

Unaudited Supplementary Financial Information

未經審核補充財務資料

(A) CAPITAL ADEQUACY RATIO

(A) 資本充足比率

		As at 於	
		31 December 2014 二零一四年 十二月三十一日 %	31 December 2013 二零一三年 十二月三十一日 %
		百分比	百分比
Total capital ratio	總資本比率	17.96	16.33
Tier 1 capital ratio	一級資本比率	12.65	10.44
Common Equity Tier 1 ("CET1") capital ratio	普通股本一級資本比率	12.65	10.44

The capital ratios as at 31 December 2014 are computed on a consolidated basis which comprises the positions of the Bank, Fubon Credit (Hong Kong) Limited and Fubon Factors (Hong Kong) Limited as required by the HKMA in accordance with section 3C(1) of the Banking (Capital) Rules ("the Capital Rules") for its regulatory purposes.

Capital ratios are compiled in accordance with the Capital Rules issued by the HKMA. The ratios as of 31 December 2014 are compiled in accordance with the amended Capital Rules effective from 1 January 2014 for the implementation of the "Basel III" capital accord.

於二零一四年十二月三十一日，資本比率是根據綜合基準計算，該基準包括金管局為其監管目的規定之本行、富邦財務(香港)有限公司及富邦貼現(香港)有限公司之狀況，並按照《銀行業(資本)規則》(「資本規則」)第3C(1)節編製。

資本比率乃根據金管局所頒佈的資本規則計算。於二零一四年十二月三十一日之資本比率乃根據因應實施「巴塞爾資本協定三」而經修訂並於二零一四年一月一日生效的資本規則所編製。

(A) CAPITAL ADEQUACY RATIO (continued)

The basis of consolidation for accounting purposes is in accordance with the Hong Kong Financial Reporting Standards and is different from the basis and scope of consolidation for the calculation of capital ratios. Subsidiaries not included in the consolidation for the calculation of capital ratios are set out below:

(A) 資本充足比率(續)

作會計目的之綜合基準與香港財務報告準則一致，但有別於計算資本比率之綜合基準及範圍。計算資本比率時未綜合計入之附屬公司載於如下：

Name of subsidiaries 附屬公司名稱	Principal activities 主要業務	As at 31 December 2014 於二零一四年十二月三十一日		As at 31 December 2013 於二零一三年十二月三十一日	
		Total assets 資產總值 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元	Total assets 資產總值 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
FB Securities (Hong Kong) Limited 富銀證券(香港)有限公司	Securities broking 證券經紀	218,828	118,381	236,185	85,818
FB Investment Management Limited 富銀投資管理有限公司	Fund management 基金管理	20,856	18,467	18,881	18,712
Fubon Insurance Brokers Limited 富邦保險顧問有限公司	Insurance broker services 保險經紀服務	1,842	1,288	2,176	1,768
Fubon Nominees (Hong Kong) Limited	Nominee service 代理人服務	3,472	144	3,365	143
Easygrand Investments Limited 敏安投資有限公司	Inactive 無業務	2	2	2	2
Aquarius (Nominees) Limited	Inactive 無業務	6	6	6	6
Admiralty Finance Company Limited 海富財務有限公司	Company secretarial 公司秘書	63	63	63	63
Hongroll Limited	Investment holding 投資控股	10	4	10	4
Battell Investments Limited	Inactive 無業務	-	(315)	-	(315)
Fubon Capital (HK) Limited (Liquidated in 2014) 富邦融資(香港)有限公司(於二零一四年清盤)	Inactive 無業務	-	-	10,466	10,466
		245,079	138,040	271,154	116,667

The Bank's shareholdings in the above subsidiaries are deducted from CET1 capital in accordance with the Capital Rules. There is no relevant capital shortfall in any of the Bank's subsidiaries which are not included as part of the consolidation group for the calculation of capital ratio.

The Group maintains a regulatory reserve, as disclosed in Note 40, to satisfy the provisions of Hong Kong Banking Ordinance for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the HKMA.

本行於上述附屬公司之股權乃根據資本規則自普通股本一級資本中扣除。於計算資本比率時不計作綜合集團一部分之本行附屬公司中，並無有關資本短欠。

本集團已根據香港《銀行業條例》的規定維持法定儲備(如附註40所披露)，以嚴謹監管。該儲備之變動乃在諮詢金管局之意見後直接透過保留溢利作出。

(A) CAPITAL ADEQUACY RATIO (continued)

In accordance with the Capital Rules, the Group has adopted the “standardised approach” for the calculation of risk-weighted assets for credit risk and market risk and the “basic indicator approach” for the calculation of operational risk.

To comply with the Banking (Disclosure) Rules (“BDR”), all additional information in relation to the Group’s regulatory capital disclosures will be published by using the standard disclosure templates as specified by the HKMA under “Regulatory Disclosures” section on the Group’s website (<http://www.fubonbank.com.hk>).

(B) LIQUIDITY RISK MANAGEMENT

Average liquidity ratio

平均流動資金比率

The average liquidity ratio for the period is computed as the simple average of each calendar month’s average ratio, as reported in Part I (2) of the “Return of Liquidity Position of an Authorised Institution” (MA(BS)1E) calculated in accordance with the Fourth Schedule of the Hong Kong Banking Ordinance.

The ratio for the period is computed on a consolidated basis which comprises the positions of the Bank and Fubon Credit (Hong Kong) Limited as required by the HKMA for regulatory purposes.

(A) 資本充足比率(續)

按照資本規則，本集團已採用「標準化方法」計算信貸風險及市場風險之風險加權資產以及採用「基本指標方法」計算營運風險。

為符合《銀行業(披露)規則》，本集團將在本集團網站內(<http://www.fubonbank.com.hk>)「監管披露」一欄下使用金管局指定的標準模版披露一切關於監管資本披露有關的額外資料。

(B) 流動資金風險管理

For the year ended	
截至十二月三十一日止年度	
31 December	31 December
2014	2013
二零一四年	二零一三年
%	%
百分比	百分比

48.56

48.06

期內平均流動資金比率是以每個曆月平均比率的簡單平均數計算。每個曆月平均比率乃根據《香港銀行業條例》附表四的規定計算並與「認可機構流動資金狀況申報表」(MA(BS)1E)第I(2)部中申報的數字相同。

期內比率是根據綜合基準計算，該基準包括金管局為其監管目的所需之本行及富邦財務(香港)有限公司之狀況。

(C) FURTHER ANALYSIS ON ADVANCES TO CUSTOMERS ANALYSED BY INDUSTRY SECTOR

Advances to customers analysed by industry sector and the coverage of collateral is as follows. The economic sector analysis is based on the categories and definitions used by the HKMA.

(C) 按行業分類的客戶貸款的進一步分析

按行業及有抵押貸款的客戶貸款分析如下。經濟行業分析乃基於金管局所採用的類別及定義：

		The Group 本集團			
		2014 二零一四年		2013 二零一三年	
		Gross loans and advances 借款及貸款總額	% of gross loans covered by collateral 有抵押之貸款佔貸款總額之百分比	Gross loans and advances 借款及貸款總額	% of gross loans covered by collateral 有抵押之貸款佔貸款總額之百分比
		HK\$'000 千港元	%	HK\$'000 千港元	%
Gross advances for use in Hong Kong	在香港使用的貸款總額				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	1,470,447	57.43	1,539,903	29.95
– Property investment	– 物業投資	9,831,127	92.06	10,085,688	91.79
– Financial concerns	– 金融企業	1,282,934	5.29	649,367	0.30
– Stockbrokers	– 股票經紀	904,780	48.05	113,333	–
– Wholesale and retail trade	– 批發及零售業	227,796	41.54	338,389	16.18
– Manufacturing	– 製造業	1,046,117	5.14	576,996	14.77
– Transport and transport equipment	– 運輸及運輸設備	427,387	5.79	482,426	6.63
– Information technology	– 資訊科技	232,654	–	635	100.00
– Others	– 其他	2,272,020	35.54	1,236,762	33.29
Individuals	個人				
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」或其各自的後繼計劃的樓宇的貸款	7,029	100.00	7,879	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	8,934,967	99.96	8,391,612	99.65
– Credit card advances	– 信用卡貸款	1,024,474	–	827,979	–
– Others	– 其他	2,427,725	41.56	1,547,203	53.80
		30,089,457		25,798,172	
Trade finance	貿易融資	4,177,851	11.33	3,033,382	12.91
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	6,100,451	5.19	5,913,309	3.52
Gross advances to customers	客戶貸款總額	40,367,759	54.79	34,744,863	57.87

(C) FURTHER ANALYSIS ON ADVANCES TO CUSTOMERS ANALYSED BY INDUSTRY SECTOR (continued)

Analysis of the Group's impaired advances in respect of industry sectors which account for 10% or more of gross advances to customers:

As at 31 December 2014	於二零一四年十二月三十一日
- Property investment	- 物業投資
- Loans for the purchase of other residential properties	- 購買其他住宅物業的貸款
- Trade finance	- 貿易融資
- Gross advances for use outside Hong Kong	- 在香港以外使用的貸款總額

Overdue advances	Impaired advances	Individual impairment allowances	Collective impairment allowance	Provisions released back to income during the year	Loans written off during the year
逾期貸款	減值貸款	個別減值撥備	綜合減值撥備	收益表內回撥之撥備	年內撇賬之借款
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
6,057	-	-	374	(783)	-
12,626	-	-	-	(1)	-
707	707	200	1,039	(10,794)	-
2,898	2,898	2,898	50	(1,755)	2,759

As at 31 December 2013	於二零一三年十二月三十一日
- Property investment	- 物業投資
- Loans for the purchase of other residential properties	- 購買其他住宅物業的貸款
- Gross advances for use outside Hong Kong	- 在香港以外使用的貸款總額

Overdue advances	Impaired advances	Individual impairment allowances	Collective impairment allowance	New provisions charged to income during the year	Loans written off during the year
逾期貸款	減值貸款	個別減值撥備	綜合減值撥備	收益表內扣除之新撥備	年內撇賬之借款
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
-	-	-	1,157	(1,322)	-
9,085	-	-	1	(13)	-
6,896	6,896	6,896	589	(2,269)	610

(C) 按行業分類的客戶貸款的進一步分析(續)

按行業分析佔客戶貸款總額10%或以上的本集團減值貸款如下：

(D) OVERDUE AND RESCHEDULED ASSETS
(i) Overdue advances to customers
(D) 逾期及經重組資產
(i) 逾期客戶貸款

		The Group 本集團			
		2014 二零一四年		2013 二零一三年	
		HK\$'000	% of gross advances	HK\$'000	% of gross advances
		千港元	佔貸款總額之 百分比	千港元	佔貸款總額之 百分比
Gross advances to customers which have been overdue with respect to either principal or interest for periods of:	客戶貸款總額之本金或利息有逾期：				
– 6 months or less but over 3 months	– 六個月或以下惟三個月以上	1,795	0.00	2,101	0.00
– 1 year or less but over 6 months	– 一年或以下惟六個月以上	7,469	0.02	546	0.00
– Over 1 year	– 超過一年	3,661	0.01	5,863	0.02
		12,925	0.03	8,510	0.02
Covered portion of overdue loans and advances	逾期借款及貸款的有抵押部分	7,962		–	
Uncovered portion of overdue loans and advances	逾期借款及貸款的無抵押部分	4,963		8,510	
		12,925		8,510	
Individually assessed impairment allowances in respect of advances overdue for more than three months	就逾期超過三個月之貸款所作之個別評估減值撥備	4,092		7,052	

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at year end. Loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

有指定還款期的借款及貸款在其本金或利息逾期並於年末仍未支付時被分類為已逾期。分期付款償還的貸款在部分分期貸款已逾期且於年末仍未支付時被視為已逾期。按要求償還的貸款在借款人收到償還要求但並無根據要求通知還款及/或在貸款已持續超出已知會借款人的獲批准的限額，而超出已知會借款人所核准限額的時間比貸款逾期的時間更長時分類為已逾期。

(D) OVERDUE AND RESCHEDULED ASSETS (continued)**(ii) Rescheduled advances to customers**

Rescheduled loans and advances are those loans and advances which have been restructured or renegotiated because of deterioration in the financial position of the borrower, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Group. Rescheduled loans and advances to customers are stated net of any loans and advances that have subsequently become overdue for over 3 months and can be analysed as follows:

		The Group 本集團			
		2014 二零一四年		2013 二零一三年	
		HK\$'000 千港元	% of gross advances 佔貸款總額之 百分比	HK\$'000 千港元	% of gross advances 佔貸款總額之 百分比
Rescheduled advances to customers	重定還款期的客戶貸款	3,806	0.01	4,347	0.01

(iii) Geographical analysis of overdue loans and advances to customers**(iii) 按地區分析的已逾期客戶借款及貸款**

		The Group 本集團			
		As at 31 December 2014 於二零一四年十二月三十一日			
		Gross loans and advances 借款及貸款總額 HK\$'000 千港元	Overdue loans and advances 已逾期借款及貸款 HK\$'000 千港元	Impaired loans (individually determined) 減值借款 (個別釐定) HK\$'000 千港元	Individually assessed impairment allowances 個別評估減值撥備 HK\$'000 千港元
Hong Kong	香港	38,405,116	12,627	8,476	4,928
Other	其他地區	1,962,643	298	298	298
		40,367,759	12,925	8,774	5,226

(D) OVERDUE AND RESCHEDULED ASSETS (continued)

(iii) Geographical analysis of overdue loans and advances to customers (continued)

		Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)	Individually assessed impairment allowances
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Hong Kong	香港	32,916,838	7,693	13,289	9,130
Other	其他地區	1,828,025	817	817	817
		34,744,863	8,510	14,106	9,947

The above geographical analysis is classified by the location of the borrowers after taking into account the transfer of risk. In general, risk transfer applies when a loan is guaranteed by a party situated in an area different from the counterparty.

The collective impairment allowance is not allocated to any geographical segment as at 31 December 2014 and 2013.

(E) CROSS BORDER CLAIMS

Cross border claims are on-balance sheet exposures of counterparties based on the location of counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, the risk is transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, amounting to 10% or more of the aggregate cross-border claims are shown as follows:

Figures in HK\$ Million	百萬港元
Asia Pacific excluding Hong Kong	亞太地區(不包括香港)
– Of which Australia	– 其中澳洲
– Of which China	– 其中中國
North America	北美洲
– Of which USA	– 其中美國
Western Europe	西歐

(D) 逾期及經重組資產(續)
(iii) 按地區分析的已逾期客戶借款及貸款(續)

The Group 本集團					
As at 31 December 2013 於二零一三年十二月三十一日					
		Gross loans and advances	Overdue loans and advances	Impaired loans (individually determined)	Individually assessed impairment allowances
		借款及貸款總額 HK\$'000 千港元	已逾期借款及貸款 HK\$'000 千港元	減值借款 (個別釐定) HK\$'000 千港元	個別評估減值撥備 HK\$'000 千港元
Hong Kong	香港	32,916,838	7,693	13,289	9,130
Other	其他地區	1,828,025	817	817	817
		34,744,863	8,510	14,106	9,947

以上地區分析按借款人所在地，經計及風險轉移後而劃定。一般而言，若貸款的擔保人所處地區與交易對手不同，則風險轉移至擔保人的所在地區。

於二零一四年及二零一三年十二月三十一日，概無綜合減值撥備分派予任何地區分部。

(E) 跨境債權

跨境債權是資產負債表上呈示考慮了風險轉移後按交易對手所在地計算的風險。若債權的擔保人所處之國家有別於交易對手之所在國家，則債權風險將轉移至擔保人之所在國家。銀行或其他金融機構分行的債權風險則轉至其總部所在國家。轉移風險後達總跨境債權10%或以上的個別國家或地區債權如下：

		The Group 本集團			
		As at 31 December 2014 於二零一四年十二月三十一日			
		Public sector			Total
		Banks	entities	Others	總額
		銀行	公營機構	其他	
Asia Pacific excluding Hong Kong	亞太地區(不包括香港)	20,081	289	5,520	25,890
– Of which Australia	– 其中澳洲	3,566	–	11	3,577
– Of which China	– 其中中國	11,030	289	4,108	15,427
North America	北美洲	3,031	2	83	3,116
– Of which USA	– 其中美國	2,895	2	81	2,978
Western Europe	西歐	4,144	–	101	4,245

(E) CROSS BORDER CLAIMS (continued)

		The Group 本集團			
		As at 31 December 2013 於二零一三年十二月三十一日			
		Public sector			
Figures in HK\$ Million	百萬港元	Banks 銀行	entities 公營機構	Others 其他	Total 總額
Asia Pacific excluding Hong Kong	亞太地區(不包括香港)	15,322	384	3,759	19,465
– Of which Australia	– 其中澳洲	3,219	–	11	3,230
– Of which China	– 其中中國	9,384	384	2,723	12,491
North America	北美洲	2,939	4	108	3,051
– Of which USA	– 其中美國	2,924	4	99	3,027
Western Europe	西歐	4,044	–	114	4,158

(E) 跨境債權 (續)**(F) NON-BANK MAINLAND CHINA EXPOSURES**

The analysis of non-bank Mainland exposures includes the exposure of the Bank and certain of its subsidiaries on the basis agreed with the HKMA.

(F) 中國內地非銀行業之風險

中國內地非銀行業之風險按金管局協議包括本行及其若干附屬公司風險的分析。

		2014 二零一四年		
		On-balance sheet exposure 資產負債表內 之風險 HK\$'000 千港元	Off-balance sheet exposures 資產負債表外 之風險 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	中央政府、中央政府擁有之實體及其附屬公司及合營公司	5,371,139	148,123	5,519,262
Local governments, local government-owned entities and their subsidiaries and JVs	地方政府、地方政府擁有之實體及其附屬公司及合營公司	2,273,897	–	2,273,897
Companies incorporated in and PRC nationals residing in Mainland China	於中國內地註冊成立之公司及居住於中國內地之中國公民	1,186,854	–	1,186,854
Companies incorporated outside and PRC nationals residing outside Mainland China where the credit is granted for use in Mainland China	於授出之信貸用於中國內地之中國內地以外地區註冊成立之公司及居住於有關地區之中國公民	3,083,406	466,511	3,549,917
Other counterparties where the exposures to whom are considered by the Bank to be non-bank Mainland China exposures	本行認為其風險為中國內地非銀行業之風險之其他交易對手	–	–	–
Total	總額	11,915,296	614,634	12,529,930
Total assets after provision	資產總值(扣除撥備)	83,121,873		
On-balance sheet exposures as percentage of total assets	資產負債表內之風險佔資產總值之百分比	14.33%		

(F) NON-BANK MAINLAND CHINA EXPOSURES (continued)

(F) 中國內地非銀行業之風險(續)

		2013 二零一三年		
		On-balance sheet exposure 資產負債表內 之風險 HK\$'000 千港元	Off-balance sheet exposures 資產負債表外 之風險 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	中央政府、中央政府擁有之實體及其附屬公司及合營公司	3,396,540	493,930	3,890,470
Local governments, local government-owned entities and their subsidiaries and JVs	地方政府、地方政府擁有之實體及其附屬公司及合營公司	1,534,587	141,697	1,676,284
Companies incorporated in and PRC nationals residing in Mainland China	於中國內地註冊成立之公司及居住於中國內地之中國公民	1,040,152	–	1,040,152
Companies incorporated outside and PRC nationals residing outside Mainland China where the credit is granted for use in Mainland China	於授出之信貸用於中國內地之中國內地以外地區註冊成立之公司及居住於有關地區之中國公民	2,774,610	701,241	3,475,851
Other counterparties where the exposures to whom are considered by the Bank to be non-bank Mainland China exposures	本行認為其風險為中國內地非銀行業之風險之其他交易對手	–	–	–
Total	總額	8,745,889	1,336,868	10,082,757
Total assets after provision	資產總值(扣除撥備)	71,427,245		
On-balance sheet exposures as percentage of total assets	資產負債表內之風險佔資產總值之百分比	12.24%		

(G) CURRENCY CONCENTRATION

The Bank's net positions or net structural positions in foreign currencies are disclosed as follows when each currency constitutes 10% or more of the respective total net position or total net structural position in all foreign currencies:

(G) 外幣持盤量

本行個別外幣的淨持有額或淨結構性倉盤若佔所持有外匯淨盤總額或結構性倉盤總淨額的10%或以上，披露如下：

		As at 31 December 2014 於二零一四年十二月三十一日			
Equivalent in HK\$ Million	百萬港元等值	US dollars 美元	Chinese renminbi 人民幣	Other foreign currencies 其他外幣	Total foreign currencies 外幣總額
Spot assets	現貨資產	26,670	5,584	7,301	39,555
Spot liabilities	現貨負債	(23,062)	(4,302)	(6,958)	(34,322)
Forward purchase	遠期買入	9,811	4,682	3,498	17,991
Forward sales	遠期賣出	(13,526)	(5,681)	(3,845)	(23,052)
Net option position	期權倉盤淨額	-	-	-	-
Net long/(short) position	長/(短)盤淨額	(107)	283	(4)	172
Net structural position	結構性倉盤淨額	-	907	-	907

		As at 31 December 2013 於二零一三年十二月三十一日											
Equivalent in HK\$ Million	百萬港元等值	US dollars	Pound sterling	Japanese yen	European euro	Chinese renminbi	Canadian Dollars	Swiss franc	Australian dollars	New Zealand dollars	Taiwan dollars	Other foreign currencies	Total foreign currencies
		美元	英鎊	日元	歐元	人民幣	加拿大元	瑞士法郎	澳元	新西蘭元	台幣	其他外幣	外幣總額
Spot assets	現貨資產	21,671	75	47	850	5,206	16	3	5,161	410	50	13	33,502
Spot liabilities	現貨負債	(17,269)	(134)	(88)	(508)	(4,075)	(221)	(1)	(4,590)	(522)	(49)	(40)	(27,497)
Forward purchase	遠期買入	11,182	74	206	2,681	3,718	205	17	161	129	159	27	18,559
Forward sales	遠期賣出	(15,588)	(15)	(166)	(3,023)	(4,840)	-	(19)	(736)	(17)	(159)	-	(24,563)
Net option position	期權倉盤淨額	-	-	-	-	-	-	-	-	-	-	-	-
Net long/(short) position	長/(短)盤淨額	(4)	-	(1)	-	9	-	-	(4)	-	1	-	1
Net structural position	結構性倉盤淨額	-	-	-	-	907	-	-	-	-	-	-	907

The net option position is calculated on the basis of the delta-weighted position of option contracts. Net structural position includes the Bank's investments in an overseas associate.

期權倉盤淨額乃根據期權合約的「得爾塔加權持倉」為基準計算。結構性倉盤淨額包括本行於海外聯營公司的投資。

(H) CAPITAL CHARGE FOR CREDIT, MARKET AND OPERATIONAL RISKS**(i) Capital requirement for credit risk**

The capital requirements on each class of exposures calculated under the Standardised (Credit Risk) Approach and Standardised Credit Valuation Adjustment Method at the balance sheet date can be analysed as follows:

Classes of exposures	風險類型
Public sector entities	公營機構
Banks	銀行
Securities firms	證券公司
Corporate	企業
Collective investment schemes	集體投資計劃
Cash items	現金項目
Regulatory retail	監管零售
Residential mortgage loans	住宅按揭貸款
Other exposure which are not past due	並未逾期之其他風險
Past due	逾期
Total capital requirements for on-balance sheet exposures	資產負債表內之風險之資本需求總額
Direct credit substitutes	直接信貸替代品
Transaction-related contingencies	與交易有關之或然項目
Trade-related contingencies	與貿易有關之或然項目
Other commitments	其他承擔
Exchange rate contracts	匯率合約
Interest rate contracts	利率合約
Equity contracts	股票合約
Securities financing transactions	證券融資交易
Total capital requirements for off-balance sheet exposures	資產負債表外之風險之資本需求總額
Total capital requirements for credit valuation adjustment	信貸評估調整之資本需求總額
Total capital requirement for credit risk	信貸風險之資本需求總額

The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, and therefore does not represent the actual amount of capital held.

(H) 信貸、市場及營運風險的資本需求**(i) 信貸風險的資本需求**

於結算日，根據標準(信貸風險)方法及標準信貸評估調整方法計算的各類型風險的資本需求分析如下：

2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
12,393	14,747
797,691	705,523
45,228	8,537
1,816,296	1,544,652
17,060	16,525
7,880	6,692
260,131	218,065
365,578	347,129
498,546	471,080
543	533
3,821,346	3,333,483
5,703	2,447
1,511	258
5,108	4,831
68,431	86,019
43,068	32,793
7,989	8,990
-	5
32,603	3,278
164,413	138,621
12,113	61,295
3,997,872	3,533,399

有關披露是以相關計算方法得出的本集團風險加權金額乘以8%而得出，所以並不代表持有資本之實際金額。

(H) CAPITAL CHARGE FOR CREDIT, MARKET AND OPERATIONAL RISKS (continued)**(ii) Capital requirement for market risk**

The Bank uses the Standardised (Market Risk) Approach for calculation of capital requirement for market risk. Positions covered by the approach include:

- the Bank's positions held in foreign exchange, exchange rate-related derivative contracts, commodities and commodity-related derivative contracts; and
- the Bank's trading book positions held in debt securities, debt-related derivative contracts, interest rate derivative contracts, equities and equity-related derivative contracts.

The capital requirement at the balance sheet date can be analysed as follows:

Exchange rate exposures	匯率風險
Interest rate exposures	利率風險
Total capital requirement for market risk	市場風險之資本需求總額

The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, and therefore does not represent the actual amount of capital held.

(iii) Capital requirement for operational risk

The capital charge for operational risk calculated in accordance with the basic indicator approach at the balance sheet date is:

Capital charge for operational risk	營運風險之資本需求
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The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, and therefore does not represent the actual amount of capital held.

(H) 信貸、市場及營運風險的資本需求(續)**(ii) 市場風險的資本需求**

本行使用標準(市場風險)方法計算市場風險之資本需求。該方法所涵蓋的持倉包括：

- 本行於外匯、與匯率相關的衍生工具合約、商品及與商品相關的衍生工具合約的持倉；及
- 本行於債務證券、與債務相關的衍生工具合約、利率衍生工具合約、股本及與股本相關的衍生工具合約的交易賬面持倉。

結算日之資本需求分析如下：

	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Exchange rate exposures	22,760	815
Interest rate exposures	6,236	3,870
Total capital requirement for market risk	28,996	4,685

有關披露是以相關計算方法得出的本集團風險加權金額乘以8%而得出，所以並不代表持有資本之實際金額。

(iii) 營運風險之資本需求

於結算日，按照基本指標方法計算之營運風險之資本需求：

	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Capital charge for operational risk	173,797	160,185

有關披露是以相關計算方法得出的本集團風險加權金額乘以8%而得出，所以並不代表持有資本之實際金額。

(II) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT
(i) Credit risk exposures

Credit ratings from Standard & Poor's Rating Services and Moody's Investors Services are used for all classes of credit exposures mentioned below. The Bank follows the process prescribed in Part 4 of the Banking (Capital) Rules to map the ratings to the exposures booked in the Bank's banking book.

(I) 信貸風險管理之額外披露
(i) 信貸風險承擔

標準普爾評級服務公司及穆迪投資者服務公司發出的信貸評級乃用於下文所述之各類型信貸風險。本行按照《銀行業(資本)規則》第4部份訂明的程序將評級與本行的銀行賬戶內登記的風險配對。

		2014 二零一四年						Total exposure covered by recognised guarantees or recognised credit derivative contracts	
		Exposures after recognised credit risk mitigation			Risk-weighted amounts		Total risk-weighted amounts	Total exposure covered by recognised collateral	Total exposure covered by recognised collateral
		Total exposures	Rated	Unrated	Rated	Unrated	Unrated	Unrated	Unrated
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
The Group	本集團	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
On-balance sheet	資產負債表內								
Sovereigns	主權國	2,153,580	2,276,245	157	-	-	-	-	-
Public sector entities	公營機構	674,265	674,939	99,625	134,988	19,925	154,913	-	-
Multilateral development banks	多邊發展銀行	182,425	182,425	-	-	-	-	-	-
Banks	銀行	24,394,953	24,282,783	2,598,583	8,764,907	1,206,230	9,971,137	-	122,712
Securities firm	證券公司	1,130,696	410,215	720,481	205,108	360,240	565,348	-	-
Corporates	企業	28,595,858	5,990,161	19,508,645	3,454,064	19,249,634	22,703,698	576,610	3,041,360
Collective investment schemes	集體投資計劃	213,246	-	213,246	-	213,246	213,246	-	-
Cash items	現金項目	206,059	-	915,726	-	98,495	98,495	-	-
Regulatory retail exposures	監管零售風險	4,369,848	-	4,335,520	-	3,251,640	3,251,640	18,664	15,664
Residential mortgage loans	住宅按揭貸款	11,972,480	-	11,805,349	-	4,569,731	4,569,731	7,830	159,301
Other exposure which are not past due	並未逾期之其他風險	5,348,007	638,872	4,588,398	1,597,180	4,634,642	6,231,822	120,737	-
Past due exposures	逾期風險	4,851	-	4,851	-	6,791	6,791	-	324
		79,246,268	34,455,640	44,790,581	14,156,247	33,610,574	47,766,821	723,841	3,339,361
Off-balance sheet	資產負債表外								
Off-balance sheet exposure other than OTC derivative transactions or credit derivative contracts	場外衍生工具交易或信貸衍生工具合約以外之資產負債表外之風險	1,013,284	7,749	1,005,535	3,875	1,005,535	1,009,410	-	-
Derivative contracts	衍生工具合約	893,632	379,072	485,087	153,125	485,087	638,212	29,473	-
Other off-balance sheet exposures not elsewhere specified	其他地方未指明之資產負債表外風險	8,517,480	312,892	577,825	62,578	344,962	407,540	7,626,763	-
		10,424,396	699,713	2,068,447	219,578	1,835,584	2,055,162	7,656,236	-
Exposures deducted from capital base	自資本基礎扣除之風險	-	-	-	-	-	-	-	-

There were no credit exposures risk weighted at 1250% as at 31 December 2014 (2013: Nil)

於二零一四年十二月三十一日並無按1250%加權之信貸風險(二零一三年:無)。

(II) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT

(continued)

(i) Credit risk exposures
(II) 信貸風險管理之額外披露(續)
(i) 信貸風險承擔

		2013 二零一三年						Total exposure covered by recognised guarantees or recognised credit derivative contracts	
		Exposures after recognised credit risk mitigation			Risk-weighted amounts		Total risk-weighted amounts	Total exposure covered by recognised collateral	擔保人或獲認可信託衍生工具合約擔保之風險總額
		Total exposures	已評級	未評級	已評級	未評級	總金額	由獲認可抵押品抵押之風險總額	信託衍生工具合約擔保之風險總額
		風險總額	已評級	未評級	已評級	未評級	總金額	風險總額	風險總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The Group	本集團	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
On-balance sheet	資產負債表內								
Sovereigns	主權國	1,869,631	1,869,631	619	-	-	-	-	-
Public sector entities	公營機構	825,044	825,044	96,653	165,009	19,330	184,339	-	-
Multilateral development banks	多邊發展銀行	13,427	13,427	-	-	-	-	-	-
Banks	銀行	21,187,788	21,187,788	1,396,015	8,121,863	697,178	8,819,041	-	-
Securities firm	證券公司	213,427	-	213,427	-	106,714	106,714	-	-
Corporates	企業	23,218,723	3,137,307	18,217,235	1,380,440	17,927,712	19,308,152	538,217	1,905,011
Collective investment schemes	集體投資計劃	206,564	-	206,564	-	206,564	206,564	-	-
Cash items	現金項目	342,159	-	1,021,152	-	83,650	83,650	-	-
Regulatory retail exposures	監管零售風險	3,667,970	-	3,634,410	-	2,725,808	2,725,808	17,883	15,677
Residential mortgage loans	住宅按揭貸款	11,454,191	-	11,309,891	-	4,339,118	4,339,118	-	144,300
Other exposure which are not past due	並無逾期之其他風險	5,305,629	1,011,153	4,164,237	1,688,627	4,199,877	5,888,504	130,239	-
Past due exposures	逾期風險	6,059	-	6,059	-	6,660	6,660	-	1,619
		68,310,612	28,044,350	40,266,262	11,355,939	30,312,611	41,668,550	686,339	2,066,607
Off-balance sheet	資產負債表外								
Off-balance sheet exposure other than OTC derivative transactions or credit derivative contracts	場外衍生工具交易或信託衍生工具合約以外之資產負債表外之風險	1,177,246	38,406	1,138,840	30,593	1,138,840	1,169,433	-	-
Derivative contracts	衍生工具合約	819,798	457,464	341,974	178,835	341,974	520,809	20,360	-
Other off-balance sheet exposures not elsewhere specified	其他地方未指明之資產負債表外風險	5,418,118	204,848	-	40,970	-	40,970	5,213,270	-
		7,415,162	700,718	1,480,814	250,398	1,480,814	1,731,212	5,233,630	-
Exposures deducted from capital base	自資本基礎扣除之風險	-							

(I) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT

(continued)

(ii) Counterparty credit risk-related exposures for derivatives

Credit risk for derivatives is the positive replacement cost together with an estimate for the potential future exposure from changes in market value. These credit exposures are managed as part of the overall credit limits to the counterparties. The Bank uses the current exposure method for the purpose of providing capital for such counterparty exposures.

Wrong way risk occurs when the credit exposure to a counterparty is strongly correlated with collateral held and any market risk factors impacting the transaction. Credit exposures and potential losses may increase as a result of adverse change in market conditions. The Bank has various policies and procedures to control wrong-way risk, and undertaking of wrong way risk transaction would require prior approval.

Under the terms of our current collateral obligations under derivative contracts, we estimate based on the positions as at 31 December 2014 and 31 December 2013 that the Bank would be required to post additional collateral of HK\$25.7 million and HK\$4.0 million, respectively, in the event of one notch downgrade in the Bank's credit ratings.

The following tables summaries the Group's main default risk exposures which arise from securities financing transactions and derivative contracts, which are calculated using the current exposure method.

(I) 信貸風險管理之額外披露(續)**(ii) 衍生工具交易對手信貸風險相關之風險**

衍生工具之信貸風險為正重置成本連同以其市值變動之未來潛在風險之估計。該等信貸風險作為交易對手整體信貸限額的一部分進行管理。本行以即期風險法為該等交易對手風險作出資本撥備。

當交易對手遭受的信貸風險與持有抵押品及任何影響交易的市場風險因素高度相關時將產生錯向風險。信貸風險及潛在虧損可能因市況不利變動增加。本行擁有各種政策及程序以控制錯向風險，以及從事錯向風險交易須獲事先批准。

根據衍生工具合約項下即期抵押義務之條款，倘本行信貸等級下調一級，我們基於二零一四年十二月三十一日及二零一三年十二月三十一日的狀況估計，本行須分別提供額外抵押品25,700,000港元及4,000,000港元。

下表概述本集團於證券融資交易及衍生工具合約中產生的主要違約風險，均使用即期風險法計算。

(I) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT

(continued)

(ii) Counterparty credit risk-related exposures for derivatives (continued)

- (1) The analysis of the major classes of exposures by counterparty type is as follows:

(I) 信貸風險管理之額外披露(續)
(ii) 衍生工具交易對手信貸風險相關之風險(續)

- (1) 按交易對手類別分析之主要風險類別分析如下：

		2014 二零一四年		2013 二零一三年	
		Securities financing transactions 證券融資 交易 HK\$'000 千港元	Derivative contracts 衍生工具 合約 HK\$'000 千港元	Securities financing transactions 證券融資 交易 HK\$'000 千港元	Derivative contracts 衍生工具 合約 HK\$'000 千港元
Notional amounts:	名義金額：				
Banks	銀行	7,939,655	29,964,403	5,418,118	28,937,248
Corporates	企業	434,800	18,965,715	-	18,022,519
Others	其他	143,025	2,234,572	-	4,211,486
		8,517,480	51,164,690	5,418,118	51,171,253
Default risk exposures:	違約風險：				
Banks	銀行	312,892	379,072	204,848	457,464
Corporates	企業	434,800	484,269	-	341,973
Others	其他	143,025	818	-	-
		890,717	864,159	204,848	799,437
Risk-weighted amounts:	風險加權金額：				
Banks	銀行	62,578	153,125	40,970	178,836
Corporates	企業	217,400	484,269	-	341,973
Others	其他	127,562	818	-	-
		407,540	638,212	40,970	520,809

(I) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT

(continued)

(ii) Counterparty credit risk-related exposures for derivatives (continued)

(2) The analysis of counterparty credit risk exposures is as follows:

(I) 信貸風險管理之額外披露(續)
(ii) 衍生工具交易對手信貸風險相關之風險(續)

(2) 交易對手信貸風險分析如下：

		2014 二零一四年		2013 二零一三年	
		Securities financing transactions 證券融資交易 HK\$'000 千港元	Derivative contracts 衍生工具合約 HK\$'000 千港元	Securities financing transactions 證券融資交易 HK\$'000 千港元	Derivative contracts 衍生工具合約 HK\$'000 千港元
Gross total positive fair value which are not securities financing transaction	非證券融資交易正公平價值總額	-	312,058	-	206,903
Default risk exposures net of bilateral agreements	扣除雙邊協議之違約風險	8,517,480	893,632	5,418,118	819,798
Default risk exposures net of cross-product agreements	扣除跨產品協議之違約風險	8,517,480	893,632	5,418,118	819,798
Recognised collateral held:	持有的獲認可抵押品：				
Debt securities	債務證券	7,626,763	-	5,213,270	-
Cash on deposit with the Bank	存放於本行的現金存款	-	14,794,537	-	14,139,292
Equity securities	股本證券	-	8,974	-	10,556
		7,626,763	14,803,511	5,213,270	14,149,848
Default risk exposures net of recognised collateral held	扣除持有的獲認可抵押品之違約風險	890,717	864,159	204,848	799,437
Risk-weighted amounts:	風險加權金額：	407,540	638,212	40,970	520,809

There were no outstanding credit derivative contracts as at 31 December 2014 (2013: HK\$ Nil).

於二零一四年十二月三十一日(二零一三年：零港元)，並無信貸衍生工具合約。

(J) ADDITIONAL DISCLOSURES ON EQUITY EXPOSURES IN BANKING BOOK

Equity holdings taken by the Group are differentiated between those taken for strategic reasons and those for long term investment for capital gains. Equity holdings taken for strategic reasons include the Group's investment in companies providing financial services which nourish the spectrum of the Bank's banking services. These include provident fund services provision, electronic payment services provision, and e-banking infrastructure and platform provision. All these investments are classified as "available-for-sale financial assets" and measured at fair value as described in Notes 2(g) and 46.

(J) 銀行賬戶內之股票風險之額外披露

本集團持有之股權有別於以策略原因及以長期投資以獲取資本收益而持有之股權。以策略原因持有之股權包括本集團於提供金融服務之公司之投資，這可壯大本行之銀行服務範圍。該等服務包括提供公積金服務、電子付款服務及電子銀行基礎設施及平臺。所有該等投資乃分類為「可供出售金融資產」及按公平價值計量（如附註2(g)及46所述）。

In respect of long term investments:

Cumulative realised gains/losses from sales and liquidations

Unrealised gains/losses
– Amount recognised in reserve but not through profit or loss

關於長期投資：

來自於出售及清盤之累積變現收益／虧損

未變現收益／虧損
– 於儲備內確認但未透過損益賬之金額

2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
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-	-
-	-

(K) ADDITIONAL DISCLOSURES ON RISK MANAGEMENT ON INTEREST RATE EXPOSURES IN BANKING BOOK

In accordance with the prudential return "Interest Rate Risk Exposures" issued by the HKMA, the Bank calculates, on a quarterly basis, the impact on earnings over the next 12 months under a scenario of which all interest rates other than prime rises 200 basis points.

As at 31 December 2014, the 200 basis points interest rate rise would increase earnings over the next 12 months on the HKD interest risk positions by HK\$125 million (2013: HK\$114 million) and decrease earnings over the next 12 months on the USD interest risk positions by HK\$69 million (2013: HK\$56 million).

(K) 銀行賬戶內之利率風險管理之額外披露

按照香港金融管理局發出的申報表「利率風險承擔」，本行按季度基準根據除最優惠利率外的全部利率上升200個基點之情況計算對未來十二個月之盈利之影響。

於二零一四年十二月三十一日，利率上升200個基點將使未來十二個月港元利率風險持倉之盈利增加125,000,000港元（二零一三年：114,000,000港元）及使未來十二個月美元利率風險持倉之盈利減少69,000,000港元（二零一三年：56,000,000港元）。

(L) CORPORATE GOVERNANCE

The Bank is committed to high standards of corporate governance, and has fully complied throughout the year with the guidelines on "Corporate Governance of Locally Incorporated Authorised Institutions" and "Guideline on a Sound Remuneration System" issued by the HKMA.

(L) 企業管治

本行致力實行高水平企業管治，並於本年度一直遵守金管局頒佈之「本地註冊認可機構的企業管治指引」及「穩健的薪酬制度指引」。

(M) KEY COMMITTEES

The Board of Directors has established five Board Committees to assist it in carrying out its responsibilities comprising the Audit Committee, Nomination and Remuneration Committee, Risk Committee, Executive Credit Committee and Executive Committee. In addition, a number of management level committees have been set up by the Board to oversee the effectiveness of the Bank's daily operations including, the Management Committee, Asset and Liability Committee, Internal Control and Compliance Committee, Credit Committee and Wholesale Credit Committee. The composition and function of these committees are set out below:

(i) Audit Committee

The Audit Committee comprises three members including one Non-Executive Director and two Independent Non-Executive Directors. The Audit Committee is chaired by an Independent Non-Executive Director who has appropriate accounting professional qualifications. The Committee meets at least four times a year and additionally when deemed necessary.

The Audit Committee is required to ensure that there is adequate supervision of the Bank's financial reporting processes, systems of internal control, that the internal audit function is effective and backed by adequate resources and has appropriate standing within the Bank. It is also required to ensure that there is coordination between the internal and external auditors, to monitor compliance with internal policies, statutory regulation and to consider recommendations made by the internal and external auditors.

The Audit Committee has to review the Bank's financial reporting process, the systems of internal control, the internal audit function and the risk management process. In particular, the review undertaken by the Audit Committee on the internal audit function includes the Internal Audit Charter and its approval, the annual audit plan, internal audit reports and special investigation reports issued, and ensuring that appropriate management actions are taken following the major audit findings.

The Audit Committee has also to review the appointment of external auditors and to discuss with them the nature and scope of their audits. The Audit Committee will also review the interim and annual financial statements before recommending them to the Board for approval.

(M) 主要委員會

董事會已成立五個董事委員會以協助董事會行使其職責，該等委員會包括審核委員會、提名及薪酬委員會、風險委員會、執行信貸委員會及執行委員會。此外，董事會亦成立了若干管理級別委員會以監督本行日常運作之有效性，該等委員會包括管理委員會、資產負債委員會、內部監控及合規委員會、信貸委員會及批發信貸委員會。該等委員會之構成及職能載列如下：

(i) 審核委員會

審核委員會由三名成員組成，包括一名非執行董事及兩名獨立非執行董事。審核委員會由擁有適當之會計專業資格之獨立非執行董事任主席。該委員會每年最少舉行四次會議，並在有需要時舉行特別會議。

審核委員會須確保充分監查本行的財務呈報過程、內部監控體系，確保內部審核職能有效，資料來源充足並於本行保持適當地位。該委員會亦須協調內部及外間核數師；以及監查內部政策、法定規例以及考慮內部及外間核數師的推薦意見。

審核委員會須檢討本行之財務報告程序、內部監控系統、內部審核職能及風險管理程序。特別是檢討內部審核職能方面，審核委員會的檢討範圍包括內部審核報告及其批准、年度審核計劃、已發佈之內部審核報告及特別調查報告及保證於重大審核結果後採取合適管理行動。

審核委員會亦對外聘核數師之委任進行檢討，並與其就審計之性質及範圍進行討論。審核委員會亦將於向董事會建議批准中期及年度財務報告之前審閱有關報告。

(M) KEY COMMITTEES (continued)**(ii) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises the Non-Executive Chairman, Non-Executive Vice Chairman and three Independent Non-Executive Directors of the Bank. The Committee meets periodically and as required and provides oversight of the management of the Bank's human resources including the appointment of directors and the Chief Executive Officer & Managing Director ("CEO"). The Committee has to establish the Bank's overall human resources management framework to ensure that the Bank is in compliance with the applicable government regulations and follows the market best practice whenever possible. The Committee is also responsible to ensure that directors and the CEO appointed possess the necessary and appropriate qualifications to perform and discharge their duties.

The Committee regularly reviews whether each existing Director continues to remain qualified for his post. It also reviews the structure, size and composition of the Board and makes recommendations on any proposed change to the Board.

The Committee reviews and approves the remuneration of Directors, members of board-level committees and Senior Management (as defined under the Remuneration Policy of the Bank).

(iii) Risk Committee

The Risk Committee comprises five members including two Non-Executive Directors, two Independent Non-Executive Directors and one Executive Director. The Committee meets at least four times a year and additionally when deemed necessary. Its mandate is to establish the Bank's overall risk appetite and risk management framework, and to oversee Senior Management's implementation of the Bank's risk policies.

The Risk Committee will review annually the Bank's risk appetite statement and risk management strategy. It will ensure that an appropriate infrastructure, adequate resources and systems are in place for risk identification, risk assessment, risk monitoring and overall risk management. It is also required to provide oversight of the Bank's risk activities and ensure it is in compliance with all relevant legal and regulatory requirements and that the best practices are adopted by the Bank wherever feasible.

The Risk Committee is required to ensure that the staff responsible for implementing risk management systems and controls perform their duties independent of those involved in the Bank's risk taking activities.

(M) 主要委員會(續)**(ii) 提名及薪酬委員會**

提名及薪酬委員會由本行的非執行主席、非執行副主席及三名獨立非執行董事組成。該委員會按需要定期舉行會議，以及監查本行人力資源管理，包括委任董事及行政總裁兼董事總經理（「行政總裁」）。該委員會亦設立本行的整體人力資源管理框架以確保本行遵守適用政府規定及在任何可能情況下遵循市場最佳慣例。該委員會亦負責確保已委任董事及行政總裁擁有必要及適當的資格以履行彼等的職責。

該委員會定期審查是否每位現任董事繼續符合資格擔任其職務。其亦審查董事會結構、規模及組成並就董事會任何建議變動作出推薦建議。

該委員會審閱及批准董事、董事會級別委員會及高級管理層成員的薪酬（定義見本行薪酬政策）。

(iii) 風險委員會

風險委員會由五名成員組成，包括兩名非執行董事、兩名獨立非執行董事及一名執行董事。該委員會每年舉行四次會議並在視作必要時舉行額外會議。其職責為建立本行的整體風險承受能力及風險管理框架，以及監管高級管理層實施本行的風險政策。

風險委員會將每年審查本行的風險承受能力聲明及風險管理策略。其將確保針對風險識別、風險評估、風險監管及整體風險管理的適當基礎設施、充足資源及系統均就緒。其亦須監查本行的風險活動及確保遵守所有有關法律及監管規定以及本行於可行情況下採納最佳慣例。

風險委員會須確保負責實施風險管理系統及控制的員工獨立於涉及本行風險活動的員工之外履行彼等的職責。

(M) KEY COMMITTEES (continued)**(iv) Executive Committee**

The Executive Committee comprises the Non-Executive Chairman, Non-Executive Vice Chairman and the CEO of the Bank. It will exercise the powers and authority delegated by the Board from time to time concerning the management and day-to-day running of the Bank. The Executive Committee will meet periodically and as required and will operate as a general management function under the auspices of the Board.

(v) Executive Credit Committee

The Executive Credit Committee comprises the Non-Executive Chairman, Non-Executive Vice Chairman and the CEO of the Bank. It has the delegated authority to approve credit referrals or credit related matters which require the approval of the Board. The Executive Credit Committee will meet as required to review and approve requests for customer credit facilities that require the approval of the Board. The Executive Credit Committee will approve the Bank's credit policies and overall credit risk profile.

(vi) Management Committee

The Management Committee is chaired by the Bank's CEO, and comprises senior management personnel as appointed by the CEO. The Management Committee is the key decision making body for the Bank and is responsible mainly for the running of the Bank's day to day business under the authority delegated by the Board and within the strategy and business plan as approved by the Board. This Committee is also responsible for the formulation of the Bank's business strategies and major bank-wide initiatives for the Board's approval. The Management Committee meets at least once a month to evaluate and approve new business proposals, coordinate among business and support units during the implementation process, monitor the implementation of the approved business strategies and bank-wide initiatives, review the achievement of business targets and objectives and the financial performance of the Bank.

(vii) Asset and Liability Committee

The Asset and Liability Committee ("ALCO") comprises the CEO, Chief Financial Officer and senior management personnel as appointed by the CEO. The committee is responsible for providing oversight of the Bank's operations relating to interest rate risk, market risk and liquidity risk (collectively known as "financial risks") as well as capital management. The committee initiates, reviews and endorses for the Risk Committee of the Board's approval the Bank's policies on financial risks and capital management. It approves guidelines relating to such policies, reviews and approves all major financial risk management reports. ALCO also oversees the Bank's investment activities by establishing investment strategies within policies laid down by the Board and reviews actual performance.

(M) 主要委員會(續)**(iv) 執行委員會**

執行委員會由本行非執行主席、非執行副主席及行政總裁組成，將行使由董事會不時委託的有關本行管理及日常營運之權力及職權。執行委員會於有要求時定期會晤，並於董事會的支持下行使一般管理職能。

(v) 執行信貸委員會

執行信貸委員會由本行非執行主席、非執行副主席及行政總裁組成。該委員會獲授權批核須獲董事會批准的信貸建議或信貸相關事項。執行信貸委員會於需要時召開會議審閱及批核須由董事會批准之客戶信貸額度。執行信貸委員會將批核本行的信貸政策及整體信貸風險狀況。

(vi) 管理委員會

管理委員會由本行的行政總裁任主席，由行政總裁所委任的相關高級管理人員組成。管理委員會乃本行重要的決策組織，主要在董事會授權下負責銀行的日常運作，以確保切合董事會批核的策略和業務計劃。該委員會亦負責制定本行的業務策略及主要全行措施以供董事會批核。管理委員會至少每月舉行一次會議，評估及批准新業務計劃在業務策略的推行過程中協調業務及後勤部門的工作，監察已批准業務策略及全銀行層面措施的實施進度，檢討是否實現本行業務目標及宗旨及財務表現。

(vii) 資產負債委員會

資產負債委員會由行政總裁、財務長及行政總裁所委任的高級管理人員組成。該委員會負責監查本行有關利率風險、市場風險及流動資金風險(統稱為「財務風險」)的業務以及資本管理。該委員會啟動、審閱及批准本行財務風險及資本管理政策，以供董事會風險委員會批准。其批准有關該等政策的指引，審閱及批准所有重大財務風險管理報告。資產負債委員會亦透過在董事會規定的政策範圍內設立投資策略監查本行的投資活動以及檢討實際表現。

(M) KEY COMMITTEES (continued)**(viii) Internal Control and Compliance Committee**

The Internal Control and Compliance Committee (“ICC”) comprises the Bank’s CEO, Chief Financial Officer, Head of Control & Risk Management and the heads of different control, business and support functions. The responsibilities of the Committee include providing oversight of the Bank’s exposure to operational and legal risks, overseeing the Bank’s compliance and anti-money laundering (“AML”) activities, ensuring the Bank has in place an effective internal control and compliance framework, assisting the Risk Committee in establishing a sound internal control and monitoring system to ensure overall compliance within the Bank.

To ensure an effective internal control and compliance framework is in place, the ICC reviews policies and approves guidelines relating to control and compliance risks, receives and discusses reports submitted by various risk management units and promotes internal control and compliance culture. To maintain the Bank’s overall compliance standards, the ICC reviews and discusses major compliance or AML or operational risk events, latest developments in statutory or regulatory requirements applicable to bank, progress of implementation of new statutory or regulatory compliance requirements and progress of rectification of audit findings.

(ix) Credit Committee

The Credit Committee (“CC”) meets weekly and its mandate is to provide oversight of the Bank’s credit risk management. The committee is chaired by the Bank’s CEO, and consists of senior executives of the Bank, all are members of the Management Committee.

The CC reviews and endorses credit policies and credit risk profile of the bank for the Executive Credit Committee (“ECC”)’s approval, and reviews and approves credit related guidelines. The Committee also reviews and approves requests for credit facilities that are within the CC’s authority as delegated by the Board, and reviews and endorses requests before their submission to the ECC for approval.

The CC will also conduct on-going reviews on the market environment and make necessary policy recommendations to the ECC to ensure the credit risk profile of the Bank is within the established risk appetite. In this regard, the CC will provide periodic and timely credit related management and stress testing reports to the ECC for review.

(x) Wholesale Credit Committee

The Wholesale Credit Committee (“WCC”) is chaired by the Head of Control and Risk Management Division of the Bank, and comprises senior officers of the Bank. It meets weekly to review and approve request for corporate and commercial credit facilities that are within its authority as delegated by the Board.

(M) 主要委員會(續)**(viii) 內部監控及合規委員會**

內部監控及合規委員會包括本行的行政總裁、財務長、監控及風險管理部主管以及各監控、業務及後勤部門主管。該委員會負責監督本行面臨之營運及法律風險，監查本行之合規事宜及反洗黑錢活動，確保本行之有效內部控制及合規架構、協助風險委員會建立良好的內部控制及監督系統，確保本行整體之合規性。

為確保有效的內部控制及合規架構，內部監控及合規委員會審閱與監控及合規風險有關的政策及批准與之有關的指引，省覽及討論各風險管理單位提交的報告以及推動內部控制及合規性文化。為維持本行的整體合規性標準，內部監控及合規委員會審查及討論主要合規事宜或反洗黑錢或營運風險事件、本行適用的法定或監管規定的最新發展、實施新法定或監管合規性規定的進展及整改審計結果的進展。

(ix) 信貸委員會

信貸委員會每周會晤且其授權為監查本行的信貸風險管理。該委員會由本行行政總裁任主席，由本行高級行政人員組成，且均為管理委員會的成員。

信貸委員會審閱及批准本行信貸政策及信貸風險狀況，以供執行信貸委員會批准，以及審閱及批准信貸相關指引。該委員會亦在董事會授予信貸委員會的授權內審閱及批准信貸融資要求，及審閱及同意要求，再提交執行信貸委員會以供批准。

信貸委員會亦將對市場環境進行持續檢討，並向執行信貸委員會作出必要的政策建議，以確保本行的信貸風險狀況在設定的風險取向範疇內。就此而言，信貸委員會將定期及及時向執行信貸委員會提供信貸相關管理及壓力測試報告以供審閱。

(x) 批發信貸委員會

批發信貸委員會由本行監制及風險管理部主管任主席，由本行的高級行政人員組成。該委員會每週會晤以在董事會授予之授權範圍內審閱及批准企業及商業信貸融資請求。

(N) DISCLOSURE ON REMUNERATION**General**

The Bank's remuneration system is applicable to all staff of the Bank and its subsidiaries. During the financial year, the Nomination and Remuneration Committee reviewed and approved, inter alia, the Bank's Remuneration Policy.

The Bank's remuneration system is based on the following principles:

- alignment of compensation to its profitability, risk and capital;
- maximization of employees' and the Bank's performance;
- attraction and retention of talent and skilled staff; and
- calibration to the differing needs of each division and staff's levels of responsibility.

The remuneration packages of the Bank's staff may comprise fixed and variable components which are structured to reflect the prevailing context in which the Bank operates and the Bank's intended performance. Fixed pay includes base salary, fixed allowance and year-end double pay, while variable pay may cover sales incentives, year-end discretionary bonus and share options. The use of different variable pay forms depends on a number of factors such as the appropriateness of the forms in coping with the long and short term business goals of the Bank, staff retention and risk factors. Deferment mechanism on variable pay will be implemented if the staff member's variable pay in cash exceeds the pre-determined thresholds. The deferment period for the excess portion of the variable pay in cash will be 6 months for general staff and 36 months for Senior Management reflecting their relative responsibilities and role. The award of deferred variable pay in cash should also be subject to pre-defined conditions such as the performance and behaviour of the staff member concerned. In addition, a clawback mechanism may be applied in specific circumstances related to the staff member's individual performance.

The Nomination and Remuneration Committee when considering the budget for salary increase will take into account a number of factors including, but not limited to, latest market and industry practice, yearly inflation rate, the results of annual surveys on trends in pay and salary adjustments made in the last financial year. The salary increase budget will be approved by the Nomination and Remuneration Committee and the salary increase for individual staff members will be determined by the CEO taking into consideration performance of the relevant staff, latest market situation and industry practice and any pertinent reasons for the recommendation which may be relevant.

(N) 薪酬披露**一般資料**

本行之薪酬制度適用於本行及其附屬公司的所有員工。本財政年度內，提名及薪酬委員會已審閱及批核(其中包括)本行之薪酬政策。

本行薪酬制度以下列原則為基礎：

- 將薪酬與本行盈利能力、風險及資本掛鉤；
- 盡量提高員工及本行之表現；
- 吸引及挽留人才及技術嫻熟的員工；及
- 須衡量各部門之不同需要及員工各自之責任。

本行的員工薪酬待遇可包括固定及浮動部份，其架構反映本行營運所在當前環境及本行擬定表現。固定薪酬包括基本工資、固定津貼及年終雙糧，而浮動薪酬包括銷售獎勵、年終酌情花紅及認股權。報酬會採用不同的支付形式，視乎若干因素而定，例如有關方式能否配合本行之長短期業務目標、挽留人才及風險因素。如個別員工以現金發放的浮動薪酬超出預定限額，則會對其浮動薪酬實施押後發放安排。以現金發放的浮動薪酬押後發放期，一般員工將為6個月，高級管理層為36個月，以反映其相對的責任和職位。發放遞延浮動獎勵金須符合預先界定之條件，如相關員工之表現及行為等。此外，在與員工個人表現有關的特定情況下，可能會實行追回浮薪安排。

提名及薪酬委員會於考慮加薪預算時會考慮多項因素，包括(但不限於)最近市場情況及行業慣例、全年通脹率、年度薪酬趨勢調查結果，以及上個財政年度之薪酬調整。加薪預算須經提名及薪酬委員會批准，而個別員工之加薪幅度由行政總裁在考慮有關員工之表現、最近市況及行業慣例以及相關建議的中肯理由後釐定。

(N) DISCLOSURE ON REMUNERATION (continued)**Senior Management and Key Personnel**

There were 16 employees classified as Senior Management in the financial year. The remuneration packages of Senior Management (Note i) and Key Personnel (Note ii) are determined by the Nomination and Remuneration Committee with reference to the following factors:

- latest market and industry practice;
- yearly inflation rate;
- the results of annual surveys on trends in pay;
- performance of the relevant staff; and
- attraction and retention of talent.

Note i Senior Management refers to those senior executives whose performances have significant impact on the Bank's operations and results. They include the following positions:

- Managing Director/Chief Executive
- Alternate Chief Executive
- Executive Director
- Executive Vice President
- Management Committee Member

Note ii Key Personnel refers to those executives other than Senior Management who are engaged in trading and dealing activities which involve the assumption of material risk or the taking on of material exposures on behalf of the Bank. In the financial year, the Bank did not have such personnel.

(N) 薪酬披露 (續)**高級管理層及主要員工**

於本財政年度，有16名員工分類為高級管理層。高級管理層(附註i)和主要員工(附註ii)的薪酬是由提名及薪酬委員會參考下述因素決定：

- 最新市場及業界慣例；
- 全年通脹率；
- 年度薪酬趨勢調查結果；
- 有關員工之表現；及
- 吸引和挽留人才。

附註i 高級管理層是指那些對本行營運及業績產生重大影響的高級管理人員。他們包括以下職位：

- 董事總經理／行政總裁
- 替任行政總裁
- 執行董事
- 執行副總裁
- 管理委員會成員

附註ii 主要員工是指那些，高級管理層以外，從事涉及重大風險的貿易及交易活動或為本行承擔主要風險的人員。於本財政年度內，本行沒有該等人員。

(N) DISCLOSURE ON REMUNERATION (continued)

Senior Management and Key Personnel (continued)

The aggregate quantitative information on remuneration (Note iii) for the Bank's Senior Management and Key Personnel for the financial year is set out below:

- (i) Amount of remuneration for the financial year, split into fixed and variable remuneration:

Fixed Remuneration	固定薪酬		
Cash	現金		
Variable Remuneration	浮動薪酬		
Cash	現金		
Share options granted in 2014	於二零一四年授出購股權		

(N) 薪酬披露 (續)

高級管理層及主要員工 (續)

本行高級管理層及主要員工於本財政年度之薪酬(附註iii)總額資料載列如下:

- (i) 本財政年度薪酬金額, 分為固定及浮動薪酬:

	Non-deferred 非延付薪酬 (Amount in HKD) (港元金額)	Deferred 延付薪酬 (Amount in HKD) (港元金額)
	37.95 million 37.95百萬	Nil 無
	7.52 million (Year-end bonus paid in 1/2015) 7.52百萬 (於二零一五年一月支付之年終花紅)	Nil 無
	Nil 無	Nil 無

(N) DISCLOSURE ON REMUNERATION (continued)

Senior Management and Key Personnel (continued)

- (ii) Aggregate amount of outstanding deferred variable remuneration split into vested and unvested:

	已歸屬	未歸屬
Vested	已歸屬	未歸屬
Cash	現金	現金
Share options	購股權	購股權
Unvested	未歸屬	未歸屬
Cash	現金	現金
Share options	購股權	購股權

There was no deferred variable remuneration being reduced through performance adjustments in 2014.

(N) 薪酬披露 (續)

高級管理層及主要員工 (續)

- (ii) 延付浮動薪酬(分為已歸屬及尚未歸屬)之總額:

Awarded for Performance Year 2014 就二零一四年度 之表現所發放之 總額 (Amount in HKD) (港元金額)	Awarded for Prior Performance Years 就二零一四年度 前之表現所發放 之總額 (Amount in HKD) (港元金額)
7.52 million (Year-end bonus paid in 1/2015) 7.52百萬 (於二零一五年 一月支付之 年終花紅)	0.06 million (see iii) 0.06百萬 (見附註iii)
Nil 無	Nil 無
Nil	0.06 million (see iii) 0.06百萬 (見附註iii)
Nil 無	Nil 無

於二零一四年，並無任何延付浮動薪酬須就表現情況而作出扣減。

(N) DISCLOSURE ON REMUNERATION (continued)

Senior Management and Key Personnel (continued)

(iii) The deferred portion of the year-end bonus awarded for prior performance years totalled HKD0.06 million in relation to two Senior Management members were paid during the financial year. The outstanding deferred amount of HKD0.06 million will be paid subject to the fulfilment of vesting conditions and period.

(iv) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit/implicit adjustments is set out below:

		(Amount in HKD) (港元金額)
Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit implicit adjustments	於授出後作出明確／隱含調整之延付薪酬及被保留薪酬總結餘額	0.06 million 0.06百萬
Total amount of deferred remuneration awarded, paid out and reduced through performance adjustments during the financial year	於本財政年度，授予、支付及就表現情況而作出扣減之延付薪酬總額	Nil 無

(v) No guaranteed bonus was paid during the financial year.

(vi) No severance payments were awarded during the financial year.

Note iii Remuneration refers to all remuneration payments payable to employees during the financial year. The remuneration also includes remuneration payments to one resigned staff during the financial year.

(N) 薪酬披露(續)

高級管理層及主要員工(續)

(iii) 對於兩名高級管理層成員就過往年度表現所授予之合共6萬港元之年終花紅押後發放部分已於本財政年度內支付。餘下的6萬港元押後發放部分，將在乎合歸屬條件及有效期的情況下發放。

(iv) 於授出後作出明確／隱含調整之延付薪酬及被保留薪酬總結餘額，現載列如下：

		(Amount in HKD) (港元金額)
	於授出後作出明確／隱含調整之延付薪酬及被保留薪酬總結餘額	0.06 million 0.06百萬
	於本財政年度，授予、支付及就表現情況而作出扣減之延付薪酬總額	Nil 無

(v) 於本財政年度並無發放固定花紅。

(vi) 於本財政年度並無支付解僱金。

附註iii 薪酬是指所有在本財政年度向員工支付的報酬支付。薪酬還包括在本財政年度內向一位已離任員工的支出。

(O) MARKET RISK MANAGEMENT

Details of the Group's market risk management policies and measures have been set out in Note 49(b).

The Group calculates VAR with a confidence level of 99%, a holding period of one trading day and using a 1-year historical observation period. The VAR methodology adopted by the Group is historical simulation approach. Historical simulation uses scenarios derived from historical market rates/prices and takes account of the relationships between different markets and rates. The VAR model is helpful in measuring the bank's exposure to day-to-day market fluctuations. It is not intended to measure the bank's exposure to individually significant events such as the bankruptcy of a major financial institution.

The Group has measured VAR for all material trading portfolios. The VAR results as shown in the below table are calculated independently according to the underlying positions, and historical market movements.

At 31 December	於十二月三十一日
<i>VAR by risk type:</i>	<i>按風險種類劃分之風險值：</i>
Foreign exchange risk	外匯風險
Interest rate risk	利率風險
Equities risk	股票風險
Total VAR	總風險值

The Group adopts a prudent approach to managing its trading portfolios, and reduces any excessive market risk by executing offsetting transactions or hedging contracts with other market counterparties. Market risk ensues once the Group takes positions in markets such as foreign exchange, interest rates, securities and equities. Such positions are driven by execution of customer orders, proprietary trading and hedging.

(O) 市場風險管理

本集團之市場風險管理政策及措施之詳情載於附註49(b)。

本集團以信心水平為99%、持有期為一個交易日及採用一年歷史觀察期以計算風險值。本集團所採用的風險值方法為歷史模擬法。歷史模擬法採用過往市場費率/價格，並考慮不同市場及費率之間的關係。風險值模式有助於計量銀行承受日常市場波動的風險，但無意計量銀行承受個別重大事件的風險，例如大型金融機構破產。

本集團已計量所有重大交易組合的風險值。下表所列示的風險值結果乃按照相關持倉及過往市場變動進行獨立計算。

	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
	400	16
	238	101
	-	-
	638	117

本集團採納一套謹慎的方法管理其交易組合，並透過其他市場同業簽訂抵銷交易或對沖合約，以減低任何過度市場風險。若本集團於外匯市場、利率市場或證券及股票市場持倉時便會產生市場風險，而這些皆是因應客戶的交易指示、自營買賣及對沖活動而產生的持倉。

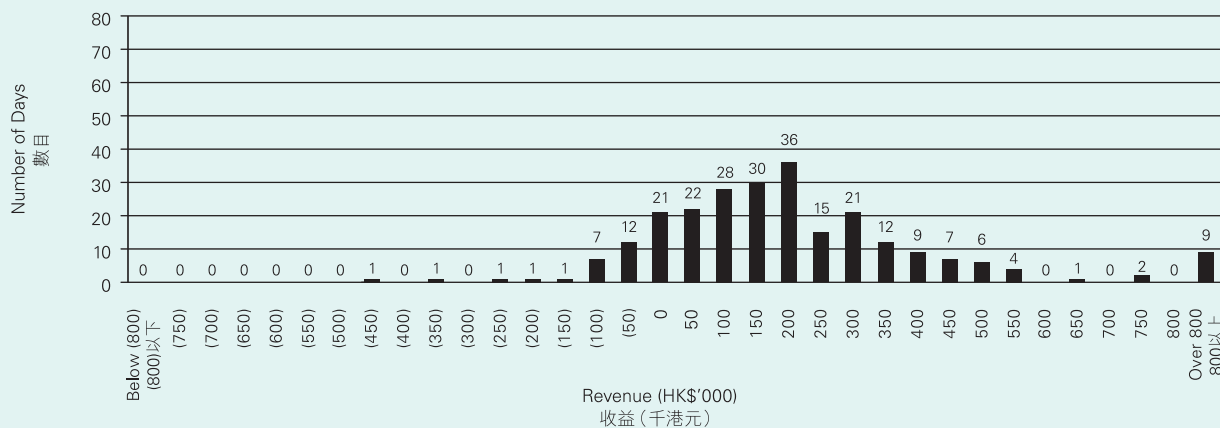
(O) MARKET RISK MANAGEMENT (continued)

The Group's maximum market risk exposures are set by the ALCO. Exposures are monitored and reported to the management regularly. The average daily revenue generated from the treasury's trading activities for the year was HK\$185,347 (2013: HK\$126,679) and the standard deviation was HK\$271,417 (2013: HK\$268,469). An analysis of the Group's trading revenue is shown below:

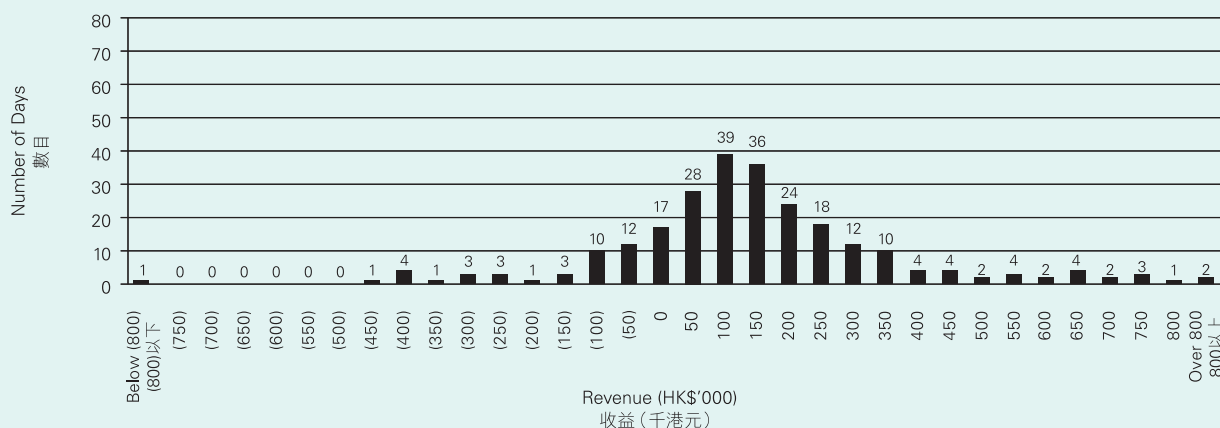
(O) 市場風險管理(續)

本集團之最高市場風險承擔由資產負債委員會訂定，並定期受到監控及須向管理層匯報。年內由財資交易活動獲得的平均每日收益為185,347港元(二零一三年：126,679港元)，標準偏差為271,417港元(二零一三年：268,469港元)。本集團之交易收益分析如下：

Daily Distribution of Trading Revenue for the Year Ended 31 December 2014
截至二零一四年十二月三十一日止年度每日交易收益分佈



Daily Distribution of Trading Revenue for the Year Ended 31 December 2013
截至二零一三年十二月三十一日止年度每日交易收益分佈



This shows a maximum daily loss of HK\$493,501 (2013: HK\$973,621) with 45 days (2013: 56 days) out of 247 days (2013: 250 days) showing losses. The most frequent results were observed in daily revenue falling from HK\$150,000 to HK\$200,000 (2013: HK\$100,000 to HK\$150,000) with 36 occurrences (2013: 39 occurrences in the range). The highest daily revenue was HK\$2,172,301 (2013: HK\$2,158,373).

以上圖表顯示於247天(二零一三年：250天)交易日中，45天(二零一三年：56天)錄得虧損，最高每日虧損493,501港元(二零一三年：973,621港元)。最常見交易成績為每日收益介乎150,000港元至200,000港元(二零一三年：100,000港元至150,000港元)，並於該組別出現36次(二零一三年：於該組別出現39次)。最高每日收益為2,172,301港元(二零一三年：2,158,373港元)。