為董事及管理委員會之成員。

(g) 主要管理人員信貸服務

年內，本行向本集團之主要管理人員及彼等之直系親屬以及受該等人士所控制之公司或該等人士具有重大影響力之公司提供貸款及信貸。該等信貸服務乃於正常業務過程中提供，而有關係款與其他僱員所訂立之可資比較交易大致相同。除與最終控股公司及同系附屬公司的交易外，涉及金額載列如下。

The Group and the Bank
本集團及本行

	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Loans, at 31 December	12,591	11,087
Interest income	192	263
Credit facilities, at 31 December	4,725	5,060

並無就年內主要管理人員的未償還餘額記錄減值虧損，且於年底並無就上述餘額作出個別估計減值撥備。

本行向各關連方貸款的政策已計及香港《銀行業條例》、香港金融管理局指引及上市規則之規定。本集團設定內部限額(對個人以及有抵押及無抵押風險的個人及集團限額總額)，並審慎監督各關連方之風險(個人或企業)及採取各必須措施以控管各關連借貸之風險。信用委員會、董事總經理及/或執行信用委員會已予批准。

47. ASSETS PLEDGED AS SECURITY

The following assets have been pledged as collateral for own liabilities at the balance sheet date:

Secured liabilities	已抵押負債
<i>Assets pledged:</i>	<i>已質押資產:</i>
Trading assets	持作交易用途資產
Available-for-sale financial assets	可供出售金融資產

The following balances with banks have been pledged as collateral for margin deposits of derivatives at the balance sheet date:

Margin accounts for derivative contracts	衍生工具合約的保證金賬戶款項
--	----------------

These transactions are conducted under usual and customary terms.

47. 質押作為抵押品之資產

下列資產已於結算日作為自身負債抵押品予以質押：

The Group and the Bank	
本集團及本行	
2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元
5,555,307	3,409,202
1,393,304	99,760
4,172,423	3,235,789
5,565,727	3,335,549

下列銀行結餘已於結算日作為衍生工具保證金存款抵押品予以抵押：

The Group and the Bank	
本集團及本行	
2011	2010
二零一一年	二零一零年
HK\$'000	HK\$'000
千港元	千港元
57,917	7,774

該等交易乃按照一般及慣用條款進行。

48. FINANCIAL RISK MANAGEMENT

This section presents information about the Group's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

- Credit risk: losses resulting from customer or counterparty default and arising from credit exposures in all forms, including settlement risk.
- Market risk: exposures to market variables such as interest rates, exchange rates and equity markets.
- Liquidity and funding risk: risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.
- Operational risk: risk arising from matters such as non-adherence to systems and procedures or from frauds resulting in financial or reputation loss.

The Group has established policies and procedures to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and limits continually by means of reliable and up-to-date management and information systems. The Group continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. Internal Audit also performs regular audits to ensure compliance with the policies and procedures.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

(a) Credit risk management

This category includes credit and counterparty risk from loans and advances, issuer risk from holding securities, counterparty risk from trading activities and country risk. Credit risk arises from the potential that a borrower or counterparty will fail to perform under an obligation. It arises from the lending, trading, treasury, derivatives and other activities of the Group. The Group identifies and manages credit risk through its (a) target market definitions, (b) credit approval process, (c) post-disbursement monitoring and (d) remedial management procedures. These policies and procedures are documented in the Group's credit policies, which define the overall credit policies covering credit extension criteria, the credit approval authorities delegated from the Board, the credit monitoring processes, the loan grading system and loan impairment policy.

48. 財務風險管理

本節呈列有關本集團所面臨之風險及其對該等風險之管理及控制之資料，特別是與其採用金融工具有關之主要風險：

- 信貸風險：客戶或交易對手拖欠款項而招致損失的風險，以及各類型信貸風險，包括結算風險。
- 市場風險：市場變數風險，例如息率、匯率及股市等。
- 流動資金及融資風險：本集團未能在付款責任到期時履行付款責任，或無法持續在市場上以無抵押或甚至有抵押的方式按可接受之成本借入資金，藉此為實際或建議之承擔提供所需的資金。
- 營運風險：由於未遵守制度及程序等事項而引致之風險或由欺詐致使財務或聲譽受損而引致之風險。

本集團已設有相關政策及程序以識別及分析該等風險、制定適當之風險限額及控制措施，以及憑藉可靠及先進之管理及資訊系統持續監控該等風險及限額。本集團不斷修改及加強其風險管理政策及系統，以反映市場、產品及最佳風險管理流程之改變。內部核數師亦定期進行審核以確保符合政策及程序。

此一附註呈列有關本集團就上述各項風險所承擔之風險、本集團計量及管理風險之目標、政策及程序，以及本集團之資本管理。

(a) 信貸風險管理

此類風險包括借款及貸款之信貸及交易對手風險、證券交易之發行人風險、貿易融資之交易對手風險及國家風險。信貸風險源於貸款人或交易對手未能履行其承擔，可來自本集團之貸款、貿易融資、財資、衍生工具及其他業務。本集團透過(a)目標市場定位、(b)信貸審批流程、(c)付款後監控及(d)補救管理程序來識別及管理信貸風險。該等政策及程序記錄於本集團之信貸政策內，而有關政策對整體信貸政策作出明確界定，涵信貸條件、董事會指定之信貸審批職權、信貸監管程序、貸款分類系統及貸款減值政策。

48. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)

The Board of Directors delegates credit approval authorities to the following in descending order of authority: the Executive Credit Committee, the Chief Executive Officer and the Credit Committee.

The Executive Credit Committee serves as the Credit Committee of the Board of Directors to review and approve credit proposals within limits assigned by the Board of Directors while the Chief Executive Officer has been assigned a limit lower than the Executive Credit Committee for credit approval.

The Credit Committee carries out the Bank's credit risk management functions. It meets once a week and is responsible for approving, advising and recommending to the Chief Executive the approval of credit exposures in accordance with the credit authority limits. The Credit Committee also reviews and implements measures on credit risk management and controls and plays a key role in credit monitoring. In addition, it reviews loans extended by lending officers and provides guidelines to all lending officers to assist them in monitoring the credit risk of the loan portfolio.

The credit departments, Enterprise Credit Risk Management Department and Consumer Credit Risk Management Department, receive their authority and delegated responsibilities from the Credit Committee to provide centralised management of credit risk. They are responsible for:

- independent evaluation of credit applications, which covers facility details, credit grade determination, risk review and analysis and financial spreads;
- credit risk management and control of cross-border exposures including debt securities issued by corporations, and sovereigns as well as those exposures to banks and other financial institutions;
- portfolio management of risk concentrations;
- maintenance of the loan grading system; and
- reporting to the Risk Management Committee regularly on aspects of the loan portfolio. This includes information on large credit exposures, industry exposures, country exposures and levels of loan impairment.

In addition, the Group has also established guidelines to ensure that each new product is designed and reviewed by a product committee with respect to the risks involved, including among others, operational risk, legal risk, reputational risk and credit risk. All relevant departments are required to put in place the appropriate processes, systems and controls before the product is approved by the New Product and Commitment Committee.

48. 財務風險管理 (續)**(a) 信貸風險管理** (續)

董事會授權以下部門依次審批信貸：執行信貸委員會、行政總裁及信貸委員會。

執行信貸委員會以董事會信貸委員會的身份，按董事授予的權限，審閱及批准信貸建議，而行政總裁則獲授與比執行信貸委員會為低的權限作信貸審批。

信貸委員會負責本行之信貸風險管理工作。該委員會每星期舉行一次會議，專責根據信貸授權限額就信貸風險批核信貸建議；並向行政總裁提供意見及推薦建議。信貸委員會亦審閱及實施信貸風險管理及控制之措施，在信貸監控方面扮演著重要之角色。此外，該委員會審閱貸款主任所批出之貸款，並向全體借貸主任提供指引，協助彼等監控貸款組合之信貸風險。

信貸部門、企業信貸風險管理部及消費信貸風險管理部獲授權並代表信貸委員會進行統一信貸風險管理，負責下列各項職責：

- 獨立審核信貸申請，包括信貸詳情、信貸評級釐定、風險評審及息差分析；
- 信貸風險管理以及跨境債權，包括由企業及主權國發行的債務證券，及銀行與其他財務機構的風險監控；
- 管理組合內風險，以避免風險過份集中；
- 更新貸款評級系統；及
- 定期向風險管理委員會匯報貸款組合情況，包括高信貸風險、行業風險、國家風險以及貸款減值程度等資料。

此外，本集團亦已制定政策以確保每項新產品經由產品發展委員會設計及審閱所涉及之風險（包括（其中包括）營運風險、法律風險、聲譽風險及信貸風險）。所有有關之部門必須於產品獲得新產品及承擔委員會批准前，制定適當的工作流程、系統及監控措施。

48. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)

Specific policies and measures to address different kinds of credit related activities are set out below:

(i) Corporate lending

In addition to compliance with the Group's underwriting standards, credit risk is managed by conducting a thorough credit evaluation and obtaining proper approval for the proposed credit transactions. Subject to the size of the facility and the risk grading of the borrower, different extents of credit evaluation and levels of credit approval are required to ensure the proper credit risk management measures are exercised. Credit approval also takes into account facility structure, tenor, the repayment ability of the prospective borrower and available security.

The Group has established limits for exposures to individual industries and for borrowers and groups of borrowers, regardless of whether the credit exposure is in the form of loans or non-funded exposures. The Group also undertakes ongoing credit analysis and monitoring at several levels. The policies and procedures also take into account the requirements of the Hong Kong Banking Ordinance, guidelines issued by the HKMA with respect to large exposures and provisioning requirements and best market practices.

The credit risk management procedures are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The Enterprise Credit Risk Management Department monitors overall portfolio risk as well as individual problem loans and potential problem loans on a regular basis. Relevant management reports are submitted to the senior management, the Credit Committee and the Risk Management Committee regularly for their review. The loan portfolio reports include information regarding large exposures, country exposure, industry exposure and loan impairment etc.

(ii) Consumer credit risk

The Group's consumer credit risk policy and approval process are designed to address relatively homogeneous consumer banking products such as credit cards, unsecured personal loan and mortgage loans. Because of the nature of consumer banking, the credit policies are primarily based on statistical analyses of risks with respective to different products and types of customers. The Consumer Credit Risk Management Department (CCRM) is responsible for conducting regular review and monitoring of consumer credit risk, including acquisition and portfolio risk management. CCRM is also responsible for the determination and revision of product terms and desired customer profiles on regular basis by developing, validating and fine-tuning of internal scorecard(s) and model(s). In addition, CCRM reviews and updates the existing policies on underwriting, loan classification, loan impairment and write-off on regular basis

48. 財務風險管理 (續)**(a) 信貸風險管理** (續)

針對不同類型信貸相關業務之特定政策及措施載列如下：

(i) 企業借貸

除遵守本集團之貸款標準外，信貸風險亦透過就信貸申請所進行詳盡之信貸評估及經適當審批而加以控制。視乎貸款規模及借款人之風險評級，必須進行不同程度之信貸評估及不同級別之信貸審批，以確保正確之信貸風險管理措施得以實施。審批信貸時亦會考慮貸款結構、貸款年期、有關借款申請人之還款能力及有否提供抵押擔保。

無論信貸風險是由於貸款或非借貸交易而產生，本集團已制定個別行業之風險限額以及貸款人及貸款人團體之風險限額。本集團亦在不同層次持續開展信貸分析及監控。該等政策及程序亦參考香港《銀行業條例》內之規定、金管局就大額放款限度及撥備規定頒佈之指引以及最佳市場慣例。

信貸風險管理程序旨在促進提早發現需要特別監控之交易對手、行業或產品風險。企業信貸風險管理部定期監控貸款組合整體風險及個別問題貸款及潛在問題貸款。有關管理報告定期提交高級管理層、信貸委員會及風險管理委員會審閱。貸款組合報告包括有關大額放貸風險、國家風險、行業風險及貸款減值等資料。

(ii) 零售銀行信貸風險

本集團之零售銀行信貸風險政策及審批流程乃針對相對同類型的零售銀行產品，如信用卡、無抵押個人貸款及按揭而設計。由於零售銀行之性質，信貸政策主要依據不同產品及客戶類型之風險統計分析結果而釐定。消費信貸風險管理部負責對零售銀行信貸風險進行定期監控（包括收購及組合風險管理）。消費信貸風險管理部亦負責透過開發、認證及微調內部記分卡及模型。此外，消費信貸風險管理部還定期審閱及更新有關現有的貸款承造、貸款分類、貸款減值及回撥之政策。

48. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(iii) Credit risk for treasury transactions*

The credit risk of the Group's treasury transactions is managed the same way as the Group manages its corporate lending risk. The Group sets individual limits to its counterparties based on its risk assessment.

Unlike on-balance sheet instruments, where the credit risk is generally represented by the principal value or the notional amount, credit risk for derivatives is the positive replacement cost together with an estimate for the potential future exposure from changes in its market value. These credit exposures, together with potential future exposure from market movements, are managed as part of the overall lending limits to the counterparties. The credit risk exposure on derivatives is disclosed in Note 19(b) of this annual report. The Group uses the current exposure method for the purpose of providing capital for such counterparty exposures.

(iv) Credit-related commitments

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, therefore, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

(v) Concentration of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's portfolio of financial instruments is diversified along industry and product sectors etc but is concentrated in Hong Kong.

Analysis of credit risk concentration of respective financial assets is disclosed in Notes 15 to 23.

(vi) Credit risk mitigation

The Group's credit assessment primarily relies on an evaluation of the obligor's repayment ability based on the obligor's cash flow and financial condition. In addition, the Group employs various credit risk mitigation techniques such as appropriate facility structuring, posting of collateral and/or third party support as well as transfer of risk to other third parties, which form an integral part of the credit risk management process. There is immaterial credit and market risk concentration within the credit risk mitigations used by the Group. The most commonly used credit risk mitigation measures are provided below:

48. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(iii) 財資交易之信貸風險*

本集團財資交易信貸風險之管理方式與本集團管理其企業借貸風險之方式相同。本集團根據風險評估對其交易對手設定個別風險限額。

有別於資產負債表內項目(通常以本金價值或面值來表示信貸風險)，衍生工具之信貸風險為正重置成本連同以其市值之未來潛在變動之估計。該等信貸風險連同市場變動之潛在風險乃作為有關方整體貸款限額的一部分進行管理。衍生工具之信貸風險於本年報附註19(b)內披露。本集團以即期風險法為該等有關方風險提供資本。

(iv) 與信貸有關之承擔

與信貸有關之承擔及或然項目所涉及之風險基本上與向客戶提供貸款之信貸風險相同。因此，該等交易須遵守與客戶申請貸款相同之信貸申請、該等貸款組合要求及抵押品規定。

(v) 信貸風險過份集中

當地域、經濟或行業因素之變動對不同類別之交易對手產生類似影響，而彼等之信貸風險加起來對本集團之總風險而言屬重大時便會出現信貸風險過份集中之問題。本集團之金融資產組合經已分散至多個行業及產品類別，但集中於香港。

有關各類金融資產之信貸風險集中情況之分析於附註15至23內披露。

(vi) 減低信貸風險

本集團的信貸評估主要依賴基於債務人的現金流量及財務狀況對債務人的還款能力的估計。此外，本集團採用如適當信貸結構、給予抵押及／或第三方支持，以及將風險轉移至其他第三方等不同信貸風險減低技術，以作為其信貸風險管理流程的組成部分。本集團採用的減低信貸風險並無產生重大集中於信貸及市場風險。最常用的信貸風險減低措施載列如下：

48. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(vi) Credit risk mitigation (continued)***Collateral**

The Group holds collateral against loans and advances to customers in the form of cash deposits, marketable securities, mortgage interest over property, inventory, equipment and other physical collateral, and guarantees. The Group has in place policies and procedures that govern the assessment, acceptance and the periodic valuation of eligible collateral. For collateral taken to secure corporate and retail loans, the collateral is revalued periodically ranging from daily to semi-annually depending on the type of collateral taken. For treasury operations, any collateral taken is marked to market on a periodic basis that is mutually agreed with the counterparty.

Master netting agreements

Collateral generally is not held over loans and advances extended to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. However, where applicable, the Group manages its credit exposure to banks by entering into master netting arrangements whenever it is appropriate and feasible to do so. The netting arrangement results in the settlement of counterparty exposure on a net basis in the event a default occurs.

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 outstanding positions.

Other credit risk mitigation measures

The Group also uses guarantees for credit risk mitigation. While the Group may accept guarantees from any counterparty, it sets a threshold internally for considering eligible guarantors.

48. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(vi) 減低信貸風險* (續)**抵押品**

本集團就客戶借款及貸款而持有抵押品，形式為現金存款、可流通證券、物業按揭、存貨、設備及其他實物抵押品，以及擔保。本集團已制定監管合資格抵押品的評估、接納及定時估值的政策及程序。就擔保公司及零售貸款的抵押品而言，抵押品乃定時被重估，週期介乎每日至每半年一次不等，這取決於抵押品的類型。就財資業務而言，任何抵押品乃以與交易對手相互協定的週期以市場情況重估。

淨額結算總協議

抵押品一般並非就給予銀行的借款及貸款而持有，惟當證券乃持作逆向購回及證券借貸活動的一部分時則除外。然而，如適合時，本集團將於適合及可行情況下透過訂立淨額結算總協議管理其銀行信貸風險。淨額結算總協議導致於違約時結算交易對手的與該交易對手之款項會以淨額結算。

本集團傾向以國際掉期業務及衍生投資工具協會(「ISDA」)總協議作為衍生工具活動的協議文件。該協議為買賣各種場外交易產品的交易活動提供主體合約模式，倘若任何一方違約或提前終止交易，則雙方受合約約束須對協議所包含的全部未平倉交易採用淨額結算。

有關雙方會於簽訂ISDA總協議時亦簽訂信用擔保附件(「CSA」)，此乃普遍的做法。根據CSA，抵押品會由交易其中一方轉交另一方，以減低未平倉交易的市場或有交易對手風險。

其他信貸風險減低措施

本集團亦應用擔保以減低信貸風險。當本集團可能接受任何交易對手的擔保時，其在內部設定考慮合資格擔保人的限制。

48. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vii) Maximum exposure to credit risk

The maximum exposure to credit risk at the balance sheet date without taking into consideration any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. A summary of the maximum exposure to credit risk for the various components of the balance sheet, contingencies and commitments is as follows:

48. 財務風險管理(續)

(a) 信貸風險管理(續)

(vii) 最高信貸風險

於結算日最高的信貸風險(不計及所持有之任何抵押品或其他信貸提升措施)為資產負債表內各項金融資產扣除任何減值準備後之賬面值。資產負債表、或然負債及承擔的各部分信貸風險的最高風險概要如下:

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
<i>Credit risk exposures relating to on-balance sheet assets:</i>	與資產負債表內資產有關之 信貸風險				
Cash and short-term funds	現金及短期資金	4,202,819	2,677,984	4,123,374	2,675,534
Balances with banks and other financial institutions	銀行同業及其他 金融機構結餘	1,479,530	2,135,669	1,479,530	2,058,707
Trading assets	持作交易用途資產	1,405,516	966,658	1,405,516	966,658
Financial assets designated at fair value through profit or loss	指定為透過損益以 反映公平價值 之金融資產	81,240	406,268	81,240	406,268
Derivative financial instruments	衍生金融工具	494,636	491,633	494,636	491,633
Advances to customers less impairment allowances	客戶貸款 減減值撥備	32,238,466	28,860,971	32,144,994	28,496,116
Other loans and receivables	其他貸款及應收款項	1,204,789	2,802,314	1,204,789	2,802,314
Accrued interest and other assets	應計利息及其他資產	881,716	723,735	845,507	682,262
Available-for-sale financial assets	可供出售金融資產	13,519,713	18,344,932	13,519,713	18,344,932
Held-to-maturity investments	持至到期投資	2,466,707	2,462,681	2,466,707	2,462,681
<i>Credit risk exposures relating to off-balance sheet items:</i>	與資產負債表外項目 有關之信貸風險				
Financial guarantees and other credit related contingent liabilities	財務擔保及其他信貸 相關之或然負債	298,938	478,483	298,938	484,483
Loan commitments and other credit related commitments	貸款承擔及其他信貸 相關之承擔	15,695,239	13,822,251	15,695,239	13,822,251
		73,969,309	74,173,579	73,760,183	73,693,839

48. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(viii) Credit quality of loans and advances*

At 31 December 2011 and 2010, no loans and advances to banks were impaired. The credit quality of advances to customers can be analysed as follows:

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Neither past due nor impaired	並無逾期或減值	32,293,468	28,939,976	32,200,100	28,591,194
Past due but not impaired	已逾期但並無減值	2,307	12,064	2,285	1,238
Impaired	已減值	105,747	192,754	80,011	97,190
		32,401,522	29,144,794	32,282,396	28,689,622
Of which:	其中：				
Gross loans and advances to customers that are neither past due nor impaired	向客戶授出而並無逾期或減值之借款及貸款總額				
– Grade 1: Pass	– 第一級：通過	32,266,791	28,879,605	32,174,223	28,533,378
– Grade 2: Special mention	– 第二級：特別提及	26,677	60,371	25,877	57,816
		32,293,468	28,939,976	32,200,100	28,591,194

The Group classifies advances to customers in accordance with the loan classification system required to be adopted for reporting to the HKMA.

本集團根據為向香港金融管理局呈報而須採納之貸款分級制度就客戶貸款進行分類。

48. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(viii) 借款及貸款之信貸質素*

於二零一一年及二零一零年十二月三十一日，向銀行同業授出之借款及貸款並無減值。向客戶作出之貸款之信貸質素可分析如下：

		The Group 本集團		The Bank 本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Neither past due nor impaired	並無逾期或減值	32,293,468	28,939,976	32,200,100	28,591,194
Past due but not impaired	已逾期但並無減值	2,307	12,064	2,285	1,238
Impaired	已減值	105,747	192,754	80,011	97,190
		32,401,522	29,144,794	32,282,396	28,689,622
Of which:	其中：				
Gross loans and advances to customers that are neither past due nor impaired	向客戶授出而並無逾期或減值之借款及貸款總額				
– Grade 1: Pass	– 第一級：通過	32,266,791	28,879,605	32,174,223	28,533,378
– Grade 2: Special mention	– 第二級：特別提及	26,677	60,371	25,877	57,816
		32,293,468	28,939,976	32,200,100	28,591,194

48. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(viii) Credit quality of loans and advances (continued)

The ageing analysis of advances to customers that are past due but not impaired is as follows:

	The Group 本集團		The Bank 本行	
	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Gross loans and advances to customers that are past due but not impaired				
– Overdue 3 months or less	1,421	10,921	1,399	1,238
– Overdue 6 months or less but over 3 months	886	1,143	886	–
– Overdue 1 year or less but over 6 months	–	–	–	–
– Overdue over 1 year	–	–	–	–
	2,307	12,064	2,285	1,238

Loans and advances that would be past due or impaired had the terms not been renegotiated amounted to HK\$102,880,000 as at 31 December 2011 (2010: HK\$199,855,000).

No items in “Other loans and receivables” are overdue or impaired as at 31 December 2011 and 2010.

Analysis of other loans and receivables by credit rating designation at 31 December, based on Standard & Poor's ratings or their equivalent is as follows:

		The Group and the Bank 本集團及本行	
		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
AA-to AA+	AA- 至 AA+	–	230,188
A-to A+	A- 至 A+	701,126	1,687,812
Lower than A–	A- 以下	503,663	884,314
		1,204,789	2,802,314

48. 財務風險管理(續)

(a) 信貸風險管理(續)

(viii) 借款及貸款之信貸質素(續)

向客戶授出而已逾期但並無減值之貸款賬齡分析如下：

於二零一一年十二月三十一日，倘條款不予重新磋商即為已逾期或已減值之借款及貸款金額為102,880,000港元(二零一零年：199,855,000港元)。

於二零一一年及二零一零年十二月三十一日，並無列入「其他貸款及應收款項」之項目是逾期或已減值。

以標準普爾之評級標準或相應之評級標準為基準按信貸評級對其他貸款及應收款項於十二月三十一日進行之分析如下：

48. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(ix) Credit quality of financial assets other than loans and advances

Credit risk that arises from investments in financial assets or debt securities is managed in the same way as the Group manages its corporate lending risk with the exposure being part of the overall lending limits to the counterparties. It is the Group's credit policy not to invest in debt securities that are below the grading of BBB+ from Standard & Poor's Rating Services or A-3 from Moody's Investors Services at the time of investing. Analysis of debt securities by credit rating designation at 31 December, based on Standard & Poor's ratings or their equivalent is as follows:

AAA	AAA
AA-to AA+	AA-至AA+
A-to A+	A-至A+
Lower than A-	A-以下
Unrated	無評級

48. 財務風險管理(續)

(a) 信貸風險管理(續)

(ix) 借款及貸款以外之金融資產之信貸質素

本集團按管理其公司借貸風險相同之方式管理金融資產或債務證券投資產生之信貸風險，所承擔之風險為交易對手整體借貸限額之一部分。本集團之信貸政策為，對於投資時，評級在標準普爾評級服務公司之評級BBB+以下或在穆迪投資者服務公司之評級A-3以下之債務證券，不予投資。以標準普爾之評級標準或相應之評級標準為基準按信貸評級對債務證券於十二月三十一日進行之分析如下：

The Group and the Bank

本集團及本行

2011
二零一一年

	Designated at fair value	Available- for-sale	Held-to- maturity	Total
Trading assets	profit or loss 指定為透過 持作交易 用途資產	financial assets 可供出售 金融資產	investments 持至到期投資	Total 總額
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元
	-	810,751	-	810,751
1,405,516	-	7,483,976	1,083,595	9,973,087
-	81,240	4,781,515	1,159,329	6,022,084
-	-	325,184	223,783	548,967
-	-	118,287	-	118,287
1,405,516	81,240	13,519,713	2,466,707	17,473,176

48. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(ix) Credit quality of financial assets other than loans and advances (continued)

AAA	AAA
AA-to AA+	AA-至AA+
A-to A+	A-至A+
Lower than A-	A-以下
Unrated	無評級

48. 財務風險管理(續)

(a) 信貸風險管理(續)

(ix) 借款及貸款以外之金融資產之信貸質素(續)

The Group and the Bank
本集團及本行2010
二零一零年

	Trading assets 持作交易 用途資產 HK\$'000 千港元	Designated at fair value through profit or loss 指定為通過 損益以反映 公平價值 HK\$'000 千港元	Available-for- sale financial assets 可供出售 金融資產 HK\$'000 千港元	Held-to- maturity investments 持至到期投資 HK\$'000 千港元	Total 總額 HK\$'000 千港元
	603	-	3,773,777	-	3,774,380
	966,055	-	10,249,597	1,159,772	12,375,424
	-	84,724	3,921,340	1,302,909	5,308,973
	-	-	313,224	-	313,224
	-	321,544	86,994	-	408,538
	966,658	406,268	18,344,932	2,462,681	22,180,539

There are no debt securities of the Group and the Bank overdue as at 31 December 2011 (2010: fair value of HK\$321.5 million, classified as "financial assets designated at fair value through profit or loss").

本集團及本行於二零一一年十二月三十一日並未持有已逾期債務證券(於二零一零年,已逾期債務證券的公平價值為321,500,000港元,歸類為「指定為通過損益以反映公平價值之金融資產」)。

48. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(x) Collateral and other credit enhancements

An estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

Fair value of collateral and other credit enhancements held against financial assets that are:	就下列金融資產所持有之抵押品及其他信貸提升措施之公平價值：
– Neither past due nor impaired	– 並無逾期或減值
– Past due but not impaired	– 已逾期但並無減值
– Impaired	– 已減值

48. 財務風險管理(續)

(a) 信貸風險管理(續)

(x) 抵押品及其他信貸提升措施

就金融資產所持有之抵押品及其他信貸提升措施之估計公平價值如下：

The Group 本集團		The Bank 本行	
2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
52,984,073	48,716,335	52,574,677	47,012,624
2,118	21,671	1,928	150
10,365	25,277	7,272	2,827
52,996,556	48,763,283	52,583,877	47,015,601

(xi) Collateral and other credit enhancements obtained

During the years 2011 and 2010, the Group did not obtain any assets by taking possession of collateral held as security.

As at 31 December 2011, total repossessed assets and assets acquired under lending agreements of the Group and the Bank amounted to HK\$6,200,000 (2010: HK\$26,700,000).

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. Repossessed property is classified in the balance sheet within other assets.

(xi) 已取得之抵押品及其他信貸提升措施

年內，本集團透過接管持作擔保之抵押品獲取之資產如下：

於二零一一年十二月三十一日，根據本集團及本行之借貸協議獲得之收回資產和資產總值為6,200,000港元(二零一零年：26,700,000港元)。

收回物業會盡快予以出售，所得之款項將用以削減未償還之債項。於資產負債表內，收回物業分類為其他資產。

48. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management**

Market risk arises on all market risk sensitive financial instruments, including securities, foreign exchange contracts, equity and other derivative instruments, as well as from balance sheet or structural positions. The Bank transacts in the money market, foreign exchange market, equity market and capital market giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, and market making activities, and offsetting transactions taken in order to hedge the Bank's open position. The Bank does not engage in significant proprietary trading.

The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board reviews and approves policies for the management of market risks including dealing authorities and limits. The Board has delegated the responsibility for ongoing general market risk management to the Asset and Liability Committee. This committee articulates the interest rate view of the Bank and decides on future business strategy with respect to interest rates. It also reviews and sets funding policy and ensures adherence to risk management objectives.

The Group has also established clear market risk policies, including limits, reporting lines and control procedures, which are reviewed regularly and approved by the Board. Market risk is managed within various limits approved by the Board. These limits are determined for each financial instrument and include limits on product volume, gross and net positions, position concentrations, mark to market limits, stop loss limits and risk position limits.

The sale of derivatives to customers as risk management products and the subsequent use of derivatives to manage the resulting position 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 derivative instruments used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to hedge these and other positions.

One of the tools used by the Group to monitor and limit market risk exposure is Value-at-risk (VAR). VAR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence. The calculation uses the variance-covariance model as the means to estimate the statistical confidence level.

48. 財務風險管理(續)**(b) 市場風險管理**

市場風險產生於所有對市場風險敏感之金融工具，包括證券、外匯合約、股票及其他衍生工具，以及資產負債表或結構性倉盤。本行在貨幣市場、外匯市場、股票市場及資本市場中進行交易，因而產生市場風險。本行就執行客戶指令、市場莊家活動，以及為對沖本行之未平倉盤而持有倉盤。本行並無參與重大自營交易。

市場風險管理之目標為避免盈利及股本遭受過度損失及減少本集團因金融工具本身固有波幅所引申之風險。

董事會檢討及審批有關市場風險管理之政策包括處理授權及限額事宜。董事會已將持續一般市場風險管理之責任授予資產負債委員會。該委員會負責因應本行對利率走勢之預測，而決定有關業務策略。該委員會亦審閱及制訂融資政策並確保各風險管理目標獲得遵從。

本集團亦制定清晰之市場風險政策，包括限額、報告制度及控制程序，並由董事會定期予以檢討及批准。市場風險乃在經由董事會批准之各限額內予以管理。此等限額乃就各金融工具釐定，包括就產品量、倉盤總額及淨額、倉盤集中度、按市場調整之限額、止蝕限額及風險倉盤限額設定之限額。

向客戶出售作為風險管理產品之衍生工具及其後使用衍生工具管理相關持倉，為本集團其中一項業務。該等工具亦用於管理本集團本身之市場風險，作為其資產及負債管理流程之一部分。本集團所採用之衍生工具主要為利率及匯率相關合約等場外交易衍生工具。本集團亦有參與交易所買賣之衍生工具。本集團大部分衍生工具持倉均為配合客戶需求以及為對沖此等和其他倉盤而訂立。

風險值(VAR)是本集團為監控及限制市場風險所採用之一種工具。風險值是一種按一既定信心水平及在特定持盤時間內，就市場利率及債務之變動而對持倉盤之潛在虧損之結算的技術。計算方式乃使用方差與協方差模式估計統計數字信心水平。

48. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management** (continued)

The VAR technique is only effective for potential loss events which are not correlated. The Group therefore augments its VAR limits with other positions and sensitivity limit structures. Additionally, the Group applies a wide range of sensitivity analysis, both on individual portfolios and on the Group's consolidated positions to assess the potential impact on the Group's earnings as a result of extreme movements in market prices.

*(i) Sensitivity analysis of market risk exposures***Trading market risk***Currency risk*

At 31 December 2011, if Hong Kong Dollar had strengthened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK\$0.3 million higher (2010: HK\$0.2 million lower).

Conversely, if Hong Kong Dollar had weakened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK\$0.3 million lower (2010: HK\$0.2 million higher).

Interest rate risk

The Group measures trading book interest rate risks through Present Value of Basis Point (PVBp). PVBp is a sensitivity test to measure the potential profit or loss fluctuation on interest rate positions upon a basis point movement.

The Group adopts a sensitivity test of a 25 basis points movement. At 31 December 2011, 25 basis points upward movement in interest rate would result in a downward profit movement of HK\$292,700 (2010: HK\$1.78 million). Conversely, 25 basis points downward movement in interest rate would result in an upward profit movement of HK\$292,700 (2010: HK\$1.78 million).

Equity risk

At 31 December 2011, the Group has no equity position in its trading portfolio. So, if the Hang Seng Index had increased or decreased by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index, earnings for the year would have no impact (2010: HK\$12,134 higher for 10% increase or HK\$12,134 lower for 10% decrease).

48. 財務風險管理 (續)**(b) 市場風險管理** (續)

VAR技術僅對不相關的潛在虧損事項有效。因此，本集團結合持其他倉盤及敏感性限額結構，以加強其風險值限額。此外，本集團對個別貸款組合及本集團之綜合狀況應用較廣範圍之敏感性分析，以評估市價之極端變動對本集團盈利之潛在影響。

*(i) 市場風險敏感度分析***交易市場風險***貨幣風險*

於二零一一年十二月三十一日，如港元兌其他貨幣升值0.5%並假設所有其他參數不變，本年度之除稅前溢利將為增加300,000港元(二零一零年：減少200,000港元)。

相反地，如港元兌其他貨幣貶值0.5%，並假設所有其他參數不變，本年度之除稅前溢利將為減少300,000港元(二零一零年：增加200,000港元)。

利率風險

本集團透過基點現值法計量交易賬利率風險。基點現值法是一項敏感度測試，用以計量基點變動對利率倉盤可能帶來之損益波動。

本集團採用25個基點變動之敏感度測試。於二零一一年十二月三十一日，利率調升25個基點將導致溢利下降292,700港元(二零一零年：1,780,000港元)。相反地，如果利率下調25個基點，溢利將上升292,700港元(二零一零年：1,780,000港元)。

股票風險

本集團於二零一一年十二月三十一日並無持有持作交易用途之股本證券，因此如果恒生指數上升或下降10%並假設所有其他參數不變及所有股本工具根據與指數之歷史相關性變動並不會對本年度盈利有任何影響(二零一零年：10%上升會增加盈利12,134港元，10%下降會減少盈利12,134港元)。

48. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management** (continued)*(i) Sensitivity analysis of market risks exposures (continued)***Non-trading market risk***Currency risk*

All of the Bank's foreign currency position arises from the Bank's non-trading activities (e.g. investments, lending and deposit taking) are captured and transferred to the Financial Markets group. The Financial Markets group monitors these foreign currency exposures and minimizes foreign currency asset and liability mismatch by entering into foreign currency spot and forward transactions. Market Risk Management Department monitors those outstanding foreign currency positions on a daily basis and report to the Asset and Liability Committee regularly.

Interest rate risk

Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets, liabilities and commitments. Interest rate risk is managed by the Financial Markets Group within limits approved by the Board, including interest rate gap limits. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

Structural interest rate risk arises primarily from the deployment of non-interest bearing liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Structural interest rate risk is monitored by the Asset and Liability Committee.

At 31 December 2011, if other market variables including prime rate were held constant, an increase in HKD market interest rates of 25 basis points would result in an increase in earnings over the next 12 months of HK\$6.8 million (2010: HK\$0.3 million increase), or an increase in economic value of HK\$0.9 million (2010: HK\$6.5 million increase); while an increase in USD market interest rates of 25 basis points would result in a decrease in earnings over the next 12 months of HK\$3.3 million (2010: HK\$9.8 million decrease), or an increase in economic value of HK\$8.6 million (2010: HK\$22.3 million increase).

48. 財務風險管理 (續)**(b) 市場風險管理** (續)*(i) 市場風險敏感度分析* (續)**非交易市場風險***貨幣風險*

本行所有來自非交易活動(如投資、放款及吸收存款等)的外匯部位均轉移到金融市場部名下。金融市場部負責管理此等外幣持倉，並以外幣現貨交易及遠期交易減少外幣資產及負債錯配。市場風險管理部負責每天監察此等外幣持倉並向資產負債委員會匯報。

利率風險

利率風險主要由計息資產、負債及承擔之再定息率時差引致，亦與包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債產生之倉盤有關。利率風險由財資部門管理，並維持在董事會批准之限額(包括利率差別限額)之內。本集團亦使用利率掉期及其他衍生工具管理利率風險。

結構利率風險主要由包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債所產生。結構利率風險由資產負債委員會監控。

於二零一一年十二月三十一日，假設其他市場參數(包括最優惠利率)維持不變，如果港元市場利率調升25個基點，將導致接下來12個月盈利增加6,800,000港元(二零一零年：增加300,000港元)，或經濟值增加900,000港元(二零一零年：增加6,500,000港元)；如果美元市場利率調升25個基點，將導致接下來12個月盈利減少3,300,000港元(二零一零年：減少9,800,000港元)，或經濟值增加8,600,000港元(二零一零年：增加22,300,000港元)。

48. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management** (continued)*(i) Sensitivity analysis of market risks exposures (continued)***Non-trading market risk (continued)***Interest rate risk (continued)*

Conversely, if other market variables including prime rate were held constant, a decrease in HKD market interest rates of 25 basis points would result in a decrease in earnings over the next 12 months of HK\$6.8 million (2010: HK\$0.3 million decrease), or a decrease in economic value of HK\$0.9 million (2010: HK\$6.5 million decrease); while a decrease in USD market interest rates of 25 basis points would result in an increase in earnings over the next 12 months of HK\$3.3 million (2010: HK\$9.8 million increase), or a decrease in economic value of HK\$8.6 million (2010: HK\$22.3 million decrease).

Equity risk

At 31 December 2011 and 2010, the Group does not hold non-trading listed equity securities. As such, movement in the Hang Seng Index would have no impact on the Group.

The Group holds non-trading unlisted equity investments and uses the net asset value reported by the management of the investee companies to determine the fair value of the investment. A sensitivity analysis on the fair value of these unlisted equity investments is disclosed in Note 45(a)(ii).

The method and assumptions used in the above sensitivity analysis on interest rate risk, currency risk and equity risk are performed on the same basis for both 2011 and 2010.

(ii) Analysis of currency risk exposures

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed by Financial Markets Group within limits approved by the Board. Structural foreign currency positions arise mainly on foreign currency investments in the Group's subsidiaries and associates of HK\$728.0 million as of 31 December 2011 (2010: HK\$461.0 million). The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

48. 財務風險管理 (續)**(b) 市場風險管理** (續)*(i) 市場風險敏感度分析* (續)**非交易市場風險** (續)*利率風險* (續)

相反地，假設其他市場參數(包括最優惠利率)維持不變，如果港元市場利率下調25個基點，將導致接下來12個月盈利減少6,800,000港元(二零一零年：減少300,000港元)，或經濟值減少900,000港元(二零一零年：減少6,500,000港元)；如果美元市場利率下調25個基點，將導致接下來12個月盈利增加3,300,000港元(二零一零年：增加9,800,000港元)，或經濟值減少8,600,000港元(二零一零年：減少22,300,000港元)。

股票風險

於二零一一年及二零一零年十二月三十一日，本集團並無持有非持作交易用途之股本證券。因此，恒生指數變動對本集團並無影響。

本公司持有非交易非上市股權投資，並使用被投資公司管理層報告之資產淨值釐定投資之公平值。該等非上市股權投資公平值的敏感度分析披露於附註45(a)(ii)。

上述對利率風險、貨幣風險及股票風險之敏感度分析所採用之方法及假設，就二零一一年及二零一零年而言所採用者乃屬相同。

(ii) 貨幣風險分析

本集團之外匯持倉源自外匯買賣、商業銀行業務及結構性外幣持倉。所有外幣持倉均由金融市場部管理，並維持在董事會所訂定之範圍內。結構性外幣持倉主要源自本集團於附屬及聯營公司於二零一一年十二月三十一日之外幣投資共728,000,000港元(二零一零年：461,000,000港元)。本集團設法將以外幣為單位之資產切實配對以同樣貨幣為單位之相應負債。

48. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

The following table indicates the concentration of currency risk at the balance sheet date:

		The Group 本集團			
		2011 二零一一年			
(Equivalent in HK\$'000)	(千港元等值)	US Dollars 美元	Chinese Renminbi 人民幣	Australian Dollars 澳元	Other currencies 其他貨幣
ASSETS		資產			
Cash and short-term funds	現金及短期資金	2,684,391	938,920	6,576	43,480
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	819,340	660,190	-	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	81,240	-	-	-
Advances to customers less impairment allowances	客戶貸款減減值撥備	5,293,725	-	-	155,416
Other loans and receivables	其他貸款及應收款項	803,390	-	-	401,399
Accrued interest and other assets	應計利息及其他資產	345,079	135,607	24,423	44,159
Available-for-sale financial assets	可供出售金融資產	5,936,893	482,411	2,759,284	1,790,434
Held-to-maturity investments	持至到期投資	2,466,707	-	-	-
Interests in associates	於聯營公司之權益	-	800,952	-	-
Fixed assets	固定資產	-	80	-	-
Spot assets	現貨資產	18,430,765	3,018,160	2,790,283	2,434,888
LIABILITIES		負債			
Deposits and balances of banks	銀行同業之存款及結餘	3,238,937	98,720	207	201,800
Deposits from customers	客戶存款	10,364,720	1,842,329	2,907,323	1,710,386
Certificates of deposit issued	已發行存款證	403,622	-	-	-
Debt securities issued	已發行債務證券	278,265	-	3,174	-
Other liabilities	其他負債	246,594	14,570	16,619	14,117
Subordinated notes issued	已發行後償票據	1,540,299	-	-	-
Spot liabilities	現貨資產	16,072,437	1,955,619	2,927,323	1,926,303
Net on-balance sheet position	資產負債表內持倉淨額	2,358,328	1,062,541	(137,040)	508,585
Off-balance sheet position	資產負債表外倉盤				
Foreign exchange derivative contracts	外匯衍生合約	(1,637,938)	(109,684)	64,214	(524,520)
Net aggregate position	總持倉淨額	720,390	952,857	(72,826)	(15,935)
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債	290,913	-	-	45,878

50. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險分析(續)

下表列示於結算日之貨幣風險集中度：

		The Group 本集團			
		2011 二零一一年			
(Equivalent in HK\$'000)	(千港元等值)	US Dollars 美元	Chinese Renminbi 人民幣	Australian Dollars 澳元	Other currencies 其他貨幣
ASSETS		資產			
Cash and short-term funds	現金及短期資金	2,684,391	938,920	6,576	43,480
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	819,340	660,190	-	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	81,240	-	-	-
Advances to customers less impairment allowances	客戶貸款減減值撥備	5,293,725	-	-	155,416
Other loans and receivables	其他貸款及應收款項	803,390	-	-	401,399
Accrued interest and other assets	應計利息及其他資產	345,079	135,607	24,423	44,159
Available-for-sale financial assets	可供出售金融資產	5,936,893	482,411	2,759,284	1,790,434
Held-to-maturity investments	持至到期投資	2,466,707	-	-	-
Interests in associates	於聯營公司之權益	-	800,952	-	-
Fixed assets	固定資產	-	80	-	-
Spot assets	現貨資產	18,430,765	3,018,160	2,790,283	2,434,888
LIABILITIES		負債			
Deposits and balances of banks	銀行同業之存款及結餘	3,238,937	98,720	207	201,800
Deposits from customers	客戶存款	10,364,720	1,842,329	2,907,323	1,710,386
Certificates of deposit issued	已發行存款證	403,622	-	-	-
Debt securities issued	已發行債務證券	278,265	-	3,174	-
Other liabilities	其他負債	246,594	14,570	16,619	14,117
Subordinated notes issued	已發行後償票據	1,540,299	-	-	-
Spot liabilities	現貨資產	16,072,437	1,955,619	2,927,323	1,926,303
Net on-balance sheet position	資產負債表內持倉淨額	2,358,328	1,062,541	(137,040)	508,585
Off-balance sheet position	資產負債表外倉盤				
Foreign exchange derivative contracts	外匯衍生合約	(1,637,938)	(109,684)	64,214	(524,520)
Net aggregate position	總持倉淨額	720,390	952,857	(72,826)	(15,935)
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債	290,913	-	-	45,878

48. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

(Equivalent in HK\$'000)	(千港元等值)	US Dollars 美元	Chinese Renminbi 人民幣	Australian Dollars 澳元	Other currencies 其他貨幣
ASSETS	資產				
Cash and short-term funds	現金及短期資金	1,012,722	952,845	7,155	40,354
Balances with banks and other financial institutions	銀行同業及其他 金融機構結餘	1,935,669	-	-	-
Financial assets designated at fair value through profit or loss	指定為通過損益 以反映公平價值之金融資產	324,812	-	-	-
Advances to customers less impairment allowances	客戶貸款減減值撥備	4,126,100	-	-	54,134
Other loans and receivables	其他貸款及應收款項	2,391,460	-	-	410,854
Accrued interest and other assets	應計利息及其他資產	213,987	217	42,227	48,698
Available-for-sale financial assets	可供出售金融資產	9,076,638	60,168	2,679,671	1,952,088
Held-to-maturity investments	持至到期投資	2,462,681	-	-	-
Interests in associates	於聯營公司之權益	-	532,353	-	-
Fixed assets	固定資產	-	293	-	-
Spot assets	現貨資產	21,544,069	1,545,876	2,729,053	2,506,128
LIABILITIES	負債				
Deposits and balances of banks	銀行同業之存款及結餘	1,958,191	-	166	214,919
Deposits from customers	客戶存款	13,976,826	904,767	2,349,691	2,099,148
Certificates of deposit issued	已發行存款證	210,362	-	-	-
Debt securities issued	已發行債務證券	30,318	-	11,083	-
Other liabilities	其他負債	473,194	3,477	8,623	20,317
Subordinated notes issued	已發行後償票據	3,137,286	-	-	-
Spot liabilities	現貨負債	19,786,177	908,244	2,369,563	2,334,384
Net on-balance sheet position	資產負債表內持倉淨額	1,757,892	637,632	359,490	171,744
Off-balance sheet position	資產負債表外倉盤				
Foreign exchange derivative contracts	外匯衍生合約	(1,230,705)	(75,542)	(372,900)	(171,513)
Net aggregate position	總持倉淨額	527,187	562,090	(13,410)	231
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸 承擔及其他 或然負債	545,774	-	-	175,431

48. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險分析(續)

		The Group 本集團			
		2010 二零一零年			
		US Dollars 美元	Chinese Renminbi 人民幣	Australian Dollars 澳元	Other currencies 其他貨幣
ASSETS	資產				
Cash and short-term funds	現金及短期資金	1,012,722	952,845	7,155	40,354
Balances with banks and other financial institutions	銀行同業及其他 金融機構結餘	1,935,669	-	-	-
Financial assets designated at fair value through profit or loss	指定為通過損益 以反映公平價值之金融資產	324,812	-	-	-
Advances to customers less impairment allowances	客戶貸款減減值撥備	4,126,100	-	-	54,134
Other loans and receivables	其他貸款及應收款項	2,391,460	-	-	410,854
Accrued interest and other assets	應計利息及其他資產	213,987	217	42,227	48,698
Available-for-sale financial assets	可供出售金融資產	9,076,638	60,168	2,679,671	1,952,088
Held-to-maturity investments	持至到期投資	2,462,681	-	-	-
Interests in associates	於聯營公司之權益	-	532,353	-	-
Fixed assets	固定資產	-	293	-	-
Spot assets	現貨資產	21,544,069	1,545,876	2,729,053	2,506,128
LIABILITIES	負債				
Deposits and balances of banks	銀行同業之存款及結餘	1,958,191	-	166	214,919
Deposits from customers	客戶存款	13,976,826	904,767	2,349,691	2,099,148
Certificates of deposit issued	已發行存款證	210,362	-	-	-
Debt securities issued	已發行債務證券	30,318	-	11,083	-
Other liabilities	其他負債	473,194	3,477	8,623	20,317
Subordinated notes issued	已發行後償票據	3,137,286	-	-	-
Spot liabilities	現貨負債	19,786,177	908,244	2,369,563	2,334,384
Net on-balance sheet position	資產負債表內持倉淨額	1,757,892	637,632	359,490	171,744
Off-balance sheet position	資產負債表外倉盤				
Foreign exchange derivative contracts	外匯衍生合約	(1,230,705)	(75,542)	(372,900)	(171,513)
Net aggregate position	總持倉淨額	527,187	562,090	(13,410)	231
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸 承擔及其他 或然負債	545,774	-	-	175,431

48. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

(Equivalent in HK\$'000)	(千港元等值)
ASSETS	資產
Cash and short-term funds	現金及短期資金
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Advances to customers less impairment allowances	客戶貸款減減值撥備
Other loans and receivables	其他貸款及應收款項
Accrued interest and other assets	應計利息及其他資產
Available-for-sale financial assets	可供出售金融資產
Held-to-maturity investments	持至到期投資
Interests in associates	於聯營公司之投資
Investments in subsidiaries	附屬公司投資
Amounts due from subsidiaries	應收附屬公司款項
Fixed assets	固定資產
Spot assets	現貨資產
LIABILITIES	負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Certificates of deposit issued	已發行存款證
Debt securities issued	已發行債務證券
Other liabilities	其他負債
Amounts due to subsidiaries	應付附屬公司款項
Subordinated notes issued	已發行後償票據
Spot liabilities	現貨負債
Net on-balance sheet position	資產負債表內持倉淨額
Off-balance sheet position	資產負債表外倉盤
Foreign exchange derivative contracts	外匯衍生合約
Net aggregate position	總持倉淨額
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他

48. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險分析(續)

The Bank 本行			
2011 二零一一年			
US Dollars 美元	Chinese Renminbi 人民幣	Australian Dollars 澳元	Other currencies 其他貨幣
2,605,883	938,762	6,576	43,265
819,340	660,190	-	-
81,240	-	-	-
5,293,725	-	-	155,416
803,390	-	-	401,399
333,546	135,607	24,423	44,159
5,936,893	482,411	2,759,284	1,790,434
2,466,707	-	-	-
-	650,391	-	-
77,581	-	-	247
849	-	-	-
-	80	-	-
18,419,154	2,867,441	2,790,283	2,434,920
3,238,937	98,720	207	201,800
10,364,720	1,842,329	2,907,323	1,710,386
403,622	-	-	-
278,265	-	3,174	-
246,577	14,234	16,619	13,975
2,490	112	3	773
1,540,299	-	-	-
16,074,910	1,955,395	2,927,326	1,926,934
2,344,244	912,046	(137,043)	507,986
(1,637,938)	(109,684)	64,214	(524,520)
706,306	802,362	(72,829)	(16,534)
290,913	-	-	45,878

48. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Analysis of currency risk exposures (continued)

(Equivalent in HK\$'000)	(千港元等值)	US Dollars 美元	Chinese Renminbi 人民幣	Australian Dollars 澳元	Other currencies 其他貨幣
ASSETS	資產				
Cash and short-term funds	現金及短期資金	1,011,357	952,786	7,155	40,160
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	1,858,707	-	-	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	324,812	-	-	-
Advances to customers less impairment allowances	客戶貸款減減值撥備	4,126,100	-	-	54,134
Other loans and receivables	其他貸款及應收款項	2,391,460	-	-	410,854
Accrued interest and other assets	應計利息及其他資產	207,780	197	42,227	48,699
Available-for-sale financial assets	可供出售金融資產	9,076,636	60,168	2,679,672	1,952,088
Held-to-maturity investments	持至到期投資	2,462,681	-	-	-
Interests in associates	於聯營公司之投資	-	508,601	-	-
Investments in subsidiaries	附屬公司投資	77,581	-	-	247
Amounts due from subsidiaries	應收附屬公司款項	850	-	-	-
Fixed assets	固定資產	-	293	-	-
Spot assets	現貨資產	21,537,964	1,522,045	2,729,054	2,506,182
LIABILITIES	負債				
Deposits and balances of banks	銀行同業之存款及結餘	1,958,192	-	166	214,919
Deposits from customers	客戶存款	13,978,088	904,766	2,349,694	2,099,632
Certificates of deposit issued	已發行存款證	210,362	-	-	-
Debt securities issued	已發行債務證券	30,318	-	11,083	-
Other liabilities	其他負債	239,961	3,126	8,623	20,187
Amounts due to subsidiaries	應付附屬公司款項	6,010	-	3	589
Subordinated notes issued	已發行後償票據	3,137,286	-	-	-
Spot liabilities	現貨負債	19,560,217	907,892	2,369,569	2,335,327
Net on-balance sheet position	資產負債表內持倉淨額	1,977,747	614,153	359,485	170,855
Off-balance sheet position	資產負債表外倉盤				
Foreign exchange derivative contracts	外匯衍生合約	(1,230,705)	(75,542)	(372,900)	(171,513)
Net aggregate position	總持倉淨額	747,042	538,611	(13,415)	(658)
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債	545,774	-	-	175,431

50. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險分析(續)

		The Bank 本行			
		2010 二零一零年			
		US Dollars 美元	Chinese Renminbi 人民幣	Australian Dollars 澳元	Other currencies 其他貨幣
ASSETS	資產				
Cash and short-term funds	現金及短期資金	1,011,357	952,786	7,155	40,160
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	1,858,707	-	-	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	324,812	-	-	-
Advances to customers less impairment allowances	客戶貸款減減值撥備	4,126,100	-	-	54,134
Other loans and receivables	其他貸款及應收款項	2,391,460	-	-	410,854
Accrued interest and other assets	應計利息及其他資產	207,780	197	42,227	48,699
Available-for-sale financial assets	可供出售金融資產	9,076,636	60,168	2,679,672	1,952,088
Held-to-maturity investments	持至到期投資	2,462,681	-	-	-
Interests in associates	於聯營公司之投資	-	508,601	-	-
Investments in subsidiaries	附屬公司投資	77,581	-	-	247
Amounts due from subsidiaries	應收附屬公司款項	850	-	-	-
Fixed assets	固定資產	-	293	-	-
Spot assets	現貨資產	21,537,964	1,522,045	2,729,054	2,506,182
LIABILITIES	負債				
Deposits and balances of banks	銀行同業之存款及結餘	1,958,192	-	166	214,919
Deposits from customers	客戶存款	13,978,088	904,766	2,349,694	2,099,632
Certificates of deposit issued	已發行存款證	210,362	-	-	-
Debt securities issued	已發行債務證券	30,318	-	11,083	-
Other liabilities	其他負債	239,961	3,126	8,623	20,187
Amounts due to subsidiaries	應付附屬公司款項	6,010	-	3	589
Subordinated notes issued	已發行後償票據	3,137,286	-	-	-
Spot liabilities	現貨負債	19,560,217	907,892	2,369,569	2,335,327
Net on-balance sheet position	資產負債表內持倉淨額	1,977,747	614,153	359,485	170,855
Off-balance sheet position	資產負債表外倉盤				
Foreign exchange derivative contracts	外匯衍生合約	(1,230,705)	(75,542)	(372,900)	(171,513)
Net aggregate position	總持倉淨額	747,042	538,611	(13,415)	(658)
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債	545,774	-	-	175,431

48. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Analysis of interest rate risk exposures

The following tables indicate the effective interest rates for the relevant periods and the mismatches of the expected interest repricing dates for interest-bearing assets and liabilities at the balance sheet date. Actual repricing dates may differ from the contractual dates owing to prepayments and the exercise of options.

		The Group 本集團					
		2011 二零一一年					
	Average effective interest rate	3 months or less (include Total)	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	
	平均實際利率	總額	逾期部份	三個月以上至一年	一年以上至五年	五年以上	不計息
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
ASSETS	資產						
Cash and short-term funds	現金及短期資金	0.90%	4,382,197	3,844,544	-	-	537,653
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2.20%	1,479,530	1,226,560	252,970	-	-
Trading assets	持作交易用途資產	0.16%	1,405,516	1,402,635	-	2,881	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	2.39%	81,240	-	-	81,240	-
Derivative financial instruments	衍生金融工具	N/A	494,636	-	-	-	494,636
Advances to customers less impairment allowances	客戶貸款減減值撥備	2.43%	32,238,466	30,643,057	1,162,952	408,786	14,766
Other loans and receivables	其他貸款及應收款項	2.30%	1,204,789	949,167	178,168	77,454	-
Available-for-sale financial assets	可供出售金融資產	2.75%	13,731,020	6,051,248	2,779,362	2,821,511	1,858,344
Held-to-maturity investments	持至到期投資	4.92%	2,466,707	-	233,324	760,064	1,473,319
Other assets	其他資產	3.00%	2,771,759	64,488	149,923	-	2,557,348
			60,255,860	44,181,699	4,756,699	4,151,936	3,346,429
							3,819,097
LIABILITIES	負債						
Deposits and balances of banks	銀行同業之存款及結餘	0.61%	4,019,428	3,920,459	20,000	-	78,969
Deposits from customers	客戶存款	1.41%	43,788,167	37,191,308	6,234,601	-	362,258
Trading liabilities	交易賬項下之負債	0.29%	1,382,980	1,379,834	-	3,146	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	0.68%	333,965	-	-	-	333,965
Certificates of deposit issued	已發行存款證	1.49%	942,780	700,321	242,459	-	-
Debt securities issued	已發行債務證券	1.57%	683,041	672,556	-	10,485	-
Derivative financial instruments	衍生金融工具	N/A	538,491	-	-	-	538,491
Subordinated notes issued	已發行後償票據	6.25%	1,540,299	-	-	-	1,540,299
Other liabilities	其他負債	0.38%	1,974,429	1,299,959	-	-	674,470
			55,203,580	45,164,437	6,497,060	13,631	1,874,264
				(982,738)	(1,740,361)	4,138,305	1,472,165
Interest rate sensitivity gap	利率敏感度差距						

Derivative financial instruments are carried at mark-to-market values. Note 19(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

48. 財務風險管理(續)

(b) 市場風險管理(續)

(iii) 利率風險分析

下表列示於結算日付息資產與負債於相關期間之實際利率及於預期利息重訂價格日期之錯配。由於預付及行使期權，實際重訂價格日期可能不同於合約日期。

衍生金融工具按市值計價列賬。附註19(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

48. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Analysis of interest rate risk exposures (continued)

		The Group 本集團					
		2010 二零一零年					
	Average effective interest rate	Total	3 months or less (include 3 months or less)	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing
	平均實際利率	總額	三個月或以下(包括逾部份)	三個月以上至一年	一年以上至五年	五年以上	不計息
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
ASSETS		資產					
Cash and short-term funds	0.64%	2,777,351	1,901,782	-	-	-	875,569
Balances with banks and other financial institutions	0.84%	2,135,669	1,591,496	544,173	-	-	-
Trading assets	0.32%	966,773	65,578	898,092	2,988	-	115
Financial assets designated at fair value through profit or loss	2.54%	406,268	-	-	84,724	-	321,544
Derivative financial instruments	N/A	491,633	-	-	-	-	491,633
Advances to customers less impairment allowances	2.23%	28,860,971	27,600,817	823,707	375,132	20,742	40,573
Other loans and receivables	1.95%	2,802,314	2,301,080	99,974	401,260	-	-
Available-for-sale financial assets	2.29%	18,555,834	5,208,794	5,556,402	6,090,388	1,480,092	220,158
Held-to-maturity investments	4.91%	2,462,681	-	77,739	910,502	1,474,440	-
Other assets	1.66%	2,320,141	117,171	-	-	-	2,202,970
		61,779,635	38,786,718	8,000,087	7,864,994	2,975,274	4,152,562
LIABILITIES		負債					
Deposits and balances of banks	0.29%	3,382,793	3,227,412	-	-	-	155,381
Deposits from customers	0.85%	46,038,161	40,381,695	5,212,889	42,024	-	401,553
Trading liabilities	0.11%	920,695	917,483	-	3,212	-	-
Financial liabilities designated at fair value through profit or loss	0.73%	263,986	-	-	-	263,986	-
Certificates of deposit issued	1.07%	797,951	562,578	6,800	228,573	-	-
Debt securities issued	1.48%	41,401	38,234	3,167	-	-	-
Derivative financial instruments	N/A	577,314	-	-	-	-	577,314
Subordinated notes issued	3.57%	3,137,286	-	1,596,605	-	1,540,681	-
Other liabilities	0.68%	1,525,780	601,445	-	208,092	-	716,243
		56,685,367	45,728,847	6,819,461	481,901	1,804,667	1,850,491
Interest rate sensitivity gap			(6,942,129)	1,180,626	7,383,093	1,170,607	

Derivative financial instruments are carried at mark-to-market values. Note 19(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註19(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

48. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Analysis of interest rate risk exposures (continued)

		The Bank 本行					
		2011 二零一一年					
	Average effective interest rate	3 months or less (include Total)	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	
	平均實際利率	總額	逾期部份	三個月以上至一年	一年以上至五年	五年以上	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
ASSETS	資產						
Cash and short-term funds	現金及短期資金	0.90%	4,302,752	3,844,544	-	-	458,208
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2.20%	1,479,530	1,226,560	252,970	-	-
Trading assets	持作交易用途資產	0.16%	1,405,516	1,402,635	-	2,881	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	2.39%	81,240	-	-	81,240	-
Derivative financial instruments	衍生金融工具	N/A	494,636	-	-	-	494,636
Advances to customers less impairment allowances	客戶貸款減減值撥備	2.43%	32,144,994	30,582,112	1,140,803	400,310	14,766
Other loans and receivables	其他貸款及應收款項	2.30%	1,204,789	949,167	178,168	77,454	-
Available-for-sale financial assets	可供出售金融資產	2.75%	13,731,018	6,051,248	2,779,362	2,821,511	1,858,344
Held-to-maturity investments	持至到期投資	4.92%	2,466,707	-	233,324	760,064	1,473,319
Amount due from subsidiaries	應收附屬公司款項	N/A	12,950	-	-	-	12,950
Other assets	其他資產	3.00%	2,745,137	64,488	149,923	-	2,530,726
			60,069,269	44,120,754	4,734,550	4,143,460	3,346,429
							3,724,076
LIABILITIES	負債						
Deposits and balances of banks	銀行同業之存款及結餘	0.61%	4,019,428	3,920,459	20,000	-	78,969
Deposits from customers	客戶存款	1.41%	43,788,167	37,191,308	6,234,601	-	362,258
Trading liabilities	交易賬項下之負債	0.29%	1,382,980	1,379,834	-	3,146	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	0.68%	333,965	-	-	-	333,965
Certificates of deposit issued	已發行存款證	1.49%	942,780	700,321	242,459	-	-
Debt securities issued	已發行債務證券	1.57%	683,041	672,556	-	10,485	-
Derivative financial instruments	衍生金融工具	N/A	538,491	-	-	-	538,491
Amounts due to subsidiaries	應付附屬公司款項	0.11%	142,744	76,019	-	-	66,725
Subordinated notes issued	已發行後償票據	6.25%	1,540,299	-	-	-	1,540,299
Other liabilities	其他負債	0.38%	1,953,867	1,299,959	-	-	653,908
			55,325,762	45,240,456	6,497,060	13,631	1,874,264
							1,700,351
Interest rate sensitivity gap	利率敏感度差距			(1,119,702)	(1,762,510)	4,129,829	1,472,165

Derivative financial instruments are carried at mark-to-market values. Note 19(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註19(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

48. 財務風險管理(續)

(b) 市場風險管理(續)

(iii) 利率風險分析(續)

		The Bank 本行					
		2011 二零一一年					
	Average effective interest rate	3 months or less (include Total)	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	
	平均實際利率	總額	逾期部份	三個月以上至一年	一年以上至五年	五年以上	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
ASSETS	資產						
Cash and short-term funds	現金及短期資金	0.90%	4,302,752	3,844,544	-	-	458,208
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2.20%	1,479,530	1,226,560	252,970	-	-
Trading assets	持作交易用途資產	0.16%	1,405,516	1,402,635	-	2,881	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	2.39%	81,240	-	-	81,240	-
Derivative financial instruments	衍生金融工具	N/A	494,636	-	-	-	494,636
Advances to customers less impairment allowances	客戶貸款減減值撥備	2.43%	32,144,994	30,582,112	1,140,803	400,310	14,766
Other loans and receivables	其他貸款及應收款項	2.30%	1,204,789	949,167	178,168	77,454	-
Available-for-sale financial assets	可供出售金融資產	2.75%	13,731,018	6,051,248	2,779,362	2,821,511	1,858,344
Held-to-maturity investments	持至到期投資	4.92%	2,466,707	-	233,324	760,064	1,473,319
Amount due from subsidiaries	應收附屬公司款項	N/A	12,950	-	-	-	12,950
Other assets	其他資產	3.00%	2,745,137	64,488	149,923	-	2,530,726
			60,069,269	44,120,754	4,734,550	4,143,460	3,346,429
							3,724,076
LIABILITIES	負債						
Deposits and balances of banks	銀行同業之存款及結餘	0.61%	4,019,428	3,920,459	20,000	-	78,969
Deposits from customers	客戶存款	1.41%	43,788,167	37,191,308	6,234,601	-	362,258
Trading liabilities	交易賬項下之負債	0.29%	1,382,980	1,379,834	-	3,146	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	0.68%	333,965	-	-	-	333,965
Certificates of deposit issued	已發行存款證	1.49%	942,780	700,321	242,459	-	-
Debt securities issued	已發行債務證券	1.57%	683,041	672,556	-	10,485	-
Derivative financial instruments	衍生金融工具	N/A	538,491	-	-	-	538,491
Amounts due to subsidiaries	應付附屬公司款項	0.11%	142,744	76,019	-	-	66,725
Subordinated notes issued	已發行後償票據	6.25%	1,540,299	-	-	-	1,540,299
Other liabilities	其他負債	0.38%	1,953,867	1,299,959	-	-	653,908
			55,325,762	45,240,456	6,497,060	13,631	1,874,264
							1,700,351
Interest rate sensitivity gap	利率敏感度差距			(1,119,702)	(1,762,510)	4,129,829	1,472,165

48. FINANCIAL RISK MANAGEMENT (continued)**(c) Liquidity risk management**

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

Liquidity is managed on a daily basis by the Funding Centre department under the direction of the Asset and Liability Committee. The Funding Centre department is responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to prevent price and reinvestment rate risk in case of a maturity gap, and monitoring relevant markets for the adequacy of funding and liquidity.

As part of its liquidity risk management, the Group focuses on a number of components, including maintaining sufficient liquid assets, maintaining diversified sources of liquidity, reserving necessary funding capacity and contingent planning. The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudential limits. In order to lengthen the duration of the funding, the Bank periodically issues certificates of deposit with different maturities. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business. The Group regularly performs stress tests on its liquidity position.

The Group's consolidated average liquidity ratio for the year ended 31 December 2011 was well above the statutory minimum ratio of 25%.

48. 財務風險管理(續)**(c) 流動資金風險管理**

流動資金風險管理旨在確保足夠現金流量以滿足所有財務承擔及業務擴展之所需。有關措施涵蓋本集團應付因客戶需要或合約到期產生之存款提取、於借款到期時因償還貸款、為符合法定流動資金比率所需保持資金流動性及當新貸款及投資機會出現時所需資金的能力。

資金部在資產負債委員會指導下每日對流動資金進行管理。資金部負責確保本集團擁有所有營運活動所需之充足流動資金、確保資金之適當組合以避免期限錯配並在存在年期差距時防止價格及再投資利率風險並為確保充足資金及流動資金監控相關市場。

作為其流動資金風險管理之一部分，本集團集中於數個項目，包括保持充足流動資產、拓闊流動資金來源、維持所需的融資能力及應變計劃。本集團透過持有充足適當質量之流動資產(如現金及短期基金與證券)確保短期資金需求在審慎限額內來管理流動資金風險。為延長資金之持續期，本行定期發行不同到期期限之存款證。維持適當之備用貸款以提供策略性流動資金應付正常業務過程中可能出現之突然及重大現金流出。本集團定期對其流動資金狀況進行壓力測試。

本集團於截至二零一一年十二月三十一日止年度之綜合平均流動資金比率遠高於法定最低比率25%。

48. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

Of which:	其中：
Debt securities held*	持有債務證券*
- Included in trading assets	- 納入持作交易用途資產
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映公平價值之金融資產
- Included in other loans and receivable	- 納入貸款及應收款項
- Included in available-for-sale financial assets	- 納入可供出售金融資產
- Included in held-to-maturity investments	- 納入持至到期投資
Certificates of deposit issued	已發行存款證
- Stated at amortised cost	- 按攤銷成本列賬

* The amount of debt securities held included certificate of deposits held.

48. 財務風險管理(續)

(c) 流動資金風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

		The Group 本集團							
		2011 二零一一年							
		Repayable Total		Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
總額	即時還款	一個月內	三個月以內	三個月以上	一年以內	一年以上	五年以上	無定期 或逾期	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
1,405,516	-	34,998	1,367,637	-	2,881	-	-	-	
81,240	-	-	-	-	81,240	-	-	-	
1,204,789	-	-	-	646,862	557,927	-	-	-	
13,519,713	-	451,677	1,485,979	3,092,394	6,264,136	2,216,279	9,248	-	
2,466,707	-	-	-	155,658	760,064	1,550,985	-	-	
18,677,965	-	486,675	2,853,616	3,894,914	7,666,248	3,767,264	9,248	-	
942,780	-	66,032	261,001	246,582	369,165	-	-	-	

* 持有債務證券的金額已計入持有存款證。

48. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Group 本集團						
		2010 二零一零年						
		Repayable	Within 1	Over 1	Over 3	Over 1	Over 5	Undated or
		Total	month	month but	months but	year but	years	overdue
		on demand	month	within 3	within 1	within 5	years	or overdue
			month	months	year	years	years	無定期
			一個月內	三個月以內	一年以內	五年以內	五年以上	或逾期
		總額	總額	總額	總額	總額	總額	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
ASSETS	資產							
Cash and short-term funds	現金及短期資金	2,777,351	1,815,403	961,948	-	-	-	-
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2,135,669	-	109,579	1,481,917	544,173	-	-
Trading assets	持作交易用途資產	966,773	-	-	65,578	898,092	2,988	115
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	406,268	-	-	-	-	84,724	321,544
Derivative financial instruments	衍生金融工具	491,633	-	-	-	-	-	491,633
Advances to customers less impairment allowances	客戶貸款減減值撥備	28,860,971	767,013	2,586,154	1,639,363	3,059,731	10,114,694	10,649,837
Other loans and receivables	其他貸款及應收款項	2,802,314	-	-	-	1,246,202	1,556,112	-
Available-for-sale financial assets	可供出售金融資產	18,555,834	-	463,979	269,119	5,950,858	9,795,459	1,856,262
Held-to-maturity investments	持至到期投資	2,462,681	-	-	-	-	910,502	1,552,179
Other assets	其他資產	2,320,141	-	400,454	81,719	55,430	1,811	-
		61,779,635	2,582,416	4,522,114	3,537,696	11,754,486	22,466,290	14,058,278
								2,858,355
LIABILITIES	負債							
Deposits and balances of banks	銀行同業之存款及結餘	3,382,793	155,381	3,141,899	85,513	-	-	-
Deposits from customers	客戶存款	46,038,161	14,489,262	18,840,440	7,440,797	5,212,889	49,487	5,286
Trading liabilities	交易賬項下之負債	920,695	-	917,483	-	-	3,212	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	263,986	-	-	-	-	-	263,986
Certificates of deposit issued	已發行存款證	797,951	-	66,610	169,062	306,800	255,479	-
Debt securities issued	已發行債務證券	41,401	-	-	3,110	30,517	7,774	-
Derivative financial instruments	衍生金融工具	577,314	-	-	-	-	-	577,314
Subordinated notes issued	已發行後償票據	3,137,286	-	-	-	-	-	3,137,286
Other liabilities	其他負債	1,525,780	-	546,759	231,490	72,793	208,954	-
		56,685,367	14,644,643	23,513,191	7,929,972	5,622,999	524,906	3,406,558
								1,043,098
Net liquidity gap	流動資金缺口淨額	12,062,227	18,991,077	4,392,276	(6,131,487)	(21,941,384)	(10,651,720)	

Derivative financial instruments are carried at mark-to-market values. Note 19(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註19(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

48. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Group 本集團							
		2010 二零一零年							
		Over 1 month but	Over 3 months but	Over 1 within 1 year	Over 1 within 5 years	Over 5 years	Undated or overdue		
Total	Repayable on demand	Within 1 month	within 3 months	within 1 year	within 5 years	Over 5 years	Undated or overdue		
總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上	無定期 或逾期		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Of which:									
Debt securities held*	其中： 持有債務證券*								
- Included in trading assets	- 納入持作交易用途資產			65,578	898,092	2,988	-	-	
- Included in financial assets designated at fair value through profit or loss	- 納入指定為透過 損益以反映公平 價值之金融資產	406,268	-	-	-	84,724	-	321,544	
- Included in other loans and receivable	- 納入貸款及應收款項	2,802,314	-	-	1,246,202	1,556,112	-	-	
- Included in available-for-sale financial assets	- 納入可供出售金融資產	18,344,932	463,979	269,119	5,950,858	9,795,459	1,856,262	9,255	
- Included in held-to-maturity investments	- 納入持至到期投資	2,462,681	-	-	-	910,502	1,552,179	-	
		24,982,853	-	463,979	334,697	8,095,152	12,349,785	3,408,441	330,799
Certificates of deposit issued	已發行存款證								
- Stated at amortised cost	- 按攤銷成本列賬	797,951	-	66,610	169,062	306,800	255,479	-	-

* The amount of debt securities held included certificate of deposits held.

* 持有債務證券的金額已計入持有存款證。

48. 財務風險管理(續)

(c) 流動資金風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

48. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Bank 本行							
		2011 二零一一年							
		Repayable		Within 1	Over 1	Over 3	Over 1	Over 5	Undated or
		Total	on demand	month	month but	months but	year but	years	overdue
					within 3	within 1	within 5		
					months	year	years		
					一個月以上	三個月以上	一年以上		
					三個月以內	一年以內	五年以內	五年以上	無定期
		總額	即時還款	一個月內	一個月以上	三個月以內	五年以內	五年以上	或逾期
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
ASSETS	資產								
Cash and short-term funds	現金及短期資金	4,302,752	1,166,593	3,136,159	-	-	-	-	-
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	1,479,530	-	120,346	873,216	485,968	-	-	-
Trading assets	持作交易用途資產	1,405,516	-	34,998	1,367,637	-	2,881	-	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	81,240	-	-	-	-	81,240	-	-
Derivative financial instruments	衍生金融工具	494,636	-	-	-	-	-	-	494,636
Advances to customers less impairment allowances	客戶貸款減減值撥備	32,144,994	760,504	2,407,023	2,335,912	4,517,002	10,839,793	11,272,733	12,027
Other loans and receivables	其他貸款及應收款項	1,204,789	-	-	-	646,862	557,927	-	-
Available-for-sale financial assets	可供出售金融資產	13,731,018	-	451,677	1,485,979	3,092,394	6,264,136	2,216,279	220,553
Held-to-maturity investments	持至到期投資	2,466,707	-	-	-	155,658	760,064	1,550,985	-
Amounts due from subsidiaries	應收附屬公司款項	12,950	2,556	-	-	-	-	-	10,394
Other assets	其他資產	2,745,137	-	377,816	85,789	19,054	36,784	-	2,225,694
		60,069,269	1,929,653	6,528,019	6,148,533	8,916,938	18,542,825	15,039,997	2,963,304
LIABILITIES	負債								
Deposits and balances of banks	銀行同業之存款及結餘	4,019,428	62,616	3,055,585	881,227	20,000	-	-	-
Deposits from customers	客戶存款	43,788,167	12,554,312	17,803,665	7,195,589	6,141,372	93,229	-	-
Trading liabilities	交易賬項下之負債	1,382,980	-	1,079,973	299,861	-	3,146	-	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	333,965	-	-	-	-	-	333,965	-
Certificates of deposit issued	已發行存款證	942,780	-	66,032	261,001	246,582	369,165	-	-
Debt securities issued	已發行債務證券	683,041	-	404,776	73,615	-	204,650	-	-
Derivative financial instruments	衍生金融工具	538,491	-	-	-	-	-	-	538,491
Amounts due to subsidiaries	應付附屬公司款項	142,744	76,708	56,246	7,044	-	-	-	2,746
Subordinated notes issued	已發行後償票據	1,540,299	-	-	-	-	-	1,540,299	-
Other liabilities	其他負債	1,953,867	-	1,455,849	47,480	57,833	1,451	-	391,254
		55,325,762	12,693,636	23,922,126	8,765,817	6,465,787	671,641	1,874,264	932,491
Net liquidity gap	流動資金缺口淨額	10,763,983	17,394,107	2,617,284	(2,451,151)	(17,871,184)	(13,165,733)		

Derivative financial instruments are carried at mark-to-market values. Note 19(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註19(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

48. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

Of which:	其中：	Repayable Total	Within 1 month	Within 3 months	Within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
Debt securities held *	持有債務證券*							
- Included in trading assets	- 納入持作交易用途資產	1,405,516	34,998	1,367,637	-	2,881	-	-
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映公平價值之金融資產	81,240	-	-	-	81,240	-	-
- Included in other loans and receivable	- 納入貸款及應收款項	1,204,789	-	-	646,862	557,927	-	-
- Included in available-for-sale financial assets	- 納入可供出售金融資產	13,519,713	451,677	1,485,979	3,092,394	6,264,136	2,216,279	9,248
- Included in held-to-maturity investments	- 納入持至到期投資	2,466,707	-	-	155,658	760,064	1,550,985	-
		18,677,965	486,675	2,853,616	3,894,914	7,666,248	3,767,264	9,248

Certificates of deposit issued 已發行存款證
- Stated at amortised cost - 按攤銷成本列賬

		The Bank 本行					
		2011 二零一一年					
		Over 1 month but	Over 3 months but	Over 1 year but	Over 5 years	Over 5 years	Undated or overdue
		within 1 month	within 3 months	within 1 year	within 5 years	within 5 years	within 5 years
		一個月內	三個月以內	一年以內	五年以內	五年以上	或逾期
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元

		1,405,516	-	34,998	1,367,637	-	2,881	-	-
		81,240	-	-	-	-	81,240	-	-
		1,204,789	-	-	646,862	557,927	-	-	-
		13,519,713	-	451,677	1,485,979	3,092,394	6,264,136	2,216,279	9,248
		2,466,707	-	-	-	155,658	760,064	1,550,985	-
		18,677,965	-	486,675	2,853,616	3,894,914	7,666,248	3,767,264	9,248
		942,780	-	66,032	261,001	246,582	369,165	-	-

* The amount of debt securities held included certificate of deposits held.

* 持有債務證券的金額已計入持有存款證。

48. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Bank 本行						
		2010 二零一零年						
		Repayable	Within 1	Over 1	Over 3	Over 5	Over 5	Undated or
		on demand	month	month but	months but	year but	years	overdue
		Total	month	within 3	within 1	within 5	years	or overdue
			months	months	year	years	years	無定期
			一個月內	三個月以上	一年以內	一年以上	五年以上	或逾期
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
ASSETS	資產							
Cash and short-term funds	現金及短期資金	2,774,901	1,812,953	961,948	-	-	-	-
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2,058,707	-	109,579	1,404,955	544,173	-	-
Trading assets	持作交易用途資產	966,658	-	-	65,578	898,092	2,988	-
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融資產	406,268	-	-	-	-	84,724	321,544
Derivative financial instruments	衍生金融工具	491,633	-	-	-	-	-	491,633
Advances to customers less impairment allowances	客戶貸款減減值撥備	28,496,116	764,622	2,552,212	1,580,972	2,936,406	10,031,031	10,614,507
Other loans and receivables	其他貸款及應收款項	2,802,314	-	-	-	1,246,202	1,556,112	-
Available-for-sale financial assets	可供出售金融資產	18,555,832	-	463,979	269,119	5,950,858	9,795,459	1,856,262
Held-to-maturity investments	持至到期投資	2,462,681	-	-	-	-	910,502	1,552,179
Amounts due from subsidiaries	應收附屬公司款項	480,947	3,623	233,659	237,876	-	-	5,789
Other assets	其他資產	2,409,784	-	398,619	81,689	55,430	1,157	1,872,889
		61,905,841	2,581,198	4,719,996	3,640,189	11,631,161	22,381,973	14,022,948
								2,928,376
LIABILITIES	負債							
Deposits and balances of banks	銀行同業之存款及結餘	3,382,793	155,381	3,141,899	85,513	-	-	-
Deposits from customers	客戶存款	46,038,161	14,489,262	18,840,440	7,440,797	5,212,889	49,487	5,286
Trading liabilities	交易賬項下之負債	920,695	-	917,483	-	-	3,212	-
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融負債	263,986	-	-	-	-	-	263,986
Certificates of deposit issued	已發行存款證	797,951	-	66,610	169,062	306,800	255,479	-
Debt securities issued	已發行債務證券	41,401	-	-	3,110	30,517	7,774	-
Derivative financial instruments	衍生金融工具	577,314	-	-	-	-	-	577,314
Amounts due to subsidiaries	應付附屬公司款項	520,548	103,039	245,565	168,086	-	-	3,858
Subordinated notes issued	已發行後償票據	3,137,286	-	-	-	-	-	3,137,286
Other liabilities	其他負債	1,488,769	-	532,471	231,490	72,793	208,954	443,061
		57,168,904	14,747,682	23,744,468	8,098,058	5,622,999	524,906	3,406,558
								1,024,233
Net liquidity gap	流動資金缺口淨額	12,166,484	19,024,472	4,457,869	(6,008,162)	(21,857,067)	(10,616,390)	

Derivative financial instruments are carried at mark-to-market values. Note 19(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註19(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

48. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Bank 本行						
		2010 二零一零年						
		Over 1 month but within 1 month	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue		
Total	Repayable on demand	Within 1 month	Within 3 months	Within 1 year	Within 5 years	Over 5 years	Undated or overdue	
總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上	無定期 或逾期	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Of which:	其中：							
Debt securities held *	持有債務證券*							
- Included in trading assets	- 納入持作交易用途資產	966,658	-	65,578	898,092	2,988	-	
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映公平價值之金融資產	406,268	-	-	-	84,724	321,544	
- Included in other loans and receivable	- 納入貸款及應收款項	2,802,314	-	-	1,246,202	1,556,112	-	
- Included in available-for-sale financial assets	- 納入可供出售金融資產	18,344,932	463,979	269,119	5,950,858	9,795,459	1,856,262	
- Included in held-to-maturity investments	- 納入持至到期投資	2,462,681	-	-	-	910,502	1,552,179	
		24,982,853	463,979	334,697	8,095,152	12,349,785	3,408,441	
							330,799	
Certificates of deposit issued	已發行存款證							
- Stated at amortised cost	- 按攤銷成本列賬	797,951	66,610	169,062	306,800	255,479	-	

* The amount of debt securities held included certificate of deposits held.

* 持有債務證券的金額已計入持有存款證。

48. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

- (ii) *Analysis of non-derivative liabilities by contractual maturities*
The following contractual cash flow projections of the Group's financial liabilities, and off-balance sheet exposures analysed by the remaining period as at the balance sheet date to the contractual maturity dates. The balances in the tables below will not agree directly to the balances in the consolidated balance sheet as the table incorporates all cash flows, on an undiscounted basis, related to both principal as well as those associated with all future interest and coupon payments.

48. 財務風險管理(續)

(c) 流動資金風險管理(續)

- (ii) 按合約到期日作出之非衍生負債分析
下列為按結算日至合約到期日之剩餘期限分析之本集團金融負債及資產負債表外風險之合約現金流預期。下表結餘將不會直接等同於綜合資產負債表之結餘，因為下表包含與全部未來票息付款之本金及相關款項有關之所有現金流(根據未折現基準)。

		The Group 本集團						
		2011 二零一一年						
		Repayable on demand		Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
		Total	demand	month	months	year	years	years
		總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Financial liabilities	金融負債							
Deposits and balances of banks	銀行同業之存款及結餘	4,025,552	62,616	3,059,483	883,415	20,038	-	-
Deposits from customers	客戶存款	43,996,935	12,554,312	17,861,236	7,242,612	6,241,998	96,777	-
Trading liabilities	交易賬項下之負債	1,383,168	-	1,080,000	300,000	112	3,056	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	541,827	-	64	-	1,593	8,495	531,675
Certificates of deposit issued	已發行存款證	956,639	-	67,258	262,567	254,623	372,191	-
Debt securities issued	已發行債務證券	683,557	-	405,086	73,788	22	204,661	-
Subordinated notes issued	已發行後償票據	2,422,009	-	-	-	96,463	386,113	1,939,433
Other liabilities	其他負債	1,813,539	138	1,787,838	13,717	9,376	2,470	-
		55,823,226	12,617,066	24,260,965	8,776,099	6,624,225	1,073,763	2,471,108
Off-balance sheet exposures	資產負債表外風險							
- Contingent liabilities	- 或然負債	298,938	-	298,938	-	-	-	-
- Commitments	- 承擔	15,695,239	15,695,239	-	-	-	-	-
		15,994,177	15,695,239	298,938	-	-	-	-

48. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(ii) Analysis of non-derivative liabilities by contractual maturities (continued)

		The Group 本集團							
		2010 二零一零年							
		Repayable on demand		Within 1 month	Within 3 months	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
		Total	demand	month	months	year	years	years	years
		總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上	五年以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元

Financial liabilities	金融負債							
Deposits and balances of banks	銀行同業之存款及結餘	3,384,181	155,547	3,142,321	86,313	-	-	-
Deposits from customers	客戶存款	46,144,397	14,489,263	18,870,087	7,470,641	5,257,004	51,890	5,512
Trading liabilities	交易賬項下之負債	920,780	-	917,500	-	112	3,168	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	544,952	-	546	-	1,622	8,680	534,104
Certificates of deposit issued	已發行存款證	808,495	-	67,544	169,313	312,698	258,940	-
Debt securities issued	已發行債務證券	41,730	-	43	3,215	30,669	7,803	-
Subordinated notes issued	已發行後償票據	4,080,952	-	1,266	2,757	97,599	386,476	3,592,854
Other liabilities	其他負債	1,395,574	-	958,191	212,993	12,803	211,587	-
		57,321,061	14,644,810	23,957,498	7,945,232	5,712,507	928,544	4,132,470

Off-balance sheet exposures	資產負債表外風險							
- Contingent liabilities	- 或然負債	478,483	-	478,483	-	-	-	-
- Commitments	- 承擔	13,822,251	13,822,251	-	-	-	-	-
		14,300,734	13,822,251	478,483	-	-	-	-

48. 財務風險管理(續)

(c) 流動資金風險管理(續)

(ii) 按合約到期日作出之非衍生負債分析(續)

		The Group 本集團							
		2010 二零一零年							
		Repayable on demand		Within 1 month	Within 3 months	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
		Total	demand	month	months	year	years	years	years
		總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上	五年以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元

Financial liabilities	金融負債							
Deposits and balances of banks	銀行同業之存款及結餘	3,384,181	155,547	3,142,321	86,313	-	-	-
Deposits from customers	客戶存款	46,144,397	14,489,263	18,870,087	7,470,641	5,257,004	51,890	5,512
Trading liabilities	交易賬項下之負債	920,780	-	917,500	-	112	3,168	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	544,952	-	546	-	1,622	8,680	534,104
Certificates of deposit issued	已發行存款證	808,495	-	67,544	169,313	312,698	258,940	-
Debt securities issued	已發行債務證券	41,730	-	43	3,215	30,669	7,803	-
Subordinated notes issued	已發行後償票據	4,080,952	-	1,266	2,757	97,599	386,476	3,592,854
Other liabilities	其他負債	1,395,574	-	958,191	212,993	12,803	211,587	-
		57,321,061	14,644,810	23,957,498	7,945,232	5,712,507	928,544	4,132,470

Off-balance sheet exposures	資產負債表外風險							
- Contingent liabilities	- 或然負債	478,483	-	478,483	-	-	-	-
- Commitments	- 承擔	13,822,251	13,822,251	-	-	-	-	-
		14,300,734	13,822,251	478,483	-	-	-	-

48. FINANCIAL RISK MANAGEMENT (continued)**(d) Operational risk management**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risks arise from the Group's daily operations and fiduciary activities. An appropriate and robust Operational Risk Management Policy and related framework has been developed, based on the HKMA guidelines, to facilitate the timely identification, effective assessment and mitigation of material and relevant risks. Through this framework, the management oversight for risk exposures, especially in the prioritisation and allocation of limited risk mitigating resources, can further be strengthened.

The board of directors, through the Risk Management Committee ("RMC"), is aware of the major aspects of the bank's operational risks as a distinct risk category that should be managed. The Committee performs regular review and approves the operational risk framework, risk profiles, policies and guidelines. The Committee also plays an active role in monitoring the progress of implementation of mitigating measures for risk events identified, including Business Continuity Planning, Key Risk Indicator monitoring and Basel II implementation.

Operational Risk Management Department ("ORMD"), a central operational risk management function assists management in setting corporate level policies and guidelines concerning operational risk management and controls, designing and implementing operational risk assessment methodology tools and risk reporting system, consolidating reporting to the RMC and the board of directors, providing operational risk management training and advising the departments on operational risk management issues.

Internal controls, an integral part of a sound operational risk management framework, are maintained by the established departmental operational manuals which provide guidance on the baseline controls to ensure a controlled and sound operating environment. Each new product or service introduced is subject to a rigorous risk review and sign-off process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product or services. Variations of existing products or services are also subject to a similar process. Departments are required to report any risk events and failings promptly through a reporting mechanism, as well as to review their control procedures regularly to ensure compliance of the regulatory and industry requirements.

Departments are required to appoint an Internal Control Support Officer ("ICSO") for the purpose of performing operational risk reporting and Control Self Assessment. The ICSO also assists the department head to ensure adherence to the internal control policies and procedures and compliance with applicable legal and regulatory requirement.

48. 財務風險管理 (續)**(d) 營運風險管理**

營運風險是指因不充足或缺乏效率之內部程序、人員或制度或外在事故，致使產生損失的風險。營運風險產生自本集團之日常營運及信託業務。為提升察覺時間性、有效地評估及減低重大和相關風險，已根據金管局之指引建立適當及健全之營運風險管理政策及相關框架。透過該框架，管理層對風險之監察，尤其是對有限之減低風險資源之優先取捨及分配便能夠進一步加強。

透過風險管理委員會，董事會已注意到本行之營運風險作為一項單獨之風險類別的主要情況，須對此進行管理。該委員會定期審閱及批准營運風險框架、風險簡述、政策及指引。對於所發現之風險事故所採取之緩和措施(包括業務延續性規劃、主要風險指標監察及巴塞爾II資本協定之落實)方面，該委員會在監察該等緩和措施的實施進度上亦發揮積極之作用。

營運風險管理部作為管理營運風險功能，協助管理層制定有關營運風險管理及監控的企業層面政策及程序、設計並執行營運風險評估方法、工具及風險匯報制度、向風險管理委員會及董事會作綜合匯報、提供營運風險管理培訓及向各部門提供有關營運風險問題的建議。

內部控制作為穩健營運風險管理框架之重要部分，已按照所建立之部門營運手冊(載有基本控制之指引，確保一個受控制且穩健的營運環境)而實施。各新產品或服務須進行嚴格風險檢討，並於建議該產品或服務之獨立風險管理部門定義及評估所有相關風險完成後，方可引進。更改現有產品或服務亦須受類似程序限制。部門須透過匯報機制迅速報告任何風險事故及不善之處，同時定期檢討其控制程序，以確保符合監管及行業規定。

各部門均需指定一位內部監控員以執行營運風險匯報及自我監控評估。內部監控員亦需協助部門主管確保部門運作符合各項內部監控政策及程序及遵守適用的法律及合規要求。

48. FINANCIAL RISK MANAGEMENT (continued)**(d) Operational risk management** (continued)

The Bank's internal audit and compliance departments play an essential role in monitoring and limiting the Group's operational risk. The primary focus of internal audit and compliance is:

- to independently evaluate the adequacy of all internal controls,
- to ensure adherence to the operating guidelines, including regulatory and legal requirements, and
- to pro-actively recommend improvements

In order to ensure total independence, internal audit reports directly to the Audit Committee of the board as well as indirectly to the Chief Executive.

(e) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The principal forms of capital are included in the following balances on the consolidated balance sheet: share capital, share premium, reserves and subordinated notes issued. Capital also includes the collective impairment allowance held in respect of advances to customers and in reserves.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings 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 Committee and is reviewed regularly by the board of directors.

Consistent with industry practice, the Group monitors its capital structure on the basis of its capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the year.

48. 財務風險管理 (續)**(d) 營運風險管理** (續)

本集團之內部審核及合規部門在監察及限定本集團營運風險方面具重要作用。內部審核及監察主要專注於：

- 獨立評估所有內部控制是否適當；
- 確保遵守營運指引，包括監管機構之規定及法例規定；及
- 主動提出改善建議。

為確保完全之獨立性，內部審核部門直接向董事會審核委員會與及間接向行政總裁負責。

(e) 資本管理

金管局設立及監管本集團之整體資本規定。除達至監管規定外，本集團管理資本之主要目標為保證本集團之持續經營能力，從而透過與風險水平相當之產品與服務定價及確保能夠以合理成本融資，持續為股東提供回報及向其他權益持有人提供利益。

資本的主要形式包括以下於綜合資產負債表的餘額：股本、股份溢價、儲備及已發行後償票據。資本亦包括與客戶貸款相關之綜合減值撥備及法定儲備。

本集團積極及定期審閱及管理其資本結構，並在可能以高借貸水平所產生的較高股東回報，以及良好資本狀況所提供之優勢與擔保之間保持平衡，並就經濟狀況之變動對資本結構作出調整。

分配資本予特殊業務與活動之過程由資產及負債委員會進行，並由董事會定期審查。

為遵守行業慣例，本集團根據資本充足比率監管其資本結構，年內本集團之資本管理政策並無重大變動。

48. FINANCIAL RISK MANAGEMENT (continued)**(e) Capital management** (continued)

The capital adequacy ratios are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the years ended 31 December 2011 and 2010, and were above the minimum required ratio set by the HKMA.

49. IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

At 31 December 2011, the directors consider the immediate parent and ultimate controlling party of the Group is Fubon Financial Holding Company Limited, which is incorporated in the Republic of China.

50. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, certain assumptions and estimates have been made by management of the Group. The accuracy of these assumptions and estimates are continuously reviewed by management with reference to actual results, historical experience and other factors, including projection of future cash flows and possible outcomes from future events. Management believes that the assumptions and estimates made are reasonable and supportable.

Note 45 contains information about the assumptions and risk factors relating to fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Impairment losses*Advances to customers*

Loan portfolios are reviewed periodically to assess whether impairment losses exist. Management makes judgements 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 of impairment includes observable data that the payment status of borrowers in a group has adversely changed. It may also include observable data of local economic conditions 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 credit risk characteristics similar to those of the Group. Historical loss experience is adjusted on the basis of 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.

48. 財務風險管理 (續)**(e) 資本管理** (續)

資本充足比率乃根據本行及其由金管局為其監管目的而指定之若干附屬公司之綜合基準計算，並遵守香港《銀行業條例》之《銀行業(資本)規則》。

截至二零一一年及二零一零年十二月三十一日止整個年度本集團及其自主監管業務均符合全部外在施加之資本規定，並高於金管局頒佈之最低比率規定。

49. 直接母公司及最終控股公司

於二零一一年十二月三十一日，董事認為，本集團的直接母公司及最終控股方為富邦金融控股股份有限公司。該公司於中華民國註冊成立。

50. 會計估計及判斷

本集團的管理層於編製此等財務報告時作出若干假設及估計。管理層參照實際結果、歷史經驗及包括未來現金流預期及未來事件之可能後果在內之其他因素，對該等假設及估計之準確性持續進行檢討。管理層相信該等假設及估計為合理及可接受。

附註45有有關該等假設及與金融工具的公平價值有關的風險因素的資料。其他不明朗因素估計的主要來源載列如下：

(a) 減值虧損*客戶貸款*

定期為貸款組合進行檢討以評估是否存在減值虧損。管理層就是否存在客觀證據表明貸款組合已減值，即估計之未來現金流量是否減少，作出判斷。減值之客觀證據包括表明客戶群中借款人付款狀況出現不利變化之可觀測數據，亦可包括與拖欠本集團資產有關之當地經濟條件之可觀測數據。倘管理層基於其判斷確定存在減值之客觀證據，則以與本集團資產信貸風險特點相若之資產之過往實際損失對預計之未來現金流量進行估計。該過往損失則基於現時可觀察之數據再進行調整。

管理層定期對估計未來現金流量所使用之方法及假設進行檢討以減少虧損估計與實際損失之間之差異。

50. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**(a) Impairment losses** (continued)*Advances to customers (continued)*

In assessing the need for a collective impairment allowance, besides factors such as credit quality, portfolio size, concentrations, management also considers economic factors. In order to estimate the required adjustment to the collective impairment allowance from economic factors, the Group makes assumptions and judgements to determine the relevant economic indicators and their relevant weighting based on historical experience and current economic conditions.

Available-for-sale equity securities

The Group determines that available-for-sale equity securities are impaired when there has been a significant or prolonged decline in the fair value below cost. The determination of when a decline in fair value is significant or prolonged is judgmental by nature so profit and loss could be affected by differences in this judgment.

(b) Fair value determination

The Group determines the fair values for the financial assets and liabilities which are carried at fair value based on quoted market prices whenever possible. If such quoted market prices are not available or an active market does not exist, the Group determines the fair values based on internally developed models which make use of market parameters, including interest rate yield curves, historical and/or implied option volatilities, currency rates, prices of the underlying instruments, and the net assets of the underlying investments. Model assumptions and correlation among these parameters can affect the estimates of the fair values of these financial instruments.

(c) Held-to-maturity investments

The Group classified 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 in certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

(d) Other accounting estimates

Judgement has been exercised in determining the amount which may be payable to customers in respect of complaints or legal claims arising from the sale of investment products and establishing a reserve included in other liabilities. A charge has been recognised in profit or loss representing amounts paid and an estimate of future amounts which could be payable.

50. 會計估計及判斷 (續)**(a) 減值虧損** (續)*客戶貸款* (續)

於評估綜合減值撥備的需要時，管理層除考慮信貸素質、組合規模、信貸集中等因素外，亦需一併考慮經濟因素。為估計經濟因素對所需綜合減值撥備的影響，本集團根據過往經驗及現今經濟情況對相關經濟指標及其他所佔比重作出估計及判斷。

可供出售股本證券

於公平價值出現重大或持續下跌至低於成本數額時，本集團確定可供出售股本證券減值。確定何時公平價值的下跌低於成本數額而於合理時期內不可收回則須按其性質予以判斷，故溢利及虧損可能因所作判斷之差異而受到影響。

(b) 公平價值釐定

本集團釐定金融資產及負債之公平價值時，盡量以該等資產及負債於市場報價作公平價值列賬。倘無法獲得市場報價或沒有流通的市場，本集團則會利用利率收益曲線、歷史及／或引伸認股權波幅、匯率、相關金融產品之價格及債務人之淨資產等市場參數，以內部計價模式而釐定該等資產或負債之公平價值。所作出的假設及該等參數間之相關性均可影響該等金融工具公平價值之估計。

(c) 持至到期投資

本集團將固定或可確定付款金額和固定到期日，且本集團有意及能力持有至到期日的非衍生金融資產，列作持有至到期投資。在作出有關判斷時，本集團會評估本身是否有意及能力持有此等投資至到期日。

若本集團未能持有此等投資至到期日（因若干特殊情況者除外），本集團會將整個持至到期日的投資組合重新分類為可供銷售。

因此，持至到期投資會改以公平價值計量，而非按攤銷成本計量。

(d) 其他會計估計

於釐定可能就出售投資產品產生的投訴或法律索償而應付予客戶的金額時進行了判斷。有關支出已於損益賬確認為已付金額及可能應付的未來金額估計數。

51. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2011

Up to the date of issue of the financial statements, the HKICPA has issued a number of amendments and five new standards which are not yet effective for the year ended 31 December 2011 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group:

51. 已公佈但於截至二零一一年十二月三十一日止年度之會計期間尚未生效之修訂、新準則及詮釋之可能影響

於此等財務報告公佈日，香港會計師公會已公佈若干修訂、新準則及詮釋及一項新準則。該等修訂、準則、詮釋於截至二零一一年十二月三十一日止年度尚未生效，此等財務報告亦未予採納。該等修訂、準則、詮釋包括下列可能與本集團有關者：

		Effective for accounting periods beginning on or after
		於下列日期或之後開始之會計期間生效
Amendments to HKFRS 7, Financial instruments: Disclosures – Transfers of financial assets	經修訂《香港財務報告準則》第7號 「金融工具披露 – 金融資產轉換」：	1 July 2011
Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income	經修訂《香港會計準則》第1號 「金融工具呈報 – 其他全面收益項目 之呈報」	1 July 2012
HKFRS 10, Consolidated financial statements	《香港財務報告準則》第10號「綜合財務報表」	1 January 2013
HKFRS 11, Joint arrangements	《香港財務報告準則》第11號「共同協定」	1 January 2013
HKFRS 12, Disclosure of interests in other entities	《香港財務報告準則》第12號 「其他實體權益之披露」	1 January 2013
HKFRS 13, Fair value measurement	《香港財務報告準則》第13號「公平價值計量」	1 January 2013
HKAS 19 (2011), Employee benefits	《香港會計準則》第19號「僱員福利(2011)」	1 January 2013
HKAS 27 (2011), Separate financial statements	《香港會計準則》第27號 「獨立財務報表(2011)」	1 January 2013
HKAS 28 (2011), Investments in associates and joint ventures	《香港會計準則》第28號「聯營公司及 合營公司投資」	1 January 2013
HKFRS 9, Financial instruments	《香港財務報告準則》第9號「金融工具」	1 January 2015

The Group is in the process of making assessment of the expected impact of these amendments, new standards, new interpretations and additional disclosures in the period of initial application. So far it has concluded that their adoption is unlikely to result in a restatement of the Group's results of operations and financial position except for HKFRS 9, Financial instruments and HKFRS 13, Fair value measurement, which may have an impact on the Group's results and financial position arising from changes in the Group's classification and measurement of financial instruments.

本集團現正評估於期間首次採用該等修訂、新準則、新詮釋及額外披露之預期影響。迄今為止本集團認為採納彼等應不會對本集團之營運業績及財務狀況帶來重大影響，惟《香港財務報告準則》第9號「金融工具」及《香港財務報告準則》第十三號「公平價值計量」除外，該準則可能因本集團金融工具之重新分類及計量之變動而對本集團之業績及財務狀況產生影響。