

The cover features a large, stylized image of a modern skyscraper with a curved glass facade, reflecting the sky and clouds. The building is set against a light blue background with soft, white clouds. The ICBC logo is visible on the building's facade. The overall design is clean and professional, with a focus on the bank's global presence and modern architecture.

ICBC  工银亚洲

跨境金融 首選銀行

2016

ANNUAL REPORT 年報



目錄 CONTENTS

2	工銀亞洲簡介
3	Profile of ICBC (Asia)
4	公司資料
5	Corporate Information
6	財務概況
	Financial Performance
10	主席致辭
27	Chairman's Statement
12	管理層討論與分析
29	Management's Discussion and Analysis
22	董事及高層管理人員簡歷
39	Biographical Details of Directors & Senior Management
44	董事會報告
	Report of the Directors
49	企業管治報告
	Corporate Governance Report
60	獨立核數師報告書
	Independent Auditor's Report
67	綜合收益表
	Consolidated Income Statement
68	綜合全面收益表
	Consolidated Statement of Comprehensive Income
69	綜合財務狀況表
	Consolidated Statement of Financial Position
70	綜合權益變動表
	Consolidated Statement of Changes in Equity
72	綜合現金流量表
	Consolidated Statement of Cash Flows
74	財務報表附註
	Notes to the Financial Statements
213	附加財務資料
	Supplementary Financial Information
235	分行、附屬及聯營公司
	Branches, Subsidiaries and Associate

工銀亞洲簡介

中國工商銀行(亞洲)有限公司(「工銀亞洲」或「本行」)，作為目前全中國市值最大商業銀行－中國工商銀行股份有限公司(「中國工商銀行」)在海外地區的銀行業務旗艦，為眾多企業和個人客戶提供包括各類存貸款、貿易融資、匯款、清算、工商業貸款、銀團貸款、出入口押匯、中國業務諮詢及融資、資產管理、證券、信託及黃金買賣經紀及保險代理等廣泛的金融服務。

工銀亞洲前身為香港友聯銀行有限公司，於一九六四年在香港成立，並於一九七三年在香港公開上市，多年來不斷為客戶開創嶄新及多元化的銀行服務。本行成為中國工商銀行集團成員後，於二零零零年八月二十一日易名為中國工商銀行(亞洲)有限公司。

於二零零一年七月，中國工商銀行向工銀亞洲注入香港分行企業銀行業務，促使工銀亞洲的客戶基礎擴大、改善存款及貸款組合及使服務產品組合更趨多元化。透過此業務轉移，大大提升工銀亞洲的競爭力。

於二零零四年四月三十日，工銀亞洲購入華比富通銀行之零售及商業銀行業務。華比富通銀行隨後易名為華比銀行，成為工銀亞洲的全資附屬公司。至二零零五年十月，工銀亞洲正式將華比銀行香港分行併入。於二零零五年，工銀亞洲收購華商銀行為全資附屬公司，重點發展中國內地人民幣銀行業務。

於二零零八年八月三十一日，工銀亞洲完成收購和昇投資管理有限公司，並將其易名為工銀亞洲投資管理有限公司。作為工銀亞洲的全資附屬公司，工銀亞洲投資管理有限公司提供專業的投資服務及資產管理服務。

於二零一零年十二月二十一日，中國工商銀行完成對工銀亞洲的私有化程序，工銀亞洲亦隨即從香港聯合交易所退市，成為中國工商銀行集團的全資附屬公司。私有化的完成為工銀亞洲提供了更為廣闊的融資空間，使工銀亞洲更能靈活地獲取中國工商銀行的支持，在集團內實現更有效的業務聯動與整合。

工銀亞洲在完成私有化程序後，發展步伐不斷加快，在持續提升盈利能力、不斷增強創新理念及加大重視風險管控等多方驅動力下，實現了客戶基礎日漸擴大，多業務穩步齊升、資產規模及結構不斷擴大和優化的良好勢頭。

工銀亞洲一直堅持「立足香港，背靠內地，面向全球」的戰略，充分發揮香港作為離岸人民幣中心的市場機遇，積極拓展全面的人民幣業務及跨境銀行服務，並在離岸人民幣金融產品領域中實現多項創舉，多次獲頒有關優質跨境金融服務的獎項，其中包括「卓越跨境銀行服務品牌」及「最佳交易」等。

Profile of ICBC (Asia)

Industrial and Commercial Bank of China (Asia) Limited (“ICBC (Asia)” or “the Bank”), being the flagship of overseas banking business of Industrial and Commercial Bank of China Limited (“ICBC”) – currently the China’s largest commercial bank by market capitalisation, offers a wide range of financial services to corporate and individual customers, including various types of deposits and loans, trade finance, remittance, settlement, commercial and industrial finance, syndicated loans, inward and outward bills of exchange, China business advisory and financial services, asset management, securities, trustee and bullion brokerage services as well as insurance agency services.

ICBC (Asia), formerly known as Union Bank of Hong Kong Limited, was established in Hong Kong in 1964 and publicly listed in 1973. Over the years, the Bank offered advanced and diversified banking services to its customers. The Bank changed its name to “Industrial and Commercial Bank of China (Asia) Limited” on 21 August 2000 following its becoming a member of ICBC Group.

In July 2001, ICBC injected the corporate banking business of its Hong Kong Branch into ICBC (Asia). It expanded the customer base of ICBC (Asia), improved its deposits and loans portfolio and also diversified its product mix. Such transfer of business therefore led to a substantial enhancement of the competitive edge of ICBC (Asia).

ICBC (Asia) acquired Fortis Bank Asia HK’s retail and commercial banking operations on 30 April 2004. Fortis Bank Asia HK was then renamed to Belgian Bank and became a wholly-owned subsidiary of ICBC (Asia). In October 2005, Belgian Bank, Hong Kong Branch was formally merged with ICBC (Asia). In 2005, ICBC (Asia) acquired Chinese Mercantile Bank which becomes its wholly-owned subsidiary and focuses on RMB banking business in Mainland China.

On 31 August 2008, ICBC (Asia) completed the acquisition of Worldsec Asset Management Limited and renamed it to ICBC (Asia) Investment Management Company Limited. Being a wholly-owned subsidiary of ICBC (Asia), ICBC (Asia) Investment Management Company Limited provides professional investment and asset management services.

On 21 December 2010, ICBC completed its privatisation process of ICBC (Asia), which was henceforth withdrawn from listing on The Stock Exchange of Hong Kong Limited and became a wholly-owned subsidiary of ICBC. The completion of privatisation thus provides ICBC (Asia) with broader access to finance, allows greater flexibility in obtaining the support of ICBC and achieving more effective business connection and integration within the ICBC Group.

Upon the completion of the privatisation process, ICBC (Asia) accelerates its pace of development. Benefited from its continuous enhancing profitability, innovation, risk management and control effectiveness and other driven forces, ICBC (Asia) achieves a good momentum of steady growth in the client base and business development, resulting in continued expanding of its total asset size and optimization of its asset structure.

By persisting in the business strategy of “based in Hong Kong, backed by the Mainland, facing the world”, ICBC (Asia) seizes the favourable opportunities of Hong Kong being the offshore Renminbi centre and keenly explores Renminbi businesses and cross-border banking services. ICBC (Asia) realized a number of pioneering projects in offshore Renminbi financial products and was received various awards regarding quality crossborder services, such as “Excellent Brand of Cross-border Banking Services” and “Best Deal”, etc.

公司資料

董事會

高明 (主席兼執行董事)
姜壹盛 (執行董事兼行政總裁)
葉冠東 (執行董事、副行政總裁、替任行政總裁兼風險總監)
洪貴路 (非執行董事)
馬向軍 (非執行董事)
王于漸, S.B.S., 太平紳士 (獨立非執行董事)
徐耀華 (獨立非執行董事)
袁金浩, FHKIoD (獨立非執行董事)
蔡耀君, S.B.S., FHKIB (獨立非執行董事)
武捷思 (獨立非執行董事)

公司秘書

于洪

審核委員會

王于漸, S.B.S., 太平紳士* (主席)
蔡耀君, S.B.S., FHKIB* (替任主席)
洪貴路
徐耀華*
武捷思*

戰略與企業管治委員會

高明 (主席)
姜壹盛
洪貴路
王于漸, S.B.S., 太平紳士*
袁金浩, FHKIoD*
蔡耀君, S.B.S., FHKIB*
武捷思*

董事會風險管理委員會

馬向軍 (主席)
蔡耀君, S.B.S., FHKIB* (替任主席)
姜壹盛
葉冠東
袁金浩, FHKIoD*

薪酬委員會

袁金浩, FHKIoD* (主席)
王于漸, S.B.S., 太平紳士*
徐耀華*
馬向軍
武捷思*

提名委員會

徐耀華* (主席)
洪貴路
袁金浩, FHKIoD*

高層管理人員

姜壹盛 (執行董事兼行政總裁)
葉冠東 (執行董事、副行政總裁、替任行政總裁兼風險總監)
梁銘謙 (副行政總裁兼替任行政總裁)
唐希強 (副行政總裁)
羅麗軍 (副行政總裁)
王超明 (助理行政總裁兼首席信息官)
李冬 (助理行政總裁)
盧建 (助理行政總裁)

審計師

畢馬威會計師事務所
香港中環遮打道10號
太子大廈八樓
電話: (852)2522 6022
圖文傳真: (852) 2845 2588

註冊辦事處

香港中環花園道三號
中國工商銀行大廈三十三樓
電話: (852)3510 8888
圖文傳真: (852)2805 1166
郵箱: 香港郵政總局信箱872號
環球銀行金融電信: UBHKHKHH

本年報可於 <http://www.icbcasia.com> 下載

* 獨立非執行董事

Corporate Information

BOARD OF DIRECTORS

Gao Ming

(Chairman & Executive Director)

Jiang Yisheng

(Executive Director & Chief Executive Officer)

Ip Koon Tung

*(Executive Director, Deputy Chief Executive,
Alternate Chief Executive & Chief Risk Officer)*

Hong Guilu *(Non-executive Director)*

Ma Xiangjun *(Non-executive Director)*

Wong Yue Chim, Richard, S.B.S., J.P.

(Independent Non-executive Director)

Tsui Yiu Wa, Alec *(Independent Non-executive Director)*

Yuen Kam Ho, George, FHKIoD

(Independent Non-executive Director)

Choi Yiu Kwan, S.B.S., FHKIB

(Independent Non-executive Director)

Wu Jie Si *(Independent Non-executive Director)*

COMPANY SECRETARY

Yu Hong

AUDIT COMMITTEE

Wong Yue Chim, Richard, S.B.S., J.P.* *(Chairman)*

Choi Yiu Kwan, S.B.S., FHKIB* *(Alternate Chairman)*

Hong Guilu

Tsui Yiu Wa, Alec*

Wu Jie Si*

STRATEGY AND CORPORATE GOVERNANCE COMMITTEE

Gao Ming *(Chairman)*

Jiang Yisheng

Hong Guilu

Wong Yue Chim, Richard, S.B.S., J.P.*

Yuen Kam Ho, George, FHKIoD*

Choi Yiu Kwan, S.B.S., FHKIB*

Wu Jie Si*

RISK MANAGEMENT COMMITTEE OF BOARD OF DIRECTORS

Ma Xiangjun *(Chairman)*

Choi Yiu Kwan, S.B.S., FHKIB* *(Alternate Chairman)*

Jiang Yisheng

Ip Koon Tung

Yuen Kam Ho, George, FHKIoD*

REMUNERATION COMMITTEE

Yuen Kam Ho, George, FHKIoD* *(Chairman)*

Wong Yue Chim, Richard, S.B.S., J.P.*

Tsui Yiu Wa, Alec*

Ma Xiangjun

Wu Jie Si*

NOMINATION COMMITTEE

Tsui Yiu Wa, Alec* *(Chairman)*

Hong Guilu

Yuen Kam Ho, George, FHKIoD*

SENIOR MANAGEMENT

Jiang Yisheng

(Executive Director & Chief Executive Officer)

Ip Koon Tung

(Executive Director, Deputy Chief Executive, Alternate Chief Executive & Chief Risk Officer)

Leung Ming Hym, Peter *(Deputy Chief Executive &*

Alternate Chief Executive)

Tong Hee Keung, Samuel *(Deputy Chief Executive)*

Luo Lijun *(Deputy Chief Executive)*

Wang Chaoming

(Assistant Chief Executive & Chief Information Officer)

Li Dong *(Assistant Chief Executive)*

Lu Jian *(Assistant Chief Executive)*

AUDITORS

KPMG

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

Telephone: (852)2522 6022

Facsimile: (852)2845 2588

REGISTERED OFFICE

33/F., ICBC Tower

3 Garden Road, Central, Hong Kong

Telephone: (852)3510 8888

Facsimile: (852)2805 1166

Post Box: GPO Box 872

SWIFT: UBHKHKHH

This Annual Report can be accessed through the internet at:
<http://www.icbcasia.com>

* Independent Non-executive Director

財務概況

Financial Performance

二零一六年財務摘要

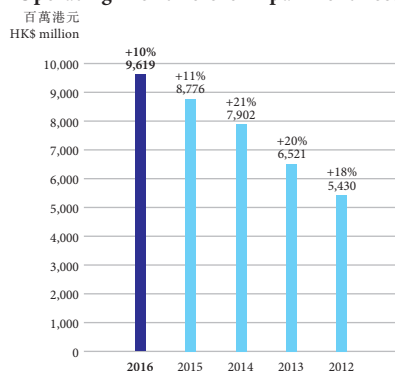
2016 Financial Highlights

全年 (百萬港元)	For the Year (in HK\$ million)	2016	重列 Restated 2015	變動百分比 % Change
淨利息收入	Net Interest Income	9,143	8,517	7.3%
淨收費及佣金收入	Net Fee and Commission Income	2,156	1,842	17.0%
其他營業收入	Other Operating Income	1,111	1,123	-1.1%
營業支出	Operating Expenses	2,791	2,700	3.4%
貸款減值損失支銷	Charge for Impairment Losses on Loans and Advances	(879)	(1,312)	-33.0%
除稅前盈利	Profit before Tax	9,068	8,392	8.1%
稅項	Tax	1,673	1,608	4.0%
股東應佔盈利	Profit Attributable to Shareholders	7,395	6,784	9.0%

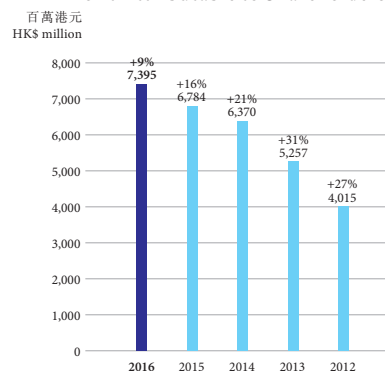
於年結日 (百萬港元)	At Year End (in HK\$ million)	2016	2015	變動百分比 % Change
貸款及其他帳項	Advances and Other Accounts	419,655	385,734	8.8%
資產總值	Total Assets	798,675	733,551	8.9%
存款總額	Total Deposits	465,141	466,676	-0.3%
權益總額	Total Equity	83,886	70,337	19.3%

財務比率	Financial Ratios	2016	2015
資本充足比率	Capital Adequacy Ratio	17.01%	16.74%
平均流動性覆蓋比率	Average Liquidity Coverage Ratio	128.80%	93.97%
成本對收入比率	Cost to Income Ratio	22.49%	23.53%
貸款對存款比率	Loans to Deposits Ratio	71.47%	64.22%

未扣除減值損失之營業溢利
Operating Profit Before Impairment Losses



股東應佔溢利
Profit Attributable to Shareholders



財務概況

Financial Performance

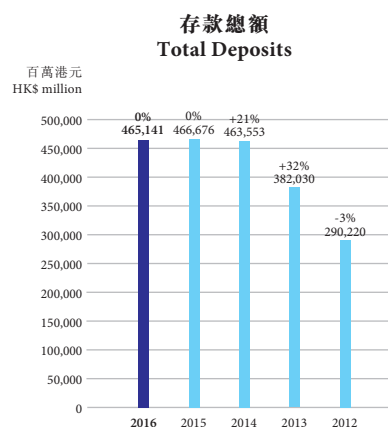
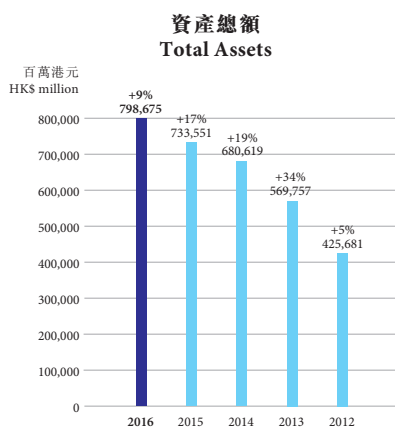
五年財務概況

Five Year Summary

全年 (百萬港元)	For the Year (in HK\$ million)	重列 Restated				
		2016	2015	2014	2013	2012
淨利息收入	Net Interest Income	9,143	8,517	8,072	6,923	5,700
淨收費及佣金收入	Net Fee and Commission Income	2,156	1,836	1,694	1,393	1,347
其他營業收入	Other Operating Income	1,111	1,123	687	508	399
營業支出	Operating Expenses	2,791	2,700	2,551	2,303	2,016
貸款減值損失支銷	Charge for Impairment					
	Losses on Loans and Advances	(879)	(1,312)	(42)	(382)	(647)
除稅前盈利	Profit before Tax	9,068	8,392	7,992	6,313	5,009
稅項	Tax	1,673	1,608	1,622	1,056	994
股東應佔盈利	Profit Attributable to Shareholders	7,395	6,784	6,370	5,257	4,015
每股計 (港元)						
	Per Share (in HK\$)	2016	2015	2014	2013	2012
每股基本盈利	Basic Earnings per Share	2.87	3.10	3.09	2.55	2.25
於年結日 (百萬港元)						
	At Year End (in HK\$ million)	2016	2015	2014	2013	2012
貸款及其他帳項	Advances and Other Accounts	419,655	385,734	364,298	322,330	264,302
資產總額	Total Assets	798,675	733,551	680,619	569,757	425,681
存款總額	Total Deposits	465,141	466,676	463,553	382,030	290,220
權益總額	Total Equity	83,886	70,337	51,525	44,460	39,901
財務比率						
	Financial Ratios	2016	2015	2014	2013	2012
資本充足比率	Capital Adequacy Ratio	17.01%	16.74%	16.11%	13.83%	15.52%
平均流動資金比率	Average Liquidity Ratio	N/A	N/A	44.92%	39.70%	43.72%
平均流動性覆蓋比率	Average Liquidity Coverage Ratio	128.80%	93.97%	N/A	N/A	N/A
貸款對存款比率	Loans to Deposits Ratio	71.47%	64.22%	54.24%	56.06%	59.82%
貸款對資產總額比率	Loans to Total Assets Ratio	52.54%	52.58%	53.95%	56.57%	62.09%
減值貸款比率	Impaired Loan Ratio	0.74%	0.65%	0.41%	0.44%	0.47%
組合減值準備覆蓋率*	Collective Impairment Allowances Coverage Ratio*	1.41%	1.55%	1.55%	1.55%	1.55%
成本對收入比率	Cost to Income Ratio	22.49%	23.53%	24.40%	26.10%	27.10%
平均資產回報率	Return on Average Assets	1.01%	1.02%	1.02%	1.04%	0.95%
平均普通股股本回報率	Return on Average Common Equity	9.82%	11.83%	13.27%	12.48%	12.29%

* 包括「法定儲備」

* Including "Regulatory Reserve"



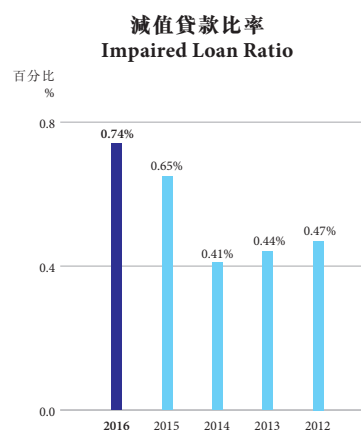
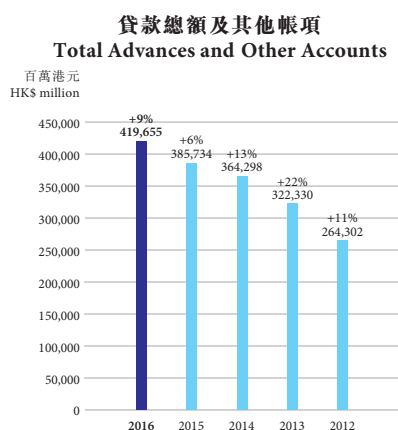
財務概況

Financial Performance

存款

Deposits

1. 按類別劃分	1. By Type	2016	2015
活期	Current	9.4%	11.3%
儲蓄	Savings	21.4%	20.2%
定期	Fixed	69.2%	68.5%
合計	Total	100.0%	100.0%
2. 按剩餘到期日劃分	2. By Remaining Maturity	2016	2015
須於要求時即時償還	Repayable on Demand	30.9%	31.9%
三個月或以下	Three Months or Less	39.0%	41.9%
一年或以下但超過三個月	One Year or Less, but over Three Months	18.6%	18.2%
五年或以下但超過一年	Five Years or Less, but over One Year	11.5%	8.0%
超過五年	Over Five Years	0.0%	0.0%
合計	Total	100.0%	100.0%
3. 按貨幣劃分	3. By Currency	2016	2015
港元	HKD	38.0%	37.9%
美元	USD	33.0%	29.5%
其他	Others	29.0%	32.6%
合計	Total	100.0%	100.0%
其他營業收入	Other Operating Income	2016	2015
淨交易收入及指定以 公平價值經損益表 入賬金融資產 及負債之淨收益	Net trading income and net gain on financial assets and liabilities designated at fair value through profit or loss	97.7%	95.5%
來自金融投資之股息收入	Dividend income from financial investments	0.7%	0.8%
管理費收入	Management fee income	0.0%	0.5%
物業租金收入	Rental income	0.0%	0.0%
投資物業租金收入	Rental income from investment properties	0.3%	0.3%
其他	Others	1.3%	2.9%
合計	Total	100.0%	100.0%



財務概況

Financial Performance

貸款組合

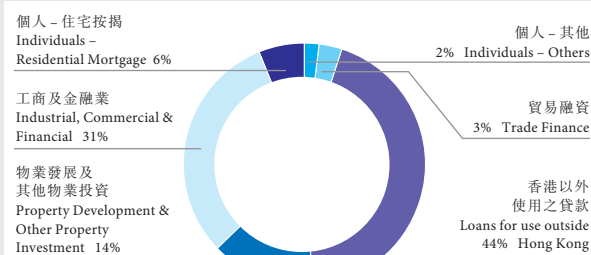
Loan Portfolio

1. 按行業劃分*	1. By Industry Sectors *	2016	2015
在香港使用之貸款	Loans for Use in Hong Kong		
工商及金融	Industrial, Commercial and Financial		
物業發展	Property Development	8.6%	5.9%
物業投資	Property Investment	5.5%	4.8%
金融企業	Financial Concerns	6.0%	2.0%
股票經紀	Stockbrokers	0.7%	0.8%
批發及零售業	Wholesale and Retail Trade	3.9%	5.7%
土木工程	Civil Engineering Works	0.3%	0.3%
製造業	Manufacturing	2.9%	2.6%
運輸及運輸設備	Transport and Transport Equipment	6.6%	7.1%
電力、煤氣	Electricity and Gas	0.9%	0.4%
資訊科技	Information Technology	1.9%	0.8%
酒店、住宿及飲食	Hotels, Boarding House and Catering	0.3%	0.3%
娛樂活動	Recreational Activities	0.0%	0.0%
其他	Others	7.7%	12.1%
個人	Individuals		
購買「居者有其屋計劃」、 「私人參建居屋計劃」 及「租者置其屋計劃」 樓宇之貸款	Loans for the Purchase of Flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	0.1%	0.1%
購買其他住宅物業 之貸款	Loans for the Purchase of Other Residential Properties	5.6%	5.3%
信用卡貸款	Credit Card Advances	0.1%	0.1%
其他	Others	1.6%	1.1%
貿易融資	Trade Finance	3.2%	2.5%
在香港以外使用之貸款	Loans for Use outside Hong Kong	44.1%	48.1%
合計	Total	100.0%	100%
2. 按剩餘到期日劃分	2. By Remaining Maturity	2016	2015
須於要求時即時償還	Repayable on Demand	1.9%	2.3%
一年或以下	One Year or Less	31.3%	40.9%
五年或以下但超過一年	Five Years or Less, but over One Year	47.6%	36.1%
超過五年	Over Five Years	19.2%	20.7%
並無限期	Undated	0.0%	0.0%
合計	Total	100.0%	100.0%
3. 按貨幣劃分	3. By Currency	2016	2015
港元	HKD	56.7%	33.2%
美元	USD	31.4%	34.3%
其他	Others	11.9%	32.5%
合計	Total	100.0%	100.0%

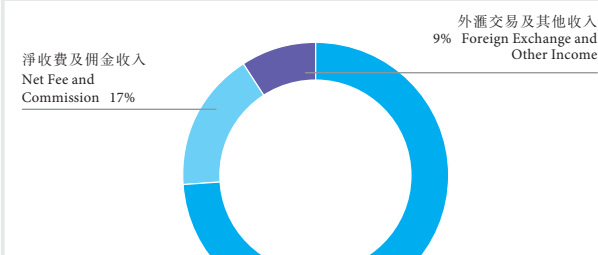
* 不包括商業票據及銀行同業

* Excluding Trade Bills and Advances to Banks

貸款組合 二零一六年 Loans Composition 2016



收入組合 二零一六年 Income Composition 2016



主席致辭

2016年，全球經濟增長持續放緩，「黑天鵝」事件頻發導致金融市場大幅波動，金融監管更趨嚴格、同業競爭更加激烈，銀行業經營發展面臨更大挑戰。面對複雜嚴峻的外部經營環境，工銀亞洲牢牢把握「轉型」和「發展」兩大主題，在母行的戰略指引和業務支持下，準確預判、果斷決策，主動進行戰略佈局和策略調整，深入開展經營創新和管理變革，克難攻堅、應勢而變，各項業務保持了穩健增長與持續發展態勢，整體經營業績再創歷史新高。2016年全年，本行實現稅後淨利潤74億港元，較上一年度增加6億1千萬港元。

2016年，針對企業有效融資需求不足、市場優質資產緊缺的不利經營形勢，本行及早制定了全方位應對計劃與措施，不斷強化前中後台聯動營銷，狠抓資產投放計劃落實；年初以來本行還部署實施了「走向亞太」發展戰略，積極加強與工銀集團亞太區域相關機構的聯動與合作，努力實現亞太區相關資產業務的突破發展，保持了整體經營規模的平穩增長態勢，資產負債結構得到進一步優化。截至2016年末，本行總資產餘額7,987億港元，較上年末增加651億港元，總負債餘額7,148億港元，較上年末增加516億港元。

同時，得益於準確的市場預判和適當的經營舉措，本行各項重點業務線呈現穩健發展的良好局面。

公司業務方面，本行積極完善公司業務經營管理機制，通過與母行密切的聯動合作，在穩步拓展本地市場和客戶的基礎上，不斷加大對國內「走出去」客戶和跨國企業的綜合服務力度，並切實推動資產業務由「短平快」向「寬長實」轉型，努力提升資產業務綜合收益水平。同時，深入落實「大投行」戰略，積極促進與加強商投業務聯動，努力推進資產業務由做存量向做流量轉型，資產交易收入實現快速增長。

零售業務方面，本行堅持把零售業務作為轉型發展戰略重點，持續加大各項資源投入，「一行一策」切實優化提升分行綜合服務功能，並不斷加強與母行聯動完善特色跨境金融產品與服務體系，積極塑造「跨境金融，首選銀行」品牌形象，廣泛拓展本地及跨境客戶群，量質並舉，努力提升零售業務貢獻，取得了較好的成效。

金融市場業務方面，本行充分發揮工銀集團離岸人民幣交易中心、離岸人民幣集中交易做市商（亞洲時區）等功能優勢，積極開展市場形勢分析和客戶需求挖掘，加快產品研發和創新，加強債券投資業務動態管理，在加快拓展代客財資業務的同時，不斷提升自營交易水平，實現了金融市場業務收入與利潤的穩步提升。

主席致辭

資產管理業務方面，本行積極對接與落實母行「大資管」戰略，逐步構建以工銀亞洲投資管理有限公司為核心、聯接私人銀行和投資銀行兩翼的綜合資產管理平台，並同步提升託管業務對資產管理的服務質效，推動資管與託管業務協調發展。

互聯網金融方面，2016年本行不斷加快面向新技術、新市場、新平台的業務創新與拓展，積極打造開放式新版個人網銀及手機銀行等平台服務，實現從櫃面分流為主的渠道模式向客戶導入為主的平台模式轉型；並加快線下產品向網銀搬遷步伐，積極擴大線上產品的覆蓋面，進一步完善「線上+線下」一體化交易渠道建設，努力提升電子銀行綜合服務水平和盈利能力；同時大力推廣「融e購」電商平台，加快互聯網金融佈局。

在不斷開拓創新取得良好經營業績的同時，本行積極致力於提升綜合管理與合規發展水平。2016年，本行在全面提升審查審批工作水平基礎上，進一步優化信貸經營管理體制，組建了信用風險監控中心，對高風險領域信貸客戶展開全面排查和密切監測，不斷加強貸後管理與風險預警監控。同時，組建了獨立的內控合規部門，增強內控監督和反洗錢職能，合規經營水平顯著提升。此外，本行圍繞發展戰略和經營重點，加大重點領域人才配置，不斷提升人才管理工作的專業化和科學化，充分利用母行資源加大各級員工專業培訓力度，努力培養專業勝任、素質過硬的員工隊伍。

展望2017年，全球經濟預將低位運行，特朗普政府的政策走向及外溢效應將增強全球經濟增長的不確定性，美聯儲加息步伐加快將加大全球跨境資金流動和貨幣匯率的波動性。本行將積極應對日益複雜多變的經營環境，主動適應全球經濟金融新格局，立足新起點、拓展新思路，積極探索美元加息通道下的經營策略，加快推進落實轉型發展戰略，全面提升綜合服務質量與水平，切實抓好重點領域突破、經營結構調整和資產質量控制，努力推動工銀亞洲實現穩健可持續發展。

對工銀亞洲董事會成員過去一年給予的寶貴意見，以及在確立經營戰略方向時給予的指導，本人在此表示深深的謝意。本人對管理層團隊和全體員工的不懈努力、熱忱投入和高效工作，致以衷心的感謝！

高明

主席

二零一七年三月二十一日

管理層討論與分析

財務回顧

本集團於二零一六年錄得破紀錄新高的除稅後溢利73億9千5百萬港元，較去年增長6億1千2百萬港元。

由於計息資產的增長強勁，工銀亞洲的淨利息收入增加6億2千6百萬港元至91億4千3百萬港元，增幅達7%。收費及佣金收入淨額增加3億2千萬港元至21億5千6百萬港元，增幅達17%。非利息收入與總營業收入的比率為26.3%。

總營業支出較去年增加3%。成本對收入比率由二零一五年的23.5%微降至二零一六年的22.5%。

扣除減值損失之營業溢利為88億零7百萬港元，較二零一五年增加12億零6百萬港元或16%。

本集團出售投資證券錄得淨盈利2億3千9百萬港元，而二零一五年則為7億6千萬港元。

應佔聯營公司溢利由二零一五年的1千9百萬港元上升至本年度的2千1百萬港元。

財務狀況表

於二零一六年十二月三十一日，工銀亞洲的資產總額達7千9百87億港元，較上年度年結日的水平增加6百51億港元，增幅為9%。

貸款及客戶存款分別達4千1百97億港元及4千2百16億港元，較二零一五年十二月三十一日的水平分別增加9%及6%。

於二零一六年十二月三十一日，已發行存款證總額為4百36億港元，較二零一五年十二月三十一日減少36%。

資本及流動資金管理

工銀亞洲於二零一六年年底的資本充足率為17.0%（二零一五年年底：16.7%）。二零一六年度的平均流動資金覆蓋比率為128.8%（二零一五年年度：94.0%）。

資產質素

根據本銀行的審慎風險管理政策，資產質素繼續維持在令人滿意的水平。於二零一六年度年結時，減值貸款為31億4千3百萬港元，減值貸款比率較二零一五年度上升9個基點至0.74%。

於二零一六年十二月三十一日，累計貸款減值準備合共為38億零1百萬港元（二零一五年：32億2千2百萬港元），當中包括18億2千9百萬港元（二零一五年：14億8千6百萬港元）個別減值準備及19億7千2百萬港元（二零一五年：17億3千6百萬港元）組合減值準備。減值準備增加主要是由於貸款組合增加所致。

截止二零一六年十二月三十一日的逾期貸款總額較上年度年結日的水平增加9億5千4百萬港元至27億零3百萬港元。

管理層討論與分析

業務回顧

商業銀行

二零一六年，面對環球經濟的持續不確定性，本行採取相對謹慎的貸款策略的同時，積極拓展業務版圖，落實「走向亞太」的戰略部署，令整體的商業銀行業務取得良好表現。

於年內，本行繼續擴大和發展本行的「全球現金管理平台」，搜羅擁有環球網點的大型客戶，以協助管理其資金池。我們還協助內地客戶推動其全球化戰略，並參與其在亞太地區、澳大利亞、新西蘭、歐洲及美洲的項目。

此外，本行於年內確立了「走向亞太」的戰略部署，亞太業務部也於二零一六年一月成立，讓我行成為了發展地區性業務的先鋒者。隨著亞太業務發展戰略的推進實施，本行在亞太區成功落地完成了多筆海外貸款，合作區域廣泛，包括中國內地、香港、澳大利亞、印度、印度尼西亞、馬來西亞、泰國以及越南；交易種類豐富，包括基建資產併購融資、能源項目融資、飛機融資、人民幣債券發行、公司融資及再融資、貿易融資、房地產融資，及開立備用信用證以支持資本市場融資。為本行創造新的利潤增長點的同時，也取得了被銀行業權威所肯定的不俗成績，其中兩筆交易榮獲由亞洲著名金融雜誌《財資》頒布的獎項：

- 泰國地區最佳併購融資獎 - Berli Jucker pcl 32億歐元以及880億泰銖貸款（工銀集團作為歐元貸款的牽頭行）；
- 越南地區最佳銀團貸款獎 - Vingroup 3億美元貸款（工銀集團作為聯合牽頭行及簿記管理人）

同時，本行與多家相關行業機構保持良好合作關係，其中包括香港金管局基建融資促進辦公室，香港貿易發展局及香港銀行公會一帶一路委員會，以便更好地發展業務合作，進一步促進香港作為亞太地區及國際性融資活動的「超級聯繫人」角色。

個人金融業務

二零一六年，本行個人金融業務快速增長，多項重點板塊創下歷史佳績，促使規模不斷擴大，結構不斷優化，收入來源趨平均。個人金融業務的撥備後利潤增長良好，其中保險收入更大幅飆升；存款餘額及低息存款餘額增長理想；貸款餘額則創新高，按揭貸款、中小企貸款及資產抵押貸款均錄得顯著及高於市場平均的增長。客戶規模不斷擴大，尤其優質客戶數大幅增加。

本行繼續朝著「拓規模，調結構，降成本」的方向發展存款業務，年內針對個人及公司戶推出「天天賞息」及「增利寶」，透過新產品吸引資金投入低息存款。

管理層討論與分析

貸款方面，本行在按揭貸款良好發展勢頭上，努力拓展個人、中小企客戶群，使得各貸款產品增長貢獻均衡。此外，推出以基金作抵押的貸款，令產品線更豐富，為業務發展奠定了良好的基礎。

在證券市場受壓下，本行調整中間業務策略，大力推動保險業務，並透過豐富產品體系、強化分行支援、多元推廣等措施，令財富管理業務保持穩健發展。

此外，本行的跨境業務錄得歷史性增幅，年內跨境聯動開戶系統成功啟動，加快開戶效率；同時，實現境內分行見證開戶業務全覆蓋，帶動客戶量和資產規模穩步上揚。

網絡方面，本行著力優化分行網絡建設及自助銀行服務網點。截至二零一六年末，本行共設有59間零售網點及169部自動櫃員機，覆蓋人流密集地區。此外，油麻地分行已完成裝修，並於沙咀道、灣仔及西環開設新個人理財中心。

展望二零一七年，本行除繼續做好存款、貸款及財富管理業務外，將加強中小企業業務發展，擴大客戶基礎並結合跨境優勢，強化服務平台，以提升競爭力及滿足客戶需要。

電子銀行

二零一六年，本行電子銀行服務繼續以中國工商銀行「e-ICBC」互聯網戰略核心為發展方向，貫徹「以客戶為本」的服務宗旨，以互聯網思維改進服務模式，全力部署產品創新、積極拓展電子銀行業務。二零一六年，本行成功搭建開放式電子銀行服務平台，提供「金融+商業」服務模式，持續推進線上線下一體化建設，順利完成電話銀行服務託管轉型。二零一六年，電子銀行業務取得卓越成績：手機銀行客戶規模同比增長超過80%，客戶透過電子銀行使用本行服務的比例已超過70%。

網上銀行方面：透過提供新版開放式個人網上銀行服務，推動電子銀行渠道向交易、營銷及服務三位一體的綜合化金融平台轉型。新版網上銀行著力提升功能的易用性和指引性，例如新增自助服務，優化頁面指引，使操作指引更清晰，大幅度提升了客戶服務體驗。

管理層討論與分析

手機銀行方面：建設新版開放式手機銀行服務，實現產品創新和模式創新上的又一突破。新版手機銀行採用開放式頁面，設計時尚、簡潔易用，分類清晰，功能服務一目了然；同時開放了多個免登陸功能，為客戶及公眾提供最新銀行產品及信用卡商戶優惠等信息。

跨境電商方面：憑藉母行客戶資源及金融優勢，搭建一站式、多元化的跨境電商平台，構建貫穿金融服務及電子商務的互聯網金融服務體系，透過強大的跨境銷售平台－「融e購」香港館，助力本港企業將產品銷往中國內地龐大的消費市場，把握無限商機。

本行電子銀行業務於二零一六年的成績斐然，獲得市場及同業的高度認同，榮獲《彭博商業週刊(中文版)》頒發的「卓越手機銀行服務」及「跨境流動交易平台標杆」兩項大獎。

展望二零一七年，本行電子銀行業務將主動適應外部經營環境變化，以前瞻性、開放性及創造性的理念實現業務創新，持續推進電子銀行業務轉型發展，推動線上線下融合發展；同時，圍繞移動金融和跨境電商兩大著力點，加速互聯網金融轉型發展，提升電子銀行競爭力和綜合貢獻。

證券及經紀

二零一六年上半年，港股受到A股熔断機制及人民幣貶值壓力的影響，拖累恆生指數大幅下挫。踏入下半年，投資市場持續受到英國脫歐、美國總統換屆、美國落實加息等因素影響，環球股、債匯市大幅波動，投資者抱審慎態度，令大市交投縮減。

面對如此震盪波動的市況，本行持續提升服務水平以配合投資市場的發展，年內除了推出深股通交易服務，優化了滬股通的交易功能外，亦同時提升了網上證券服務的保安功能，為客戶提供更加多樣化的優質證券服務。

展望二零一七年，本行將繼續積極拓展本地及國內客戶群，持續加強產品創新、強化交易系統及保安功能，提升證券業務整體競爭力與盈利水平。

管理層討論與分析

私人銀行

二零一六年，本行私人銀行業務持續發展，致力為客戶提供一站式的優質服務取得成效，客戶數量及產品交易活動較去年均有所提升。作為中國工商銀行集團的全球私人銀行產品中心，本行與母行、境內合作分行及第三方機構緊密合作，持續推動產品開發與遴選，並致力為超高淨值客戶提供優質的產品服務。

在客戶方面，本行加強與母行的國內及海外分行聯動，並為香港本地客戶和其他海外地區客戶提供優質的財富管理方案，在重點開拓跨境客戶的努力下，本行的合資格私人銀行客戶按年新增22%。在人才培養和團隊建設方面，本行制定了系統化的培訓計劃並鼓勵員工參加行內外專業資格考試，為實現專業化服務提供支持。

展望二零一七年，本行將繼續透過開拓跨業務合作，為客戶提供更多創新的財富管理產品及服務，努力提升我行值得信賴的私人銀行服務品牌美譽。

金融市場

二零一六年，在監管政策不斷收緊、市場波動日益加劇的外圍環境下，本行金融市場業務在有效控制風險的前提下，實現了收入和利潤的平穩增長。

債券投資方面，本行投資規模不斷擴大，利息收入穩步提高，並通過積極開展動態管理，大幅增加了主動管理收入，提升了投資組合總體收益。對於市場未充分預期的「黑天鵝」事件始終保持高度警惕，適時減持涉險債券，有效防範了信用風險。

代客交易方面，本行針對跨境政策變化帶來的不利影響，快速調整經營策略，推廣投融資組合及風險對沖方案，實現了利率互換、交叉貨幣互換產品規模和收入的成倍增長；此外，本行加強產品和渠道創新，成功推出網上匯率掛鈎合約、人民幣匯率掛鈎結構性存款、敲入敲出型股權掛鈎票據等產品，進一步拓展了保證金交易電子銀行渠道。

做市交易方面，本行不斷拓展做市渠道，提升報價能力，在離岸人民幣即期做市方面的市場佔有率及美譽度不斷提升。作為於人民幣即期外匯市場保持領先地位的本行，成功獲批成為境內銀行間外匯市場首批境外參加行會員，進一步提升在港市場地位和影響力；作為港交所美元兌人民幣交叉貨幣互換場外集中交易指定清算銀行，本行參與辦理首批清算業務，為香港金融基礎設施建設做出了貢獻。

管理層討論與分析

全球資本融資

本行作為母行中國工商銀行的海外銀行業務旗艦，憑藉龐大的資金、客戶、網點網路等資源優勢，在有序推動各項傳統商業銀行業務經營的同時，深入挖掘全球資本融資服務的發展潛力。本行的債券承銷、銀團貸款及信貸資產交易業務發展日趨成熟、規模逐漸壯大，在亞太地區資本市場發展扮演重要角色。

二零一六年，本行的債券承銷類業務延續良好發展態勢：繼續活躍於中資企業境外債券市場，為多家大型中央企業及地方國有企業完成首次境外債券發行；金融機構債券承銷業務量顯著增長，項目數量佔比大幅提高；參與多家金融機構在中國境內熊貓債的發行；本行於債券承銷業務中擔任全球協調人角色的比重大幅增加，項目及市場地位均得到顯著提升。年內，本行承銷本外幣債券、中期票據（MTN）、存款證共計35筆，發行量合共達274億港幣，已成為極具市場影響力的承銷行之一。

本行繼續積極推動銀團貸款業務，年內銀團貸款總量達381億港幣，按年增長22%。年內，我行以牽頭安排簿記行的身份成功為多間機構，包括海通國際證券集團有限公司、廣發控股（香港）有限公司及南非標準銀行等籌組銀團。其中南非標準銀行的銀團更是在歐洲和亞洲兩個市場進行同步募集。隨著亞太業務發展戰略的啟動，我們為印度塔塔電力公司籌組一筆銀團貸款，這亦是本行首次牽頭為印度客戶完成的專案。

本行資產交易類業務也日趨活躍，於所有在港中資銀行中處於領先地位。二零一六年，我們進一步鞏固和拓寬了資產分銷渠道，並輔助中國工商銀行總行及其海外分支機構分銷資產，確立了工商銀行系統亞太區信貸資產流轉中心的地位；二零一六年共轉讓總值超過130億港幣的信貸資產，資產及交易對手遍及整個亞太以及中東、南非等地區。

機構業務

二零一六年，本行機構業務在資產業務轉型和結構調整、央行及主權機構藍海負債發展戰略實施、非銀優質資產業務拓展、機構同業及自貿區業務創新等重點領域均實現新的突破。一是提高產品創新水平：捕捉市場機遇，重點推動反向貿易融資系列產品，辦理熊貓債、同業委託開證、福費廷轉賣等業務，並推出固定收益類抵押杠杆融資等創新業務。二是拓展目標客戶群體：圍繞客戶需求，重點拓展在港證券公司、資產管理公司、保險公司等非銀行金融機構資產業務機會。三是加強與主權機構的合作：積極實施央行及主權機構負債藍海發展戰略，並成功舉辦了央行客戶2016中國經濟研討會及離岸人民幣培訓講座。

二零一七年，本行機構業務將緊跟經濟金融動向、緊貼客戶需求，深入推動業務轉型及結構調整，增強持續盈利能力，並進一步擴大市場及同業影響力。

管理層討論與分析

資產管理

二零一六年，本行全資附屬的工銀亞洲投資管理有限公司（「工銀亞投」）在境外和跨境人民幣業務方面保持了穩定的增長，其中研發和管理了多個結構化特別基金產品。目前工銀亞投管理的資產規模為198億港元，當中QDII業務規模為36億港元，QFII及RQFII業務規模為23.4億港元。

海外業務方面，工銀亞投繼續通過加深與歐洲和其它地區央行的合作，進一步開拓海外投資管理業務。工銀亞投於二零一六年七月在香港順利舉辦人民幣國際化研討會，並於十月參加了國際貨幣基金組織在華盛頓組織的央行年會，與多家央行會談並討論了發展資管業務的機會。此外，二零一六年，工銀亞投與母行、工銀歐洲及私人銀行部繼續緊密合作，在歐洲公募UCITS及私募SIFS基金平台上推出了中國機會RQFII債券基金及ICBC環球動力基金。

展望二零一七年，工銀亞投將主要透過拓展現有銷售渠道及加強與國內外分支機構在創新投資產品方面的合作，同時，繼續積極開拓內地市場，繼續實現資產管理規模的擴展。

信用卡業務

二零一六年，在香港零售市場持續放緩、同業競爭激烈的複雜經營環境下，本行信用卡業務採取分層營銷策略，精耕細分市場，積極向信用卡專題化、特色化的方向發展，以吸納更廣闊的客戶群。

新發卡方面，年內與AXA安盛強強聯手發行了保險聯名卡，目標定位於中高端的客戶群體。收單業務方面，著重調整商戶結構及擴大收入來源，針對本地民生、餐飲、大型零售商場等行業進行重點營銷並取得突破，收單業務保持了良好的增長態勢。無抵押貸款方面，透過產品優化及改善內部管理，促進貸款業務發展，提升營利水平。

人民幣業務

二零一六年，全球金融市場大幅波動，人民幣匯率震盪加劇，香港地區離岸市場的人民幣保有量銳減。尤其是下半年「黑天鵝」事件頻發，人民幣貶值預期加強。

人民幣貸款方面，預期二零一七年內地經濟仍然存在不穩定性，人民幣雖仍存在貶值壓力，但受未來中美博弈及相關政策變動等影響，人民幣短期雙向波動的預期料將加強，市場對人民幣資產、負債套期保值需求預期將會增加，這將為離岸人民幣業務帶來一定的發展機會。隨著人民幣加入特別提款權(SDR)、「深港通」的推出以及「一帶一路」戰略的重大推進，預計人民幣在岸市場和離岸市場的互聯互通進程將進一步加速，這將有助於刺激人民幣資產需求，為本行帶來新的業務發展機會。

管理層討論與分析

同業市場方面，本行繼續位列市場重要做市商，CNH同業拆借交易量及代客交易量較二零一五年有所增長，即期交易量位居市場前列。

市場推廣方面，本行繼續推廣跨境人民幣業務，並在二零一六年參加了香港金管局與英國財政部等相關機構共同舉辦的人民幣市場推廣活動，進一步提升了本行在離岸人民幣業務方面的市場地位和專業形象。

清算業務方面，本行進一步優化內部清算操作系統的同時，在二零一六年成為港交所本地港股結算銀行、場外交易清算(OTC Clearing)服務銀行，有助優化本行內部營運系統及推廣人民幣跨境支付系統，進一步擴大了清算業務市場份額。

華商銀行

二零一六年，本行全資附屬子公司華商銀行各項業務實現穩健發展，全年實現撥備前利潤19.04億港元，同比增長0.60%；撥備覆蓋率為202.67%，較年初提高4.6個百分點，抗風險能力持續提升。

二零一六年，華商銀行積極調整經營策略，以「降風險、控規模、穩收益」為總體工作思路，在風險可控的前提下適度控制業務發展速度，合理把握速度、規模、品質與效益之間的關係，動態調控資產負債規模，加速推進結構調整。華商銀行重點發展一般存貸款業務，主動壓降非銀同業業務規模，有效增強了可持續發展能力。

與此同時，華商銀行加快轉型發展步伐。產品創新方面，華商銀行推出了「錢管家」、「直貸通」、結構性存款等業務品種，並成功獲得基金銷售業務資格。風險管理方面，華商銀行進一步完善風險管理制度，通過建立市場風險管理體系，加強信用風險排查，強化內控合規管理，有效加強全面風險管控。系統建設方面，華商銀行全面升級個人及企業網銀，相繼推出「安心帳戶」託管業務、「營改增」、外部欺詐風險、貸後綜合管理等系統。

此外，華商銀行榮獲中國債券市場「優秀自營商獎」、《深圳特區報》金融風雲榜「跨境金融服務獎」、深圳市社會責任促進會頒發的最高獎項「社會責任評價3星等級」等多項榮譽，市場地位和品牌影響力進一步提升。

二零一七年，華商銀行將以提高發展效益和品質為中心，以業務結構調整與管理體制改革為抓手，從「商行+投行」、「境內+境外」等多方面著手，不斷強化與母行工銀亞洲的戰略協同和業務聯動，努力打造具有國際視野的智慧銀行。

管理層討論與分析

人力資源

本行一直視員工為公司最寶貴的資產，堅持貫徹「以人為本」的管理理念，持續完善人力資源政策及措施，為員工創造機會，促進員工與公司共同發展。

為配合業務策略和發展的人力需求，本行年內繼續加強人才招聘和儲備的力度，透過拓寬招聘渠道、建立內部人才庫等，有效吸納及培育人才。截至二零一六年十二月三十一日，本集團員工總數為2,507人。

本行注重人才培育與發展以及員工能力和素質的提升。年內按不同層級員工的職業發展需要推行不同的人才發展方案，如重點培養管理人員的儲備人才發展方案、加快優才成長的員工發展方案「種子計劃」等，並引入了專業的能力測評工具以進一步提高員工能力管理的科學性及專業性。

年內本行為員工提供多元化的專業課程，全年舉辦各類培訓超過450場次，當中包括為高級管理層安排的戰略前瞻性培訓、為督導管理人員組織領導力系列課程、安排不同業務條線員工前往母行集團境內機構及金融學校進行工作交流和培訓、開展業務相關或綜合能力提升的培訓班及合規課程等。

二零一六年，本行繼續實踐個人與組織績效考核掛鉤的管理理念和機制，務求令員工個人工作目標與全行經營計劃保持一致，促進組織績效及個人業績同步提升。

本行關注員工身心健康，通過問卷調查瞭解員工對醫療保險服務的意見，並於年內為員工提供各類健康講座及康樂活動，力求令員工保持身心愉悅。

此外，年內本行繼續組織「面對面交流」和「跨團隊溝通」的活動，以促進內部溝通交流及增強團隊凝聚力和管理效率。

企業社會責任

秉承母行「服務客戶、回報股東、成就員工、奉獻社會」的企業使命，本行積極投身社會公益事業，履行企業社會責任。二零一六年續獲香港社會服務聯會頒發的10年Plus「商界展關懷」獎項，表揚本行十多年以來服務社群的投入及持之以恆的承擔。

本行連續十八年獲委任為香港明愛籌款委員會主席，全力支持香港明愛多項籌款活動，其中包括舉辦慈善高爾夫球賽、捐助明愛籌款晚會、曲奇義賣、賣物會、員工代售明愛慈善抽獎券及於分行設置捐款箱等。二零一六年更積極開展「工銀亞洲X明愛：與眾同樂」一系列義工活動，令受惠人群更趨多元化，出錢出力將資源與愛心傳達至各社會階層。二零一六年度，本行為香港明愛合共籌得超過港幣三百六十萬元善款，創歷年新高。

管理層討論與分析

本行亦參與多個香港慈善機構活動。公益活動方面：逾百名員工及其親友身體力行參加香港公益金「2015/2016年度港島、九龍區百萬行」活動；派員工參加Bloomberg Square Mile Relay 慈善跑，宣揚健康生活理念；組織員工陪同低收入家庭小朋友參觀沙頭角農莊，體現大自然生態環境保育的重要性；同時安排義工隊參與公益金年度大型賣旗活動，帶同家中小朋友一同參與賣旗，將奉獻社會的願景傳承至下一代。理財教育方面：將金融專業知識及技能與公益活動有機結合，於二零一六年組織員工參加香港銀行公會主辦的一系列公益活動，包括「青年理財教育計劃2016」、「活用自動櫃員機教育活動」及「智有『財』能教育坊」等。文化藝術方面：本行於二零一六年再度大力支持香港文化藝術發展，連續第四年獨家贊助香港藝術節閉幕演出，推動香港國際級藝術活動發展。

本行將繼續為香港的社會公益事業貢獻力量，肩負起良好的企業公民責任，共建團結和諧、愛心滿溢的社會。

董事及高層管理人員簡歷

高明女士 (主席兼執行董事)

高女士，五十一歲，自二零一七年二月起獲委任為本銀行主席兼執行董事，她亦出任本銀行戰略與企業管治委員會主席。高女士持有麥考瑞大學應用財務專業碩士學位及吉林工業大學特殊用途(科技英語)專業碩士學位。高女士擁有逾二十六年銀行業務經驗，曾擔任中國工商銀行盧森堡分行總經理，中國工商銀行歐洲有限公司主席及中國工商銀行股份有限公司國際業務部總經理。

姜壹盛先生 (執行董事兼行政總裁)

姜先生，四十九歲，自二零一五年十二月起獲委任為本銀行執行董事兼行政總裁，並為本銀行戰略與企業管治委員會及董事會風險管理委員會委員。姜先生持有西安交通大學電氣工程學士學位及陝西財經學院貨幣銀行學碩士學位。姜先生擁有逾二十年銀行業務之經驗，曾擔任中國工商銀行股份有限公司珠海市分行行長、中國工商銀行股份有限公司廣東省分行副行長及中國工商銀行(澳門)股份有限公司總經理。

葉冠東先生 (執行董事、副行政總裁、替任行政總裁兼風險總監)

葉先生，五十四歲，自二零一三年二月加入本銀行為副行政總裁，並於二零一四年四月獲委任為本銀行執行董事、替任行政總裁兼風險總監，為本銀行董事會風險管理委員會委員。葉先生持有香港中文大學工商管理學士學位及碩士學位。葉先生為特許財務分析師。他擁有逾三十年銀行業務之經驗。於加入本銀行前，葉先生為恆生銀行首席信貸風險控制官。葉先生現為風險管理協會香港分會會長。

洪貴路先生 (非執行董事)

洪先生，五十歲，自二零一六年十二月起獲委任為本銀行非執行董事，為本銀行審核委員會、提名委員會及戰略與企業管治委員會委員。洪先生持有美國喬治華盛頓大學會計學碩士學位。洪先生擁有逾十六年銀行業務經驗，現為中國工商銀行股份有限公司戰略管理與投資者關係部集團派駐子公司董監事辦公室專職派出董事。

馬向軍先生 (非執行董事)

馬先生，四十五歲，自二零一五年八月起獲委任為本銀行非執行董事，為本銀行董事會風險管理委員會主席及薪酬委員會委員。馬先生持有山東大學經濟學碩士學位及香港大學工商管理(國際)碩士學位，並擁有高級經濟師資格。馬先生擁有逾二十二年銀行業務經驗，現為中國工商銀行股份有限公司戰略管理與投資者關係部集團派駐子公司董監事辦公室專職派出董事。

董事及高層管理人員簡歷

王于漸教授，S.B.S.，太平紳士(獨立非執行董事)

王教授，六十四歲，自二零零零年七月起獲委任為本銀行獨立非執行董事，為本銀行審核委員會主席、戰略與企業管治委員會及薪酬委員會委員。他持有美國芝加哥大學經濟學博士學位。王教授現為香港大學經濟學講座教授，他積極推動有關香港及中國經濟政策之研究活動，為香港經濟研究中心和香港經濟及商業策略研究所之創辦總監。王教授於一九九九年獲香港特別行政區政府頒授銀紫荊星章，以表揚其對香港教育、房屋、工業及科技發展所作出之貢獻。

徐耀華先生(獨立非執行董事)

徐先生，六十七歲，自二零零零年八月起獲委任為本銀行獨立非執行董事，為本銀行提名委員會主席、審核委員會及薪酬委員會委員。他持有美國田納西州大學理學士及工程學碩士(工業工程學)學位。他於美國哈佛大學甘迺迪政府研究院修畢政府高級經理管理學課程。徐先生由二零零一年七月至二零零二年六月期間於深圳證券交易所擔任諮詢顧問及理事，並於二零零零年八月至二零零一年二月期間出任香港勵晶太平洋集團有限公司行政總裁，該公司於香港聯合交易所上市。於二零零一年十二月至二零零四年十二月期間，徐先生曾任香港證券專業學會之主席。徐先生於一九九四年加入香港聯合交易所有限公司為財務及運作服務科執行總監，並於一九九七年至二零零零年期間出任行政總裁一職。徐先生於二零零零年三月至二零零零年七月期間出任香港交易及結算所有限公司之集團營運總裁，並於一九八九年至一九九三年期間出任香港證券及期貨事務監察委員會之總經理(財務、資訊及人力資源)、助理總監(發牌科)兼總經理(人力資源)。徐先生過往亦積極參與多項政府及社會活動，其中包括香港盈富基金監督委員會前主席、香港廉政公署證券、期貨及投資界專業道德推廣計劃籌劃委員會前主席、香港公司法改革常務委員會前委員、香港貿易發展局金融服務諮詢委員會前委員、香港公益金商業及僱員募捐計劃籌劃委員會前委員(銀行及金融組別)、香港職業訓練局銀行及金融業訓練委員會前委員及禁毒基金會管理委員會投資小組委員會前委員。

董事及高層管理人員簡歷

袁金浩先生，FHKIoD (獨立非執行董事)

袁先生，七十二歲，自二零零三年四月起獲委任為本銀行獨立非執行董事，為本銀行薪酬委員會主席、董事會風險管理委員會、戰略與企業管治委員會及提名委員會委員。他現為易易壹金融集團有限公司及新昌集團控股有限公司的獨立非執行董事，該兩間公司於香港聯合交易所上市。袁先生持有香港大學經濟及政治學榮譽學士學位。袁先生分別在美國麻省Cambridge國際市務學院修讀國際市場管理課程，及獲香港政府保薦往英國牛津大學深造公共行政及國際關係，並於法國歐洲商業學院(INSEAD)參與國際工商管理人員培訓計劃。於二零零三年六月，袁先生被邀參與美國哈佛大學肯尼地行政管理學院主辦的領袖發展計劃。於二零零四年六月，袁先生參與美國加州史丹福大學「公司管治」研修會議。在二零零六年初，史丹福大學社會創建學院更邀請袁先生為訪問學者作短期研修。袁先生自一九九七年九月起九年內曾出任「香港明天更好基金」行政總裁。於加入「香港明天更好基金」前，袁先生於香港政府新聞處擔任新聞處助理處長及署理副處長。袁先生積極參與籌組於香港舉行之重要國際會議，並曾擔當多項公職，其中包括出任國際策略發展局董事局成員。於二零零三年至二零零七年期間，袁先生曾任香港特別行政區政府中央政策組香港泛珠江三角洲流域研究委員會成員。在二零零六年一月至二零一三年一月期間，袁先生曾為中國人民政治協商會議廣西壯族自治區委員會委員、中國社會科學院財政與貿易經濟研究所顧問、中國上海社會科學院港澳研究中心顧問及中國廣州市國際投資促進中心顧問。袁先生現為中國太平洋經濟合作全國委員會特邀顧問、香港大學畢業生議會委員、香港大學校董會委員及聯合國亞太經濟和社會委員會委員。袁先生為香港董事學會之資深會員、英國管理學會及英國市務學會會員，並曾獲前任美國總統布殊親函嘉許其支持世界反恐工作的貢獻。

蔡耀君先生，S.B.S., FHKIB (獨立非執行董事)

蔡先生，六十二歲，自二零一三年一月起獲委任為本銀行獨立非執行董事，並為本銀行審核委員會、董事會風險管理委員會替任主席及戰略與企業管治委員會委員。蔡先生持有香港理工大學會計系高級證書，並為香港銀行學會及香港財資市場公會資深會士。蔡先生擁有超過三十七年的銀行監管經驗。他在一九七四年十一月到一九九三年三月之間在香港政府銀行業監理處出任不同職位。他於一九九三年四月加入香港金融管理局，先後出任不同職位，包括銀行監管政策處主管、行政總監、助理總裁(銀行監管)、副總裁(貨幣政策與儲備管理)及副總裁(銀行監管)至二零一零年一月退休為止。在本報告日，蔡先生也是滙豐銀行(中國)有限公司獨立非執行董事。他在二零一零年獲香港特別行政區政府頒發銀紫荊星章。

董事及高層管理人員簡歷

武捷思博士 (獨立非執行董事)

武博士，六十五歲，自二零一三年三月起獲委任為本銀行獨立非執行董事，為本銀行審核委員會、戰略與企業管治委員會及薪酬委員會委員。武博士持有中國人民銀行金融研究所經濟學博士學位，並獲天津南開大學授予教授資格。武博士擁有逾三十年企業管理與投資經驗，現為深圳市富海銀濤資產管理股份有限公司董事長。武博士亦為多家於香港聯合交易所上市公司的董事，其中包括北京控股有限公司獨立非執行董事、中國太平保險控股有限公司獨立非執行董事、銀基集團控股有限公司非執行董事及深圳控股有限公司非執行董事。武博士亦為中信銀行(國際)有限公司獨立非執行董事。武博士曾任中國工商銀行股份有限公司深圳市分行行長、深圳市政府副市長及廣東省省長助理。

梁銘謙先生 (副行政總裁兼替任行政總裁)

梁先生，五十四歲，自二零零一年七月加入本銀行，於二零一一年八月起獲委任為本銀行副行政總裁，並於二零一六年四月獲委任為替任行政總裁。梁先生現負責本銀行個人金融業務、私人銀行業務、信用卡業務、中小企業銀行業務、個人信貸業務以及證券經紀業務。梁先生持有英國紐卡素大學會計及財務分析學士學位和英國倫敦大學法律學士學位。梁先生為英格蘭及威爾斯特許會計師公會之資深會員並為其香港分會委員，亦為香港會計師公會及英國特許公認會計師公會之資深會員。他擁有逾二十年企業財務之經驗。

唐希強先生 (副行政總裁)

唐先生，五十九歲，於二零一一年八月獲委任為本銀行副行政總裁，現主要負責本銀行公司業務、機構業務及亞太銀行業務的發展。唐先生持有布魯內爾大學工商管理系碩士學位。唐先生亦為特許銀行學會之會士，擁有三十年企業及商業銀行業務經驗。

羅麗軍女士 (副行政總裁)

羅女士，四十五歲，自二零一二年六月加入本銀行為助理行政總裁，並於二零一六年八月獲委任為副行政總裁。現主要負責本銀行內控合規、法律、營運管理及特別資產業務。她持有中國人民大學歷史學學士學位、中國人民大學財政金融學院經濟學碩士學位及復旦大學與香港大學國際工商管理碩士學位。於二零零九年八月至二零一零年六月期間，羅女士赴美國伊利諾伊大學海外研修。羅女士擁有逾二十四年的銀行業務管理經驗。

董事及高層管理人員簡歷

王超明先生 (助理行政總裁兼首席信息官)

王先生，四十七歲，自二零一一年五月加入本銀行，於二零一五年七月獲委任為助理行政總裁兼首席信息官。王先生現主要負責本銀行信息科技、產品創新管理、電子銀行業務及總務。王先生持有浙江大學電機工程學系工學學士學位及工學碩士學位及復旦大學與香港大學國際工商管理碩士學位。王先生擁有二十二年銀行業務經驗。

李冬先生 (助理行政總裁)

李先生，四十一歲，自二零一六年五月加入本銀行，於二零一六年十一月獲委任為助理行政總裁。他負責本銀行公司業務、全球資本融資、資產托管及資產管理業務。他持有南京建築工程學院 (現稱為「南京工業大學」) 工業與民用建築本科工學學士及東南大學工商管理碩士學位。李先生擁有逾十九年的銀行業務經驗。

盧建先生 (助理行政總裁)

盧先生，四十歲，於二零一七年二月加入本銀行並獲委任為助理行政總裁。他負責本銀行金融市場業務、資產負債管理業務、貿易融資業務及管理信息。盧先生持有東北財經大學國際金融本科經濟學學士學位及香港科技大學金融分析與公司融資碩士學位並持有特許註冊金融分析師資格。盧先生擁有逾十七年的銀行業務經驗，曾於二零零七年四月至二零一五年七月期間服務本銀行超過七年，並曾擔任中國工商銀行(泰國)有限公司執行董事兼行政總裁。

Chairman's Statement

The year 2016 was marked by a persistent global economic slowdown and frequent surprises that triggered wild fluctuations in the financial market. On top of that, the authorities tightened up the regulation of the financial sector and the competition was intensifying. With all these factors taken together, the banking industry was faced with an increasingly challenging operating environment. To cope with a complicated and tough external environment, ICBC (Asia) pressed ahead with its two key strategies, one for “business transformation” and the other for “business development”. With the strategic guidance and support of its parent bank, ICBC (Asia) gauged the situation precisely and predicted developments, and followed up the evaluation with decisive actions. It proactively planned and built up its strategic layout, and adjusted its strategies. It also pressed ahead with innovation in operation and management reform. The aforementioned efforts allowed the Bank to overcome difficulties and respond swiftly to changes. As a result, it achieved steady growth in all operations and sustained the momentum of its development. The Bank's operating results hit record highs again. For the year of 2016, the Bank's after-tax net profit grew by HK\$610 million to HK\$7.4 billion.

To deal with such unfavorable factors as insufficient demand for corporate finance and a severe shortage of quality assets in 2016, the Bank planned ahead and came up with comprehensive measures, including the strengthening of the collaborative marketing of front, middle and back-office, the steady execution of its asset investment plans, the implementation of its strategy for “Going Asia Pacific” since early 2016, and its reinforced cooperation with other institutions under the ICBC Group in Asia-Pacific in an attempt to make a breakthrough in the development of its asset business in the region. The efforts paid off as the Bank maintained steady growth in the scale of its overall operation and further optimized its balance sheet. As at the end of 2016, the Bank's total assets amounted to HK\$798.7 billion, up by HK\$65.1 billion compared with that at the end of 2015; its total liabilities amounted to HK\$714.8 billion, up by HK\$51.6 billion compared with that at the end of the previous year.

Meanwhile, the precise judgment and predictions about the market as well as the sensible measures led to steady and good development of all of the Bank's major business segments.

Regarding the corporate business, the Bank actively improved its operation management mechanism. The operation cooperated closely with ICBC in expanding the local market and customer base steadily and in stepping up constantly its comprehensive services for both the domestic customers who were expanding into overseas markets and the multinational companies. The Bank's corporate banking operation also raised the level of profitability of the asset business by shifting its focus from “simple, smaller returns on short-term investments” to “considerable, steady returns on long-term and diverse investments”. In the meantime, the Bank thoroughly implemented its “big investment bank” strategy by actively promoting and strengthening collaboration between its commercial banking and investment banking operations, and by shifting the emphasis of its asset business from the scale to the asset turnover ratio. This has also resulted in rapid growth in income from asset transactions.

Retail business remained the focus of the Bank's strategic transformation and development. The Bank continued to commit more of its various resources to its retail banking operation. It adopted the “one branch, one policy” measure that has effectively enhanced the branches' capabilities to provide comprehensive services. Meanwhile, the Bank was constantly strengthening its collaboration with the parent bank on the enhancement of its unique cross-border financial products and services, thus projecting its brand image as “an outstanding cross-border financial service provider”. The move allowed the Bank to extensively develop its domestic and cross-border clientele with equal emphasis on quality and quantity of the customers. The endeavour to increase the retail banking's contribution to the Bank's revenue and development yielded good results.

In terms of global market and trading business, by exerting its functional advantages of being the ICBC Group's offshore Renminbi hub and as a market maker in the centralized transactions of offshore Renminbi in Asia's time zones, the Bank actively initiated market trend analyses, tapped the customer demand for further business development, speeded up the product development and innovation, and strengthened the dynamic management of the bond investment business. The Bank accelerated the expansion of the investment stewardship while relentlessly enhancing the standards of its proprietary trading. All these measures resulted in steady growth in both income and profit from global market and trading business.

Chairman's Statement

In its asset management business, the Bank actively executed the parent bank's "big asset manager" strategy by gradually building up an integrated asset management platform around ICBC (Asia) Investment Management Company Limited. The platform has been working closely with the Bank's private banking and investment banking operations. It has also enhanced the quality and efficiency of the services of its custody business for asset management, thus facilitating the coordinated development of asset management and custody business.

In 2016, the Bank's internet-based finance actively innovated in business and stepped up its development in the advent of new technologies, new markets and new online platforms. For instance, it created online open platforms for a new version of personal internet banking and mobile banking, thus transforming the mode of service from the conventional teller services at counters to a customer-oriented service platform. The Bank also speeded up the pace of making more products (which it used to sell offline) available on its internet banking platform, thus actively broadening the range of products available online. The measure has furthered the integration of online and offline channels for transactions, with the aim of raising the overall standards of services and profitability at the Bank's electronic banking. With a relentless effort to promote the e-Commerce platform "ICBC Mall", the Bank has accelerated the deployment of the internet-based finance.

The Bank has been endeavoring to raise the overall standards of its management and regulatory compliance while persevering in innovation and business development for good operating results. In 2016, the Bank enhanced the due diligence, improved its credit management system and set up a credit risk monitoring center. It checked and monitored closely the financial conditions of the customers who with high credit risk, enhanced post-loan management and the credit risk alert mechanism. In the meantime, the Bank has set up an independent department for internal control and compliance to reinforce internal control, supervision and anti-money laundering function. As a result, the standards of regulatory compliance were raised significantly at its operations. In addition, the Bank has strengthened and expanded the talents in the key areas in accordance with the development strategy and the foci of business, constantly raising the standards of professional and scientific practices in talent management. It also fully leveraged the resources of the parent bank to step up the training of its staff of all ranks with the aim of fostering the employees' professional qualifications and personal integrity.

Looking ahead to 2017, the world economy is expected to remain subdued. The policy direction of Donald Trump's administration and its spillover effect will increase the uncertainties over global economic growth. The quicker pace of the United States Federal Reserve's rate hikes will stimulate more cross-border capital flows across the world and exacerbate the volatility of foreign exchange rates. To cope with the increasingly complicated and volatile operating environment, the Bank will proactively adapt to the new conditions of the global economy and financial markets. It will do so by setting new goals, thinking of new ways to develop its business and exploring actively operational strategies against a backdrop of the United States' rate hike cycle. It will also accelerate the strategic transformation and development of its business, and enhance the quality and overall standards of its services. The bank will also seek breakthrough in some focus areas. Emphasis will also be placed on breakthrough making in some focus areas, reorganization of the operations and enhancement of the asset quality control, as ICBC (Asia) aims for steady and sustainable development.

ICBC (Asia) has benefitted greatly from the Board of Directors' valuable opinions and guidance on formulating the strategic business direction in the past year. I would like to express my deep gratitude to them. I would also like to give my heartfelt thanks to our management team and the whole staff for their hard work, dedication and efficiency at work.

Gao Ming
Chairman

21 March 2017

Management's Discussion and Analysis

FINANCIAL REVIEW

The Group achieved a record high profit after tax of HK\$7,395 million for the year 2016, representing an increase of HK\$612 million as compared to the previous year.

As a result of strong growth in interest-bearing assets, ICBC (Asia)'s net interest income increased by HK\$626 million, or 7%, to HK\$9,143 million. Net fee and commission income increased by HK\$314 million, or 17%, to HK\$2,156 million. The ratio of non-interest income to total operating income was 26.3%.

Total operating expenses were 3% higher than the previous year. The cost to income ratio slightly decreased from 23.5% in 2015 to 22.5% in 2016.

Operating profit after impairment losses was HK\$8,807 million, an increase of HK\$1,206 million, or 16%, as compared with 2015.

The Group recorded HK\$239 million of net gain from disposal of investment securities as compared to HK\$760 million in 2015.

Share of profit from associates increased to HK\$21 million from HK\$19 million in 2015.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016, ICBC (Asia)'s total assets amounted to HK\$798.7 billion, representing an increase of HK\$65.1 billion, or 9%, as compared with the previous year-end position.

Loans and customers' deposits reached HK\$419.7 billion and HK\$421.6 billion respectively, representing an increase of 9% and 6% respectively as compared to the position as at 31 December 2015.

As at 31 December 2016, total outstanding certificates of deposit issued amounted to HK\$43.6 billion, representing a decrease of 36% as compared to the position as at 31 December 2015.

CAPITAL AND LIQUIDITY MANAGEMENT

The capital adequacy ratio of the Bank was 17.0% as at the end of 2016 (the end of 2015: 16.7%). The average liquidity coverage ratio for the year 2016 amounted to 128.8% (average of 2015: 94.0%).

ASSET QUALITY

Under the Bank's prudent risk management policy, the asset quality remained continuously at a satisfactory level. As at the end of 2016, impaired loans amounted to HK\$3,143 million while the impaired loan ratio increased by 9 basis points to 0.74% as compared with 2015.

As at 31 December 2016, the cumulative loan impairment allowances aggregated to HK\$3,801 million (2015: HK\$3,222 million). This included HK\$1,829 million (2015: HK\$1,486 million) of individual impairment allowances and HK\$1,972 million (2015: HK\$1,736 million) of collective impairment allowances. The increase of impairment allowances was mainly due to the increase of loan portfolio.

As at 31 December 2016, total overdue advances increased by HK\$954 million, to HK\$2,703 million, as compared to the previous year-end position.

Management's Discussion and Analysis

BUSINESS REVIEW

Corporate Banking

In 2016, in the wake of persistent uncertainties in the global economy, the Bank adopted a prudent approach to corporate lending while actively expanding its business territories by implementing its “Going Asia Pacific” strategy. The endeavour yielded initial positive results in the overall commercial banking business.

During the year, the Bank continued to build up its Global Cash Management platform by assisting customers which maintained regional networks and by assisting them in managing their cash pools. In addition, the Bank aided some Chinese customers in carrying out their globalization strategies and got involved in their projects in Asia Pacific, Australia, New Zealand, Europe and Americas.

In addition, the Bank formulated the strategy for “Going Asia Pacific” and established the Asia Pacific Business Department (“APD”) in January 2016 to execute such strategy. This new development enabled the Bank to be a pioneer to spearhead the development of a regional business. As the strategy for “Going Asia Pacific” progressed, the Bank granted a number of loans to companies in various countries in the region, including mainland China, Hong Kong, Australia, India, Indonesia, Malaysia, Thailand, and Vietnam. These transactions cut across a wide range of categories, from financing the acquisition of infrastructure assets, power project financing, aircraft financing, Renminbi bond issuance, corporate loan financing/refinancing, trade financing, real estate financing to the issue of standby letters of credit for supporting financing on the capital market. In addition to having created new growth drivers, the Bank also won recognition from the banking industry for notable achievements. For instance, the Bank won two awards from a reputable industry publication, “The Asset”. They are:

- Best Acquisition Financing in Thailand – a EUR3.2bn loan facility and a THB88bn loan facility granted to Berli Jucker plc (ICBC Group acted as the Mandated Lead Arranger of the EUR facility)
- Best Syndicated Loan in Vietnam – a USD300m term loan facility granted to Vingroup (ICBC Group acted as Joint Mandated Lead Arranger and Bookrunner)

In order to facilitate its business development in the region, the Bank had developed close working relationships with relevant industry bodies, including HKMA Infrastructure Financing Facilitation Office, Hong Kong Trade Development Council, and Belt & Road Committee of The Hong Kong Association of Banks. The move also served to promote Hong Kong as a “super connector” for regional and even international financing activities.

Personal Banking

The Bank’s personal banking grew rapidly in 2016, with the financial results of a number of its major business sectors hitting historic highs. The Bank’s personal banking business was expanding consistently in scale, optimizing its business mix and making its sources of income more balanced. Profit after provisions at the personal banking surged dramatically; and notably, income derived from the insurance business grew tremendously. Total deposits balance and deposits with low interest rates increased steadily. The total amount of loans granted by the Bank expanded to a historical high by the end 2016. The Bank also recorded remarkable growth in mortgages, SME (small and medium-sized enterprises) loans and pledged lending products, exceeding the average growth of the market. The affluent customer base also kept expanding.

The Bank continued to enhance its deposit business by adhering to the principle of “broadening the customer base, improving the composition of the deposits and reducing cost”. During the year, the Bank launched “Multiple Saving Deposit Promotion” and “Interest Plus Account” that targeted for respective personal and corporate savings customers. Such innovative features of the savings accounts succeeded in incentivizing the customers to convert their funds to saving deposits with low interest rates.

Management's Discussion and Analysis

As for loans, the Bank maintained the strong growth momentum in its mortgage business. The Bank was actively building up the clientele in the form of individuals and SME. Such a measure led to more balanced contribution from various types of loans. In addition, the Bank introduced "Flexi Assets Financing – Fund" into the market, which was a type of secured loan with a fund pledged as a collateral. It enriched the variety of personal loans offered by the Bank and paved the way for sustainable growth of the business.

To cope with the sluggish securities market, the Bank adjusted its strategy for conducting the intermediate business by bolstering up its insurance business. The Bank also enabled its wealth management business to achieve steady growth in income throughout the year, by enriching the variety of its products, enhancing the support to its branches, conducting diversified promotional campaigns.

Moreover, growth in the Bank's cross-border banking business also hit a historic high as its linked account opening system for both mainland China and Hong Kong commenced operation in 2016, thus speeding up the account opening process for customers. Meanwhile, the coverage of Mainland branches offering account opening witness service had extended to all over China, thus boosting the number of customers who opened their accounts through account opening witness service and steadily increasing the scale of the assets of such customers.

As to its retail banking network in Hong Kong, the Bank also improved the networks of its branches and automated machines. As of end 2016, the Bank provides services through 59 retail outlets and 169 automated teller machines at areas with high pedestrian traffic. The Bank completed the facelift of the Yau Ma Tei Branch, and opened new personal banking centres in Sha Tsui Road, Wan Chai and West Point.

In 2017, the Bank will continue to run well the businesses of deposit, lending and wealth management, and will step up its effort to develop the SME business. It will also give full play to broaden its customer base and its strength in providing cross-border financial services. All these measures are aimed at enhancing its services and overall competitiveness so as to meet the customers' needs.

Electronic Banking

In 2016, the Bank's electronic banking business continued to adopt "e-ICBC", which was a strategy of its parent company, Industrial and Commercial Bank of China Limited ("ICBC"). The Bank combined this strategy with its own customer-oriented approach in order to improve the mode of its services with "internet thinking". For instance, it leveraged internet when planning for product innovation and proactively developing the electronic banking business. In 2016, the Bank set up an open e-banking service platform, actively built up a "financial + commercial" service model, and pressed ahead with the integration of its online and offline operations. These initiatives resulted in a successful transformation of its telephone banking services provided at a hosted call centre. In 2016, the e-banking business achieved remarkable results: the number of customers using the Bank's handset-enabled mobile banking services surged by over 80%, and more than 70% of its customers used the Bank's services through electronic banking.

As to its internet banking services, the Bank launched a new version of an open platform for personal internet banking services, pushing forward with the transformation of its channel for electronic banking into an integrated financial service platform that encompassed transaction, marketing and service. The new version of electronic banking is easier to use and can help customers navigate the website quickly to find the services that they want. New features such as self-service banking, an improved site map and a clear online manual on how to operate the functions of the website have been added to the new version, thus enhancing the customer experience significantly.

Management's Discussion and Analysis

Meanwhile, the Bank launched a new version of open platform for mobile banking services, which was another breakthrough in the innovation in products and mode of operation. The open platform contains a user-friendly web page with trendy design and clear classification of functions and services. Customers and the public can also find information about the Bank's latest products and concessionary offers from merchants for credit card users at the open platform without logging in.

Leveraging the parent company's huge customer base and advantage in financial services, the Bank established a one-stop cross-border e-commerce platform that offered diverse services. The e-commerce platform is an internet-enabled system that integrates financial services and e-commerce, and can be accessed at the Hong Kong section of the e-Commerce platform "ICBC Mall". The system can assist Hong Kong-based companies in selling their products to mainland China's enormous market and thus in grasping the huge opportunity there.

In 2016, the Bank's electronic banking won such accolades as "Outstanding Mobile Banking Service" and "Cross-border Mobile Trading Platform Benchmark" from "Bloomberg Business Week China" for its excellence. This also reflected the recognition for its achievements from the market and its peers.

In 2017, the Bank's electronic banking business will actively adapt to the changes in the external environment by innovating in its business with vision, openness and creativity. It will press ahead with the transformation of its electronic banking business as well as the integration of its online and offline operations. Meanwhile, the Bank will speed up the transformation of its business into internet finance by stepping up the development of mobile banking and financial services as well as cross-border e-commerce. This can enhance the competitiveness of the Banks' electronic banking and boost the operation's contribution to the overall performance of the Bank.

Securities and Brokerage

In the first half of 2016, Hong Kong's stock market was affected by the A-Share Circuit Breaker Mechanism and the pressure for Renminbi's devaluation. The Hang Seng Index fell sharply. In the second half of the year, the investment market continued to be affected by other factors such as the withdrawal of the United Kingdom from the European Union (Brexit), the presidential election in the United States and the country's interest rate hike. This resulted in wild fluctuations in the markets for securities, bonds and foreign exchange around the world, prompting investors to be cautious. As a result, the trading volume on the capital markets shrunk.

To cope with the turbulent market, the Bank continued to improve the standards of its service in line with the development of the investment market. During the year, the Bank introduced the Shenzhen-Hong Kong Stock Connect Trading Service and optimized the trading function of Shanghai-Hong Kong Stock Connect Trading Service. In addition, the Bank also enhanced the security features of its online securities trading services. All the measures were aimed at providing high-quality securities trading services for customers.

In 2017, the Bank will continue to proactively expand its customer base both locally and in mainland China, continue to pursue product innovation and enhance both the transaction system and its security features in an effort to improve the overall competitiveness and profitability of its securities business.

Management's Discussion and Analysis

Private Banking

In 2016, the Bank's private banking business continued to develop. The continuous effort to provide a one-stop, premium service for its customers yielded noticeable results as the number of clients and product trading activities increased in 2016. As ICBC Group's global centre for developing private banking products, ICBC (Asia) cooperated closely with its parent company, ICBC's domestic and overseas branches, and also third-party institutions in products innovation and selecting them for sales. This was aimed at providing premium products and services for the ultra-high-net-worth clients.

In order to enhance its customer service, the Bank stepped up its cooperation with domestic and overseas branches of ICBC in providing local and overseas customers with a premium solution for personal financial management. With its endeavour to build up a clientele of cross-border financial services, the number of private banking customers who were eligible to receive the Bank's private banking services increased by 22%. To foster its talents and build up service teams, the Bank has formulated a systematic staff training programme and encouraged staffs to obtain professional qualifications within and outside the Bank. The measure has given support to the Bank's pursuit of professional excellence in customer service.

In 2017, the Bank will continue to explore possibilities of cross-business cooperation with the aim of providing more innovative wealth management services and financial products to its customers. This will enhance the Bank's well-established reputation as a reliable brand of private banking.

Global Market and Trading

In 2016, the Bank's global market businesses recorded steady growth in both turnover and profit while maintaining effective risk control, despite the latest regulatory changes and volatile markets.

The Bank's bond investment portfolio was increasing in size and recorded consistent growth in interest income. It was well managed with dynamic portfolio management to boost its revenue in the form of management fee and generate more income from its bond investment holdings. The managers stayed alert to surprises and reduced its exposure in risky bonds in a timely manner. This dynamic process has enabled the Bank to minimise the associated credit risk.

To cope with the adverse impact from the recent government policy adjustments on cross-border capital flow, the Bank's Global Markets client business has promptly modified its strategy by providing to our clients with the total solutions for their investment, financing and risk hedging needs. As a result, both the trading volume and income derived from interest rate swaps and cross-currency swaps doubled. In addition, the Bank is dedicated to product innovation and exploring new distribution channels. The Bank has succeeded in launching online trading services for currency linked contracts, structured deposits linked to Renminbi foreign exchange rate, and knock-in/knock-out equity linked notes. The teams further enhanced the electronic banking platform for online margin trading.

The Bank's market making business has proven to be a success by assuming leading market positions in different electronic platforms. Our strong reputation as an active market maker has been built up with increasing market share in offshore Renminbi (CNH) markets. Being a market leader in the offshore Renminbi (CNH) markets, the Bank was approved by the China Foreign Exchange Trading System (CFETS) as one of the first offshore participation banks. Furthermore, the Bank was appointed by Hong Kong Exchanges and Clearing Limited as the designated clearing bank for her USD/CNH cross currency swap settlement services. These appointments have recognised the Bank's leading and pioneer position in CNH derivative clearing process and our contributions to Hong Kong's financial market infrastructure development.

Management's Discussion and Analysis

Global Capital Financing

As the flagship of overseas banking business of ICBC, the Bank leveraged ICBC's strengths such as enormous capital, huge customer base and wide network of outlets and channels to fully tap the potential of its global capital financing services. The Bank's bond underwriting, syndicated loan business and loan asset trading is maturing and growing in scale. The Bank has played an important role in the growth of capital market in the Asia-Pacific region.

In 2016, the Bank's bond underwriting business maintained the momentum of robust growth: It actively grasped the opportunities arising from offshore bond issues of Chinese enterprises especially those large SOEs. And by capturing the issuer's funding motivation, the Bank's underwriting business for financial institutions customers has growing noticeably in volume and has contributed to a higher proportion in the total number of projects for the year. The Bank also took part in the onshore panda bond issues for a number of financial institutions. Increasingly, the Bank took the role of a Joint Global Coordinator in the underwriting bond issues. This enhanced its status in the market and helped to increase the number of projects it undertook. During the year, the Bank underwrote a total of 35 deals, including bonds in local and foreign currencies, medium-term notes (MTN) and certificates of deposits, to the total underwriting volume equivalent to HK\$27.4 billion. The Bank has become one of the most prominent and influential underwriters in the market.

In 2016, the Bank actively developed its loan syndication business, and the total value of the syndicated loans in which the Bank was involved amounted to around HKD38.1 billion, or up by 22% over 2015. The Bank arranged for loan syndication as a mandated lead arranger and bookrunner ("MLAB") for some large organizations, including Haitong International Securities Group Limited, GF Holdings (Hong Kong) Corporation Limited and The Standard Bank of South Africa, etc. In particular, the loan syndication for The Standard Bank of South Africa was arranged simultaneously in Europe and Asia. In implementation with the strategy "Going Asia Pacific", the Bank arranged a syndication loan for The Tata Power Limited, which was also the first syndicated loan arranged by the Bank for an Indian customer.

The Bank's loan asset trading was growing in volume to such an extent that the Bank ranked among the leading mainland Chinese banks in Hong Kong in that trade. In 2016, the Bank reinforced and broadened the distribution channel for its loan asset trading, and helped the ICBC's headquarters and other overseas branches distribute the loan assets, thus establishing itself as the hub of ICBC Group's loan asset trading in Asia Pacific. In the same year, the Bank traded in more than HKD13 billion worth of loan assets, with the trading partners and assets in Asia Pacific, the Middle East and South Africa, etc.

Institutional Business

In 2016, the Bank's institutional business has achieved breakthroughs in key areas such as the transformation and restructuring of its asset business, the implementation of the "blue ocean strategy" for central banks and sovereign wealth funds, the development of quality asset business of non-bank financial institutions, increased interbank collaboration and innovative business development in the "Free Trade Zone" (FTZ). The achievements can be classified into three categories. Firstly, the Bank raised the standards of product innovation. It captured the opportunities on the market by rolling out the "reverse" series of trade financing products, panda bonds issuance service, re-issuance of letters of credit (L/C) for banks, forfaiting trading, fixed income collateralized leverage facility and other innovative businesses. Secondly, the Bank expanded its target customer base. It actively developed the asset business with non-bank financial institutions such as securities firms, asset management companies and insurance companies, etc. in Hong Kong based on its understanding of their needs. Thirdly, following its "blue ocean strategy", the Bank strengthened its cooperation with central banks and sovereign institutions. It also successfully hosted the 2016 Chinese Economy Forum and the Offshore Renminbi Seminar for its central bank clients.

In 2017, the Bank's institutional business will closely follow the economic trends and keep abreast of the needs of its customers. It will press on with the transformation and restructuring of its business so as to strengthen its capability to generate profit consistently and increase its influence in both the market and the banking industry.

Management's Discussion and Analysis

Asset Management

In 2016, the Bank's wholly owned subsidiary, ICBC (Asia) Investment Management Company Limited ("ICBCAIM"), maintained steady growth in both the offshore and cross-border Renminbi businesses and successfully developed several special structured fund products. Presently, ICBCAIM's existing assets under management amount to HKD19.8 billion, including HKD3.6 billion worth of QDII products, and HKD2.34 billion worth of QFII and RQFII products.

In the offshore market, ICBCAIM continued to develop its business by deepening the collaboration with central banks in Europe and other regions. In July 2016, ICBCAIM successfully hosted a seminar on Renminbi's internationalization in Hong Kong. It also participated in the annual conference of central banks held by International Monetary Fund in Washington in October of the same year. In that conference, ICBCAIM met with several central banks to discuss opportunity for cooperation in facilitating the development of asset management. In addition, ICBCAIM continued to cooperate closely with ICBC, ICBC Europe and the private banking department of the Bank by jointly launching the China Opportunity RQFII Bond Fund and ICBC Enhanced Global Dynamic Fund in 2016 through the European retail UCITS and private SIFS platforms.

In 2017, ICBCAIM's main task is to expand the size of its assets under management by strengthening existing sales channels and by strengthening cooperation with ICBC's overseas and domestic branches in innovating investment products as well as in developing mainland China's market.

Credit Card Business

In 2016, Hong Kong's retail market was slowing down. This also exacerbated the already intense competition among peers. To cope with the situation, the Bank's credit card business adopted layered marketing and market segmentation, and broadened its customer base with themed promotional campaigns for credit cards and with added features.

As to the credit card issuing business, the Bank formed a strategic alliance with AXA Hong Kong to jointly launch co-branded credit cards for insurance, which targeted mid-range and high-end customers. Meanwhile, the Bank's merchant acquiring business adjusted the structure of its merchant portfolio and enlarged the income source. For instance, it stepped up the effort to include in its merchant portfolio such businesses as grocery stores, convenience stores, restaurants and large shopping malls, and the initiative yielded a breakthrough, as reflected by the momentum of considerable good in the merchant acquiring business. The Bank's unsecured loan business enhanced its products and improved its internal management. This boosted both the development of the lending business and profitability.

RMB Business

In 2016, financial markets around the world and Renminbi's exchange rate fluctuated wildly. Renminbi deposits in the offshore market of Hong Kong decreased sharply. Unexpected and unpredictable incidents occurred several times during the second half of 2016, and there was rising expectation of Renminbi's depreciation.

As to the Bank's Renminbi loan business, it is expected that the pressure for Renminbi's devaluation will continue to mount in 2017. However, the prospect of possible competition between China and the United States and that of possible changes to policies have led to rising expectation of volatility of Renminbi's exchange rate, whether it be appreciation or devaluation. As a result, the demand for hedges against adverse price movements in assets and liabilities denominated in Renminbi will increase. This will present more opportunities for offshore Renminbi business. With the inclusion of Renminbi in the Special Drawing Right (SDR) valuation basket, the launch of Shenzhen and Hong Kong Stock Connect and the major progress in China's "Belt and Road" initiative, the interconnection between onshore and offshore markets for Renminbi is expected to increase. This will stimulate the demand for assets denominated in Renminbi and bring new business opportunities to the Bank.

Management's Discussion and Analysis

On the Renminbi interbank market, the Bank remained one of the most important market makers as the volume of its offshore Renminbi (CNH) interbank lending and that of its trading on behalf of clients grew significantly compared with those in 2015. The Bank also ranked among the top industry players in terms of the trading volume on the spot market.

The Bank actively conducted its marketing campaigns to promote the cross-border Renminbi business. In 2016, the Bank took part in the campaign jointly conducted by Hong Kong Monetary Authority, Her Majesty's Treasury (HM Treasury) of the United Kingdom and other institutions to promote Renminbi. The participation enhanced the Bank's status and professional image in the market for offshore Renminbi.

As to its Renminbi clearing and settlement business, the Bank was appointed by Hong Kong Exchanges and Clearing Limited as a Settlement Bank of Hong Kong Securities Clearing Company Limited ("HKSCC") and a one of the Clearing Members of OTC Clearing Hong Kong Limited in 2016. This will help to enhance the Bank's internal operating system and to promote its Cross-border Inter-bank Payment System (CIPS), thus enabling it to increase its share of the market for clearing service.

Chinese Mercantile Bank

In 2016, Chinese Mercantile Bank (CMB), the Bank's wholly-owned subsidiary, achieved steady growth in its various businesses. The annual pre-provision profit increased by 0.60% to HKD1.904 billion. The provision coverage ratio reached 202.67%, or 4.6 percentage points higher than at the beginning of the year. This shows that the Bank enhanced its capability to withstand risks.

In 2016, CMB actively adjusted its business strategy. While adhering to the guidelines for work, namely "minimizing risks, controlling scale, stabilizing profit", CMB developed its business at a moderate pace to make risks manageable. It struck a balance between speed of development, scale of business, quality of growth and profitability. It also implemented dynamic management of the sizes of assets and liabilities and accelerated the restructuring. In addition, CMB focused on developing its general business of taking deposits and lending while actively reducing the scale of its non-banking business, thus enhancing its capability to sustain development.

Throughout the year, CMB speeded up the pace of transformation. In terms of product innovation, CMB launched new types of businesses, such as "Qianguanjia (「錢管家」)", "Zhidaitong (「直貸通」)" and structured deposits, and successfully obtained the certificate that qualified it for fund sales. CMB also improved its risk management system by establishing a market risk management system, enhancing the due diligence and stepping up the procedure for reviewing and approving loan applications, strengthening the management of internal control and regulatory compliance. All these measures were aimed at improving the overall risk control. In terms of system construction, CMB comprehensively upgraded both the personal and corporate online banking. Also, the Bank successively launched systems for Anxin account custody business, business tax to value-added tax, external fraud risk and integrated post-loan management, etc.

In addition, CMB received acclaims by winning the "Outstanding Dealer Award" in the China Bond Market, "Cross-board Financial Service Award" from "Shenzhen Special Zone Daily" and "Social Responsibility Evaluation Tristar Rating", which was the highest rating by the Shenzhen Social Responsibility Improvement Association. As a result, CMB's market position and brand influence were further enhanced.

In 2017, CMB will endeavour to improve its profitability and the quality of its services and growth. Specifically, it will restructure its business mix and reform its management system. CMB will also pay attention to the operating model of "commercial + investment banking" and that of "domestic + overseas businesses" so as to constantly enhance its strategic synergy and cooperation with ICBC (Asia). These measures will facilitate CMB's development into a visionary bank with a global perspective.

Management's Discussion and Analysis

Human Resources

The Bank always regards its staff as its most valuable asset. It adopts a “people-oriented” management concept and constantly improves its human resources policies and measures in order to create more opportunities for its employees and to drive the development of both the Bank and its employees.

In line with the business strategies and on-going development of its businesses, the Bank continued to step up efforts to recruit and foster talent by enriching recruitment channels and establishing an internal talent pool. As of 31 December 2016, the Bank's total number of employees was 2,507.

The Bank emphasizes the nurturing of talents as well as the development of its employee's abilities and careers. During the year, it implemented different talent development programs to meet the needs of the career development of employees of different ranks, including the reserve talents development programs for managerial personnel and the “SEED” program for speeding up the growth of talents. The Bank also introduced tools for assessing the employees' abilities so as to make the talent management more scientific and professional.

The Bank provided its employees with a wide range of professional courses during the year and organized over 450 sessions of various training classes, including strategic perspective courses arranged for the Bank's senior management, a series of leadership courses organized for supervisory personnel, work exchange and training programs for the staff of the Bank's various business functions organized at the ICBC's branches and training institutions and training courses in enhancement of skills and abilities for the jobs and regulatory compliance, etc.

In 2016, the Bank continued to implement the management concept and mechanism of linking individual and corporate performance so as to align the staffs' individual objectives with the Bank's business plan. This enhances the performance of both the Bank and its employees.

The Bank cares about the employees' well-being, both mentally and physically. It collects and understands employees' views on medical insurance services by conducting surveys. It also organized a variety of health seminars and recreational activities for them throughout the year to ensure their physical and mental happiness.

In addition, the Bank continued to organize such activities as “face-to-face interaction” and “cross-team communication” during the year in order to facilitate internal communication and enhance team spirit and management efficiency.

Corporate Social Responsibility

The Bank adheres ICBC's corporate belief in: “Serving Customers, Rewarding Shareholders, Development of Employees, Giving Back to Society”, the Bank plays an active part in promoting the welfare of society and fulfils its corporate social responsibility. In 2016, the Bank was awarded the 10 Years Plus Caring Company Logo by The Hong Kong Council of Social Service as a commendation for its contribution and long-standing commitment to community service for over a decade.

As the Chairman of Caritas Hong Kong Fund Raising Committee for 18 consecutive years, the Bank remains committed to fully supporting Caritas Hong Kong in its fund raising activities, including organizing the Charity Golf Day, donating money to the Caritas charity events, sponsoring Caritas's charity sales of cookies, taking part in bazaars, participating in the sales of Caritas raffle tickets and placing donation boxes at its branches, etc. Our staff also participated in voluntary work, “工銀亞洲 X 明愛:與眾同樂”, as a way to serve a wider section of the society, they donated money to and contributed their effort to charitable causes to spread the Bank's love and care to people of all walks of life. In 2016, the Bank helped Caritas Hong Kong raise more than HK\$3.6 million, which was a record high.

Management's Discussion and Analysis

Apart from this, the Bank also participated in other diverse charitable activities of different charitable organizations in Hong Kong. With respect of charitable activities, more than one hundred staff members and their families joined the “2015/2016 Hong Kong & Kowloon Walk” organized by the Hong Kong Community Chest. Besides, the Bank participated “Bloomberg Square Mile Relay” which was aimed at promoting healthy lifestyle. Moreover, the Bank organized the staff members to accompany children from low-income families to visit Hong Kong Sha Tau Kok farm. The activity was aimed at educating the children on the importance of nature and ecological conservation. In addition, the Bank organized some of its staff members and their children into a team of volunteers to raise fund by selling flags on “Community Chest Flag Day”, its aim was to cultivate a sense of civic duty in the next generation. The Bank has also applied its financial knowledge and expertise to charitable activities so as to promote financial education. In 2016, it enthusiastically participated in a series of charitable activities hosted by The Hong Kong Association of Banks, of which it is a member. The activities included “Youth Financial Education Programme”, “ATM Education Programme” and “Financial Education Workshop”, etc. In order to contribute to the development of cultural activities and arts, the Bank was the exclusive sponsor of the finale performance of the Hong Kong Arts Festival in 2016 for four years running. The sponsorship was aimed at promoting the development of Hong Kong’s world-class arts events.

The Bank will continue to contribute to the charitable causes of Hong Kong and to fulfil its corporate social responsibility so as to help build a united, harmonious and compassionate society.

Biographical Details of Directors & Senior Management

Ms. Gao Ming (*Chairman & Executive Director*)

Ms. Gao, aged 51, was appointed as the Chairman and Executive Director of the Bank in February 2017, and she is the Chairman of Strategy and Corporate Governance Committee of the Bank. Ms. Gao holds a Master Degree in Applied Finance from Macquarie University and a Master Degree in English from Jilin University of Technology. She has over 26 years of banking business experience and previously served in several positions including the General Manager of Industrial and Commercial Bank of China, Luxembourg Branch, the Chairman of Industrial and Commercial Bank of China (Europe) S.A. and the General Manager of the International Business Department of Industrial and Commercial Bank of China Limited.

Mr. Jiang Yisheng (*Executive Director & Chief Executive Officer*)

Mr. Jiang, aged 49, was appointed as an Executive Director and Chief Executive Officer of the Bank in December 2015. He also serves as a Member of Strategy and Corporate Governance Committee and Risk Management Committee of Board of Directors of the Bank. Mr. Jiang holds a Bachelor's Degree of Electrical Engineering from Xi'an Jiaotong University and a Master's Degree in Economics of Money and Banking from Shanxi Institute of Finance & Economics. He has over 20 years of banking business experience and served in several positions including Chief Executive of Industrial and Commercial Bank of China Limited, Zhuhai Branch, Deputy Chief Executive of Guangdong Provincial Branch of Industrial and Commercial Bank of China Limited and Chief Executive Officer of Industrial and Commercial Bank of China (Macau) Limited.

Mr. Ip Koon Tung (*Executive Director, Deputy Chief Executive, Alternate Chief Executive & Chief Risk Officer*)

Mr. Ip, aged 54, joined the Bank in February 2013 as a Deputy Chief Executive and was appointed as an Executive Director, an Alternate Chief Executive and Chief Risk Officer of the Bank in April 2014. He also serves as a Member of Risk Management Committee of Board of Directors of the Bank. Mr. Ip holds a Bachelor's Degree and a Master's Degree in Business Administration from The Chinese University of Hong Kong. He is a Certified Financial Analyst. Mr. Ip has over 30 years of banking business experience. Prior to joining the Bank, Mr. Ip was Chief Credit Officer of Hang Seng Bank Limited. He is currently the President of the Hong Kong Chapter of the Risk Management Association.

Mr. Hong Guilu (*Non-executive Director*)

Mr. Hong, aged 50, was appointed as a Non-executive Director of the Bank in December 2016. He also serves as a Member of Audit Committee, Nomination Committee and Strategy and Corporate Governance Committee of the Bank. Mr. Hong holds a Master's Degree in Accounting from George Washington University. Mr. Hong has over 16 years of banking experience and is the Accredited Director of Administration Office of Directors and Supervisors to Subsidiaries of Corporate Strategy and Investor Relations Department of Industrial and Commercial Bank of China Limited.

Mr. Ma Xiangjun (*Non-executive Director*)

Mr. Ma, aged 45, was appointed as a Non-executive Director of the Bank in August 2015. He is the Chairman of Risk Management Committee of Board of Directors and also a Member of Remuneration Committee of the Bank. Mr. Ma holds a Master's Degree in Economics from Shandong University and a Master's Degree in Business Administration (International) from The University of Hong Kong, and is qualified as a Senior Economist. Mr. Ma has over 22 years of banking experience and is the Accredited Director of Administration Office of Directors and Supervisors to Subsidiaries of Corporate Strategy and Investor Relations Department of Industrial and Commercial Bank of China Limited.

Biographical Details of Directors & Senior Management

Professor Wong Yue Chim, Richard, S.B.S., J.P. *(Independent Non-executive Director)*

Professor Wong, aged 64, was appointed as an Independent Non-executive Director of the Bank in July 2000. He is the Chairman of Audit Committee and also a Member of Strategy and Corporate Governance Committee and Remuneration Committee of the Bank. Professor Wong holds a PhD in Economics from the University of Chicago. He is Professor of Economics at The University of Hong Kong. He has been active in advancing economic research on policy issues in Hong Kong and the People's Republic of China through his work as founding Director of both the Hong Kong Centre for Economic Research and Hong Kong Institute of Economics and Business Strategy. Professor Wong was awarded the Silver Bauhinia Star in 1999 by the Government of the HKSAR for his contributions in education, housing, industry and technology development.

Mr. Tsui Yiu Wa, Alec *(Independent Non-executive Director)*

Mr. Tsui, aged 67, was appointed as an Independent Non-executive Director of the Bank in August 2000. He is the Chairman of Nomination Committee and also a Member of Audit Committee and Remuneration Committee of the Bank. He holds a Bachelor of Science Degree and a Master of Engineering Degree in Industrial Engineering from University of Tennessee. He has completed the Program for Senior Managers in Government at the John F. Kennedy School of Government at Harvard University. Mr. Tsui was the Adviser and Council Member of the Shenzhen Stock Exchange from July 2001 to June 2002 and was the Chief Executive of Regent Pacific Group Limited, a Hong Kong listed investment company, from August 2000 to February 2001. He was also the Chairman of Hong Kong Securities Institute from December 2001 to December 2004. He joined The Stock Exchange of Hong Kong Limited in 1994 as an Executive Director of the Finance and Operations Services Division and became the Chief Executive from 1997 to 2000. He was also the Chief Operating Officer of Hong Kong Exchanges and Clearing Limited from March 2000 to July 2000 and the General Manager (Finance, Technology & Human Resources), and then Assistant Director (Licensing), and at the same time the General Manager (Human Resources) of the Securities and Futures Commission of Hong Kong from 1989 to 1993. Mr. Tsui also involved in numerous government and community activities, including being a former Chairman of the Supervisory Committee of Tracker Fund of Hong Kong and the Organizing Committee of Independent Commission Against Corruption Professional Ethics Programme for the Securities, Futures and Investments Sectors, a former member of the Standing Committee on Company Law Reform, the Hong Kong Trade Development Council Financial Services Advisory Committee, The Community Chest of Hong Kong Corporate and Employee Contribution Programme Organizing Committee (Banking and Finance Group), the Banking and Finance Industry Training Board of the Vocational Training Council and the Investment Sub-Committee of the Government Committee of the Beat Drugs Fund Association.

Biographical Details of Directors & Senior Management

Mr. Yuen Kam Ho, George, FHKIoD (*Independent Non-executive Director*)

Mr. Yuen, aged 72, was appointed as an Independent Non-executive Director of the Bank in April 2003. He is the Chairman of Remuneration Committee and also serves as a Member of Risk Management Committee of Board of Directors, Strategy and Corporate Governance Committee and Nomination Committee of the Bank. He is currently an independent non-executive director of Easy One Financial Group Limited and Hsin Chong Group Holdings Limited, both are Hong Kong listed companies. He holds a Bachelor's Degree (Honors) in Economics and Political Science from The University of Hong Kong. Mr. Yuen had attended post-graduate studies in marketing management at the International Marketing Institute, Cambridge, Massachusetts, U.S.A. and had completed the Hong Kong Administrators Course (commissioned by the Hong Kong Government) in public administration and international relations at Oxford University, the United Kingdom, and the International Executive Program in INSEAD, France respectively. In June 2003, Mr. Yuen was admitted to the Leadership in Development Program organised by Kennedy School of Government, Harvard University. In June 2004, Stanford University, California, U.S.A. had also invited Mr. Yuen to participate in its "Corporate Governance" forum and in early 2006 the University awarded a fellowship to Mr. Yuen as a non-profit leader at its Centre for Social Innovation. Mr. Yuen had been Chief Executive of The Better Hong Kong Foundation for nine years since September 1997. Prior to his joining the Foundation, he was the Assistant Director/Acting Deputy Director of the Information Services Department of the Hong Kong Government. Mr. Yuen plays an active role in organising international business conferences in Hong Kong and also takes part in numerous government and community activities, including being a board member of the East-West Strategic Development Commission. Mr. Yuen was the Panel member of the Central Policy Unit of the Government of the HKSAR on the Pan-Pearl River Delta between 2003-2007. From January 2006 to January 2013, Mr. Yuen had been a member of The Chinese People's Political Consultative Conference, Guangxi Autonomous Region, China; an advisor of the Institute of Finance and Trade Economics, Chinese Academy of Social Sciences, China; an advisor of The Shanghai Academy of Social Sciences, China; and an advisor of The Board of International Investment of Guangzhou Municipality, China. At present, Mr. Yuen is a Special Advisor of the China National Committee for Pacific Economic Cooperation (PECC China); a Standing Committee member of the Convocation of The University of Hong Kong; a member of the Court of The University of Hong Kong, and a member of Business Advisory Council of United Nations Economic and Social Commission for Asia and the Pacific. Mr. Yuen is a Fellow of the Hong Kong Institute of Directors, a member of the British Institute of Management and the Institute of Marketing, United Kingdom, and was also commended by the former U.S. President, George W. Bush for his efforts in support of coalition's campaign against global terrorism.

Mr. Choi Yiu Kwan, S.B.S., FHKIB (*Independent Non-executive Director*)

Mr. Choi, aged 62, was appointed as an Independent Non-executive Director of the Bank in January 2013. He is the Alternate Chairman of Audit Committee and Risk Management Committee of Board of Directors and a Member of Strategy and Corporate Governance Committee of the Bank. Mr. Choi holds a Higher Certificate in Accountancy (ACCA) from the Hong Kong Polytechnic University and is a fellow member of the Hong Kong Institute of Bankers and the Treasury Markets Association. Mr. Choi has over 37 years of experience in banking supervision. He held various positions in the Office of the Commissioner of Banking of the Hong Kong Government between November 1974 and March 1993. He joined the Hong Kong Monetary Authority in April 1993 and held various positions including the Head of the Banking Policy Department, the Head of Administration, the Executive Director (Banking Supervision), the Deputy Chief Executive (Monetary Policy and Reserves Management) and the Deputy Chief Executive (Banking Supervision) until retirement in January 2010. Mr. Choi is also an Independent Non-executive Director of HSBC Bank (China) Co. Ltd. as at the date of this Report. He was awarded the Silver Bauhinia Star in 2010 by the Government of the HKSAR.

Biographical Details of Directors & Senior Management

Dr. Wu Jie Si (*Independent Non-executive Director*)

Dr. Wu, aged 65, was appointed as an Independent Non-executive Director of the Bank in March 2013. He also serves as a Member of Audit Committee, Strategy and Corporate Governance Committee and Remuneration Committee of the Bank. Dr. Wu holds a Doctorate degree in Economics from Graduate School of the People's Bank of China and has got a Professor's Qualification at Tianjin Nankai University. Dr. Wu has over 30 years corporate management and investment experience and is the Chairman of the Shenzhen Fuhaiyintao Asset Management Co., Ltd.. Dr. Wu is currently holding directorships in certain Hong Kong listed companies, including an Independent Non-executive Director of Beijing Enterprises Holdings Limited, an Independent Non-executive Director of China Taiping Insurance Holdings Company Limited, an Non-executive Director of Sliver Base Group Holdings Limited and a Non-executive director of Shenzhen Investment Limited. Dr. Wu is also an Independent Director of China Citic Bank International Limited. Dr. Wu was previously the President of Industrial and Commercial Bank of China Limited, Shenzhen Branch, the Deputy Mayor of the Shenzhen Municipal Government and the assistant to the Governor of Guangdong Province.

Mr. Leung Ming Hym, Peter (*Deputy Chief Executive and Alternate Chief Executive*)

Mr. Leung, aged 54, joined the Bank in July 2001 and was appointed as a Deputy Chief Executive of the Bank in August 2011. He was appointed as Alternate Chief Executive of the Bank in April 2016. Mr. Leung is currently responsible for the Banks' personal banking business, private banking business, credit card business, SME banking business, personal loan business and securities brokerage business. Mr. Leung holds a Bachelor's Degree in Accounting and Financial Analysis from Newcastle University, UK and a Bachelor's Degree in Laws from University of London, UK. Mr. Leung is a fellow member of The Institute of Chartered Accountants in England and Wales and serves as a member of its Hong Kong Chapter Committee. He is also a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants (UK). He has over 20 years of experience in corporate finance.

Mr. Tong Hee Keung, Samuel (*Deputy Chief Executive*)

Mr. Tong, aged 59, was appointed as a Deputy Chief Executive of the Bank in August 2011. He is currently responsible for the Bank's corporate banking business, institutions business and asia-pacific banking business. Mr. Tong holds a Master's Degree in Business Administration from the University of Brunel, United Kingdom. Mr. Tong is also an associate member of The Chartered Institute of Bankers and has over 30 years of corporate and commercial banking experience.

Ms. Luo Lijun (*Deputy Chief Executive*)

Ms. Luo, aged 45, joined the Bank in June 2012 as an Assistant Chief Executive. She was appointed as a Deputy Chief Executive of the Bank in August 2016. She is currently responsible for the Banks' internal control and compliance, legal, operations management, and special assets business. She holds a Bachelor's Degree in History from Renmin University of China, a Master's Degree in Economics from The School of Finance of Renmin University of China and a Master's Degree in International Business Administration from Fudan University and The University of Hong Kong. Ms. Luo had further study at the University of Illinois, U.S.A. between August 2009 and June 2010. Ms. Luo has over 24 years of banking management experience.

Biographical Details of Directors & Senior Management

Mr. Wang Chaoming (*Assistant Chief Executive & Chief Information Officer*)

Mr. Wang, aged 47, joined the Bank in May 2011 and was appointed as an Assistant Chief Executive and Chief Information Officer in July 2015. He is currently responsible for the Bank's information technology, product development, electronic banking business and general administration. Mr. Wang holds a Bachelor's Degree and a Master's Degree in Electrical Engineering from Zhejiang University and a Master's Degree in International Business Administration from Fudan University and The University of Hong Kong. Mr. Wang has over 22 years of banking experience.

Mr. Li Dong (*Assistant Chief Executive*)

Mr. Li, aged 41, joined the Bank in May 2016 and was appointed as an Assistant Chief Executive in November 2016. He is currently responsible for the Bank's corporate banking business, global capital financing business, custody services and asset management business. Mr. Li holds a Bachelor's Degree in engineering (industrial and civil engineering) from Nanjing Institute of Architectural and Civil Engineering (Now known as "Nanjing Tech University") and a Master's Degree in Business Administration from SouthEast University. Mr. Li has over 19 years of banking experience.

Mr. Lu Jian (*Assistant Chief Executive*)

Mr. Lu, aged 40, joined the Bank and was appointed as an Assistant Chief Executive in February 2017. He is currently responsible for the Bank's global market business, asset and liability business, trade finance business and management information. Mr. Lu holds a Bachelor's Degree in International Finance from Dongbei University of Finance & Economics and a Master's Degree in Financial Analysis from The Hong Kong University of Science and Technology. He is also a Chartered Financial Analyst Charterholder. Mr. Lu has over 17 years of banking experience. He had served in the Bank for over 7 years from April 2007 to July 2015 and once served as the Executive Director and Chief Executive of Industrial and Commercial Bank of China (Thai) Public Company Limited.

董事會報告

Report of the Directors

董事會報告

中國工商銀行(亞洲)有限公司(「本銀行」)董事會(「董事會」)欣然提呈本集團(本銀行連同其附屬公司統稱「本集團」)截至二零一六年十二月三十一日止年度之年報及經審核財務報表。

主要業務及分部業務分析

本銀行之主要業務為提供銀行、財務及其他財務相關服務，而各附屬公司之主要業務則載於財務報表附註33。

本集團於本年度按業務及地區分部劃分之業績分析載於財務報表附註5。

業績及分派

本集團截至二零一六年十二月三十一日止年度之業績載於第67頁之綜合收益表。

董事會建議截至二零一六年十二月三十一日止年度不派發末期股息。

儲備

股東應佔溢利7,395,366,000港元(二零一五年: 6,783,664,000港元)已轉入儲備。本銀行及本集團之儲備於年內之變動詳情分別載於財務報表附註41及綜合權益變動表。

捐款

本集團於年內之慈善及其他捐款總額為3,668,000港元。

投資物業及物業及設備

年內，本集團之投資物業及物業及設備變動詳情分別載於財務報表附註30及31。

REPORT OF THE DIRECTORS

The Board of Directors (the “Board”) of Industrial and Commercial Bank of China (Asia) Limited (the “Bank”) have pleasure in submitting its annual report together with the audited financial statements of the Group (the Bank together with its subsidiaries hereinafter referred to as the “Group”) for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

The principal activities of the Bank are the provision of banking, financial and other financial related services. The principal activities of the subsidiaries are shown in Note 33 to the financial statements.

An analysis of the Group’s performance for the year by business and geographical segments is set out in Note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated income statement on page 67.

The Board has not recommended the payment of final dividend for the year ended 31 December 2016.

RESERVES

Profit attributable to shareholders of HK\$7,395,366,000 (2015: HK\$6,783,664,000) has been transferred to reserves. Details of movements in the reserves of the Bank and the Group during the year are set out in Note 41 to the financial statements and in the consolidated statement of changes in equity, respectively.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$3,668,000.

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Details of the movements in investment properties and property, plant and equipment of the Group during the year are set out in Notes 30 and 31 to the financial statements respectively.

董事會報告

Report of the Directors

股本

本集團年內之股本變動詳情載於財務報表附註39。

五年財務摘要

以下為本集團過去五個財政年度之業績、資產及負債摘要。

SHARE CAPITAL

Details of the movements in share capital of the Group during the year are set out in Note 39 to the financial statements.

FIVE YEAR'S FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out below.

		2016 千港元 HK\$'000	2015 千港元 HK\$'000	2014 千港元 HK\$'000	2013 千港元 HK\$'000	2012 千港元 HK\$'000
業績	Results					
股東應佔溢利	Profit attributable to shareholders	7,395,366	6,783,664	6,370,245	5,256,656	4,014,682
資產及負債	Assets and liabilities					
資產總額	Total assets	798,674,517	733,551,025	680,618,627	569,756,920	425,681,186
負債總額	Total liabilities	714,788,371	663,213,567	629,094,051	525,297,177	385,780,147
權益總額	Total equity	83,886,146	70,337,458	51,524,576	44,459,743	39,901,039

董事會

本銀行董事會於本年度至本年報刊發當日之成員如下：

高明女士(於二零一七年二月一日獲委任)
姜壹盛先生
葉冠東先生
洪貴路先生*(於二零一六年十二月五日獲委任)
馬向軍先生*
王于漸教授, S.B.S., 太平紳士**
徐耀華先生**
袁金浩先生, FHKIoD**
蔡耀君先生, S.B.S., FHKIB**
武捷思博士**
陳愛平先生(於二零一六年十二月十六日辭任)
蔣玉林先生*(於二零一六年五月四日辭任)
林謙先生*(於二零一六年五月四日辭任)
楊學寧先生*(於二零一六年十二月五日獲委任並於二零一七年三月三日辭任)

* 非執行董事
** 獨立非執行董事

BOARD OF DIRECTORS

The Board of the Bank during the year and up to the date of the report was:

Ms. Gao Ming (appointed on 1 February 2017)
Mr. Jiang Yisheng
Mr. Ip Koon Tung
Mr. Hong Guilu* (appointed on 5 December 2016)
Mr. Ma Xiangjun*
Professor Wong Yue Chim, Richard, S.B.S., J.P.**
Mr. Tsui Yiu Wa, Alec**
Mr. Yuen Kam Ho, George, FHKIoD**
Mr. Choi Yiu Kwan, S.B.S., FHKIB**
Dr. Wu Jie Si**
Mr. Chen Aiping (resigned on 16 December 2016)
Mr. Jiang Yulin* (resigned on 4 May 2016)
Mr. Lin Qian* (resigned on 4 May 2016)
Mr. Yang Xuening* (appointed on 5 December 2016 and resigned on 3 March 2017)

* Non-executive Director
** Independent Non-executive Director

董事會報告 Report of the Directors

陳愛平先生自二零一六年十二月十六日起辭任主席兼執行董事。蔣玉林先生及林謙先生自二零一六年五月四日起辭任非執行董事。楊學寧先生於二零一七年三月三日辭任非執行董事。

高明女士自二零一七年二月一日起獲委任為主席兼執行董事，洪貴路先生於二零一六年十二月五日獲委任為非執行董事。

根據章程細則第93條的規定，於年內獲董事會委任的董事任期將於下屆股東週年大會屆滿，惟可於該股東週年大會重選連任。據此高明女士及洪貴路先生的任期將於應屆股東週年大會上屆滿，並願意獲選連任。

本銀行之非執行董事及獨立非執行董事的委任並無指定任期，惟須根據章程細則第94(1)及94(2)條的規定最少每3年一次於股東週年大會上輪值告退及獲選連任。據此，葉冠東先生及王于漸教授將根據章程細則的規定，於應屆股東週年大會上輪值告退，並願意重選連任。

董事之權益

本銀行、其控股公司、各附屬公司或各同系附屬公司於年內任何時間概無訂立任何安排，致使本銀行董事可藉認購本銀行或任何其他法人團體之股份或債券而獲益。

本銀行或其控股公司、附屬公司或同系附屬公司並無參與訂立與本集團業務有重大關係而於本年度結算時或本年度任何時間內生效且本銀行董事直接或間接擁有重大權益之重大合約。

Mr. Chen Aiping resigned as Chairman and Executive Director with effect from 16 December 2016. Mr. Jiang Yulin and Mr. Lin Qian resigned as Non-executive Directors with effect from 4 May 2016. Mr. Yang Xuening resigned as Non-executive Director with effect from 3 March 2017.

Following the above changes, Ms. Gao Ming was appointed as Chairman and Executive Director with effect from 1 February 2017 and Mr. Hong Guilu was appointed as Non-executive Director with effect from 5 December 2016.

In accordance with Article 93 of the Articles of Association, any Director appointed by the Board during the year shall hold office only until the next annual general meeting of the Bank, and shall then be eligible for re-election at such meeting. Accordingly, Ms. Gao Ming and Mr. Hong Guilu, will retire at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

The Non-executive Directors and the Independent Non-executive Directors of the Bank are not appointed for specific term but subject to the retirement by rotation at least once every three years and re-election at the annual general meeting in accordance with the Articles 94(1) and 94(2) of the Articles of Association. Accordingly, Mr. Ip Koon Tung and Professor Wong Yue Chim, Richard will retire by rotation and, all being eligible, offer themselves for re-election at the forthcoming annual general meeting in accordance with the Articles of Association.

DIRECTORS' INTERESTS

At no time during the year was the Bank or any of its holding company, or its subsidiaries, or fellow subsidiaries a party to any arrangements to enable the Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

No transaction, arrangement or contract of significance to which the Bank, or any of its holding company, subsidiaries, or fellow subsidiaries was a party, and in which a Director of the Bank had a material interest, subsisted at the end of the year or at any time during the year.

董事會報告

Report of the Directors

附屬公司董事名單

本銀行已將各附屬公司董事名單登載於本銀行網站(詳見下列網址),以供公眾人士查閱。

<http://www.icbcasia.com/ICBC/海外分行/工銀亞洲/TC/關於我們/聯絡我們/附屬公司/default.htm>

管理合約

年內並無訂立或訂有任何涉及本銀行全部或大部分業務之管理及行政合約。

彌償條文

為保障本銀行各董事的獲准許之彌償條文(根據香港公司條例第469條)於本年度及目前仍然生效。本銀行獲准許之彌償條文,詳列於本年報「企業管治報告」一節內。

企業管治

本銀行致力維持和強化高水平之企業管治常規。在截至二零一六年十二月三十一日止的財政年度內,本銀行已遵守香港金融管理局發出之《本地註冊認可機構的企業管治》監管政策手冊所載之指引。本銀行企業管治常規之詳情載於二零一六年年報第49至59頁之企業管治報告內。

遵守銀行業(披露)規則

截至二零一六年十二月三十一日止年度之財務報表已完全符合《銀行業(披露)規則》中所適用的披露規定。

LIST OF DIRECTORS OF SUBSIDIARIES

The Bank posted a full list of the names of the Directors of the Bank's subsidiaries on the Bank's website and the public can access the list in the website address listed below:

http://www.icbcasia.com/ICBC/海外分行/工銀亞洲/EN/About_Us/Contact_Us/Subsidiaries/default.htm

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Bank were entered into or existed during the year.

INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Bank is currently in force and was in force during the year. Details of the Bank's permitted indemnity provision are set out in the "Corporate Governance Report" of this report.

CORPORATE GOVERNANCE

The Bank is committed to maintaining and upholding high standards of corporate governance practices. Throughout the year ended 31 December 2016, the Bank has complied with the guidelines set out in the Supervisory Policy Manual entitled "Corporate Governance of Locally Incorporated Authorized Institutions" issued by the Hong Kong Monetary Authority. Details of the Bank's corporate governance practices are set out in the Corporate Governance Report on pages 49 to 59 of its 2016 Annual Report.

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The financial statements for the year ended 31 December 2016 comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules.

董事會報告

Report of the Directors

審計師

本銀行審計師畢馬威會計師事務所現遵章告退並於應屆股東週年大會上提呈續聘彼等為審計師之決議案。

AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming annual general meeting.

承董事會命

主席

高明女士

香港，二零一七年三月二十一日

On behalf of the Board

Ms. Gao Ming

Chairman

Hong Kong, 21 March 2017

企業管治報告 Corporate Governance Report

本銀行致力維持和強化高水平之企業管治常規。在截至二零一六年十二月三十一日止的財政年度內，本銀行已遵循香港金融管理局(「金管局」)發出之《本地註冊認可機構的企業管治》監管政策手冊所載之指引。

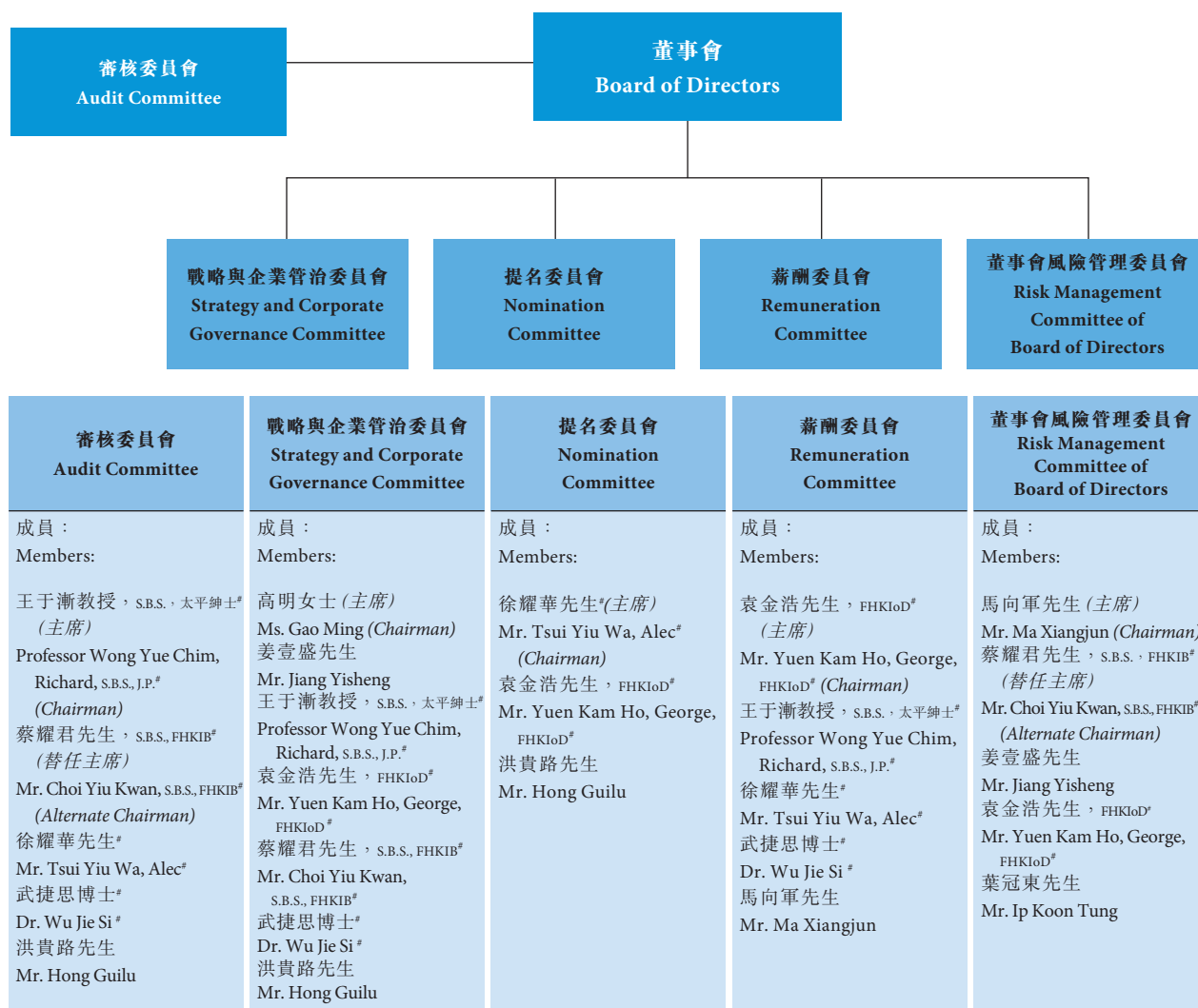
為突顯本銀行持續維持良好企業管治之承諾，本銀行已自二零零九年三月二十四日制訂「企業管治手冊」，並會根據市場趨勢及監管機構所發佈的指引和要求進行相應修訂，力求符合國際和本地有關企業管治最佳慣例的要求。

本銀行之企業管治架構

The Bank is committed to maintaining and upholding high standards of corporate governance practices. Throughout the year ended 31 December 2016, the Bank has followed the guidelines set out in the Supervisory Policy Manual entitled “Corporate Governance of Locally Incorporated Authorized Institutions” issued by the Hong Kong Monetary Authority (“HKMA”).

In order to show its continuous commitment in the development of sound corporate governance, the Bank has adopted its “Corporate Governance Manual” since 24 March 2009 and keeps reviewing according to market trend as well as guidelines and requirements issued by regulatory authorities.

CORPORATE GOVERNANCE STRUCTURE OF THE BANK



[#] 獨立非執行董事

[#] Independent Non-executive Directors

企業管治報告

Corporate Governance Report

董事會

董事會

董事會負有領導及管治本銀行的責任，並共同承擔指導及監督本銀行事務以推動本銀行成功發展。董事會制定本銀行之策略，並監查高級管理層之表現及運作。董事會須確保本銀行以高度的誠信及在法律和政策的架構內審慎經營業務，董事會履行其責任時應顧及股東、存戶及其他相關持份者的合法權益。

為不斷提升本銀行之企業管治水平，本銀行董事會主席及行政總裁的角色清晰劃分。該等角色區分有利於本銀行管理，主席負責確保董事會適當地履行其職能，貫徹良好企業管治常規，適時處理所有重要和合適的事項，而行政總裁則負責領導高級管理層，落實董事會所採納的重要策略，執行本銀行的日常運作及有關事務。

董事會結構

於本報告刊發日期，本銀行之董事會由十名董事組成，當中包括三名執行董事、二名非執行董事及五名獨立非執行董事。獨立非執行董事的人數與比例均超過有關法例及法規的要求。本銀行受惠於各董事豐富之業務、銀行及專業經驗。有關董事履歷之詳情載於本銀行二零一六年年報「董事及高層管理人員簡歷」一節。

董事會程序

董事會應最少每季舉行一次會議，該等常規董事會會議一般由過半數董事會成員親身或透過其他電子通訊方式積極參與。董事會於有需要時將舉行特別會議。

BOARD OF DIRECTORS

The Board

The Board has responsibility for leadership and control of the Bank and is collectively responsible for promoting the success of the Bank by directing and supervising the Bank's affairs. The Board sets strategies for the Bank and monitors the performance and activities of the senior management. The Board ensures prudent management of the Bank with high degree of honesty and within the legal and regulatory framework, and the Board takes into account the legitimate interests of shareholders, depositors and other relevant stakeholders.

To further enhance corporate governance standard, the roles of Chairman and Chief Executive Officer are segregated. The Bank benefits from the segregation in which the Chairman is responsible for ensuring that the Board properly discharges its responsibilities, conforms to good corporate governance practices and procedures and all key and appropriate issues are discussed by the Board timely, and the Chief Executive Officer is responsible for leading the senior management and implementing important policies adopted by the Board, managing the Bank's operations and relevant issues.

Board Structure

As at the date of this report, the Board consisted of ten Directors comprising three Executive Directors, two Non-executive Directors and five Independent Non-executive Directors. Both the number and percentage of the Independent Non-executive Directors are well above the requirements set by relevant rules and regulations. The Bank benefits from the substantial business, banking and professional experience of its Directors. Biography of the Directors is set out in the "Biographical Details of Directors and Senior Management" section under the Bank's 2016 Annual Report.

Board Process

Board meetings are held at least once every quarter. Such regular Board meetings will normally involve the active participation, either in person or through other electronic means of communication, of a majority of Board members. Special Board meetings will be held when necessary.

企業管治報告 Corporate Governance Report

本銀行董事會常規會議之議程經諮詢董事後擬定。董事可於適當情況尋求獨立專業意見，以協助彼履行本銀行之職務。此外，所有董事有權全面地和及時地獲得與本銀行有關之所有資料並有自行接觸本銀行管理層之獨立途徑，以使彼等在履行作為董事之職務及職責上可作出知情決定。所有董事可獲得公司秘書之意見及服務，確保董事會程序及所有適用規則及規例均獲得遵守。

每年之董事會會議召開日期通常會於上一個年度結束前經諮詢董事會成員決定。公司秘書於舉行會議日期最少兩星期前向全體董事發出正式的會議通告，以讓所有董事獲得充裕之通知期，方便安排時間出席。在特殊情況，公司秘書將盡快以電話通知所有董事有關會議日期。載有分析及背景資料之議程及會議文件須於董事會會議指定日期前不少於七天發送予全體董事。

董事會及其附屬委員會之會議紀錄，已對會議上董事會及其附屬委員會所考慮事項及達致之決定作足夠詳細之記錄，其中包括董事提出之任何疑慮或所表達之反對意見(如有)。董事會及其附屬委員會會議紀錄之初稿及最終定稿會發送全體董事或(根據情況而定)董事會附屬委員會之委員，以供彼等分別發表意見及存檔之用。

任何董事亦可在任何合理時段透過合理通知查閱董事會及其所有附屬委員會之會議紀錄、會議文件及相關資料。

倘董事在任何事項(包括與關連人士之重大交易)中存有董事會認為屬重大之利益衝突，有關事項將根據《公司條例》及本銀行章程細則所載規定在董事會會議上處理。

Directors are consulted on matters to be included in the agenda of regular Board meetings. Director(s) may seek independent professional advice when appropriate to assist him in discharging his duties to the Bank. Besides, all Directors have been given rights on fully and timely access to all relevant information of the Bank and have separate and independent access to the management of the Bank so that they can make an informed decision in discharging their duties and responsibilities as Directors. All Directors have access to advice and services of the Company Secretary to ensure due compliance with the Board procedures, and all applicable rules and regulations.

Board meeting dates of each year are normally determined before the end of the previous year in consultation with the Directors. Formal notice of meeting shall be given to all Directors by the Company Secretary at least two weeks before the date of the meeting to provide sufficient notice to give all Directors an opportunity to attend. Under special circumstances, the Company Secretary will promptly contact all Directors by way of telephone. Agenda and accompanying papers containing analysis and background information are circulated to all Directors not less than 7 days before the intended date of Board meeting.

Minutes of the meetings of the Board and the Board Committees have been recorded in sufficient detail including the matters considered by the Board and the Board Committees, decisions reached, and concerns raised by Directors or dissenting views (if any) expressed. Draft and final versions of the minutes of the Board and the Board Committees are sent to all Directors or members of the Board Committees (as the case may be) for their comments and records respectively.

Minutes and papers of the meetings of the Board and all the Board Committees, and relevant materials are open for inspection at any reasonable time on reasonable notice by any Director.

If a Director has a conflict of interest in a matter (including material transaction with connected persons) which the Board has determined to be material, the relevant matter will be dealt with at a Board meeting in accordance with the requirements as set out in the Companies Ordinance and the Articles of Association of the Bank.

企業管治報告

Corporate Governance Report

委任和重選董事會

本銀行訂明一套正式、經審慎考慮並具透明度之程序以委任新董事。提名委員會將商議新董事之委任，經同意後始推薦予董事會考慮及批准。根據《銀行業條例》之規定，委任任何新董事亦須先獲得金管局批准。根據本銀行章程細則規定，所有新委任董事於獲委任生效後首個股東週年大會上由本銀行股東選舉，並符合資格獲選連任。本銀行之非執行董事及獨立非執行董事並無指定任期，但須根據本銀行之章程細則於股東週年大會上輪值告退及獲選連任。

於每屆股東週年大會上當時三分之一之董事(若董事數目並非三之倍數，則取其最接近者，但不能超過三分之一)須輪值告退，並可重選連任。葉冠東先生及王于漸教授將於本銀行應屆股東週年大會上輪值告退，並願意重選連任。

高明女士自二零一七年二月一日起獲委任為主席兼執行董事，洪貴路先生於二零一六年十二月五日獲委任為非執行董事。他們將於本銀行應屆股東週年大會上退任，並願意獲選連任。

除上述退任董事將於本銀行應屆股東週年大會上獲選連任外，截至本報告刊發日期，並無董事自退任後獲選連任超過三年。

董事責任保險

本銀行於年內已為各董事購買適當之責任保險，以保障彼等因本銀行經營業務而承受之風險。

Appointments and Re-election of the Board

The Bank uses a set of formal, prudent and transparent procedures for the appointment of new Directors. The appointment of new Directors will be discussed by Nomination Committee before recommending to the Board for consideration and approval after due deliberation. In accordance with the requirement under the Banking Ordinance, approval from HKMA shall also be obtained for any appointment of new Directors. According to the Bank's Articles of Association, all new Directors are subject to election by shareholder(s) of the Bank at the next scheduled annual general meeting after their appointments have become effective, and shall then be entitled for re-election. The non-executive Directors and the Independent Non-executive Directors of the Bank are not appointed for specific term but subject to the retirement by rotation and re-election at the annual general meeting in accordance with the Bank's Articles of Association.

At each annual general meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office by rotation. All the retiring Directors are eligible for re-election. Mr. Ip Koon Tung and Professor Wong Yue Chim, Richard will offer themselves for retirement and, being eligible, be entitled for re-election at the forthcoming annual general meeting of the Bank.

Ms. Gao Ming was appointed as Chairman and Executive Director with effect from 1 February 2017. Mr. Hong Guilu was appointed as Non-executive Director with effect from 5 December 2016. All of them will retire at the forthcoming annual general meeting of the Bank and will offer themselves for re-election.

Save for the above-mentioned retiring Directors, who will offer themselves for re-election at the forthcoming annual general meeting of the Bank, as at the date of this report, no Director held office since retired and be re-elected for over three years.

Directors' Liability Insurance Policy

The Bank has put in force an appropriate insurance cover for its Directors' liabilities against risk exposure arising from operating businesses of the Bank.

企業管治報告 Corporate Governance Report

此外，本銀行章程細則規定，董事倘於特定情況下遭第三方提出申索，彼等有權要求本銀行彌補其損失。

董事培訓及專業發展

為確保新委任董事對本銀行的業務運作有充分瞭解及確保董事能定期更新其知識，以便向董事會提供具有充分依據的建議及意見，增加彼等對本銀行的貢獻，董事會據此制定了一套關於董事入職介紹的董事指引及培訓之制度。

本銀行亦適時向各董事會成員提供關於影響董事及本銀行的有關監管條例的重大修訂。此外，本銀行鼓勵各董事會成員積極參與持續培訓課程，亦會適時安排各項相關的專業培訓課程予各董事會成員參加。年內，所有董事均已參與持續專業培訓以擴展並更新其知識及技能。

薪酬披露資料

根據金管局監管手冊CG-5《穩健的薪酬制度指引》，註冊認可機構需就其薪酬制度作出適當披露。本銀行已遵循該指引第3部分有關薪酬披露之要求。有關本銀行薪酬披露資料將登載於本銀行網站。

Further, the Bank's Articles of Association provide that Directors are entitled to be indemnified out of the Bank's assets against claims from third parties in respect of certain liabilities.

Directors' Training and Professional Development

To ensure that the newly appointed Directors have adequate understanding of the Bank's business operations and to enable Directors to update their knowledge regularly so as to provide informed recommendation and advice and make contribution to the Bank, the Board establishes a set of written policy specifying guidelines on Directors' induction and training upon appointment.

The Bank also provides regular updates to Board members on material changes to regulatory requirements applicable to the Directors and the Bank on a timely basis. In addition, Board members are encouraged to participate actively in continuous training programmes and the Bank also arranges relevant professional training programmes for Board members. In 2016, all Directors have attended continuous training programmes to update their knowledge and technique.

Disclosure on remuneration

According to HKMA's Supervisory Policy Manual CG-5 "Guideline on a Sound Remuneration System", authorized institutions are required to make disclosures in relation to their remuneration systems as appropriate. The Bank has fully complied with HKMA's disclosure requirements set out in Part 3 of the said Guideline. Disclosure on remuneration of the Bank will be uploaded to the Bank's website.

企業管治報告

Corporate Governance Report

董事會附屬委員會

董事會已設立五個附屬委員會並授予各項責任以協助董事會履行其職責。該等附屬委員會包括審核委員會、戰略與企業管治委員會、董事會風險管理委員會、薪酬委員會及提名委員會。

該等附屬委員會各自以書面列明具體職責範圍，清楚載列其職能及職責。所有董事會附屬委員會主要由非執行董事組成，定期向董事會報告其決策及推薦建議。根據該等附屬委員會之職責範圍，重大事項須提交董事會批准。

審核委員會

審核委員會協助董事會確保本銀行內部監控體系及合規之有效性，並履行其外部財務報告責任。

審核委員會於二零一六年舉行了四次會議，本銀行之相關高級管理人員、內部審計人員及外聘審計師代表均列席全部會議。本銀行審核委員會在年內所履行之主要工作摘要如下：

- 會見外聘審計師以商討其審計工作之一般範圍；
- 檢討致管理層之外聘審計師審核情況說明函件及管理層之回應；
- 檢討二零一六年度外聘審計師之審核計劃；
- 檢討外聘審計師報告及發現以及管理層之回應；
- 檢討二零一六年度之內部審計計劃；

BOARD COMMITTEES

The Board has set up five committees which are delegated with different responsibilities to assist the Board in performing its duties. They are Audit Committee, Strategy and Corporate Governance Committee, Risk Management Committee of Board of Directors, Remuneration Committee and Nomination Committee.

Each of these Board Committees has specific written Terms of Reference which state clearly its functions and responsibilities. All Board Committees are comprised mainly of Non-executive Directors. All Board Committees report to the Board on their decisions or recommendations on a regular basis. Material matters are reserved for the approval of the Board according to the terms of reference of such committees.

Audit Committee

Audit Committee assists the Board in meeting its responsibilities for ensuring an effective system of internal control and compliance, and in meeting its external financial reporting obligations.

Audit Committee held four meetings during the year 2016 and all the meetings were with the participation of the relevant senior managers and internal audit officers of the Bank and representatives from the external auditors of the Bank. Major works performed by Audit Committee were summarised as follows:

- Met with external auditors to discuss the general scope of their audit work;
- Reviewed external auditor's management letter and management response;
- Reviewed the external auditor's 2016 audit plan;
- Reviewed the external auditor's reports and findings and the management response;
- Reviewed the internal audit plan for the year of 2016;

企業管治報告 Corporate Governance Report

- 檢討內部審計報告，包括內部監控評級；
 - 檢討截至二零一五年十二月三十一日止財政年度經審核財務報表；
 - 檢討截至二零一六年六月三十日止六個月之中期財務資料披露報表；
 - 檢討本銀行反洗錢工作；及
 - 檢討本銀行法律及合規部於二零一六年所執行之工作。
- Reviewed the internal audit reports covering the evaluation of internal control;
 - Reviewed the audited financial statements for financial year ended 31 December 2015;
 - Reviewed the Interim Financial Disclosure Statements for the six months ended 30 June 2016;
 - Reviewed the operation of Anti-money-laundering of the Bank; and
 - Reviewed the work performed by Legal and Compliance Department of the Bank for the year of 2016.

審核委員會亦負責就本銀行外聘審計師之委任、重選、解聘及薪酬提供推薦建議。畢馬威會計師事務所為本銀行的外聘審計師。外聘審計師就其財務報告責任所作之聲明載於本銀行二零一六年年報第60頁至第66頁之獨立核數師報告書。

Audit Committee is also responsible for making recommendations on the appointment, re-appointment, removal and remuneration of the Bank's external auditor. KPMG is the external auditors of the Bank. A statement by the external auditor with respect to their responsibilities is included in the Independent Auditor's Report on pages 60 and 66 of the Bank's 2016 Annual Report.

戰略與企業管治委員會

戰略與企業管治委員會旨在加強本銀行戰略性發展及規劃和監察本銀行的企業管治制度，包括但不限於對本銀行戰略發展規劃、戰略性資本配置和重大機構重組及調整方案進行檢討，並向董事會提出建議。同時，本委員會亦會持續檢討本銀行對戰略與企業管治相關的規範、法律及監管要求的遵守情況，就企業管治常規提供意見，提高本銀行信息披露的透明度及質素，以及跟進法規變動，藉以提高可持續的企業價值及股東利益。

Strategy and Corporate Governance Committee

Strategy and Corporate Governance Committee aims to enhance the strategic development and planning of the Bank and to strengthen the corporate governance framework of the Bank, including but not limited to reviewing the Bank's strategic development plan, strategic capital deployment and major institutional restructuring and adjustment plans, and makes recommendation to the Board. Meanwhile, the committee is also responsible for reviewing the Bank's compliance with legal, regulatory and corporate governance standards, providing advice on corporate governance practice, enhancing the transparency and quality of information disclosure of the Bank and keeping abreast of changes in regulations, with the aim to maximise sustainable corporate values and shareholder's interests.

企業管治報告 Corporate Governance Report

戰略與企業管治委員會於二零一六年舉行了三次會議。本委員會年內所履行之主要工作摘要如下：

- 檢討本銀行《企業管治手冊》之修訂；
- 審閱了本銀行二零一五年度的合規工作報告；
- 審閱了本銀行《資本管理制度》；及
- 檢討本銀行《董事利益衝突政策》。

董事會風險管理委員會

董事會風險管理委員會負責檢討本銀行的各種風險狀況，並審批風險管理原則、基本政策、指引及本銀行的風險承受能力，亦會監控及檢討本銀行風險管理體系的有效性，包括其承受壓力狀況的能力，其監管的主要風險包括信用、市場、業務操作、利率、法律及合規、流動性、聲譽及戰略風險。

董事會風險管理委員會於二零一六年舉行了五次會議。本委員會年內所履行之主要工作摘要如下：

- 定期審閱本銀行的風險報告，其中包括主要風險的壓力測試結果等；
- 審批《工銀亞洲恢復計劃》；
- 檢討本銀行風險文化、風險偏好及信貸偏好；
- 檢討及審批本銀行風險相關的政策及辦法，其中包括壓力測試的政策、市場風險手冊及風險管理辦法等；及
- 監督本銀行執行風險管理政策及遵守相關法例及法規。

In 2016, Strategy and Corporate Governance Committee held three meetings. The major works performed by Strategy and Corporate Governance Committee during the year included:

- Reviewed the revised “Corporate Governance Manual” of the Bank;
- Reviewed the Compliance works report of the Bank for the year of 2015;
- Reviewed the “Capital management policy” of the Bank; and
- Reviewed the “Directors’ conflict of interest policy” of the Bank.

Risk Management Committee of Board of Directors

Risk Management Committee of Board of Directors reviews the Bank’s position in various risks and endorses risk management principles, basic policies, guidelines and risk appetite of the Bank. It also monitors and reviews the effectiveness of the risk management system of the Bank, including its ability to withstand stress conditions. The key risks it oversees include credit, market, operational, interest rate, legal and compliance, liquidity, strategic and reputation risks.

In 2016, Risk Management Committee of Board of Directors held five meetings. The major works performed by Risk Management Committee of Board of Directors during the year included:

- Reviewed the risk management reports of the Bank regularly, including the stress-testing results for major risks etc;
- Approved “ICBC Asia’s Recovery Plan”;
- Reviewed the risk culture of the Bank, the risk appetite and credit preference;
- Reviewed and approved the risk management policies and measures of the Bank including the stress testing policy, market risk manual and risk management measures etc; and
- Oversaw the implementation of risk management policies of the Bank and compliance with relevant laws and regulations.

企業管治報告 Corporate Governance Report

薪酬委員會

薪酬委員會負責監督本銀行董事及高級管理人員之薪酬，以確保彼等之薪酬與其職責相稱，並與本銀行之文化、策略及監控環境配合一致。薪酬委員會亦負責就本銀行之薪酬政策架構向董事會作出推薦建議。

薪酬委員會於二零一六年度舉行了兩次會議。本委員會年內所履行之主要工作摘要如下：

- 考慮及向董事會推薦本銀行表現花紅之分配(包括發放予執行董事)；
- 考慮及向董事會推薦高級管理人員截至二零一五年十二月三十一日止年度之表現花紅；
- 考慮及向董事會推薦非執行董事及獨立非執行董事截至二零一五年十二月三十一日止年度之董事袍金；
- 考慮及向董事會推薦本銀行截至二零一六年十二月三十一日止年度分派表現花紅之薪酬政策；及
- 檢討本銀行之薪酬政策及規劃。

有關各董事於二零一六年薪酬之資料載於財務報表附註17。

Remuneration Committee

Remuneration Committee is responsible for overseeing the remuneration of the Directors and senior management of the Bank to ensure their remuneration is appropriate for their duties and consistent with the Bank's culture, strategy and control environment. Remuneration Committee is also responsible for recommending to the Board on the Bank's remuneration policy framework.

In 2016, Remuneration Committee held two meetings. The major works performed by Remuneration Committee during the year included:

- Considered the allocation of performance bonus of the Bank (including that distributed to the Executive Directors) and made recommendation to the Board;
- Considered the performance bonus of senior management for the year ended 31 December 2015 and made recommendation to the Board;
- Considered the Directors' fee of the Non-executive Directors and Independent Non-executive Directors for the year ended 31 December 2015 and made recommendation to the Board;
- Considered the remuneration policy on distribution of performance bonus of the Bank for the year ended 31 December 2016 and made recommendation to the Board; and
- Reviewed the remuneration policy and planning of the Bank.

Information relating to the remuneration of the Directors for 2016 is set out in Note 17 to the financial statements.

企業管治報告

Corporate Governance Report

提名委員會

提名委員會負責就本銀行所有新委任董事及高級管理人員評估候選人是否合適及向董事會作出該等委任之推薦建議。提名委員會亦負責定期檢討董事會之架構及組成，並對董事會效能進行評價。

提名委員會於二零一六年度舉行了兩次會議，本委員會年內所履行之主要工作摘要如下：

- 審閱董事會效能表現綜合評價報告並向董事會傳閱；
- 考慮及向董事會推薦本銀行高級管理人員；
- 考慮及向董事會推薦本銀行董事；
- 考慮及向董事會推薦有關本銀行董事會附屬委員會成員之變更；
- 檢討本銀行之董事及高級管理人員的委任及繼任政策及安排；及
- 年度檢討本銀行董事會成員的任期。

董事會權力之轉授

管理功能

董事會承擔領導及管治本銀行之責任，並將其管理及行政功能方面之權力轉授予本銀行高級管理人員。董事會就高級管理人員獲授權之權力制定清晰之指引，特別是報告機制及須經董事會批准之事項（例如管理層結構、業務目標、策略及業務計劃、政策以及規定出現重大變動以致可能對本銀行之財務及風險管理產生重大影響之事宜）。

Nomination Committee

Nomination Committee is responsible for assessing the suitability of the candidates and recommending to the Board all new appointments of Directors and senior management executives. Nomination Committee also reviews the structure and composition of the Board on a regular basis, and assesses the efficiency of the Board.

In 2016, Nomination Committee held two meetings. Major works performed by Nomination Committee during the year included:

- Reviewed the Board Performance Appraisal Report and circulated to the Board;
- Considered the appointment of Senior Management and made recommendation to the Board;
- Considered the nomination of Directors of the Bank and made recommendation to the Board;
- Considered the changes of committee members of the Board Committees of the Bank and made recommendation to the Board;
- Reviewed the appointment and succession planning policy for Directors and Senior Management of the Bank; and
- Performed annual review of the tenure of the existing Directors of the Bank.

DELEGATION OF THE BOARD

Management Functions

The Board assumes the responsibility for leadership and governance of the Bank and delegates aspects of its management and administration functions to the Senior Management. The Board sets up clear guidelines governing the powers delegated to the senior management, in particular, with respect to reporting mechanism and the matters that are subject to the approval of the Board (such as substantial changes in the management structure, the business objectives, strategies and business plans, the policies and manuals which may have a material impact on the financial and risk management of the Bank).

企業管治報告 Corporate Governance Report

除董事會附屬委員會外，董事會亦成立執行委員會並向董事會匯報。執行委員會負責督導本銀行整體營運。執行委員會主席由董事會主席擔任，其成員包括執行董事、行政總裁、副行政總裁，以及助理行政總裁。

內部監控

董事會負責建立本銀行之內部監控，並透過穩健妥善之組織架構及全面之程序、政策及標準，檢討其效率。

本銀行已制定體系、政策及程序，用以識別、衡量、監控及監視本銀行面對的主要風險類別。業務部門負責評估其負責領域所產生之個別風險類別，根據風險管理程序管理風險，並就風險管理作出報告。

高級管理人員、高級管理層風險管理委員會及風險管理部會定期檢討及修訂風險管理政策及程序。管理本銀行的各主要風險類別(包括信用、市場、流動性、利率、業務操作、法律及合規、聲譽，以及策略風險)之政策及程序詳情載於本銀行財務報表附註4。

審計部於本銀行內部監控架構內發揮重要作用，定期核查以確保適當遵守有關政策及程序。審計部負責監察內部監控程序之效能，以確保本銀行所有部門遵守既定之政策及準則，亦會持續評估本銀行內部監控，並就有關內部監控之重要發現每年至少四次向審核委員會作出匯報。本銀行審計部主管向審核委員會及董事會主席匯報。

問責

董事會知悉其有編製本銀行財務報表之責任並已按持續經營基準編製本銀行財務報表。於二零一六年十二月三十一日止，董事並不知悉有任何重大不明朗因素與可能導致本銀行按持續經營基準營運構成疑問之事件或情況。

Apart from the Board Committees, the Board has also established the Executive Committee, which reports to the Board. The Executive Committee was established to supervise the overall operation of the Bank. The Executive Committee is chaired by the Chairman of the Board of the Directors and consists of Executive Directors, Chief Executive Officer, Deputy Chief Executives and Assistant Chief Executives, as members.

INTERNAL CONTROL

The Board is responsible for establishing the internal control of the Bank and for reviewing its effectiveness through well-established organisational structure and comprehensive procedures, policies and standards.

Systems, policies and procedures are in place to identify, measure, control and monitor the major types of risks the Bank faces. Business units are responsible for the assessment of individual types of risk arising from their area of operations where risks are managed and reported in accordance with risk management procedures and arrangement.

The senior management, Senior Executive Risk Management Committee and Risk Management Department review and revise the risk management policies and procedures on a regular basis. Details of the policies and procedures for management of each of the major types of risks, including credit, market, liquidity, interest rate, operational, legal and compliance, reputation and strategic risks, are included in Note 4 to the financial statements of the Bank.

The Internal Audit Department plays an important role in the Bank's internal control framework. It performs regular checks to ensure due compliance with policies and procedures. It monitors the effectiveness of internal control procedures and compliance with stated policies and standards across all departments of the Bank. It also evaluates the Bank's internal control on an ongoing basis and reports to the Audit Committee at least four times each year on significant findings on internal control. The Head of Internal Audit Department of the Bank reports to the Audit Committee and the Chairman of the Board.

ACCOUNTABILITY

The Board acknowledges its responsibility for preparing the financial statements of the Bank and has prepared the financial statements of the Bank on a going concern basis. As at 31 December 2016, the Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Bank's ability to continue as a going concern.

獨立核數師報告書 Independent Auditor's Report



致中國工商銀行(亞洲)有限公司 成員

(於香港註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第67至212頁的中國工商銀行(亞洲)有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於2016年12月31日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2016年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就綜合審計財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷,認為對本期綜合財務報表的審計最為重要的事項。該等事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

TO THE MEMBERS OF INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED

(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Industrial and Commercial Bank of China (Asia) Limited (the "Bank") and its subsidiaries (together the "Group") set out on pages 67 to 212, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

獨立核數師報告書 Independent Auditor's Report

關鍵審計事項(續)

客戶貸款的減值

詳情請參閱分別列載於綜合財務報表85及181頁的附註2.8(a)及25.2

關鍵審計事項	我們的應對
在當前的經濟環境下，香港及中國大陸銀行業的客戶貸款減值金額都出現了上升的趨勢。 集團的不良貸款總額由2015年12月31日的25.2億港元上升至2016年12月31日的31.4億港元。於2016年12月31日，貸款減值準備總額為38.0億港元。 由於在估算貸款減值準備中需要運用到較多的管理層判斷，因此，這也是一個相對主觀的領域。 從集團的角度來說，在決定貸款減值損失時不確定性最大的是運用組合減值損失模型來計算減值損失的貸款組合，因為這些貸款通常為無擔保貸款或者面臨著押品價值不足以覆蓋貸款餘額風險。 組合減值損失的計算在很大程度上依賴於外部宏觀經濟環境及集團內部的信用風險管理策略。集團的組合減值損失是通過集團的歷史貸款損失、損失發生期（即導致違約的事件發生至減值損至賬務被沖銷之間的時間）及其他調整因素計算得出。	審計方法： • 圍繞客戶貸款的審批、記錄、監控及重組、貸款評級和個別減值準備計量的關鍵內部控制的設計、執行及運行有效性進行測試。 • 通過對需要主觀判斷的資訊參數進行審慎評估、從外部管道獲得相應證明和與集團其他內部及我們的歷史資料所記載的減值損失進行對比，評價集團用於計算組合貸款損失的模型及假設的恰當性。在這一過程中，我們將會對集團對所使用的假設及資訊參數的修訂，運用經濟因素時發揮判斷的一致性、損失發生期及往年損失追溯期的長短提出質疑。我們也會將模型中所運用的經濟因素與市場訊息進行對比，以評價這些資料是否與市場及經濟的發展相符。我們還會通過追蹤逾期帳戶從發生影響信貸事件到將該帳戶降級至不良貸款的週期來評價損失發生期的恰當性。在對以上因素進行綜合考慮以後，對組合減值損失進行了重新計算以確定該項目的金額；

KEY AUDIT MATTERS (continued)

Impairment of advances to customers

Refer to notes 2.8(a) and 25.2 to the consolidated financial statements on pages 85 and 181 respectively.

Key Audit Matter	How the matter was addressed in our audit
The current economic environment in Hong Kong and mainland China has contributed to an overall increase in impairment of advances to customers across the banking industry. The amount of non-performing loans of the Group increased from HK\$2,524 million as at 31 December 2015 to HK\$3,143 million as at 31 December 2016, with total impairment allowances amounting to HK\$3,801 million as at 31 December 2016. Impairment of advances to customers is a subjective area due to the level of judgement applied by management in determining allowances. From the Group's perspective, the portfolios which gave rise to the greatest uncertainty in determining impairment allowances were those where impairment allowances were derived from collective assessment models, where the advances to customers were unsecured or where the advances to customers were subject to potential collateral shortfalls.	Our audit procedures to assess the impairment of advances to customers included the following: • assessing the design, implementation and operating effectiveness of key internal controls over the approval, recording, monitoring and restructuring of advances to customers, the credit grading process and the measurement of impairment allowances for individually assessed advances to customers; • evaluating the validity of the models used and assumptions adopted in the Group's calculation of collective impairment allowances by critically assessing input parameters involving subjective judgement, seeking collaborative evidence from external sources and comparing the historical losses against the Group's other internal records and our prior year records. As part of these procedures, we challenged the Group's revisions to estimates and input parameters, the consistency of judgement applied in the use of economic factors, the loss emergence period and the observation period for historical losses. We compared the economic factors used in the models to market information to assess whether they were aligned with market and economic development. We also assessed the emergence period by tracing the lifecycle of overdue accounts from the specific credit event to downgrading the account to a non-performing loan. Having considered the above, we performed re-calculations to assess the amount of collective impairment allowances;

獨立核數師報告書 Independent Auditor's Report

關鍵審計事項(續)

客戶貸款的減值

詳情請參閱分別列載於綜合財務報表85及181頁的附註2.8(a)及25.2

關鍵審計事項

我們的應對

管理層會在出現明顯的客觀減值跡象時對個別減值準備進行預測。管理層會根據一系列的因素來作出判斷以決定損失的規模。這些因素包括是否存在收回貸款的補救措施、借款人的財務情況、抵押品價值、索賠資格和是否存在其他債權人及其合作程度。雖然集團聘請了外部估值機構對地產及其他非流動抵押品進行估值，但是清償的可執行性、執行時間及資產變現的方式都會影響最終的回收金額，從而影響報告日的減值損失金額。

由於客戶貸款的減值所內含的不確定性和所涉及的管理層判斷以及其對集團財務表現和資本的重大影響，我們將其認定為一項關鍵審計事項。

- 運用以風險為基礎的方法選擇樣本進行信貸審閱以評價個別減值損失是否恰當。我們按行業對集團的貸款組合進行了分析，並且從更易受到當前經濟放緩衝擊的行業中選取樣本進行信貸審閱。我們的資訊技術專家亦參與評估了逾期報告的匯總過程。我們還根據其他的風險因素，例如過往逾期情況、借款人主要客戶及所在行業的負面新聞和其他影響借款人關聯企業的事件，挑選了信貸審閱的樣本。
- 對減值貸款的現金流預測進行審慎評估，對集團回收方案的可行性提出疑問，對抵押品變現的時間及方式進行評價，並考慮管理層主張的其他還款來源。我們還評估了管理層在運用關鍵性假設時的一致性、基本原則改變的合理性以及將獲取的資訊與我們內部資訊來源進行了對比。
- 對由集團所聘請的外部估值機構的資質及職業操守進行評估，並且採用抽樣的方式將外部估值機構所提供的抵押品估值與市場公開的資訊進行了對比。
- 對於在處理客戶貸款中比較關鍵的系統，我們的資訊技術專家也參與了評估這些系統中相關自動控制的設計、執行及運行有效性。我們還評估了包括系統存取權限和資訊及變更管理等內部控制的設計、執行及運行有效性。

KEY AUDIT MATTERS (continued)

Impairment of advances to customers

Refer to notes 2.8(a) and 25.2 to the consolidated financial statements on pages 85 and 181 respectively.

Key Audit Matter

How the matter was addressed in our audit

The determination of collective impairment allowances is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The Group's collective impairment allowances are derived from estimates including the Group's historical losses for loans, the loss emergence period (i.e. the time lapse between the occurrence of the event causing eventual default to the actual charge-off) and other adjustment factors.

Individual impairment allowances are estimated by management once objective evidence of impairment becomes apparent. Management exercises judgement in determining the quantum of loss based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, collateral valuation, the seniority of the claim and the existence and cooperativeness of other creditors. Whilst the Group appoints external valuers for the valuation of certain property and other illiquid collateral, enforceability, timing and means of realisation also affect the ultimate collectability and thereby the amount of impairment allowances as at the reporting date.

We identified impairment of advances to customers as a key audit matter because of the inherent uncertainty and management judgement involved and because of its significance to the financial results and capital of the Group.

- assessing the impairment allowances for individually impaired advances to customers by selecting samples for credit review by using a risk-based approach. We analysed the loan portfolio by industry sector to select samples for credit review in industries more vulnerable to the current economic slowdown. We engaged our information technology specialists to assess the compilation of the overdue report. We also selected samples based on other risk criteria such as frequent overdue history, adverse news about the borrowers' customers, the industries in which they operate and about events affecting related companies;
- critically assessing the forecast cash flows for impaired loans, challenging the viability of the Group's recovery plans, evaluating the timing and means of realisation of collateral and considering other sources of repayment asserted by management. We also assessed the consistency of management's application of key assumptions, assessed the reasonableness of any change in basis and compared the data to our own data sources;
- evaluating the competence and integrity of the external valuers engaged by the Group to value certain collateral and comparing the valuation of collateral provided by the external valuers with publicly available information on a sample basis; and
- for the key underlying systems used for the processing of transactions in relation to advances to customers we utilised our information technology specialists to assess the design, implementation and operating effectiveness of a selection of relevant automated controls within these systems. We also assessed the design, implementation and operating effectiveness of the key internal controls over these underlying systems, including controls over access to these systems and controls over data and change management.

獨立核數師報告書 Independent Auditor's Report

關鍵審計事項(續)

金融工具公允價值的確定

詳情請參閱分別列載於綜合財務報表84, 89, 173, 174及184頁的附註2.7(f), 2.10, 23, 24及26

關鍵審計事項	我們的應對
集團於2016年12月31日的金融工具公允價值為998億港幣。其中，在公允價值級次第一層、第二層及第三層的金融工具公允價值分別為590億港幣、407億港幣及1億港幣。	審計方法： 測試圍繞金融工具的估值及獨立協力廠商價值確認的關鍵內部控制的設計、執行及運行有效性。
集團所持有的以公允價值計量的金融工具是用一系列需要大量資訊的市場資料和估值模型進行計量的。這其中有大部分的資訊是從流動市場的公開信息中獲得的。一些不能從公開信息中獲得的資料，例如運用於公允價值級次第三層的金融工具中的資料，則需要運用管理層的判斷進行估計。	- 採用抽樣的方式，將集團計算所得的公允價值級次第一層級和第二層級的金融工具之公允價值與市場公開信息進行比較。 - 採用抽樣的方式，讓我們的內部估值專家對公允價值級次第二層級的金融工具進行獨立估值，並將結果與集團的計算進行比較。我們的獨立估值包括形成估值模型、獨立獲取參數及驗證參數。
集團已經形成了用於對特定的某些在公允價值級次第二層及第三層的金融工具進行估值的模型。這些模型也都涉及重大的管理層判斷。	評估運用於所有公允價值級次第三層級的金融工具的估值模型，對集團所採用的假設提出質疑並將其與市場公開信息進行比較。
由於金融工具估值方面的複雜性及決定所採用的參數和模型所需的管理層判斷的程度，我們將金融工具公允價值的計量認定為一項關鍵審計事項。	- 根據主要的相關會計準則，確定合併財務報表中的披露是否適當地反映了集團的金融工具估值風險敞口。 - 對於在處理金融工具中比較關鍵的系統，我們的資訊技術專家也參與了評估這些系統中相關自動控制的設計、執行及運行有效性。我們還評估了包括系統存取權限和資訊及變更管理等內部控制的設計、執行及運行有效性。

KEY AUDIT MATTERS (continued)

Assessment of the fair value of financial instruments

Refer to notes 2.7(f), 2.10, 23, 24 and 26 to the consolidated financial statements on pages 84, 89, 173, 174 and 184 respectively.

Key Audit Matter	How the matter was addressed in our audit
At 31 December 2016 the fair value of the Group's financial instruments was HK\$99,773 million of which HK\$58,959 million, HK\$40,685 million and HK\$129 million were classified under the fair value hierarchy as level 1, 2 and 3 financial instruments respectively.	Our audit procedures to assess the fair value of financial instruments included the following: assessing the design, implementation and operating effectiveness of key internal controls over the valuation and independent price verification of financial instruments;
The valuation of the Group's financial instruments, held at fair value, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of level 3 financial instruments, estimates need to be developed which can involve significant management judgement.	- comparing the fair values of a sample of level 1 and level 2 financial instruments applied by the Group with publicly available market data; - engaging our internal valuation specialists to assist us in performing, on a sample basis, independent valuations of level 2 financial instruments and comparing these valuations with the Group's valuations. Our independent valuation included developing models, obtaining inputs independently and verifying the inputs;
The Group has developed its own models to value certain level 2 and level 3 financial instruments, which also involves significant management judgement.	assessing the valuation models applied for all level 3 financial instruments, challenging the assumptions applied by the Group and assessing inputs applied by comparing them with publicly available information;
We identified the assessment of the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and the degree of judgement exercised by management in determining the inputs used in the valuation models.	- assessing whether the disclosures in the consolidated financial statements appropriately reflected the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards; and - for the key underlying systems used for the processing of transactions in relation to financial instruments we utilised our information technology specialists to assess the design, implementation and operating effectiveness of a selection of relevant automated controls within these systems. We also assessed the design, implementation and operating effectiveness of the key internal controls over these underlying systems, including controls over access to these systems and controls over data and change management.

獨立核數師報告書 Independent Auditor's Report

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報告內的全部信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

董事在審計委員會的協助下履行監督集團財務報告過程的義務。

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

獨立核數師報告書 Independent Auditor's Report

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

獨立核數師報告書 Independent Auditor's Report

核數師就審計綜合財務報表承擔的責任(續)

- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與董事溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們也向審計委員會提供了一份關於我們已遵守與獨立性相關道德要求的聲明，並與他們就可能被合理地認為對我們的獨立性以及相關保護措施（如適用）有影響的所有關係和其他相關事項進行了溝通。

根據與審計委員會溝通的事項，我們確定了本年度綜合財務報表審計中最重要的事項，並將該等事項視為關鍵的審計事項。我們會在審計報告中陳述這些事項，除非法律或法規禁止對該等事項的公開披露。或在極少數情況下，我們由於披露此事項所造成的負面影響會被合理地預計超過其所帶來的公共利益而決定不在報告中披露該等事項。

本次獨立核數師報告的項目合夥人為黃寶珊。

畢馬威會計師事務所

執業會計師

香港中環

遮打道十號

太子大廈八樓

二零一七年三月二十一日

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Wong Po Shan.

KPMG

Certified Public Accountants

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

21 March 2017

綜合收益表

Consolidated Income Statement

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

			2016 千港元 HK\$'000	(重列) (Restated) 2015 千港元 HK\$'000
	附註 Notes			
利息收入	Interest income	(6)	18,241,846	17,739,246
利息支出	Interest expense	(6)	(9,098,991)	(9,222,004)
淨利息收入	Net interest income	(6)	9,142,855	8,517,242
收費及佣金收入	Fee and commission income	(7)	2,464,051	2,187,059
收費及佣金支出	Fee and commission expense	(7)	(308,540)	(345,397)
收費及佣金收入淨額	Net fee and commission income	(7)	2,155,511	1,841,662
淨交易收入	Net trading income	(8)	1,067,453	1,070,538
指定以公平價值經收益表入賬 金融資產及負債之淨收益	Net gain on financial assets and liabilities designated at fair value through profit or loss	(9)	18,419	1,372
來自金融投資之股息收入	Dividend income from financial investments	(10)	7,475	8,950
其他營業收入	Other operating income	(11)	17,932	36,471
營業收入	Operating income		12,409,645	11,476,235
營業支出	Operating expenses	(12)	(2,790,811)	(2,700,084)
未扣除減值損失之營業溢利	Operating profit before impairment losses		9,618,834	8,776,151
貸款減值損失支銷	Charge for impairment losses on loans and advances	(14)	(878,597)	(1,311,942)
備供銷售金融投資減值損失回撥	Write back of impairment losses on available-for-sale financial investments		67,050	137,298
扣除減值損失之營業溢利	Operating profit after impairment losses		8,807,287	7,601,507
重估投資物業溢利	Revaluation gain on investment properties	(30)	1,262	13,002
物業及設備之虧損淨額	Net loss from property, plant and equipment	(15)	(2,889)	(1,803)
出售附屬公司及聯營公司溢利	Gain on disposal of subsidiary and associate		2,984	–
出售貸款虧損	Loss on disposal of loans and advances		(322)	–
出售備供銷售金融投資之淨溢利	Net gain on disposal of available-for-sale financial investments		233,439	760,079
出售持有至到期金融投資之淨溢利	Net gain on disposal of held-to-maturity financial investments		5,909	–
營業溢利	Operating profit		9,047,670	8,372,785
應佔聯營公司溢利	Share of profits of associates		21,064	19,262
除稅前溢利	Profit before tax		9,068,734	8,392,047
所得稅開支	Income tax expense	(16)	(1,673,368)	(1,608,383)
年內本銀行股東應佔溢利	Profit for the year attributable to shareholders of the Bank		7,395,366	6,783,664
每股盈利 – 基本和攤薄	Earnings per share – Basic and diluted	(19)	HK\$2.87	HK\$3.10

綜合全面收益表

Consolidated Statement of Comprehensive Income

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
年內溢利	Profit for the year	7,395,366	6,783,664
不可重新分類至收益表的項目：	Item that will not be reclassified to income statement:		
銀行物業重估盈餘	Revaluation surplus on bank premises	20,002	48,483
所得稅影響	Income tax effect	(2,925)	(8,315)
		17,077	40,168
可能於結算日後重新分類至 收益表之項目：	Items that may be reclassified subsequently to income statement:		
現金流對沖之對沖工具之 公平價值變動	Change of fair value of hedging instruments under cash flow hedges	(28,734)	2,270
所得稅影響	Income tax effect	4,741	(374)
		(23,993)	1,896
備供銷售金融投資之 公平價值儲備變動	Change in fair value reserve of available-for-sale financial investments	(838,030)	(457,778)
所得稅影響	Income tax effect	137,439	28,751
		(700,591)	(429,027)
換算海外附屬公司業績產生 之匯兌差額	Exchange differences arising from translation of results of a foreign subsidiary	(731,027)	(371,318)
年內除稅後其他全面收益	Other comprehensive income for the year, net of tax	(1,438,534)	(758,281)
年內除稅後全面收益總額	Total comprehensive income for the year, net of tax	5,956,832	6,025,383
本銀行股東應得之 全面收益總額	Attributable to: Shareholders of the Bank	5,956,832	6,025,383

綜合財務狀況表

Consolidated Statement of Financial Position

於二零一六年十二月三十一日
As at 31 December 2016

			二零一六年 十二月三十一日 31 December 2016 千港元 HK\$'000	二零一五年 十二月三十一日 31 December 2015 千港元 HK\$'000
	附註 Notes			
資產		Assets		
現金及在銀行同業與其他金融機構之結存	(21)	Cash and balances with banks and other financial institutions	165,606,506	138,070,069
在銀行同業及其他金融機構之存款	(22)	Placements with banks and other financial institutions	26,593,495	27,005,813
持作交易用途金融資產	(23)	Financial assets held for trading	672,251	165,717
衍生金融工具	(24)	Derivative financial instruments	18,415,757	11,384,264
貸款及其他賬項	(25)	Advances and other accounts	419,655,275	385,734,115
金融投資：		Financial investments:	154,974,415	159,278,210
— 備供銷售	(26)	— Available-for-sale	80,692,819	80,580,998
— 持有至到期	(27)	— Held-to-maturity	74,281,596	78,697,212
於聯營公司之投資	(28)	Investments in associates	383,199	284,878
商譽及其他無形資產	(29)	Goodwill and other intangible assets	1,027,525	1,045,213
投資物業	(30)	Investment properties	79,658	80,919
物業及設備	(31)	Property, plant and equipment	944,313	946,278
現行稅項資產		Current income tax assets	14,855	182,757
遞延稅項資產	(36)	Deferred income tax assets	269,650	58,011
其他資產	(32)	Other assets	10,037,618	9,314,781
資產總額		Total assets	798,674,517	733,551,025
負債		Liabilities		
銀行同業及其他金融機構之存款	(34)	Deposits from banks and other financial institutions	208,329,544	155,829,954
衍生金融工具	(24)	Derivative financial instruments	18,003,999	11,015,476
客戶存款	(35)	Deposits from customers	421,579,909	398,531,211
已發行存款證		Certificates of deposit issued	43,561,378	68,144,882
已發行債券		Debt securities in issue	1,023,179	6,930,191
— 指定以公平價值經收益表入賬		— Designated at fair value through profit or loss	72,101	—
— 以攤銷成本入賬		— At amortised cost	951,078	6,930,191
現行稅項負債		Current income tax liabilities	289,289	206,491
遞延稅項負債	(36)	Deferred income tax liabilities	—	9,107
以攤銷成本入賬之後償債項	(37)	Subordinated debts measured at amortised cost	11,603,948	13,375,445
其他負債	(38)	Other liabilities	10,397,125	9,170,810
負債總額		Total liabilities	714,788,371	663,213,567
權益		Equity		
股本	(39)	Share capital	36,379,331	36,379,331
保留溢利		Retained earnings	37,150,962	30,002,738
其他儲備		Other reserves	2,617,521	3,955,389
歸屬於本銀行股東權益總額		Total equity attributable to shareholders of the Bank	76,147,814	70,337,458
額外權益工具	(40)	Additional equity instruments	7,738,332	—
權益總額		Total equity	83,886,146	70,337,458
權益及負債總額		Total equity and liabilities	798,674,517	733,551,025

高明
主席兼
執行董事

姜壹盛
執行董事
兼行政總裁

Gao Ming
Chairman &
Executive Director

Jiang Yisheng
Executive
Director & Chief
Executive Officer

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

		附註 Notes	股本	銀行物業 重估儲備 Bank premises	投資 重估儲備 Investment revaluation reserve	現金流 對沖儲備 Cash flow hedge reserve	匯兌儲備 Exchange reserve	一般儲備 General reserve	保留溢利 Retained earnings	額外 權益工具 Additional equity instruments	總計 Total
			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 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零一六年一月一日	At 1 January 2016		36,379,331	590,220	236,209	167,225	43,760	2,917,975	30,002,738	-	70,337,458
年內溢利	Profit for the year		-	-	-	-	-	-	7,395,366	-	7,395,366
本年度其他全面收益：	Other comprehensive income for the year:										
備供銷售金融投資之	Change in fair value of available-for-sale										
公平價值變動	financial investments		-	-	(840,597)	-	-	-	-	-	(840,597)
出售備供銷售金融投資之	Reserve realised on disposal of available-										
已變現儲備	for-sale financial investments		-	-	2,567	-	-	-	-	-	2,567
現金流對沖之公平價值變動	Change in fair value of cash flow hedge		-	-	-	(28,734)	-	-	-	-	(28,734)
銀行物業重估盈餘	Revaluation surplus on bank premises		-	20,002	-	-	-	-	-	-	20,002
遞延稅項變動	Change in deferred tax	(36)	-	(2,925)	137,439	4,741	-	-	-	-	139,255
匯兌差額	Exchange differences		-	-	-	-	(731,027)	-	-	-	(731,027)
本年度全面收益總額	Total comprehensive income for the year		-	17,077	(700,591)	(23,993)	(731,027)	-	7,395,366	-	5,956,832
發行額外權益工具	Issuance of additional equity instruments		-	-	-	-	-	-	-	7,738,332	7,738,332
轉撥部分保留溢利至一般儲備	Partial transfer of retained earnings to general reserve		-	-	-	-	-	100,666	(100,666)	-	-
發行股本	Issue of share capital		-	-	-	-	-	-	-	-	-
其他調整項目	Other adjustments		-	-	-	-	-	-	(146,476)	-	(146,476)
於二零一六年十二月三十一日	At 31 December 2016		36,379,331	607,297	(464,382)	143,232	(687,267)	3,018,641	37,150,962	7,738,332	83,886,146

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

		股本 Share capital	銀行物業 重估儲備 Bank premises revaluation reserve	投資 重估儲備 Investment revaluation reserve	現金流 對沖儲備 Cash flow hedge reserve	匯兌儲備 Exchange reserve	一般儲備 General reserve	保留溢利 Retained earnings	額外 權益工具 Additional equity instrument	總計 Total
	附註 Notes	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 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零一五年一月一日	At 1 January 2015	23,591,832	550,052	665,236	165,329	415,078	1,859,203	24,277,846	-	51,524,576
年內溢利	Profit for the year	-	-	-	-	-	-	6,783,664	-	6,783,664
本年度其他全面收益：	Other comprehensive income for the year:									
備供銷售金融投資之 公平價值變動	Change in fair value of available-for-sale financial investments	-	-	174,802	-	-	-	-	-	174,802
出售備供銷售金融投資之 已變現儲備	Reserve realised on disposal of available- for-sale financial investments	-	-	(632,580)	-	-	-	-	-	(632,580)
現金流對沖之公平價值變動	Change in fair value of cash flow hedge	-	-	-	2,270	-	-	-	-	2,270
銀行物業重估盈餘	Revaluation surplus on bank premises	-	48,483	-	-	-	-	-	-	48,483
遞延稅項變動	Change in deferred tax	(36)	(8,315)	28,751	(374)	-	-	-	-	20,062
匯兌差額	Exchange differences	-	-	-	-	(371,318)	-	-	-	(371,318)
本年度全面收益總額	Total comprehensive income for the year	-	40,168	(429,027)	1,896	(371,318)	-	6,783,664	-	6,025,383
發行額外權益工具	Issuance of additional equity instruments	-	-	-	-	-	-	-	-	-
轉撥部分保留溢利至一般儲備	Partial transfer of retained earnings to general reserve	-	-	-	-	-	1,058,772	(1,058,772)	-	-
發行股本	Issue of share capital	12,787,499	-	-	-	-	-	-	-	12,787,499
其他調整項目	Other adjustments	-	-	-	-	-	-	-	-	-
於二零一五年十二月三十一日	At 31 December 2015	36,379,331	590,220	236,209	167,225	43,760	2,917,975	30,002,738	-	70,337,458

綜合現金流量表

Consolidated Statement of Cash Flows

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

	附註 Notes	2016 千港元 HK\$'000	2015 千港元 HK\$'000
營業活動之現金流量：	Cash flows from operating activities:		
除稅前溢利	Profit before tax	9,068,734	8,392,047
貸款減值損失支銷	Charge for impairment losses on loans and advances (14)	878,597	1,311,942
備供銷售金融投資減值損失回撥	Write back of impairment losses on available-for-sale financial investments	(67,050)	(137,298)
無形資產攤銷	Amortisation of intangible assets (29)	24,046	31,501
折舊	Depreciation (31)	92,572	92,016
以攤銷成本入賬之後償債項利息支出	Interest expenses on subordinated debts measured at amortised cost	649,687	993,305
已發行債券利息支出	Interest expenses on debt securities in issue	148,370	92,113
收回已撤銷貸款	Recoveries of loans and advances written off (14)	3,358	4,736
物業及設備之虧損淨額	Net loss from property, plant and equipment (15)	2,889	1,803
重估投資物業溢利	Revaluation gain on investment properties (30)	(1,262)	(13,002)
出售備供銷售金融投資之淨溢利	Net gain on disposal of available-for-sale financial investments	(233,439)	(760,079)
出售持有至到期金融投資之淨溢利	Net gain on disposal of held-to-maturity financial investments	(5,909)	-
出售貸款虧損	Loss on disposal of loans and advances	322	-
應佔聯營公司溢利	Share of profits of associates	(21,064)	(19,262)
來自上市並持作交易用途金融資產之股息收入	Dividend income received from listed financial assets held for trading (10)	-	(802)
來自上市備供銷售金融投資之股息收入	Dividend income received from listed available-for-sale financial investments (10)	(250)	(249)
來自非上市備供銷售金融投資之股息收入	Dividend income received from unlisted available-for-sale financial investments (10)	(7,225)	(7,899)
後償債項之匯兌差額	Exchange difference from subordinated debts	(78,011)	(91,951)
已發行債券及存款證之匯兌差額	Exchange difference from debt securities and certificates of deposit in issue	(224,177)	31,366
		10,230,188	9,920,287
營業資產(增加)/減少：	(Increase)/decrease in operating assets:		
原到期日為三個月以上之庫券	Treasury bills with original maturity beyond three months	4,421,525	(49,164,061)
原到期日為三個月以上之銀行同業及其他金融機構之存款	Placements with banks and other financial institutions with original maturity beyond three months	(920,595)	30,197,021
持作交易用途金融資產	Financial assets held for trading	(506,534)	157,540
指定以公平價值經收益表入賬金融資產	Financial assets designated at fair value through profit or loss	-	211,429
備供銷售金融投資	Available-for-sale financial investments	(649,362)	(21,460,204)
貸款及其他賬項以及其他資產	Advances and other accounts and other assets	(35,526,875)	(20,055,874)
衍生金融工具	Derivative financial instruments	(7,074,904)	(5,259,192)
營業負債增加/(減少)：	Increase/(decrease) in operating liabilities:		
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	52,499,590	40,933,684
客戶存款	Deposits from customers	23,048,698	(22,361,029)
存款證	Certificates of deposit	(24,618,040)	25,414,390
其他負債	Other liabilities	1,125,196	(1,316,196)
衍生金融工具	Derivative financial instruments	7,003,801	5,247,112
源自營業之現金流量	Cash flows from operations	29,032,688	(7,535,093)
已繳香港利得稅淨額	Hong Kong profits tax paid	(968,556)	(1,146,107)
已付海外稅款	Overseas tax paid	(528,215)	(590,046)
源自/(用於)營業活動之現金流量淨額	Net cash flows generated from/(used in) operating activities	27,535,917	(9,271,246)

綜合現金流量表

Consolidated Statement of Cash Flows

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

	附註 Notes	2016 千港元 HK\$'000	2015 千港元 HK\$'000
投資活動之現金流量：	Cash flows from investing activities:		
聯營公司償還股東貸款	Repayment of shareholder loans from an associate	20,063	-
購買無形資產	Purchase of intangible assets	(6,572)	(16,325)
購買物業及設備	Purchase of property, plant and equipment	(75,695)	(90,753)
購買聯營公司權益	Purchase of shareholding in associates	(97,320)	-
出售物業及設備所得款項	Proceeds from disposal of property, plant and equipment	8,870	8,633
來自上市並持作交易用途金融資產之股息收入	Dividend income received from listed financial assets held for trading	-	802
來自上市備供銷售金融投資之股息收入	Dividend income received from listed available-for-sale financial investments	250	249
來自非上市備供銷售金融投資之股息收入	Dividend income received from unlisted available-for-sale financial investments	7,225	7,899
用於投資活動之現金流量淨額	Net cash flows used in investing activities	(143,179)	(89,495)
融資活動之現金流量：	Cash flows from financing activities:		
發行股本	Issuance of share capital	-	12,787,499
發行額外權益工具	Issuance of additional equity instruments	7,738,332	-
發行以攤銷成本入賬之已發行債券	Issuance of debt securities in issue measured at amortised cost	11,667,528	18,886,587
贖回以攤銷成本入賬之後償債項	Redemption of subordinated debts measured at amortised cost	(1,700,229)	(8,790,381)
以攤銷成本入賬之已發行債券到期	Mature of debt securities in issue measured at amortised cost	(17,409,283)	(23,799,327)
發行指定以公平價值經損益表入賬之已發行債券	Issuance of debt securities in issue designated at fair value through profit or loss	93,456	-
以攤銷成本入賬之後償債項已支付利息	Interest paid on subordinated debts measured at amortised cost	(659,981)	(988,216)
以攤銷成本入賬之已發行債券已支付利息	Interest paid on debt securities in issue measured at amortised cost	(176,690)	(155,606)
用於融資活動之現金流量淨額	Net cash flows used in financing activities	(446,867)	(2,059,444)
匯兌差額之影響	Effects of foreign exchange differences	(742,346)	(412,278)
現金及等同現金項目之增加／(減少)淨額	Net increase/(decrease) in cash and cash equivalents	26,203,525	(11,832,463)
於一月一日之現金及等同現金項目	Cash and cash equivalents at 1 January	147,153,421	158,985,884
於十二月三十一日之現金及等同現金項目	Cash and cash equivalents at 31 December	173,356,946	147,153,421

就綜合現金流量表而言，現金及現金等同項目包括下列原到期日為三個月或以下之結餘：

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprises the following balances with original maturity of three months or less:

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
現金及在銀行同業與其他金融機構之結存(附註21)	Cash and balances with banks and other financial institutions (Note 21)	35,649,110	48,025,280
在銀行同業及其他金融機構之存款	Placements with banks and other financial institutions	137,707,836	99,128,141
		173,356,946	147,153,421
源自經營業務活動的現金流量包括：	Cash flows from operating activities included:		
利息收入	Interest received	22,785,882	19,668,682
利息支出	Interest paid	11,432,530	10,889,895

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

1.1 主要業務

本銀行之主要業務為提供銀行、財務及其他相關服務。各附屬公司之主要業務載於財務報表附註33。

1.2 主要營業地點

本銀行為於香港註冊成立並於香港為本籍的持牌銀行，其註冊辦事處及主要營業地點為香港中環花園道3號中國工商銀行大廈33樓。

2 主要會計政策概述

編製本綜合財務報表採用之主要會計政策如下所述。

2.1 編製基準

本集團之綜合財務報表依照所有適用的香港財務報告準則(「香港財務報告準則」，當中包含由香港會計師公會(「香港會計師公會」)發出的所有適用的個別香港財務報告準則、香港會計準則及詮釋)、香港普遍採納的會計原則，以及香港公司條例的規定編製。

本綜合財務報表乃按歷史成本慣例編製，但有以下例外：對於某些房屋樓宇，本綜合財務報表採用「重估市價」計量，對於備供銷售金融資產、持作交易用途之金融資產及金融負債、以公平價值經收益表入賬之金融資產及金融負債，以及衍生金融工具則以公平價值來計量。

按香港財務報告準則編製財務報表時需採用若干重要之會計估計，亦要求管理層於採用本集團會計政策之過程中作出判斷。涉及較多判斷或複雜性之方面，或對本綜合財務報表而言屬重要之假設及估計，均已在附註3內披露。

1.1 PRINCIPAL ACTIVITIES

The principal activities of the Bank are the provision of banking, financial and other related services. The principal activities of the subsidiaries are shown in Note 33 to the financial statements.

1.2 PRINCIPAL PLACE OF BUSINESS

The Bank is a licensed bank incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis of preparation

The consolidated financial statements of the Group 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.

The consolidated financial statements have been prepared under the historical cost convention, except for certain buildings modified by the revaluation, available-for-sale financial assets, financial assets and financial liabilities held for trading, financial assets and financial liabilities at fair value through profit or loss and derivative financial instruments which have been measured at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.2 新訂或經修訂的《香港財務報告準則》及《香港會計準則》的影響

香港會計師公會頒布了下列經修訂的《香港財務報告準則》，該等修訂於本集團的本會計期間首次生效：

- 《香港會計準則》第16號修訂——「物業、廠房及設備」及《香港會計準則》第38號修訂——「無形資產」
- 《香港會計準則》第1號修訂——「財務報表的列報」

本集團並無採用任何在當前會計期間尚未生效的新準則或詮釋。下文論述本集團採納經修訂《香港財務報告準則》的影響：

《香港會計準則》第16號修訂——「物業、廠房及設備」及《香港會計準則》第38號修訂——「無形資產」

該等修訂對《香港會計準則》第38號引進並不適宜就無形資產採用以收益為基礎的攤銷方法的可推翻前設。該項前設只可於無形資產的收入及其經濟利益消耗「有緊密關係」，或無形資產以計量收入的方式表述時，才可以予以推翻。該等修訂也禁止就《香港會計準則》第16號項下的物業、廠房及設備採用以收益為基礎的折舊方法。

《香港會計準則》第1號修訂——「財務報表列報」

該等修訂對下列多個列報事項進行了澄清：

- 對重要性的評估與某項準則最低限度披露要求的考慮；
- 報表附註的順序；
- 分拆與匯總；
- 「小計」的列示；以及
- 以權益法核算的聯營公司和合營企業所產生的其他綜合收益項目的呈列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Impact of new/revised Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs")

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group.

- *Amendments to HKAS 16, Property, plant and equipment and HKAS 38, Intangible assets*
- *Amendments to HKAS 1, Presentation of financial statements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 16, Property, plant and equipment and HKAS 38, Intangible assets

The amendments introduce a rebuttable presumption to HKAS 38 that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments also prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16.

Amendments to HKAS 1, Presentation of financial statements

The amendments clarify various presentation issues relating to:

- assessment of materiality versus minimum disclosure requirements of a standard;
- order of notes;
- disaggregation and aggregation;
- presentation of sub-totals; and
- presentation of other comprehensive income items arising from equity-accounted associates and joint ventures.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.3 已頒佈但尚未於截至二零一六年十二月三十一日止年度生效之修訂、新訂準則及詮釋可能構成之影響

截至本財務報表刊發之日，香港會計師公會已頒佈截至二零一六年十二月三十一日止年度尚未生效，亦無在本財務報表採用之數項修訂及新訂準則，當中包括下列可能與本集團相關之修訂及詮釋。

於下列日期或
之後開始之
會計期間生效

香港財務報告準則 第15號「客戶合約 收入」	二零一八年一月一日
香港財務報告準則 第9號「金融工具」	二零一八年一月一日
香港財務報告準則 第16號「租賃」	二零一九年一月一日

本集團現正評估該等修訂及新訂準則預期於應用初期產生之影響。因此，迄今為止結論為採納該等修訂及新訂準則對本集團財務狀況應不會有重大影響，惟香港財務報告準則第9號可能因本集團在金融工具的分類和計量方面的變動而對本集團的業績及財務狀況造成影響。

2.4 綜合基準

綜合財務報表包括本銀行及其附屬公司截至二零一六年十二月三十一日止年度之財務報表以及應佔其聯營公司之業績及儲備(統稱「本集團」)。

(a) 附屬公司

附屬公司為本集團所控制之實體。當透過參與從而令本集團面對或獲取不同之回報，及有能力透過控制該實體而影響所獲取之回報，本集團被視作可控制該實體。在評估本集團是否有控制權時，只考慮實質的權力(由本集團及其他人士所擁有)。

集團成員公司間所有交易及結餘已在綜合財務報表內對銷。

業務合併乃以收購法入賬。轉讓之代價乃以收購日期的公平價值計算，該公平價值為本集團轉讓的資產於收購日期的公平價值、本集團自被收購方的前擁有人承擔的負債，以及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，收購方以公平價值或被收購方可識別資產淨值的應佔比例，計算於被收購方的非控股權益。收購相關成本於產生時扣除。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

Effective for
accounting periods
beginning on or after

HKFRS 15, <i>Revenue from contracts with customers</i>	1 January 2018
HKFRS 9, <i>Financial instruments</i>	1 January 2018
HKFRS 16, <i>Lease</i>	1 January 2019

The Group is in process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's financial statements except for HKFRS 9 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.

2.4 Basis of consolidation

The consolidated financial statements include the financial statements of the Bank and its subsidiaries and attributable share of results and reserves of its associate (collectively referred to as the "Group") for the year ended 31 December 2016.

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the group has power, only substantive rights (held by the Group and other parties) are considered.

All intra-group transactions and balances are eliminated on consolidation.

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.4 綜合基準(續)

(a) 附屬公司(續)

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適合的分類及指定，其中包括將被收購方主合約中的嵌入式衍生工具分開。

倘業務合併是分階段進行，先前持有的股權按收購日期的公平價值重新計量，任何由此產生的溢利或虧損於損益確認。

由收購方將予轉讓的任何或然代價將於收購日期按公平價值確認。分類為金融工具且在香港會計準則第39號範圍內一項資產或負債的或然代價按公平價值計量，相關公平價值的變動則於損益確認或作為其他全面收益的變動。倘或然代價並非在香港會計準則第39號的範圍內，則按合適的香港財務報告準則計量。分類為權益的或然代價不會重新計量，而其後結算於權益中入賬。

倘本集團失去附屬公司的控制權，則會取消確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值；及(iii)計入股東權益的累計匯兌差額；並且確認(i)已收代價的公平價值；(ii)任何獲保留投資的公平價值；及(iii)計入損益的任何盈餘或虧蝕。先前於其他全面收益已確認的本集團應佔成份，乃視乎情況重新分類至損益或保留溢利。

對附屬公司所有權權益的變動但並未失去其控制權時應以股權交易入賬。

附屬公司之業績以已收及應收股息計入本銀行之收益表。本銀行於附屬公司之投資按成本減任何減值損失列賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation (continued)

(a) Subsidiaries (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The results of subsidiaries are included in the Bank's income statement to the extent of dividends received and receivable. The Bank's investments in subsidiaries are stated at cost less any impairment losses.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.4 綜合基準(續)

(b) 聯營公司

聯營公司為附屬公司或共同控制實體以外，且本集團一般持有其股本投票權不少於20%權益作長期投資而對其管理有重大影響力之公司。

本集團於聯營公司之權益按本集團根據權益會計法分佔之資產淨值減任何減值損失，計入綜合財務狀況表。本集團分佔聯營公司之收購後業績及儲備分別計入綜合收益表及綜合儲備內。因本集團與其聯營公司進行之交易而產生之未變現收益及虧損以本集團於聯營公司之投資為限予以對銷，惟如未變現虧損有證據證明所轉讓資產出現減值則除外。因收購聯營公司產生之商譽計入為本集團於聯營公司之權益之一部分，且不會單獨進行減值測試。

聯營公司之業績以已收及應收股息計入本銀行之收益表。本銀行於聯營公司之投資視為非流動資產及按成本減任何減值損失列賬。

為符合監管匯報的要求，計算本集團綜合資本充足比率之綜合基準載於「附加財務資料」之附註1內。

2.5 利息收入及支出

所有附息金融工具之利息收入及支出乃採用實際利率法於收益表確認。

實際利率法是一種計算金融資產或金融負債攤銷成本，以及於相關期間分配利息收入及利息支出之方法。實際利率是可準確將金融工具在預計年內產生之未來現金支出或收入折算為現值，或(如適用)在較短期內折算為該金融資產或金融負債賬面值之利率。當計算實際利率時，本集團在估計現金流時須考慮金融工具(例如預付選擇權)之所有合約條款，但不包括未來信貸損失。實際利率組成部分之計算包括所有合約對手之間所支付或收取之收費及利率差價、交易成本及其他所有溢價或折扣。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation (continued)

(b) Associate

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's interests in associate are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associate is included in the consolidated income statement and consolidated reserves, respectively. Unrealised gains 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. Goodwill arising from the acquisition of associate is included as part of the Group's interests in associate and is not individually tested for impairment.

The results of associate are included in the Bank's income statement to the extent of dividends received and receivable. The Bank's investments in associate are treated as non-current assets and are stated at cost less any impairment losses.

For regulatory reporting, the basis of consolidation for calculation of consolidated capital adequacy ratio of the Group is set out in Note 1 of the "Supplementary Financial Information" section.

2.5 Interest income and expense

Interest income and expense are recognised in the income statement for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.5 利息收入及支出(續)

若金融資產或一組相類之金融資產之價值因減值損失而被撇減，計算利息收入時則以計算減值損失時用以折現未來現金流量之利率確認。

2.6 非利息收入

費用及佣金收入及支出

費用及佣金一般當提供有關服務時按應計基準確認。有關很可能被提取之貸款之貸款承擔費用予以遞延(連同相關直接成本)，並確認為對該貸款實際利率之調整。銀團貸款費是在銀團貸款完成後，而本集團沒有為本身保留任何該貸款組合，或所保留之部分貸款與其他參與方之實際利率相同時，確認為收入。

組合及其他管理諮詢及服務費一般按時間比例基準，根據適用服務合約確認。

淨交易收入

淨交易收入包括所有分類為持作交易及備供銷售用途的金融資產及金融負債公平價值變動之損益。衍生工具公平價值變動產生之損益，以附註2.10所載之會計政策所述者為限列報為「淨交易收入」。

外匯買賣及其他交易之損益亦列報為「淨交易收入」，惟根據載於附註2.15之會計政策於匯兌儲備確認之外幣換算之損益除外。

股息收入

股息乃於本集團收取付款之權利確定時於收益表確認。

2.7 金融資產

初步確認及計量

於香港會計準則第39號範疇之金融資產分類為以公平價值經收益表入賬之金融資產、貸款及應收款項、持有至到期投資及備供銷售金融投資或指定為作實際對沖工具的衍生工具(如適用)。

本集團於初步確認時釐定其金融資產之分類。當金融資產初步確認時按公平價值加交易成本計量，惟以公平價值經收益表入賬之金融資產除外。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Interest income and expense (continued)

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, an interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.6 Non-interest income

Fee and commission income and expense

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Group retained no part of the loan package for itself or retained a part at the same effective interest rate as the other participants.

Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportionate basis.

Net trading income

Net trading income comprises all gains and losses from changes in the fair value of financial assets and financial liabilities classified as held for trading and available for sale. Gains or losses arising from changes in fair value of derivatives to the extent as described in the accounting policy set out in Note 2.10 are reported as "Net trading income".

Gains and losses on foreign exchange trading and other transactions are also reported as "Net trading income" except for those gains and losses on translation of foreign currencies recognised in the foreign exchange reserve in accordance with the accounting policy set out in Note 2.15.

Dividend income

Dividends are recognised in the income statement when the Group's right to receive payment is established.

2.7 Financial assets

Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except in the case of financial asset recorded at fair value through profit or loss.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.7 金融資產(續)

初步確認及計量(續)

金融資產之所有恒常性買賣按交易日期(即本集團買賣該項資產之日期)確認。金融資產之恒常性買賣指買賣須於有關市場規則或慣例設定之時限內交付之金融資產。

本集團之金融資產包括現金及銀行結存、應收賬款及其他應收款項、應收貸款、有報價及無報價金融工具，以及衍生金融工具。

其後計量

金融資產之其後計量視乎以下分類而定：

(a) 以公平價值經收益表入賬之金融資產

以公平價值經收益表入賬之金融資產包括持作交易用途之金融資產及於初步確認時指定為以公平價值經收益表入賬之金融資產。倘購入之金融資產主要為短期持作交易用途，則歸類為持作交易用途之金融資產。

衍生工具，包括分開處理之內含衍生工具亦歸類為持作交易用途，除非已指定作為實際對沖工具(定義見香港會計準則第39號)。以公平價值經收益表入賬之金融資產於財務狀況表按公平價值列賬，而公平價值變動淨額於收益表確認。該等公平價值淨額變動並不包含就該等金融資產賺取之任何股息或利息。

指定為以公平價值經收益表入賬之金融資產乃於初步確認日期及只有能夠符合香港會計準則第39號之準則之情況作此指定。

本集團評估以公平價值經收益表入賬之金融資產(持作交易用途)以估計於短期內將其出售之意圖是否仍適合。當在罕見情況中，交易市場不活躍和管理層出售有關資產之意圖在可預見之將來會發生重大變動，致使此類金融資產無法進行交易，本集團或會謹慎地對其進行重新分類。以公平價值經收益表入賬之金融資產會根據資產性質而重新分類至貸款及應收款項、備供銷售金融投資或持有至到期投資。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

Initial recognition and measurement (continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and bank balances, trade and other receivables, loans receivable, quoted and unquoted financial instruments, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value net with changes in fair value recognised in the income statement. These net fair value changes do not include any dividends or interest earned on these financial assets.

Financial assets designated at fair value through profit or loss are designated at the date of initial recognition and only if the criteria under HKAS 39 are satisfied.

The Group evaluates its financial assets at fair value through profit or loss (held for trading) to assess whether the intent to sell them in the near term is still appropriate. When, in rare circumstance, the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets. The reclassification from financial assets at fair value through profit or loss to loans and receivables, available-for-sale financial investments or held-to-maturity investments depends on the nature of the assets.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.7 金融資產(續)

其後計量(續)

(a) 以公平價值經收益表入賬之金融資產(續)

就內含於主合約的衍生工具而言，倘若其經濟特徵及風險並不與該等主合約密切相關，且持有主合約並非用作交易或指定以公平價值經收益表入賬，則其列作獨立衍生工具並按公平價值計賬。該等內含式衍生工具按公平價值計量，而公平價值變動於收益表確認。只有當合約變動導致大幅修改將另行需要的現金流量時，方會對合約進行重估。

(b) 貸款及應收款項

貸款及應收款項(包括現金及短期資金、在銀行同業及其他金融機構之存款及貸款、商業票據以及客戶和銀行同業之貸款)為有固定或可確定付款之非衍生金融資產，此等資產並沒有在活躍市場報價。於初步計量後，該等資產其後按使用實際利率法之已攤銷成本減任何減值撥備計量。

已攤銷成本乃經計及任何收購折讓或溢價後計算，包括屬實際利率整體一部分的費用或成本。實際利率攤銷包括在收益表的淨利息收入內。減值損失於收益表內確認。

(c) 持有至到期投資

付款金額固定或可以確定及有固定到期日且本集團管理層有明確意向及能力持有至到期非衍生金融資產乃分類為持有至到期投資。持有至到期投資其後按已攤銷成本減任何減值撥備計量。已攤銷成本乃經計及任何收購折讓或溢價以及屬實際利率整體一部分之費用或成本後而計算。實際利率攤銷包括在收益表之淨利息收入內。減值損失於收益表內確認。如本集團出售或重新分類(持有至到期投資金額可忽略不計則除外)，則整個類別將受影響並重新分類為可供銷售。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

Subsequent measurement (continued)

(a) Financial assets at fair value through profit or loss (continued)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(b) Loans and receivables

Loans and receivables, including cash and short-term funds, placements with and advances to banks and other financial institutions, trade bills and loans and advances to customers and banks, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment.

Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in net interest income in the income statement. The loss arising from impairment is recognised in the income statement.

(c) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Held-to-maturity investments are subsequently measured at amortised cost less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in net interest income in the income statement. The loss arising from impairment is recognised in the income statement. Where the Group to sell or reclassify other than an insignificant amount of held-to-maturity investments, the entire category would be tainted and reclassified as available-for-sale.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.7 金融資產(續)

其後計量(續)

(d) 備供銷售金融投資

備供銷售金融投資為於上市及非上市股票投資及債券之非衍生金融資產。分類為備供銷售之股本投資指既未分類為持作交易用途亦未指定以公平價值經收益表入賬之投資。於此類別中之債券指擬持作不確定期限且可因應流動資金需要或市況變動予以出售之證券。

於初步確認後，備供銷售金融投資其後按公平價值計量，而未變現收益或虧損在投資取消確認(此時累計收益或虧損於收益表之其他收益內確認)或投資釐定為減值(此時累計收益或虧損由備供銷售投資重估儲備重新分類至收益表)前，作為其他全面收益於備供銷售金融投資重估儲備內列賬。持有備供銷售金融投資所賺取之利息及股息分別呈報為利息收入及股息收入，並於收益表確認為「淨利息收入」及「來自金融投資之股息收入」。

當非上市股票證券之公平價值因(i)合理公平價值估計之波幅對該項投資而言過闊或(ii)於此範圍內各項估計之可能性於估計公平價值時不能可靠地予以評估及使用，而不能可靠地計量時，該等證券按成本減任何減值損失列賬。

本集團根據在短期內將備供銷售金融投資出售之能力及意圖是否仍然適用而評估其有關資產。當在罕見情況中，交易市場不活躍及管理層出售有關資產之意圖在可預見之將來會發生重大變動，致使此類金融資產無法進行交易，本集團或會謹慎地對其進行重新分類。若金融資產符合貸款及應收款項之定義並且本集團在可預見之將來有能力將其持有或持有至到期，則允許將其重新分類為貸款及應收款項。只有在本集團有能力及意圖持有金融資產至到期日時，才能將其重新分類為持有至到期類別。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

Subsequent measurement (continued)

(d) Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale financial investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the income statement in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the income statement. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the income statement as “net interest income” and “dividend income from financial investments”.

When the fair value of unlisted equity investments cannot be reliably measured because (i) the variability in the range of reasonable fair value estimates is significant for that investment or (ii) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial investments in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intent to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or to maturity. Reclassification to the held-to-maturity category is permitted only when the group has the ability and intent to hold until the maturity date of the financial asset.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.7 金融資產(續)

其後計量(續)

(d) 備供銷售金融投資(續)

當某項金融資產在備供銷售類別中重新分出時，於重新分類日期之公平價值賬面值將成為其經攤銷之新成本，而與該資產相關之原計入儲備之收益或損失，在投資之剩餘年限按照實際利率攤銷至收益表。經攤銷之新成本與到期金額之間之差額亦應在該資產之剩餘年限按照實際利率攤銷。倘該資產其後釐定減值，原計入儲備之金額則重新分類至收益表。

(e) 取消確認金融資產

金融資產在以下情況下取消確認：

- 從該資產取得現金流量之權利已過期；或
- 本集團已轉讓從該資產收取現金流量之權利，或根據一項「通過」安排，在未有嚴重延緩第三方之情況下，已就有關權利悉數承擔支付收取現金流量之責任；且(a)本集團已轉讓資產之絕大部分風險及回報，或(b)本集團未轉讓或承擔資產之絕大部分風險及回報，但已轉讓資產之控制權。

倘若本集團已轉讓其取得某項資產的現金流的權利，或已訂立一項通過安排，則會評估其是否保留資產擁有權之風險及回報以及保留之程度如何。當未轉讓該項資產之絕大部分風險及回報，亦未轉讓對該項資產之控制權，則該項資產以本集團於其中持續參與之部分為限予以確認。於此情況下，本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團所保留權利及責任之基準計量。

以所轉讓的資產設立的擔保為表現形式的持續參與，按該項資產原有賬面值與本集團可被要求償付之最高代價金額兩者中較低者計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

Subsequent measurement (continued)

(d) Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount on the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in reserve is amortised to the income statement over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in reserve is reclassified to the income statement.

(e) Derecognition of financial assets

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay in full without material delay to a third party under a “pass through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates it and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.7 金融資產(續)

其後計量(續)

(f) 公平價值

於活躍市場買賣的金融工具公平價值乃參考市場報價釐定，且未扣除任何交易成本。就無活躍市場的金融工具而言，使用合適的估值技術釐定公平價值。本集團會採用估值方法訂出公平價值。有關方法包括採用近期按公平原則進行之市場交易、參考另一項大致相同的工具的目前市場價值、現金流量折現分析及經改進以反映發行人特殊情況之期權定價模式釐定公平價值。

2.8 金融資產減值

本集團會於各報告期結束時評估是否存在客觀證據證明某項金融資產或金融資產組別出現減值。減值之客觀證據為因應一宗或多宗於初步確認資產後產生之事件(「虧損事件」)，而該宗(或該等)虧損事件對該項或該組金融資產之估計未來現金流量構成之影響可以可靠地作出估計。

證明某項或某組金融資產減值之客觀證據，包括本集團得悉有關以下虧損事件之可觀察資料：

- 發行人或義務人出現重大財政困難；
- 違反合約，例如逾期支付或拖欠利息或本金；
- 本集團為著與借款人之財政困難有關之經濟或法律理由，給予借款人一項借款人在其他情況下不會考慮之優惠；
- 借款人可能會破產或進行其他財務重組；
- 因為出現財政困難而導致該金融資產失去活躍市場；
- 抵押品價值縮減；
- 降低至投資級別水平以下；或

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

Subsequent measurement (continued)

(f) Fair value

The fair values of financial instruments that are traded in active markets is determined by reference to quoted market prices without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. The Group establishes the fair value by using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, a discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

2.8 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or a group of financial assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty granting to the borrower, a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties;
- deterioration in the value of collateral;
- downgrading below investment grade level; or

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.8 金融資產減值(續)

- 可察覺之資料顯示一組金融資產自首次確認入賬後，其估計未來現金流量出現可計量之下跌，儘管尚未能確認組合內導致有關下跌之個別金融資產，包括該組別之借款人付款狀況出現逆轉；或與該組別資產拖欠情況有關之國家或當地經濟狀況。

(a) 以攤銷成本列賬之金融資產

對於按攤銷成本列賬的金融資產，本集團首先對單項金額重大的金融資產單獨進行評估是否有客觀減值證據，或對單項金額不重大的金融資產共同進行評估。倘若本集團認定單獨評估的金融資產並不存在客觀減值證據，無論其金額是否重大，其應當包括在具有類似信用風險特性的金融資產組合內進行減值測試。已單獨進行減值測試及已確認減值損失或繼續確認減值損失的金融資產，不應包括在金融資產組合中進行減值測試。

若有客觀證據證明出現減值損失，則以資產之賬面值，與估計未來現金流量(不包括未產生之未來信貸虧損)之現值兩者之間之差額計算虧損之金額。估計未來現金流量之現值按金融資產原來之實際利率(即按初步確認時計算的實際利率)折現。倘貸款以浮動利率計息，則計量任何減值損失之折現率為現行實際利率。

資產之賬面值透過在準備賬內扣減，虧損金額則於收益表內確認。利息收入在削減的賬面值中持續產生，並採用計算減值損失時用以折現未來現金流量之利率計算。貸款及應收款項連同任何相關準備乃當預期日後實際上不可收回及所有抵押品已變賣或已轉移至本集團時予以撇銷。本集團可實際上以觀察所得市價按工具之公平價值計量減值。

已抵押金融資產之估計日後現金流量現值減去有關獲得及出售抵押品之成本，反映取消贖回權可能產生之現金流量，而不論是否可能取消贖回權。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of financial assets (continued)

- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including adverse changes in the payment status of borrowers in the group; or national or local economic conditions that correlate with the defaults on the assets in the group.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowances are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The present value of the estimated future cash flows of a collateralised financial asset less costs for obtaining and selling the collateral reflects the cash flows that may result from foreclosure whether or not the foreclosure is probable.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.8 金融資產減值(續)

(a) 以攤銷成本列賬之金融資產(續)

按組合基準進行減值評估時，金融資產按類同信用風險特點(即本集團考慮資產類別、行業、地區、抵押類別、過往逾時情況及其他相關因素)分類。該等特點反映債務人根據受評估資產之合約條款於所有債務到期時還款之能力，因而與估計該等資產組別之日後現金流量有關。

一組按組合基準進行減值評估之金融資產之日後現金流量，乃按該組別資產之合約現金流量及與該組別資產具相若信用風險特質之資產過往虧損經驗作出估計。過往虧損經驗會根據現時可觀察之資料作調整，以反映並沒有對過往經驗所依據之該期間產生影響之現有狀況之影響，以及消除於過往期間出現但現時並不存在之條件之影響。

財務報表內必須反映資產組別日後現金流量之預期改變，並須與不同期間相關之可觀察資料之變動(如失業率、物業價格、付款情況，或其他可顯示該組別損失之可能性及損失程度之改變)方向一致。本集團定期檢討用作預計日後現金流量之方法及假設，以減低虧損估計與實際虧損之間之差距。

未能收回之貸款將在貸款減值相關之準備中予以撇銷。該等貸款將於完成所有必須程序及確定虧損金額後予以撇銷。倘日後收回過往所撇銷之金額，將在收益表中扣除貸款減值準備。

倘於某一將來之期間，估計減值損失金額因確認減值後發生的事項(例如債務人信貸評級改善)而增加或減少，則透過調整準備賬增加或減少過往確認之減值損失。倘日後撇銷其後收回，則收回金額計入收益表。

(b) 備供銷售金融投資

就備供銷售金融投資而言，本集團於各報告期結束時評估是否有客觀跡象顯示一項投資或一組投資出現減值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of financial assets (continued)

(a) Financial assets carried at amortised cost (continued)

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, overdue status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows from groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Group and the historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowances for loan impairment. Such loan is written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the allowances for loan impairment in the income statement.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the income statement.

(b) Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.8 金融資產減值(續)

(b) 備供銷售金融投資(續)

倘備供銷售資產減值，其成本(扣除任何本金付款及攤銷)與其目前公平價值之間的差額減去任何先前已於收益表確認的減值損失乃於其他全面收益中移除並於收益表確認。

就列為備供銷售的股本投資而言，客觀跡象包括投資的公平價值大幅或長期跌至低於其成本以下。釐定「重大」或「長期」須行使判斷力。「重大」針對投資的原來成本而評估，而「長期」則針對公平價值低於其原來成本的期間而評估。倘出現減值跡象，則累計虧損(按收購成本與目前公平價值之間差額再減去該項投資先前已於收益表確認的任何減值損失而計量)於其他全面收益中移除及於收益表內確認。對於列為備供銷售的股本工具而言，減值損失不會透過收益表撥回。於減值後增加的公平價值，直接於其他全面收益中確認。

就列為備供銷售的債務工具而言，根據以攤銷成本列賬的金融資產的相同準則評估減值。然而，就減值入賬的數額為攤銷成本與目前公平價值之間差額減去該項投資先前已於收益表確認的任何減值損失而計量。未來利息收入繼續根據資產的經減少賬面值而累計，並且使用用作折現未來現金流量以計量減值損失的利率而累計。利息收入作為部分利息收入入賬。倘債務工具的公平價值增加與於收益表確認減值損失後發生的事件具有客觀關係，則透過收益表撥回有關工具的減值損失。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of financial assets (continued)

(b) Available-for-sale financial investments (continued)

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is removed from other comprehensive income and recognised in the income statement.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. The determination of what is “significant” or “prolonged” requires judgement. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity instruments classified as available-for-sale are not reversed through the income statement. Increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of interest income. Impairment losses on debt instruments are reversed through the income statement if the increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.9 金融負債

(a) 以公平價值經收益表入賬之金融負債

此歸類細分為兩個類別：持作交易用途之金融負債，以及指定以公平價值經收益表入賬之金融負債。

於初步確認時指定為以公平價值經收益表入賬之金融負債乃於初步確認日期及只有能夠符合香港會計準則第39號之準則之情況作此指定。

以公平價值經收益表入賬之金融負債(包括本集團本身已發行債券)於訂立時指定為此類別。以公平價值經收益表入賬之金融負債按公平價值列賬，而公平價值變動產生之任何盈虧均於收益表確認。

倘購入金融負債主要為短期銷售用途，則歸類為持作交易用途。該類別包括本集團所訂立但未被指定為對沖關係之對沖工具(定義見香港會計準則第39號)的衍生金融工具。

就該等金融負債支付之任何利息計入收益表「利息支出」項下。此分類金融負債按公平價值列值，而任何因公平價值變動產生之盈虧均於收益表內確認。

(b) 其他金融負債

其他金融負債初步按公平價值扣除所產生之交易成本確認，及其後以攤銷成本列賬。扣除交易成本後所得款項與贖回價值兩者之差額，均按實際利率法於其他金融負債年內於收益表確認，惟如折現之影響微不足道，則按成本列賬。相關利息支出在收益表「利息支出」內確認。

(c) 取消確認金融負債

金融負債於負債承擔被解除或取消或到期時即取消確認。

倘現有金融負債被來自同一貸款人條款基本不同之其他金融負債取代，或現有負債之條款被大幅修訂，則該等變動或修訂被當作不再確認原負債及確認新負債處理，原負債與新負債各自賬面值之差額於收益表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial liabilities

(a) *Financial liabilities at fair value through profit or loss*

This category has two sub-categories: financial liabilities held for trading and those designated at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria of HKAS 39 are satisfied.

Financial liabilities designated as at fair value through profit or loss, including the Group's own debt securities in issue are designated as such at inception. Financial liabilities designated at fair value through profit or loss are carried at fair value and any gains and losses from changes in fair value are recognised in the income statement.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKAS 39.

Any interests charged on these financial liabilities are included in the income statement under "Interest expense". It is carried at fair value and any gains and losses from changes in fair value are recognised in the income statement.

(b) *Other financial liabilities*

Other financial liabilities are recognised initially at fair value net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the other financial liabilities using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "Interest expense" in the income statement.

(c) *Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.10 衍生金融工具及對沖會計處理

衍生工具最初於訂立衍生工具合約之日按公平價值確認，其後按公平價值重新計量。公平價值乃根據活躍市場所報之市價釐定，包括最近市場交易及估值方法(包括現金流量折現模式及期權定價模式)(如適用)。當衍生工具之公平價值為正數時，均作為資產入賬；當公平價值為負數時，則作為負債入賬。

首次確認衍生工具之公平價值以交易價格(即所給或所收代價之公平價值)為最佳方法，除非該衍生工具之公平價值可按從現有市場上其他相同衍生工具之交易(即未經修訂或改動)比較更好證明或根據變數僅包括從可觀察市場中資料之估值方法計算。如有關證據存在，本集團將於首日確認溢利。

當其他金融工具內含之若干衍生工具之經濟性質及風險與主合約並無密切關係時，而主合約並非以公平價值經收益表入賬，則作為個別衍生工具處理。該等內含衍生工具以公平價值計量，而公平價值變動則於收益表另行確認，除非本集團選擇指定為以公平價值經收益表入賬之混合合約。

符合作對沖會計處理之衍生工具

公平價值收益或虧損結果之確認方法取決於衍生工具是否指定為對沖工具，如屬者則須取決對沖項目性質。本集團指定若干衍生工具為：(i)已確認資產或負債或未確認落實承擔之公平價值之對沖(公平價值對沖)；或(ii)歸屬於已確認資產或負債極有可能之未來現金流或預期交易之對沖(現金流對沖)。以此方法指定之衍生工具採納對沖會計方式處理，惟須符合若干條件。

本集團於訂立交易時將訂立文據，訂明對沖工具與所對沖項目之關係，以及其風險管理目標及進行若干對沖交易之策略。

本集團亦於開始對沖時持續將其就用於對沖交易之衍生工具是否對抵銷公平價值變動或所對沖項目的現金流量有顯著成效所進行之評估作出記錄。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received) unless the fair value of that instrument is better evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises profits on day one.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value separately recognised in the income statement unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

Derivatives that qualify for hedge accounting

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (i) hedges of the fair value of recognised assets or liabilities or unrecognised firm commitments (fair value hedge); or (ii) hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.10 衍生金融工具及對沖會計處理(續)

(a) 公平價值對沖

被指定及適合作公平價值對沖之衍生工具之公平價值變動，連同與對沖風險相關之對沖資產或負債之任何公平價值變動，於收益表中入賬。

倘對沖不再符合對沖會計處理之標準，則採用實際利率法釐定對沖項目賬面值之調整，於到期前期間在收益表攤銷。倘若取消確認被對沖之項目，則即時於收益表確認未攤銷公平價值調整。

(b) 現金流對沖

指定並合資格成為現金流量對沖之衍生工具之公平價值如有任何變動，其有效部分均在現金流量對沖儲備中確認為其他全面收益。涉及無效部分之損益即時在收益表中確認。

其他全面收益中確認之金額於對沖項目將會影響損益之期間(例如進行已對沖之預測銷售)在收益表中再次重新處理。

當某項對沖工具到期或出售時，或當對沖安排不再符合對沖會計之條件時，當時存在於其他全面收益中之任何累計損益依舊列作其他全面收益，並在預計交易影響損益時始予入賬。當預計某項預測交易不再進行時，在權益當中呈報之累計損益須即時轉撥至收益表。

不符合作對沖會計處理之衍生工具

若干衍生工具並不符合作對沖會計處理。任何不符合作對沖會計處理之衍生工具之公平價值變動即時於收益表內確認。

2.11 抵銷金融工具

倘且僅倘有現行可予執行的權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，金融資產和金融負債互相抵銷，而在財務狀況表內以淨額列示。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Derivative financial instruments and hedge accounting (continued)

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statement over the period to maturity. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statement.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts recognised in other comprehensive income are recycled to the income statement in the periods in which the hedged item will affect profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income and is recognised when the forecast transaction affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

2.11 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.12 買賣協議

倘承讓人有權根據合約或慣例出售或轉按抵押品時，根據購回協議(「購回協議」)售出之證券在財務報表內歸類為抵押資產；對手方之負債列入在銀行同業及其他金融機構之存款或客戶存款(視乎適合而定)。根據轉售協議(「轉售協議」)購入之證券列為客戶及銀行之貸款或銀行及其他金融機構之存款(視乎適合而定)。

售價與購回價之差額作為利息處理，並採用實際利率法於協議之年期內計算。借予對手方之證券亦保留在財務報表內。

借入之證券不在財務報表內確認，除非該等證券出售給第三方(在該情況下，買賣及盈虧包含於交易收益內)。歸還該等證券之責任作為交易負債按公平價值記錄。

2.13 收回資產

已收回抵押資產列作資產負債表外項目並按公平價值列值。在收回減值貸款及墊款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2.8(a)所載的會計政策，計算減值貸款及墊款之減值準備已計及抵押品資產之可變現淨值。於將收回資產出售後，所收取款額將首次用於沖銷貸款及墊款，直至貸款及墊款全數收回為止，而任何餘額將退還予借款人。

2.14 分部報告

經營分部是實體中符合以下條件的組成部分：
(a)其從事商業活動而可能藉此而賺取收入及錄得支出(包括與同一實體內的其他組成部分進行的交易有關的收入及支出)；(b)其經營業績由該實體的主要營運決策人定期審閱，以決定分配資源到該分類並評估其表現；及(c)可獲提供個別的財務資料。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Sale and repurchase agreements

Securities sold subject to repurchase agreements (“repos”) are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks and other financial institutions or deposits from customers, as appropriate. Securities purchased under agreements to resell (“reverse repos”) are recorded as loans and advances to customers and banks or placements with banks and other financial institutions, as appropriate.

The difference between sale and repurchase prices is treated as an interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in the trading income. The obligation to return them is recorded at fair value as a trading liability.

2.13 Repossessed assets

Reposessed collateral assets are reported as off balance-sheet items and are stated at fair value. In the recovery of impaired loans and advances, the Group may take possession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group’s accounting policy set out in Note 2.8(a), impairment allowances for impaired loans and advances are maintained after taking into account the net realisable value of the collateral assets. On a sale transaction of reposessed assets, the amount received will be used to offset the loans and advances first until they are fully recovered, and any remaining amount will be released to the borrowers.

2.14 Segment reporting

An operating segment is a component of an entity: (a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), (b) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (c) for which discrete financial information is available.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.15 外幣換算

(a) 功能及呈列貨幣

本集團旗下各機構之財務報表中所載項目乃採用該機構營運之主要經濟環境所使用之貨幣(「功能貨幣」)計量。綜合財務報表乃以港元呈列。港元乃本銀行之功能及呈列貨幣。

(b) 交易及結餘

外幣交易按交易日現行之匯率換算為功能貨幣。該等交易結算及以外幣結算之貨幣性資產或負債按年終日之匯率換算所產生之匯兌收益及虧損，將於收益表內確認，惟於其他全面收益中遞延為合資格現金流量對沖或合資格淨投資對沖除外。

按公平價值計量而公平價值變動於收益表確認的非貨幣性項目，如持有以公平價值列入收益表的股本工具之換算差額將作為公平價值收益或虧損之一部分呈報。按公平價值計量而公平價值變動於股東權益確認的非貨幣性項目(如歸類為可供銷售之金融資產之證券)之換算差額則記錄作其他全面收益並列入股東權益內之公平價值儲備。

(c) 集團旗下公司

本集團旗下所有功能與呈列貨幣不同的機構(均無擁有高通脹經濟之功能貨幣)之業績及財務狀況按以下方式換算為呈列貨幣：

- 該等機構之資產及負債按報告期結束時之收市匯率換算；
- 彼等之收益表按平均匯率換算(如果此平均值並非該等交易日期通行匯率的累積效果之合理約數，收入及支出將按交易日期之匯率進行換算)；及
- 所有兌換之差額確認為其他全面收益，並於權益內作為一個獨立項目累計。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Bank's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items that are measured at fair value whose fair value changes recognised in the income statement, such as equity held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items that are measured at fair value whose fair value changes recognised in the equity, such as equities classified as available-for-sale financial assets, are recorded as other comprehensive income and included in the fair value reserve in equity.

(c) Group companies

The results and financial positions of all the group entities (none of which has a functional currency which is the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities of these entities are translated at the closing rate at the end of the reporting period;
- their income statements are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates prevailing at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.15 外幣換算(續)

(c) 集團旗下公司(續)

於合併財務報表時，換算外國機構淨投資及指定作為對沖該等投資之貸款及其他貨幣工具所產生之兌換差額，分別單獨列入權益。倘外國業務被售出，該等兌換差額列作出售所得盈利或虧損之部分在收益表內確認。

因收購外國機構產生之商譽及公平價值調整，被當作該外國機構之資產及負債處理，並按於結算日之匯率換算。

(d) 綜合現金流量表

就綜合現金流量表而言，海外附屬公司之現金流乃按現金流產生當日之匯率換算為港元。海外附屬公司於整個年度之經常性循環現金流按年內之加權平均匯率換算為港元。

2.16 物業及設備

銀行房產及物業主要包括分行及辦事處。銀行房產及物業按公平價值(公平價值乃根據外部獨立估值師至少每三年一次定期進行之估值減後續折舊後得出)列示。於重估日期，任何累積折舊以資產之賬面值總額變動按比例列賬，以使重估後之資產賬面值相等於重估金額。所有其他物業及設備按歷史成本減折舊及減值損失列賬。歷史成本包括收購該等項目直接應佔之支出。成本亦可包括來自因外幣購買物業及設備之合資格現金流量對沖而產生之任何盈利或虧損自權益轉出之部分。

在物業及設備投入運作後產生的開支(如修理及保養費用)通常於產生該等開支之期間自收益表扣除。倘若符合確認準則，則大型檢查的開支會於資產賬面值中資本化作為重置。倘須定期替換大部分的物業及設備，則本集團會將該等部分確認為有特定可使用年期個別資產及隨之計提折舊。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Foreign currency translation (continued)

(c) Group companies (continued)

On consolidation, the exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are included in a separate component of equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Consolidated statement of cash flows

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.16 Property, plant and equipment

Bank premises and properties comprise mainly branches and offices. Bank premises and properties are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.16 物業及設備(續)

因重估銀行房產及物業產生之賬面值增加計入股東權益下其他儲備中。用作抵銷同一資產過往增加之減值，乃直接於權益中與銀行物業重估儲備抵銷；所有其他減值於收益表內扣除。每年，以收益表內扣除之資產之重估賬面值為基準之折舊金額與以該資產之原始成本為基準之折舊金額之差額由銀行物業重估儲備轉撥到保留溢利內。

物業及設備之折舊採用直線法計算，以按下文所示之年期內將成本或重估金額撥入其於估計使用年期之剩餘價值：

銀行房產及物業	於該等物業所在土地之剩餘租賃年期或其預計使用年限五十年，以較短者為準
---------	------------------------------------

租賃物業裝修	於租賃房產之租賃年期或其預計使用年限十年，以較短者為準
--------	-----------------------------

傢俬及設備	四至十年
-------	------

於各財政年度結束時需檢討資產之剩餘價值、使用年期及折舊方法，並在合適之情況下作調整。

倘資產之賬面值大於其估計可收回金額，則該資產之賬面值立即減值至其可收回金額，而減值金額直接計入收益表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Property, plant and equipment (continued)

Increases in the carrying amount arising on revaluation of bank premises and properties are credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against bank premises revaluation reserve directly in equity; all other decreases are expensed in the income statement. Each year the difference between the depreciation amount based on the revalued carrying amount of the asset expensed in the income statement and the depreciation amount based on the asset's original cost is transferred from the bank premises revaluation reserve to retained earnings.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Bank premises and properties	Over the remaining lease period of the land on which the properties are situated or their estimated useful lives of 50 years, whichever is shorter
Leasehold improvements	Over the lease term of the leased premises or their estimated useful lives of 10 years, whichever is shorter
Furniture and equipment	4 to 10 years

The residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, with the amount charged directly to the income statement.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.16 物業及設備(續)

物業及設備及初步確認之任何重大部分於出售之後或預期其使用或出售將不會產生未來經濟利益時即取消確認。於資產取消確認年度之收益表內確認之出售或報廢之任何盈虧，乃銷售所得款項淨額與相關資產賬面值之差額。於出售重估資產時，就上次估值已變現之儲備相關部分轉撥至保留溢利，列為儲備變動。

2.17 投資物業

持作收取長期收益或資本增值或兩者並行而非由本集團公司佔用之物業分類為投資物業。

投資物業初步按成本(包括相關交易成本)確認。於初步確認後，投資物業以公平價值列賬。公平價值乃根據活躍市場價格計算，並按相關資產之性質、位置或狀況之任何差異作出必要調整。如此資料不可用，本集團使用替代估值方法，例如較不活躍之市場之近期交易價格或已折現現金流量預期。該等估值根據國際估值準則委員會頒布之指引進行，並由外界估值師每年予以檢討。再發展以持續作投資物業用途之投資物業，或市場活躍度降低之投資物業將繼續以公平價值計量。

投資物業之公平價值反映(其中包括)即期租賃之租金收入以及根據現時市況所作有關未來租賃租金收入之假設。

公平價值亦按相似基準反映物業預期可產生之任何現金流出。此等流出之若干部分確認為負債，包括與分類作投資物業之土地有關之融資租約負債；包括或然租金之其他現金流出則不會於財務報表中確認。

其後開支僅於當與項目有關之未來經濟利益很有可能流入本集團，而項目成本能夠可靠地計量，方會於資產之賬面值扣除。所有其他維修及保養成本於產生之財政期間自收益表扣除支銷。

公平價值變動於收益表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Property, plant and equipment (continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset. On disposal of a revalued asset, the relevant portion of the reserve realised in respect of previous valuations is transferred to retained earnings as a movement in reserves.

2.17 Investment properties

Property that is held for long-term yields or for capital appreciation or both and that is not occupied by the companies in the Group is classified as investment property.

Investment properties are measured initially at cost, including related transaction costs. After initial recognition, investment properties are carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent transaction prices on less active markets or discounted cash flow projections. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers. Investment properties that are being redeveloped for continuing use as investment properties, or for which the market has become less active, continue to be measured at fair value.

The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the properties. Some of those outflows are recognised as liabilities, including finance lease liabilities in respect of land classified as investment properties; other outflows including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.17 投資物業(續)

如投資物業由擁有人佔用，則重新列為物業及設備，而就會計處理而言，其於重新分類當日之公平價值將變為成本。建設中或發展中以供未來用作投資物業之物業列為物業及設備，並以成本列賬，直至建設或發展工作完成為止，此時重新分類為投資物業及其後按此入賬。

倘物業及設備項目因用途改變而成為投資物業，該等物業於轉變當日之賬面值與公平價值產生之差額，將根據香港會計準則第16號「物業及設備」於權益內確認為物業及設備重估。然而，如公平價值收益抵銷先前減值損失，則該項收益將於收益表內確認。

2.18 商譽

商譽指一項收購之成本超過本集團分佔所收購附屬公司於收購日期之可識別資產及負債淨額及所承擔之或然負債之公平價值之部分。收購附屬公司之商譽列入無形資產。收購聯營公司產生之商譽計入「於聯營公司之投資」。商譽的賬面值每年檢討減值，或如發生事件或情況改變顯示賬面值可能已減值，則更頻繁地進行減值檢討。商譽按成本減累計減值損失列賬。就商譽確認之減值損失於其後之期間不予撥回。出售實體之盈虧包括與所出售實體有關之商譽之賬面值。

商譽就減值測試目的被分配至各現金產生單位。每一該等現金產生單位由每一主要呈報分類代表。

2.19 無形資產(不包括商譽)

個別收購的無形資產於初步確認時按成本計量。於業務合併中收購無形資產的成本乃於收購日期的公平價值。無形資產之使用年期經評估分為有限期及無限期兩類。具有有限年期之無形資產其後於使用經濟年期內攤銷，並於有跡象顯示無形資產可能減值時進行減值評估。

具有有限使用年期之無形資產之攤銷期及攤銷方法至少於各財政年度結束時進行評估。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Investment properties (continued)

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Properties that are being constructed or developed for future use as investment properties are classified as property, plant and equipment and stated at cost until construction or development is completed, at which time they are reclassified and subsequently accounted for as investment properties.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

2.18 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets and liabilities and contingent liabilities assumed of the acquired subsidiaries at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of an associate is included in "Investments in associate". The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in a subsequent period. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is represented by each primary reporting segment.

2.19 Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.19 無形資產(不包括商譽)(續)

取消確認無形資產之盈虧乃按出售所得款項淨額與資產賬面值之差額計算，並於取消確認該項資產時於收益表內確認。

(a) 電腦軟件

所購入之電腦軟件可按收購所產生之成本及將軟件達致使用狀況為基準予以資本化。此等成本於估計可使用年內四年攤銷。

與開發或維護電腦軟件程式有關之成本，於產生時確認為開支。直接與製造可辨認及由本集團控制之獨有軟件產品有關，並且很可能於一年後產生超出其成本之經濟利益之成本，乃確認為無形資產。直接成本包括軟件開發人員成本及於有關雜項開支之應佔部分。

確認為無形資產之電腦軟件開發成本，乃於其估計可使用年內(不超過四年)攤銷。

(b) 交易權

交易權指符合資格在香港聯合交易所有限公司或透過其進行交易之權利，具有無限使用年期，並每年進行減值測試。該類無形資產不予攤銷。使用年期每年進行評估，以確定無限年期之判定是否繼續有理據支持，如否，則由無限期轉變為有限期之使用年期之評估按預先基準計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Intangible assets (other than goodwill) (continued)

Gains or losses from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the assets are derecognised.

(a) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of four years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as intangible assets are amortised over their estimated useful life (not exceeding four years).

(b) Trading rights

Trading rights represent eligibility rights with indefinite useful lives to trade on or through The Stock Exchange of Hong Kong Limited and are tested for impairment annually. Such intangible assets are not amortised. The useful life is reviewed annually to determine whether indefinite life assessment continues to be supportable, if not, the change in the useful life assessment from indefinite to infinite is accounted for on a prospective basis.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.20 非金融資產減值

具有無限使用年期之資產毋需攤銷，但須每年進行減值測試。須作出攤銷之資產於出現其賬面值可能不能收回之事件或環境變動時需進行減值評估。減值損失按資產之賬面金額超出其回收金額之部分確認。可收回金額為資產之公平價值減出售成本，以及使用價值兩者中之較高者。就評估減值而言，資產乃於現金流可分開辨識(現金產生單位)之最基本層分類。於評估使用價值時，估計未來現金流按可反映目前市場對貨幣時間值及資產特定風險之評估之稅前折現率折現至其現值。減值損失於其產生期間自收益表內扣除，惟資產以重估金額列賬時，其減值損失按該重估資產之有關會計原則入賬。只有在用以釐定資產之可收回金額之估計發生改變時，該資產除商譽外先前已確認之減值損失方予以撥回，惟數額不得高於假設於過往年度並無就資產確認減值損失之情況下原應已釐定之賬面值(減任何折舊／攤銷)。被撥回之減值損失於撥回期間計入收益表。

2.21 所得稅

所得稅包括當期及遞延稅項。有關損益外確認項目的所得稅於損益外確認，不論是否於其他全面收益或直接於權益內確認。

當前及過往期間之當期稅項資產及負債，乃根據已頒布或於報告期結束時已大致頒布之稅率(及稅務法例)，並考慮本集團業務所在國家／司法權區之現有詮釋及慣例，按預期將自稅務部門收回或付予稅務部門之金額計量。

遞延稅項乃就綜合財務報表中資產及負債之稅基與彼等賬面值之間於報告期結束時產生之所有暫時差額，以負債法作出撥備。然而，倘遞延稅項乃來自初步確認交易(並非業務合併)之資產或負債，且交易時並不影響會計溢利及應課稅溢利或虧損，則不入賬列為遞延稅項。遞延稅項採用於報告期結束時已經或基本已經實施及預計於相關遞延稅項資產變現或遞延稅項負債清償時將適用之稅率(及稅法)釐定。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). 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. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises.

2.21 Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for as deferred income tax. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.21 所得稅(續)

遞延稅項資產乃於未來將有可能產生應課稅溢利以動用暫時差額以作抵銷時方予確認。

遞延稅項須就投資於附屬公司及聯營公司而產生之暫時差異作出撥備，除非暫時差異撥回之時間由本集團控制及該暫時差異很可能不會在可見未來撥回。

與備供銷售投資及現金流量對沖之公平價值重新計量相關之遞延稅項，亦直接在權益中扣除或計入權益，其後連同遞延損益在收益表中確認。

遞延稅項資產之賬面值於各報告期結束時進行評估，並在不再可能產生足夠應課稅溢利以動用全部或部分遞延稅項資產作抵銷時予以削減。未確認之遞延稅項資產於報告期結束時重新進行評估，並於將有可能產生足夠應課稅溢利以收回全部或部分遞延稅項資產作抵銷時方予確認。

遞延稅項資產及負債於擁有合法權利以即期稅項資產抵銷即期稅項負債及遞延稅項與同一應課稅實體及同一稅務部門有關時予以互相抵銷。

2.22 僱員福利

(a) 僱員假期

僱員應享有之年假及長期服務假期會於確立時確認。根據僱員至報告期結束時已提供的服務而估算的未享用年假及長期服務假期已作撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Income tax (continued)

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associate, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax related to fair value re-measurement of available-for-sale investments and cash flow hedges, which are charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in the income statement together with the deferred gain or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.22 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.22 僱員福利(續)

(b) 退休金責任

本集團分別根據職業退休計劃條例及強制性公積金計劃條例為合資格及選擇參與之集團員工提供定額供款退休金計劃(「職業退休計劃」)及強制性公積金計劃(「強積金計劃」)。本集團向職業退休計劃之供款乃根據合資格員工基本薪金之一個百分比計算，而於強積金計劃之供款則根據合資格員工有關收入(定義見強制性公積金計劃條例)計算。該等供款會於產生時列作支出。此等供款於產生時列作支出，並可按本集團僱員在全數取得僱主供款前離開計劃而被沒收之供款扣減。上述計劃之資產乃由獨立管理之基金持有，與本集團之資產分開管理。

2.23 撥備

倘(i)本集團因過往事件而產生現時法律或推定責任；(ii)可能須就解除責任而導致經濟資源流出之可能性高於不會導致經濟流出之可能性；及(iii)可就責任之款額作出可靠估計時，則需確認重組成本及法律索償之撥備。重組撥備包括租約終止罰款及僱員終止付款。未來經營虧損不會確認撥備。

倘有多項相似之責任時，解除該等責任所需導致資源流出之可能性按責任之類別從整體予以釐定。即使在同一類別責任內任何一項目導致資源流出之可能性可能細微，亦需就此確認撥備。

2.24 租賃

凡將資產擁有權(法定業權除外)之絕大部分回報與風險撥歸本集團之租賃，均列作融資租賃。於融資租賃開始時，租賃資產之成本按最低租金之現值資本化，並連同債項(不包括利息部分)列賬，以反映購買及融資事項。以資本化融資租賃持有之資產計入物業及設備內，並按租賃年期或資產估計使用年期(以較短者為準)計提折舊。租賃之融資成本從收益表扣除，以便反映租賃年內之平均費用率。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Employee benefits (continued)

(b) Pension obligations

The Group operates a defined contribution retirement scheme under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and another defined contribution retirement scheme under the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") for those employees of the Group who are eligible and have elected to participate in the schemes. The Group's contributions to the ORSO Scheme are made based on a percentage of the eligible employees' basic salaries and those made to the MPF Scheme are made based on a percentage of the eligible employees' relevant income as defined in the MPF Scheme. These contributions are expensed as incurred and are reduced by contributions forfeited by those employees of the Group who leave the schemes prior to the contributions vesting fully. The assets of the schemes are held separately from those of the Group in independently administered funds.

2.23 Provisions

Provisions for restructuring costs and legal claims are recognised when (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is more likely than not that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there is a number of similar obligations, the likelihood that an outflow of resources will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow of resources with respect to any one item included in the same class of obligations may be small.

2.24 Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the income statement so as to provide a constant periodic rate of charge over the lease terms.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.24 租賃(續)

擁有權的絕大部分風險及回報皆由出租公司承擔的租約歸類為經營租賃。經營租賃下的付款在扣除自出租公司收取之任何獎勵金後，於租約期內以直線法在收益表中支銷。本集團於租賃土地之權益及土地使用權亦計作經營租賃。

根據經營租賃，倘本集團為出租人時，訂約出租之資產在財務狀況表列為物業及設備。該等資產按相類之自有物業及設備之基準，於其預計使用年內折舊。租金收入(扣除任何給予承租人之獎勵)按租約年期以直線基準確認。

根據經營租賃預付之土地租賃款最初按成本列賬，其後以直線基準於租期內確認。

2.25 現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括於購入時起計三個月內到期的結餘，包括現金及在銀行同業與其他金融機構之結存以及於銀行同業及其他金融機構的存款。

2.26 或然負債及或然資產

或然資產指因為已發生之事件而可能產生之資產，此等資產只能就本集團不能完全控制之一宗或多宗未來不確定事件之出現與否才能確認。

或然負債是指由過去已發生的事件引起的可能需要履行的責任，其存在將由一宗或多宗本集團所不能完全控制的未來不確定事件出現與否來確認，或是由於過去已發生事件而引致的現有責任，但由於估計不會導致用作償還責任之經濟利益的流出或因不能足夠和可靠地估量責任金額，故未有被確認。

或然資產不會被確認，但如有可能收到經濟利益時，會在財務報表附註中披露。若將會收到之經濟利益可被實質確定時，將確認為資產。

或然負債不會被確認為準備，但會在財務報表附註中加以披露。如情況發生變化，使經濟利益的流出變得很有可能時，則會將其確認為準備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Leases (continued)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on the straight-line basis over the period of the lease. The Group's interests in leasehold land and land use rights are also accounted as operating leases.

Where the Group is a lessor under operating leases, assets leased out are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on the straight-line basis over the lease term.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.25 Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and balances with banks and other financial institutions and placements with banks and other financial institutions.

2.26 Contingent liabilities and contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the Group's control.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control, or a present obligation arising from past events that is not recognised either because an outflow of resources embodying economic benefits will be required to settle the obligation but is not probable or the amount of obligation cannot be measured with sufficient reliability.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When the inflow is virtually certain, it will be recognised as an asset.

A contingent liability is not recognised as a provision but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.27 關連人士

任何人士如屬以下情況，即視為本集團的關連人士：

- (a) 該人士為以下個人或其近親：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團行使重大影響力；或
 - (iii) 為本集團或本集團母公司主要管理層成員。主要管理層成員為該等擁有權力直接或間接並且負責計劃、指揮及控制本銀行及其控股公司業務之人士，包括任何董事（不論是執行董事或其他）、本集團執行委員會成員或高級管理層（定義見薪酬政策）。
- (b) 該人士為下列任何條件適用的實體：
 - (i) 該實體與本集團為相同集團的成員公司。
 - (ii) 一個實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業。
 - (iii) 該實體與本集團為相同第三方的合營企業。
 - (iv) 一個實體為第三方實體的合營企業，而另一個實體為該第三方實體的聯營公司。
 - (v) 該實體為本集團或與本集團有關實體為僱員福利設立的退休福利計劃。
 - (vi) 該實體受(a)所指個人控制或共同控制。
 - (vii) (a)(i)所指個人對該實體行使重大影響力或為該實體（或該實體母公司）主要管理人員中的其中一名成員。
 - (viii) 屬於向本集團或本集團的母行提供主要管理人員服務的實體或組別內任何成員的一部分。

一名人士的直系家族成員為在與有關實體進行交易時預期將影響或被該人士影響的該等家族成員。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank and its holding companies, directly or indirectly, including any directors (whether executive or otherwise), executive committee members and senior management (as defined under the remuneration policy) of the Group.
- (b) the party is an entity where any of the following conditions applies:
 - (i) The entity and the Group are members of the same group.
 - (ii) One entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity).
 - (iii) The entity and the Group 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.
 - (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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

2 主要會計政策概述(續)

2.28 股息

董事擬派付之末期股息歸類為財務狀況表權益部分中保留溢利之單獨分配，直至獲股東於股東大會上批准為止。該等股息於獲股東批准並獲宣派時確認為負債。

因本銀行組織章程大綱及章程細則授權董事宣派中期股息，中期股息於同一時間建議及宣派。因此，中期股息在建議及宣派時即時確認為負債。

2.29 受託人業務

本集團一般擔任受託人及其他受託人身份，導致代表個別人士、信託、退休福利計劃及其他機構持有或配售資產。由此產生之資產及收入因並非屬本集團所有而不計入該等財務報表。

本集團就影響下一財政年度所呈報之資產負債金額作出估計及假設。此等估計及判斷乃基於過往經驗及其他因素，包括在有關情況下對未來事項作出合理之預期。本集團將會對此等估計及判斷持續作出評估。

3 關鍵會計估計及假設

3.1 貸款減值準備

本集團每月審閱其貸款組合，以評估減值。對於應否於收益表內列入減值損失，本集團會判斷是否有明顯數據，反映貸款組合之預計現金流量是否有可量化之減值(在找出導致該等減值之個別貸款前)。此類證據包括有可觀察數據顯示某一組別之借款人之還款狀況出現逆轉，或出現與借款人組別之資產拖欠相關之國家或地區性經濟狀況。管理層就未來現金流量作出估計時，會基於資產的風險特點及客觀減值證據與有關組合內之資產相若之資產過往虧損經驗作出評估。用以預算未來現金流量之金額及時間的方法及假設將定期進行審查，以減少預計及實際虧損經驗之差別。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained earnings within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Bank's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.29 Fiduciary 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 they are not assets of the Group.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

3.1 Impairment allowances on loans and advances

The Group reviews its loan portfolios to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or in the national or local economic conditions that correlate with defaults on assets in the group of borrowers. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

3 關鍵會計估計及假設(續)

3.2 衍生工具的公平價值

本集團根據金融工具之性質採用多種估值方法釐定非活躍市場的金融工具的公平價值的報價。該等方法包括第三方報價、折現現金流量法及期權定價模型。該等模式由知名系統供應商建立並廣泛獲市場應用。該等模式經獨立於建立此等模式之領域之合資格人士審閱及調整。此等系統使用相關現時市場參數得出估值結果，並於用作財務報告目的前經核實。

3.3 備供銷售金融投資減值

若備供銷售金融投資之公平價值明顯或持續地低於其成本，本集團即判定其價值已有所減值。釐定重大及持續之定義需要作出判斷。於作出該判斷時，本集團評估(包括其他因素)股價之日常波動。此外，倘被投資公司之財務穩健程度、行業及類別表現惡化、技術、營運及融資現金流量出現變動，可適當作出減值。

3.4 持有至到期金融投資

本集團遵循香港會計準則第39號之指引分類具有固定或可確定付款及固定到期日之非衍生金融資產為持有至到期。此一分類須作出重大判斷。在作出此判斷時，本集團評估其持有該等資產至到期之意向及能力。倘本集團未能持有此等投資至到期，不包括特別情況(例如在接近到期時出售少量部分該等投資)則其將須重新分類整個類別為備供銷售金融投資。該等投資將因而按其公平價值而非攤銷成本計量。

3.5 銀行房產及物業之公平價值

租賃樓宇之公平價值根據由獨立專業合資格估值師以公開市場基準作出之估值進行估計。

3.6 估計商譽減值

本集團按會計政策每年測試是否存在任何商譽減值。現金產生單位之可收回金額已按使用價值基準計算。此等計算需要對折現率及長遠增長率作出估計。

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

3.2 Fair value of derivatives

The fair values of financial instruments that are not quoted in active markets are determined by using various valuation techniques according to the nature of the financial instruments. These include third party price quotation, a discounted cash flow and option pricing models. These models are built by reputable system suppliers and are widely used in the market. They are reviewed and calibrated by qualified personnel independent of the area that created them. Valuation outputs are generated from these systems using relevant current observable market parameters and are verified before they are used for financial reporting purposes.

3.3 Impairment of available-for-sale financial investments

The Group determines that available-for-sale financial investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the normal volatility in share prices. In addition, impairment may be appropriate when there is evidence of a deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operating and financing cash flows.

3.4 Held-to-maturity financial investments

The Group follows the guidance of HKAS 39 to classify non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for the specific circumstances, for example, selling an insignificant amount close to maturity, it will be required to reclassify the entire class as available-for-sale financial investments. The investments would therefore be measured at fair value and not at amortised cost.

3.5 Fair value of bank premises and properties

The fair value of the leasehold building is estimated based on the valuation made by an independent professionally qualified valuer on an open market basis.

3.6 Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on the value-in-use calculations. These calculations require the use of estimates of discount rate and long-term growth rate.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

3 關鍵會計估計及假設(續)

3.7 所得稅

本集團在多個司法權區均須繳納所得稅。釐定世界各地之所得稅撥備時需作出重大估計。於日常業務過程中進行之很多交易及計算之最終稅項無法確定。本集團按是否有應繳之額外稅項之估計，就預期之稅務審計事宜確認負債。如此等事宜之最終稅務結果有別於原先記錄之金額，該等差別將影響所得稅，並將在釐定之期間內就遞延稅項作出撥備。

4 財務風險管理

4.1 整體風險管理

由於新資本協定自二零零七年一月起施行，本集團自二零零九年起在與新協定之原則及規定一致方面實施風險管理。董事會加強對企業管治的關注，負責監管及在本集團之風險管理架構、流程、政策及內部監控採取由上而下的策略。特別是，於建立促進銀行流動性風險概況靈活性之巴塞爾資本協定三架框後，本集團已大大提升其流動性風險管理標準。至於其業務計劃及活動，本集團確定、評估、監察、控制、報告及審閱有關主要風險，以確保資本充足、符合監管指引和董事會之承受風險水平(包括壓力時期)。

風險管理架構及原則

本集團已制定關於識別、衡量、控制及監察風險因素(包括信用、流動資金、市場、利率、業務操作、聲譽、策略、法律及合規風險)之政策及程序。本集團風險管理的核心為董事會監管，而董事會負責審批所有核心風險管理政策以及日後之修訂。兩個風險管理委員會(一個屬董事會層面，而另一個屬高級管理人員層面)幫助董事會及管理層加強監管風險管理架構、流程及政策。本集團管理層、相關功能委員會及風險管理部門定期檢討和修訂該等政策及程序。本集團之審計部亦會對遵守政策及程序的情況定期進行獨立檢討。

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

3.7 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4 FINANCIAL RISK MANAGEMENT

4.1 Overall risk management

Pursuant to the implementation of the New Capital Accord since January 2007, the Group has been practising risk management since 2009 in congruence with the principles and requirements of the New Accord. Increased attention to corporate governance, Board oversight and a top-down approach permeated through the Group's risk management structure, processes, policies and internal control. In particular, following the establishment of the Basel III framework which promotes the resilience of banks' liquidity risk profile, the Group has been sufficiently upgrading its liquidity risk management standards. For its business plan and activities, the Group identifies, assesses, monitors, controls, reports and reviews the major risks to ensure capital adequacy, compliance with regulatory guidelines, and adherence to the Board's risk appetite, including during times of stress.

Risk management structure and principles

The Group has established policies and procedures for the identification, measurement, control and monitoring of risk factors (including credit, liquidity, market, interest rate, operational, reputation, strategic, legal and compliance risks). Central to the Group's risk management is the Board's oversight, which ultimately endorses all core risk management policies and their subsequent amendments. Two Risk Management Committees, one at Board level and the other at senior executive level, reinforce the Board and management's oversight in the risk management structure, process and policies. The management of the Group, the relevant functional committees and the Risk Management Department review and revise these policies and procedures on a regular basis. The Group's Internal Audit Department also performs regular independent review on compliance with policies and procedures.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.1 整體風險管理(續)

推出新產品及服務

推出新銀行產品及服務須透過開發及批准程序等所需步驟進行，以確保其商業可行性、操守適用性及法定合規。產品開發及管理部門或其他相關業務部門負責就任何新產品或服務向新產品及業務委員會(由本銀行一名副行政總裁擔任主席)提呈建議以供其批准。該流程之主要目的在於確認及評估與產品有關之風險；以及採取措施以消除或控制這些風險。

根據新資本協定，本集團就於計算其資本充足比率時面臨之信用、市場及業務操作風險採納以下計算法：

信用風險	-標準計算法
市場風險	-標準計算法
業務操作風險	-基本指標計算法

4 FINANCIAL RISK MANAGEMENT (continued)

4.1 Overall risk management (continued)

Launch of new products and services

The launch of new banking products and services has to go through the essential steps of a development and approval process to ensure their commercial viability, ethical suitability and statutory compliance. The Product Development and Management Department or other relevant business unit is responsible to prepare a proposal for any new product or service to the New Product & Business Committee (chaired by an Assistant Chief Executive of the Bank) for approval. The main objective of the process is to identify and assess the risks associated with the product, and to implement steps to mitigate or control these risks.

In accordance with New Basel Accord, the Group adopts the following approaches for its credit, market and operational risk exposure in the calculation of its capital adequacy ratio ("CAR"):

Credit risk	- Standardized approach
Market risk	- Standardized approach
Operational risk	- Basic indicator approach

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

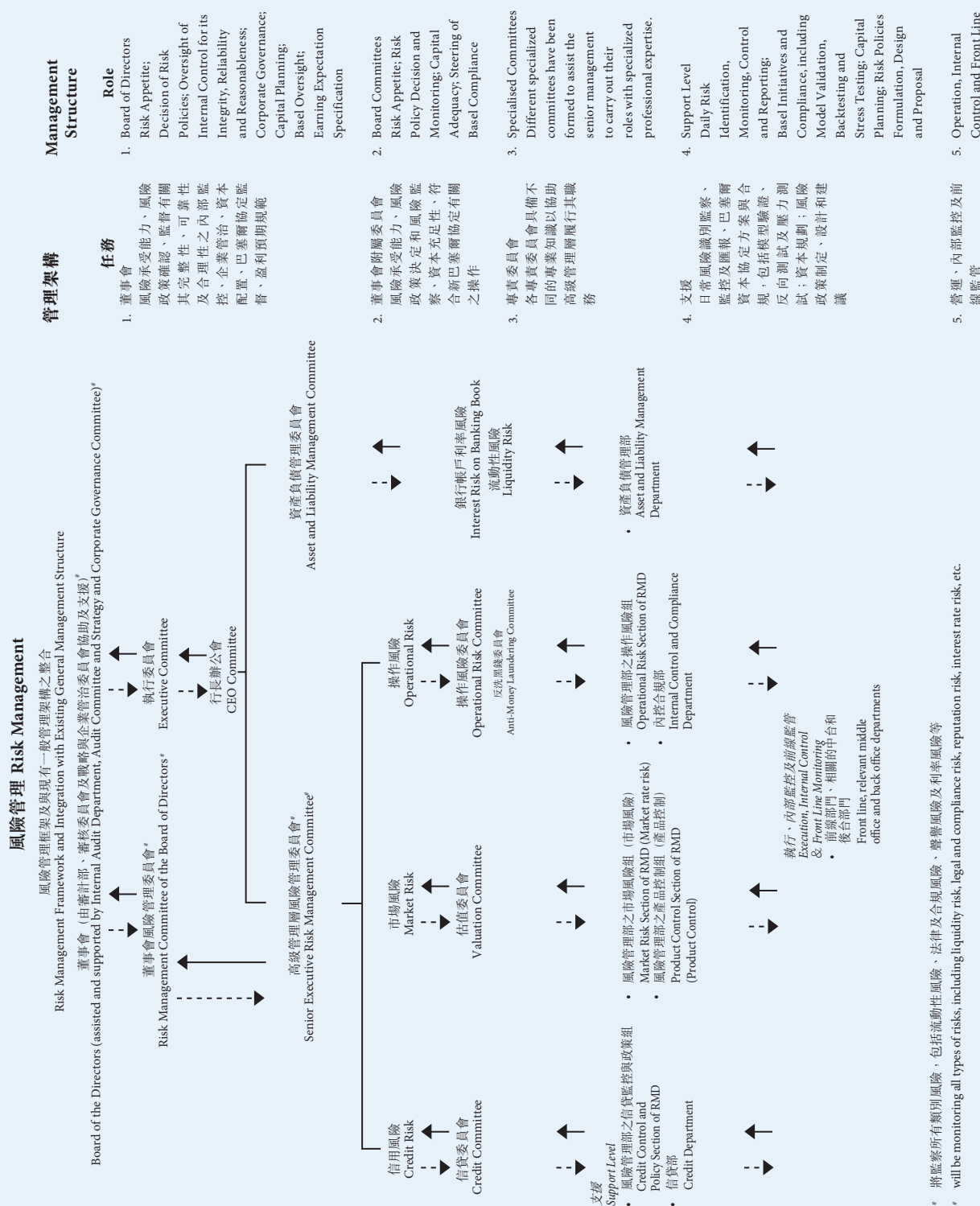
4 FINANCIAL RISK MANAGEMENT (continued)

4.1 整體風險管理(續)

4.1 Overall risk management (continued)

推出新產品及服務(續)

Launch of new products and services (continued)



財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.2 信用風險

信用風險乃指本集團之借款人或交易對手方未能或不願意履行其還款責任之風險。本集團已制訂多項標準、政策及程序，並設立指定職能部門控制及監察有關風險。

本集團投入大量資源以維持健全之信用風險管理。管理層編製各項信貸政策及系統以識辨、衡量及監控各項信貸業務所潛藏之風險。該過程確保本集團對信貸保持審慎態度，盡量降低信貸事項之業務操作疏漏，以及及早發現潛在問題，進而使業務損失降至最低。

本集團高層次之信貸政策方針，由相關功能部及委員會負責制定、檢討及定期更新，至於重大問題則由管理層甚至董事會權衡市場變化情況及監管規定，再配合日常慎重審批做法及最新業務部署等因素，加以制定、檢討及定期修訂。所有該等信貸政策、程序及慣例(隨著不斷改進、更新、審核及修訂)被列入信貸審批政策及補充借貸產品手冊以供內部控制及規管。鑑於新巴塞爾資本協定自二零零七年一月起實施，本集團已調整其信用風險管理慣例，以符合香港金融管理局發布的相關指引條例和提高信貸業務的內部監控，流程效率及產品競爭力。鑑於本銀行於二零一零年底私有化以及其後與中國工商銀行(「母行」)的政策和風險承受能力更為貼近，本銀行之信用風險管理已愈加考慮母行的信貸程序、政策和信息，期望最終將可有建設地融入母行的統一而整合的信用風險政策。

信貸授權乃授予個別批核人，以維持效率及生產力。除的士貸款、小企業貸款及消費貸款外，概無任何前台業務部門可單獨審批任何貸款。至於前台部門可以批核的貸款，該等貸款須受到信貸部或信貸委員會所預先制定的審批條件和標準所約束。否則，本集團將要求「雙重」審批程序，據此，貸款建議書須得到前台業務部門及信貸部門之共同審批。倘若其代表信貸批核人不同意，本銀行之信貸委員會(批准所有信貸政策及大額貸款)在母行批准的信貸授權內概不會通過任何信貸部門審批人員不同意之貸款建議書。只有已獲信貸委員會審批之貸款建議書，才會於有需要時呈交行政總裁批核。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk

Credit risk is the risk that a borrower or counterparty of the Group will be unable or unwilling to honour a repayment obligation. The Group has standards, policies and procedures and designated functional departments in place to control and monitor these risks.

The Group devotes considerable resources to maintaining sound credit risk management. Management has set credit policies and systems to identify, measure, monitor and control risks inherent in various lending businesses. This process ensures prudence, minimises operational omissions in credit matters, and aims at early detection of potential problems, thereby minimising business loss.

High-level credit policies of the Group are set, reviewed and constantly updated by the relevant functional departments and committees, and for prominent issues, by the management or even the Board to take balanced account of dynamic market situations, regulatory requirements, the Group's usual prudent lending practices and its latest business strategies. All these credit policies, processes and practices, as they are developed, updated, reviewed and revised, are written from time to time into Credit Manuals and supplementary lending product manuals for internal control and compliance purposes. Given the New Basel Capital Accord implemented since January 2007, the Group has been adjusting its credit risk management practice in line with relevant guidelines released by the HKMA and for the sake of enhancing internal credit control, processing efficiency and product competitiveness. Given the Bank's privatisation in late 2010 and its subsequently more intimate alignment with the policies and risk appetite of ICBC (the "Parent Bank"), the Bank's credit risk management have been increasingly taking into account the Parent Bank's credit process, policies and information. This is with an ultimate goal to fit constructively into the Parent Bank's unified and consolidated credit risk policy.

Credit authorities are delegated to individual approvers for efficiency and productivity purposes. Except for taxi loans, small business loans and consumer loans, no business originating units can singly approve any loan. Loans approved by business originating units are subject to approval criteria pre-set by the Credit Function or Credit Committee. Otherwise, the Group requires a "dual" approval whereby loan proposals shall require joint approval by the Business Line and Credit Function. The Bank's Credit Committee, which approves all credit policies and large loans, within its credit authority approved by the Parent Bank, shall not pass any credit-related proposal if its Credit Function approvers disagree. Only the loan proposals approved by the Credit Committee would be submitted to the Chief Executive Officer for signature if and where it is needed.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.2 信用風險(續)

信貸部及放款管理部乃集中本銀行授權執行信貸政策之部門。此外，該等部門亦提供獨立信貸評估、審批後信貸管理及其他信貸監控等，務求信貸過程符合管理層制訂之信貸政策及指引。除獨立信貸評估及分層審批過程外，風險管理部及信貸稽核亦就特定貸款組合或營運單位進行定期貸款考查。為了保持獨立性，本銀行之信貸部及放款管理部直接向非主管業務之副行政總裁作出匯報。相同的控制，輔之以系統支援，並由風險管理部定期按市值訂價，亦適用於所有衍生工具產品的交易對手的信用風險。

本集團採用RAROC技術以確保其貸款資產乃相當於根據新巴塞爾資本協定原則按信用風險調整基準所定價。

管理層竭盡所能，致力監控貸款組合之質量及變化。本集團之內部信用風險評級制度由十五級組成，乃基於新巴塞爾資本協定要求而制定，以區別信用風險。經過多年內部數據累積後，預期本集團將可更進一步利用信貸統計數據，捕捉並剖析信用風險流向，計算拖欠還款之機會率，及實施其他信用風險管理程序(而新信貸評級模式將成為其主要部分)。

本集團的信用風險承受能力乃於日常信貸決定中詳細闡明、載列及提述，旨在將信貸批准程序中所列之信貸建議範疇限制在本集團基於其以往經驗、董事會之優先評估及風險／回報評估而得出的與本集團之風險承受能力相稱的水平。

本銀行對風險集中非常警覺，因此，對個人客戶實行全額信用風險限制，並按本銀行權益比例，對行業及地區市場實行限制。

本集團多年來一直有實行季度信貸指引及季度貸款組合檢討。遇上經濟不景氣，該機制會啟動風險防控措施，以幫助穩定本集團貸款資產組合之質素。現在更加上母行的信用風險承受能力、行業及普遍的客戶信貸政策作輔補。母行的信貸資源對本集團的貸款業務有明顯助益，不論是客戶挑選、篩選、信貸審閱及決策亦然。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

The Credit Department (CRD) and the Loans Administration Department (LAD) are the centralised departments in the Bank mandated to carry out credit policies. They perform independent credit assessment, post-approval credit administration and other credit control functions to ensure that the credit process complies with credit policies and guidelines laid down by the management. Apart from the independent credit assessment and matrix approval process, regular post-approval inspection by the Risk Management Department and credit audits are conducted on specific loan portfolios or operating units in the credit process. To maintain their independence, the Credit Department and Loans Administration Department of the Bank have direct reporting lines to a Deputy Chief Executive who is independent of business. The same control, supplemented by system support and regular mark-to-market by the Risk Management Department, also applies to the counterparty credit risk of all derivative products.

The Group employs RAROC techniques to help ensure that its loan assets are commensurately priced on a credit risk-adjusted basis according to New Basel Accord principles.

Management spares no efforts in monitoring the quality and behavior of the loan portfolio. The Group's internal credit risk grading system consisting of 15 grades built on New Basel Accord-Compliant Attributes is adopted for credit risk differentiation purposes. With internal data to be constantly enriched through years of experience, it is expected that the Group can make further use of the credit statistics to profile and track down credit risk migration, to measure loan default probabilities and to practise other credit risk management processes, of which the new credit rating model is and will substantially be an integral part.

The Group's credit risk appetite is spelt out, disseminated and referred to in daily credit decisions. The purpose is to limit the range of credit proposals presented in the credit approval process to those that fit the Group's risk appetite developed out of the Group's past experience, the Board's preference and risk/reward evaluation.

The Bank is vigilant about risk concentration and has therefore been practising credit risk exposure limits to individual customers in absolute amount and as a percentage of the Bank's equity, to industry sectors and to geographical markets.

The Group's quarterly credit guidelines and quarterly loan portfolio review have been implemented for years. In economic bad times, it is basic to the mechanism for initiating pre-emptive measures to help stabilise the quality of the Group's loan asset portfolio. These have by now been supplemented by the Parent Bank's credit risk appetites, industry and common customer credit policies. The credit resources of the Parent Bank have been significantly useful to the Group in its loan business, in customer selection, screening, credit review and decision.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.2 信用風險(續)

本集團對貸後信貸管理愈加重視。風險管理部的信貸監控與政策組檢閱客戶，抽出潛在風險客戶，也對關注類客戶和處身高風險組別的客戶作出排查。而前線客戶經理和信貸部也根據指示，識別有早期警號的客戶，按時作出報告檢視。

(a) 於持有抵押品或其他信貸加強措施前之最大信用風險

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

The Group attaches increasing importance to post-approval risk monitoring. This is performed by the Credit Control and Policy section of the Risk Management Department which reviews for potentially problematic borrowing accounts and performs group review of special mention accounts and customers in high risk portfolios. It is also performed by Business Line relationship managers and Credit Department who identify and review Early Warning List customers.

(a) Maximum exposure to credit risk before collateral held or other credit enhancements

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
有關資產負債表內之信用風險計有：	Credit risk exposures relating to on-balance sheet assets are as follows:		
現金及在銀行同業與 其他金融機構之結存	Cash and balances with banks and other financial institutions	165,606,506	138,070,069
在銀行同業及其他金融機構之 存款	Placements with banks and other financial institutions	26,593,495	27,005,813
持作交易用途金融資產	Financial assets held for trading	672,251	165,717
衍生金融工具	Derivative financial instruments	18,415,757	11,384,264
貸款及其他賬項	Advances and other accounts	419,655,275	385,734,115
備供銷售金融投資	Available-for-sale financial investments	80,692,819	80,580,998
持有至到期金融投資	Held-to-maturity financial investments	74,281,596	78,697,212
有關資產負債表以外之 信用風險計有：	Credit risk exposures relating to off-balance sheet items are as follows:		
貸款承諾及其他信貸相關承諾	Loan commitments and other credit related commitments	239,822,761	203,503,192
財務擔保及其他信貸相關或然負債	Financial guarantees and other credit related contingent liabilities	29,670,686	22,460,286
於報告期結束時	At the end of the reporting period	1,055,411,146	947,601,666

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.2 信用風險(續)

(b) 信貸質素 貸款總額

- (i) 按信貸質素分類之貸款總額概述如下：

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
客戶及其他賬項之貸款總額：	Gross loans and advances to customers and other accounts:		
- 既未逾期亦未減值	- neither past due nor impaired	414,477,254	377,712,695
- 已逾期但未減值	- past due but not impaired	2,703,438	1,813,472
- 已減值	- impaired	3,143,237	2,523,872
總計	Total	420,323,929	382,050,039
		2016 千港元 HK\$'000	2015 千港元 HK\$'000
銀行同業之貸款總額：	Gross loans and advances to banks:		
- 既未逾期亦未減值	- neither past due nor impaired	2,159,837	5,885,328
- 已逾期但未減值	- past due but not impaired	-	-
- 已減值	- impaired	-	-
總計	Total	2,159,837	5,885,328

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality Gross loans and advances

- (i) Distribution of gross loans and advances by credit quality is summarised as follows:

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.2 信用風險(續)

(b) 信貸質素(續) 貸款總額(續)

(ii) 既未逾期亦未減值之貸款總額分類

於報告期結束時既未逾期亦未減值之貸款組合之信貸質素可參照本集團所採納之內部評級系統進行評估。

信貸評級	Credit rating	內部評級 Internal rating	2016 千港元 HK\$'000	2015 千港元 HK\$'000
正常級別	Pass grade	A-E	133,753,229	126,526,310
		F-H	183,712,750	180,953,534
		I-J	93,909,542	72,031,479
關注級別	Special mention grade	K-L	5,261,570	4,086,700
總計	Total		416,637,091	383,598,023

信貸部門與信貸委員會決定個別借款人之信貸評級。信貸評級為定量及管理屬性之個別違約概率標回函數，包括經濟前景、往來記錄及行業風險。本集團就大型公司及中小企業設置不同評級基礎。標準普爾、穆迪及惠譽等外界評級將在可用情況下予以採納。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality (continued) Gross loans and advances (continued)

(ii) Distribution of gross loans and advances that are neither past due nor impaired

The credit quality of the portfolio of loans and advances that were neither past due nor impaired at the end of the reporting periods can be assessed by reference to the internal rating system adopted by the Group.

The Credit Function and Credit Committee decide an individual borrower's credit rating. Credit rating is a function of quantitative and management attributes that include economic outlook, account conduct and industry risk. The Group has a different rating scale for large corporates and SMEs. The external ratings of S&P, Moody's and Fitch will be adopted, if available.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.2 信用風險(續)

(b) 信貸質素(續) 貸款總額(續)

- (ii) 既未逾期亦未減值之貸款總額分類
(續)

下表呈列並無逾期亦無減值的貸款組合的內部評級與金管局採用的貸款分類架構的配對。

正常級別	A至J
關注級別	K至L

A—J級：借款人目前在應付承諾及悉數償還利息及本金方面沒有問題之貸款。執行類別分為A至J共10個級別。

K—L級：貸款逾期期間超過一個月之所有正常級別借款人須調低至關注級別或以下，除非有很強理據才可不按此要求。其餘符合香港金融管理局關注類或不良貸款類一個或超過一個元素的貸款客戶或只因因為周邊市場環境變差的，儘管沒有逾期還款或違約紀錄，都有可能被調降至關注類。這是較嚴謹的評級做法，在於提高本集團的信用風險警覺。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality (continued) Gross loans and advances (continued)

- (ii) Distribution of gross loans and advances that are neither past due nor impaired (continued)

The following table gives a mapping of the internal rating of the portfolio of loans and advances that were neither past due nor impaired to the loan classification framework adopted by the HKMA.

Pass Grades	A to J
Special Mention Grades	K to L

Grades A – J: Loans where borrowers are currently meeting commitment and full repayment of interest and principal is not in doubt. There are 10 grades within the performing category from A to J.

Grades K – L: All pass grade borrowers which have overdue loans for a period exceeding one month are downgraded to special mention rating or below, unless with strong justification irrespective of the internal ratings. Borrowers exhibiting one or more of the characteristics per the HKMA's special mention or non-performing grades definition or as the general economic environment deteriorates, may also be graded K & L, notwithstanding the absence of overdue loan or default record. This is a stringent credit rating approach to raise the Group's credit risk alertness.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.2 信用風險(續)

(b) 信貸質素(續)

貸款總額(續)

(iii) 已逾期但未減值之貸款總額

以下分析列示於報告期結束時已逾期但未減值之客戶及銀行同業之貸款總額：

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
逾期不超過30日	Past due up to 30 days	2,406,652	1,738,462
逾期31-60日	Past due 31-60 days	56,541	64,332
逾期61-90日	Past due 61-90 days	165,209	9,164
逾期90日以上	Past due over 90 days	75,036	1,514
總計	Total	2,703,438	1,813,472
抵押品之公平價值	Fair value of collateral	2,657,010	1,144,040

除貸款總額外，於二零一六年及二零一五年之報告期結束時，並無任何金融資產為已逾期但未減值。

倘抵押品價值高於貸款總額，則僅計入最多不超過貸款總額之抵押品金額。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality (continued)

Gross loans and advances (continued)

(iii) Gross loans and advances which were past due but not impaired

The analysis below shows the gross loans and advances to customers and banks that were past due but not impaired at the end of the reporting periods:

Other than gross loans and advances, no financial assets were past due but not impaired at the end of the reporting periods of 2016 and 2015.

Where collateral values are greater than gross loans and advances, only the amount of collateral up to the gross loans and advances was included.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.2 信用風險(續)

(b) 信貸質素(續) 貸款總額(續)

(iv) 個別已減值之貸款

本集團已有制定政策，監督將無抵押貸款已逾期超過90日之客戶調低至NPL級別。無抵押貸款已逾期90日以上之借款人仍保留在正常級別，而不是在已減值當中的非常少。已減值借貸賬項一般轉至由特殊資產部門管理，以便回收之前景及方式能夠更加獨立地予以評估、決定及實施。倘認為有關之客戶能夠重振業務，而又或者該客戶之持續營運是需要這些抵押品輔助，本集團便不會即時採取行動，也有時會加入有一致立場之其他債權人銀行或尋求與彼等達成協議。否則，本集團將採取適當措施，以保護客戶之資產，盡量收回，並且及時快速透過私人出售或公開拍賣以接近外界估值之平均值之價格盡快變現抵押品。

本集團採納一項客觀個別減值政策以符合香港會計準則第39號之規定。減值規定(如有)可一直追溯至合理預期已折現償還現金流量及/或經評估之抵押品可變現淨值。

(v) 本來會變成逾期或減值之重組貸款

重組活動包括已延期之付款安排、經批准之外界管理計劃、修訂及延期付款。於重組後，先前逾期客戶賬項乃重新設定為沒有逾期並與其他類似賬項繼續由特殊資產部管理。重組政策及安排乃由管理層根據已定指標判斷，認為還款可以自此持續而作出。此等政策持續予以檢討。於二零一六年十二月三十一日，本來會變成逾期或減值之重組貸款共計為4億6千8百萬港元(二零一五年：5千4百萬港元)。該等貸款將保留在不良貸款直至本銀行有充足理由相信債務人將可滿足重組貸款之償還條款。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality (continued) Gross loans and advances (continued)

(iv) Loans and advances individually impaired

The Group has a policy to govern customers downgraded to the NPL grades when their unsecured loans are overdue over 90 days. It is very seldom that a borrower with an unsecured loan outstanding due for over 90 days would be retained in performing loan instead of impaired. Impaired borrowing accounts are typically transferred to management by the Special Assets Department, so that the prospect and means of recovery can be more independently evaluated, decided and implemented. The Special Assets Department may not take any immediate recovery action. It may even help in circumstances where the customer in question is deemed to be able to be rehabilitated and the collateral is important to the customer's continued business operation. The Group may at times join or seek agreement with other creditor banks to stand still in concert. Otherwise, the Group will take appropriate measures to preserve the customer's assets, to maximise recovery and to quickly realise property collateral in a timely manner either by private sale or by public auction at prices that are in acceptable proximity to the average of several external valuations.

The Group adopts an objective individual impairment policy in compliance with the requirement of HKAS 39. Impairment requirement, if any, can always be traceable back to reasonably expected discounted repayment cash flows and/or the assessed net realisable value of the collateral.

(v) Renegotiated loans that would otherwise be past due or impaired

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar restructured debts by the Special Assets Department. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continual review. Renegotiated loans that would otherwise be past due or impaired totalled HK\$468 million as at 31 December 2016 (2015: HK\$54 million). They are retained in non-performing loans as long as there is no sufficiently good reason to believe that the obligor will be able to sustainably meet the re-scheduled loan repayment terms.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.2 信用風險(續)

(b) 信貸質素(續) 債券及股票證券

(i) 按評級代理指定劃分之金融投資

下表列示於十二月三十一日按評級機構指定劃分之金融投資分析，乃根據標準普爾之評級或彼等相當於各自之金融投資類別進行。在沒有該等發行評級之情況下，則採用有關發行人採納之評級等級。

二零一六年	2016	持作交易之 金融資產 Financial assets held for trading 千港元 HK\$'000	備供銷售 金融投資 Available- for-sale financial investments 千港元 HK\$'000	持有至到期 金融投資 Held-to- maturity financial investments 千港元 HK\$'000	總計 Total 千港元 HK\$'000
AAA	AAA	-	14,101,289	7,171,220	21,272,509
AA - 至AA+	AA- to AA+	-	22,539,604	30,206,530	52,746,134
A - 至A+	A- to A+	-	17,853,265	20,420,066	38,273,331
低於A-	Lower than A-	-	12,183,418	6,808,401	18,991,819
未評級	Unrated	672,251	14,015,243	9,675,379	24,362,873
總計	Total	672,251	80,692,819	74,281,596	155,646,666

二零一五年	2015	持作交易之 金融資產 Financial assets held for trading 千港元 HK\$'000	備供銷售 金融投資 Available- for-sale financial investments 千港元 HK\$'000	持有至到期 金融投資 Held-to- maturity financial investments 千港元 HK\$'000	總計 Total 千港元 HK\$'000
AAA	AAA	-	4,291,076	11,665,937	15,957,013
AA - 至AA+	AA- to AA+	-	12,929,622	26,780,518	39,710,140
A - 至A+	A- to A+	-	13,521,708	26,195,061	39,716,769
低於A-	Lower than A-	-	9,517,554	7,721,237	17,238,791
未評級	Unrated	165,717	40,321,038	6,334,459	46,821,214
總計	Total	165,717	80,580,998	78,697,212	159,443,927

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.2 信用風險(續)

(b) 信貸質素(續)
債券及股票證券(續)

(ii) 投資組合

於二零一六年十二月三十一日，本集團之債券組合為1,508億港元，較二零一五年十二月三十一日之1,262港元增長19%，其中500億港元或組合之33%將於二零一七年期滿。組合之大部分以美元、港元及人民幣計值，而其餘以澳元及歐元等其他貨幣計值。該組合總額之50%以備供銷售賬戶類別存置。該組合總額之74%屬於投資級別類別內。本集團之債券組合根據嚴格及審慎之風險管理框架經營，並符合所有預先釐定之內部投資指引，該等內部投資指引由董事會每年進行一次審批。

(c) 衍生工具

本集團對未平倉衍生合約金額嚴格控制。於任何時間，承受信用風險之金額以有利於本集團之工具(即公平價值為正數之該等資產)，以現行公平價值為上限，就衍生工具而言只佔合約之一個小部分，或不受未償還工具之名義價值限制。由衍生工具交易所生的信用風險是綜合於該交易對手按名義金額的整體放貸限額內一併管理。就信用風險所獲得之抵押品或其他抵押乃以保證金形式或按市價計值虧損超過預先釐定限額時獲得。

(d) 總淨額結算安排

本集團與進行大量交易的交易對方訂立淨額結算協議，藉此進一步減少信用風險。淨額結算協議不一定會導致財務狀況表上資產及債務的對銷，原因是交易通常還是按總額結算。然而，有關之信用風險會藉著淨額結算協議降低，於拖欠發生時，便可以停止交收或按淨額結算。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality (continued)
Debt and equity securities (continued)

(ii) Investment portfolio

As at 31 December 2016, the Group's debt securities portfolio amounted to HK\$150.8 billion, a 19% increase over the HK\$126.2 billion as at 31 December 2015. HK\$50 billion or 33% of the portfolio will mature in 2017. The majority of the portfolio is denominated in USD, HKD and CNY whereas the rest are in other currencies, such as AUD and EUR. 50% of the portfolio is kept in the available-for-sale book category, 74% of the portfolio falls within the investment grade category. The Group's debt securities portfolio operates under a strict and prudent risk management framework and is in compliance with all pre-determined internal investment guidelines, which are reviewed and approved annually by the Board.

(c) Derivatives

The Group maintains strict control limits on open derivative positions. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (i.e., assets where their fair values are positive), which is only a small fraction of the contracts in relation to derivatives, or is not limited to the notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with counterparties on nominal amounts. Collateral or other security is obtained for credit risk exposures either in the form of margin deposits or when the accrued marked-to-market loss exceeds a pre-determined threshold.

(d) Master netting arrangements

The Group further restricts its exposure to credit risk by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of assets and liabilities in the statement of financial position, as transactions are usually settled on a gross basis. However, the credit risk is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.2 信用風險(續)

(e) 信貸相關承諾

該等工具之主要目的是確保客戶有足夠資金應付其債務時。擔保及備用信用證乃本集團所作出不能撤回的保證，確認本集團將會在客戶未能向第三方履行責任時作出償付，而該等工具帶有與貸款相同之信用風險。跟單及商業信用證為本集團書面承諾代表客戶授權第三方按訂明之條款及條件向本集團提取某一訂明金額之款項，這些付款承諾乃以相關之付運貨物作為抵押，因此較直接借貸之風險為低。

發出信貸之承諾代表以貸款、擔保書及信用證等形式確認已批核信貸之未動用部分。有關所發出信貸承擔之信用風險，本集團面對之潛在損失風險應相當於未動用承諾之總額。

然而，即使在最壞的情況下，因為客戶大多還是未能滿足一些特定信貸要求，實際需支付之金額往往少於未動用承諾的總金額。本集團會控制信貸承諾之時間長短，因較長年期之承諾一般較短期承諾存在較大程度的信用風險。

(f) 抵押品及其他改善信貸條件

本集團以物業按揭、其他以資產設立的已登記抵押、現金存款及擔保書之形式持有客戶貸款及墊款之抵押品。銀行同業貸款及墊款通常沒有抵押品，除非證券作為回購及證券買賣活動之一部分。至於因應貸款及墊款以外的金融資產而持有之抵押品則取決於該工具之性質。

(g) 信用風險壓力測試

根據香港金融管理局監管政策指引，本集團定期在估計輕微、溫和及嚴重危機情況之可能信貸損失方面，進行信用風險壓力測試。本集團根據一九九八年至二零零四年之亞洲金融危機期間(包括二零零三年沙士疫症及二零零八年金融海嘯)內蒐集之經驗數據進行信用風險壓力測試。高級管理層風險管理委員會審閱壓力測試、其參數及其對本集團監管資本充足比率之影響。如認為有必要，將採取臨時措施以控制可能的不利情況。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(e) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer to settle his obligations as required. Guarantees and standby letters of credit which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties carry the same credit risk as loans. Documentary and commercial letters of credit which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than direct lending.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments.

However, even in the worst scenario, loss is likely to be less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

(f) Collateral and other credit enhancements

The Group holds collateral against loans and advances to customers in the forms of mortgages over property, other registered securities over assets, cash deposits and guarantees. Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument.

(g) Credit risk stress test

In accordance with the HKMA's supervisory policy guidelines, the Group runs the counterparty credit risk stress test periodically in estimation of the probable credit loss in mild, moderate and severe crisis scenarios. The Group performs the credit risk stress test on the basis of the empirical data gathered during the Asian financial crisis spanning 1998 and 2004 (including the 2003 SARS epidemic and the 2008 financial tsunami). The Senior Executive Risk Management Committee reviews the stress test, its parameters and their impact on the Group's regulatory capital adequacy ratio. Contingency measures will be devised to control possible adversities, if deemed necessary.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 信用風險(續)

4.2 Credit risk (continued)

(g) 信用風險壓力測試(續)

下表概述本集團之最近期交易對手信用風險壓力測試之結果。

(g) Credit risk stress test (continued)

The following table summarises the result of the Group's latest credit risk stress tests for counterparties.

危機情況		Crisis scenario		二零一六年 十二月三十一日 31 December 2016	二零一五年 十二月三十一日 31 December 2015
輕微	不履約貸款級別 (百萬港元)	Mild	NPL (HK\$' million)	7,173	6,598
	不履約貸款級別比率(%)		NPL ratio (%)	2.18%	2.19%
	預期信貸損失 (百萬港元)		Expected credit loss (HK\$' million)	5,272	4,510
溫和	不履約貸款級別 (百萬港元)	Moderate	NPL (HK\$' million)	9,540	8,821
	不履約貸款級別比率(%)		NPL ratio (%)	2.89%	2.93%
	預期信貸損失 (百萬港元)		Expected credit loss (HK\$' million)	6,754	5,799
嚴重	不履約貸款級別 (百萬港元)	Severe	NPL (HK\$' million)	11,749	10,900
	不履約貸款級別比率(%)		NPL ratio (%)	3.56%	3.62%
	預期信貸損失 (百萬港元)		Expected credit loss (HK\$' million)	8,426	7,273

所有上述信用風險報告每月由信貸委員會進行審閱或每季度由高級管理層風險管理委員會進行審閱。警告信號或政策偏離(如有)將予以調查、討論、調整或處理,及如有必要會於適當時向董事會匯報以獲取有關資料、指示或批准。

All the above credit risk reports are reviewed monthly by the Credit Committee or quarterly by the Senior Executive Risk Management Committee. Warning signals or policy deviations, if any, will be investigated, discussed, rectified or dealt with, and, if necessary, be reported to the Board in due course for information, instruction or approval.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理 (續)

4.3 市場風險管理

市場風險為資產、負債與資產負債表外項目倉盤之市場利率及價格出現變化而引起溢利或虧損之風險。一般而言，本集團之市場風險與外匯、貨幣市場、債券及衍生工具及股票投資的持倉額相關。大部分資產負債表以外之衍生工具持倉額源自執行客戶相關指令及用作對沖之持倉額。基本上，向客戶提供結構性產品在大多數情況下乃按背對背方式提供，以因應本集團之風險承擔能力，並在維持本銀行之市場競爭力之同時，將市場風險盡量降低。

本集團市場風險管理之目標乃按照與本集團提供卓越金融產品及服務之地位以及符合本集團的風險特性之方式，優化回報及管控風險。

本集團將市場風險承擔分類為交易或非交易組合。交易組合包括市場莊家產生的該等倉盤及自營交易倉盤。非交易組合主要因對本集團的零售、企業及商業銀行資產及負債的有效外匯和利率管理而產生。

(a) 市場風險管理框架

各類交易之市場風險乃按照董事會風險管理委員會及高級管理層風險管理委員會（「高級管理層風險管理委員會」）制定之風險限額及指引進行管理。風險按照倉盤、止蝕、DV01、對沖值、伽瑪、Vega系數、風險值（「VaR」）等限額之基準衡量及監察。每日風險管理由風險管理部之市場風險單位獨立地進行，確保所有交易活動以恰當模式在許可之限額內進行。本集團之市場風險乃由董事會風險管理委員會及高級管理層風險管理委員會定期進行審核。定期進行壓力測試，以估計極端市況下可能造成之損失。本集團之審計部亦定期對交易活動進行檢討及測試，以確保符合所有內部指引。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk management

Market risk is the risk that market rates and prices on assets, liabilities and off-balance sheet positions change, thus causing profits or losses. Generally, the Group's market risk is associated with its positions in foreign exchange, the money market, debt securities, derivatives and stocks. Most off-balance sheet derivative positions arise from the execution of customer-related orders and positions taken for hedging purposes. Structured products are basically offered to customers in most cases on a back-to-back basis to maintain the Bank's market competitiveness at minimal market risk, commensurate with the Group's risk appetite.

The objective of the Group's market risk management is to optimise return and control market risk in ways consistent with the Group's risk appetite and its status as a premier provider of financial products and services.

The Group categorises market risk exposures into either trading or non-trading portfolios. Trading portfolios include those positions arising from market-making and proprietary trading positions. Non-trading portfolios primarily arise from the effective foreign exchange and interest rate management of the Group's retail, corporate and commercial banking assets and liabilities.

(a) Market risk management framework

Market risk exposure for different types of transactions is managed within risk limits and guidelines approved by the Board RMC and the Senior Executive Risk Management Committee (the "SERMC"). Exposures are measured and monitored against limits on positions, stop-loss, DV01, delta, gamma, vega, Value-at-Risk ("VaR") etc. Daily risk monitoring is carried out independently by Market Risk Section of the Risk Management Department, which ensures all dealing activities are conducted in a proper mode and within approved limits. The Group's market risk exposures are periodically reviewed by the Board RMC and the SERMC. Stress tests are performed regularly to estimate the possible losses under extreme circumstances. The Group's Internal Audit Department also performs regular review and testing on dealing activities to ensure compliance with all internal guidelines.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.3 市場風險管理(續)

(b) 市場風險計量

為量化因本銀行之交易及非交易活動而產生之市場風險所使用之計量技術包括風險值數值、敏感度分析及壓力測試。敏感度措施、集中及止損限額乃使用作為風險管理工具。限額乃就每個組合、產品及風險類型進行設定。壓力測試乃定期進行(最少每月一次)，以評估在極端情況下之潛在虧損。董事會風險管理委員會及高級管理層風險管理委員會定期審閱壓力測試結果。

(c) 利率風險

利率風險乃本集團之持倉額可能受到市場利率變動不利影響之風險。利率風險主要因計息資產與負債之重定息年期錯配及收益率曲線變動而產生。利率風險亦根據資產負債管理委員會批准及監控之風險限額管理。非交易組合的利率風險每日計算，並每月向資產負債管理委員會報告一次及每季度向高級管理層風險管理委員會和董事會風險管理委員會報告一次。

本集團透過訂立資產負債表內或以外之利率風險對沖工具方式管理其利率風險。對沖活動之功效乃定期根據香港會計準則第39號進行評估。

本集團將採用及依賴止損限額、管理層設定限額、壓力測試及安裝軟件系統的方式以達到監管其利率風險的目的。

下表概述本集團所面臨之利率風險，並按賬面值列示本集團之資產及負債，而資產及負債則按重定息日或到期日(以較早者為準)分類。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk management (continued)

(b) Measurement of market risk

Measurement techniques used to quantify the market risk arising from the Bank's trading and non-trading activities include VaR metrics, sensitivity analysis and stress testing. Sensitivity measures, concentration and stop-loss limits are also used as the risk management tools. Limits are set for each portfolio, product and risk type. Stress tests are performed regularly (at least monthly) to assess the potential losses under extreme circumstances. The Board RMC and the SERMC review stress test results on a regular basis.

(c) Interest rate risk

Interest rate risk is the risk that the Group's position may be adversely affected by a change in market interest rates. Interest rate risk arises mainly from the mismatch of repricing tenors of interest-bearing assets and liabilities and yield curve movements. Interest rate risk exposures are managed within risk limits approved and monitored by the ALCO. Interest rate risk exposures in the non-trading portfolio are measured on a daily basis and the results are reported to the ALCO monthly and SERMC and the Board RMC quarterly.

The Group manages its interest rate risk by way of entering into on- or off-balance sheet interest rate risk hedging instruments. The effectiveness of the hedging activities is assessed regularly in accordance with HKAS 39.

The Group will use and count on stop-loss limits, management trigger limits, stress testing and a software system in installation to manage its interest rate risk.

The table below summarises the Group's exposure to interest rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.3 市場風險管理(續)

(c) 利率風險(續)

		一個月內 Up to 1 month 千港元 HK\$'000	一至三個月 1-3 months 千港元 HK\$'000	三至十二個月 3-12 months 千港元 HK\$'000	一至五年 1-5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	不計息 Non-interest bearing 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一六年十二月三十一日 31 December 2016								
資產	Assets							
現金及在銀行同業與其他金融機構之結存	Cash and balances with banks and other financial institutions	147,362,188	-	-	-	-	18,244,318	165,606,506
在銀行同業及其他金融機構之存款	Placements with banks and other financial institutions	10,232,638	16,360,857	-	-	-	-	26,593,495
持作交易用途金融資產	Financial assets held for trading	-	331,341	323,354	-	-	17,556	672,251
衍生金融工具	Derivative financial instruments	-	-	-	-	-	18,415,757	18,415,757
貸款及其他賬項	Advances and other accounts	1,656,233	316,595,824	49,259,319	34,593,365	13,628,343	3,922,191	419,655,275
備供銷售金融投資	Available-for-sale financial investments	1,792,510	5,546,681	9,047,839	34,975,491	29,152,762	177,536	80,692,819
持有至到期金融投資	Held-to-maturity financial investments	5,611,969	8,284,425	24,140,402	26,738,671	9,506,129	-	74,281,596
其他資產	Other assets	4,061,442	-	-	-	-	8,695,376	12,756,818
資產總額	Total assets	170,716,980	347,119,128	82,770,914	96,307,527	52,287,234	49,472,734	798,674,517
負債	Liabilities							
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	121,227,715	65,899,124	15,562,697	354,152	-	5,285,856	208,329,544
衍生金融工具	Derivative financial instruments	-	-	-	-	-	18,003,999	18,003,999
客戶存款	Deposits from customers	218,159,366	76,649,855	78,346,237	48,424,451	-	-	421,579,909
已發行存款證	Certificates of deposit issued	1,387,524	19,084,289	22,754,705	334,860	-	-	43,561,378
指定以公平價值經收益表入賬之已發行債券	Debt securities in issue designated at fair value through profit or loss	-	-	-	72,101	-	-	72,101
以攤銷成本入賬之已發行債券	Debt securities in issue measured at amortised cost	3,000	-	-	948,078	-	-	951,078
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	-	-	-	3,864,938	7,739,010	-	11,603,948
其他負債	Other liabilities	519,535	-	-	-	-	10,166,879	10,686,414
負債總額	Total liabilities	341,297,140	161,633,268	116,663,639	53,998,580	7,739,010	33,456,734	714,788,371
利率敏感度缺口總額	Total interest sensitivity gap	(170,580,160)	185,485,860	(33,892,725)	42,308,947	44,548,224	16,016,000	83,886,146

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 市場風險管理(續)

4.3 Market risk management (continued)

(c) 利率風險(續)

(c) Interest rate risk (continued)

		一個月內 Up to 1 month 千港元 HK\$'000	一至三個月 1-3 months 千港元 HK\$'000	三至十二個月 3-12 months 千港元 HK\$'000	一至五年 1-5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	不計息 Non-interest bearing 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一五年十二月三十一日	31 December 2015							
資產	Assets							
現金及在銀行同業與其他金融機構之結存	Cash and balances with banks and other financial institutions	116,294,502	-	-	-	-	21,775,567	138,070,069
在銀行同業及其他金融機構之存款	Placements with banks and other financial institutions	-	15,655,218	11,350,595	-	-	-	27,005,813
持作交易用途金融資產	Financial assets held for trading	-	-	-	-	-	165,717	165,717
衍生金融工具	Derivative financial instruments	-	-	-	-	-	11,384,264	11,384,264
貸款及其他賬項	Advances and other accounts	182,292,060	106,052,835	61,098,027	33,182,572	591,382	2,517,239	385,734,115
備供銷售金融投資	Available-for-sale financial investments	7,967,399	4,696,605	34,927,694	25,346,813	7,483,814	158,673	80,580,998
持有至到期金融投資	Held-to-maturity financial investments	3,666,681	7,641,681	16,987,412	41,489,994	8,911,444	-	78,697,212
其他資產	Other assets	2,067,708	-	-	-	-	9,845,129	11,912,837
資產總額	Total assets	312,288,350	134,046,339	124,363,728	100,019,379	16,986,640	45,846,589	733,551,025
負債	Liabilities							
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	96,383,755	35,376,386	13,418,796	-	-	10,651,017	155,829,954
衍生金融工具	Derivative financial instruments	-	-	-	-	-	11,015,476	11,015,476
客戶存款	Deposits from customers	217,101,260	77,131,401	72,457,734	31,840,816	-	-	398,531,211
已發行存款證	Certificates of deposit issued	22,466,795	21,256,710	23,463,840	957,537	-	-	68,144,882
指定以公平價值經收益表入賬之已發行債券	Debt securities in issue designated at fair value through profit or loss	-	-	-	-	-	-	-
以攤銷成本入賬之已發行債券	Debt securities in issue measured at amortised cost	-	2,798,700	2,938,642	1,192,849	-	-	6,930,191
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	-	-	-	3,859,630	9,515,815	-	13,375,445
其他負債	Other liabilities	1,153,747	-	-	-	-	8,232,661	9,386,408
負債總額	Total liabilities	337,105,557	136,563,197	112,279,012	37,850,832	9,515,815	29,899,154	663,213,567
利率敏感度缺口總額	Total interest sensitivity gap	(24,817,207)	(2,516,858)	12,084,716	62,168,547	7,470,825	15,947,435	70,337,458

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.3 市場風險管理(續)

(c) 利率風險(續)

交易組合

本集團對利率風險之監控乃根據有關屬於市場風險限額內交易之受限個別營運及一系列董事會風險管理委員會授權之可允許工具進行。尤其是，衍生產品之交易受到健全之監控系統支持，而更為複雜之衍生工具基本上是以背靠背基準進行交易。VaR、敏感度措施、集中及止損限額乃作為風險管理工具使用。風險限額乃每日進行獨立監察。

非交易組合

非交易組合(亦稱為「銀行賬戶」)之利率風險管理之主要目標是優化淨利息收入但不至於承受過多風險，這由金融市場部(「金融市場部」)每日進行，並在資產負債管理委員會監督下管理非庫務業務之利率風險。當產品之行為特徵與其合同特徵不同時，則對行為特徵進行評估以釐定彼等之實際相關利率風險。資產負債管理委員會監察所有該等行為為假設及利率風險狀況，以確保彼等符合當時適用的利率風險限額。利率風險限額乃就規管因非交易組合產生之利率風險而設定。該等限額定期進行測量及獨立監察。

本集團就其銀行賬戶面對之利率風險主要包括以下四個形式：重新定價風險、收益率曲線風險、基準風險及期權風險。利率風險乃就利率變動對盈利或經濟價值之影響而計量，並假設所有其他因素維持不變，如金融市場部或其他業務部門中並無採取任何行動以減低此利率風險之影響，以及所有年期項目之利率按同一金額計算。預付款及提前償還客戶貸款或提取存款通常不予接受或錄得費用。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk management (continued)

(c) Interest rate risk (continued)

Trading portfolio

The Group's control of interest rate risk is based on restricting individual operations to trading within the market risk limits, and a list of permissible instruments authorised by the Board RMC. In particular, trading in the derivative products is supported by robust control systems whereas more complicated derivatives are basically undertaken on a back-to-back basis. VaR, sensitivity measures, concentration and stop-loss limits are used as risk management tools. Risk limits are independently monitored on a daily basis.

Non-trading portfolio

The principal objective of interest rate risk management of non-trading portfolios (also known as "banking book") is to optimise net interest income but without exposure to excessive risk. This is done on a daily basis by the Global Markets and Trading Department ("GMT") taking over the interest rate risk in non-treasury business under the supervision of the ALCO. When the behavioural characteristics of a product differ from its contractual characteristics, the behavioural characteristics are assessed to determine their actual underlying interest rate risk. The ALCO monitors all such behavioural assumptions and interest rate risk positions to ensure they comply with the prevailing interest rate risk limits which are set for the purpose of governing the interest rate risk arising from the non-trading portfolio. The limits are measured and independently monitored on a regular basis.

There are four primary forms of interest rate risk faced by the Group with regard to its banking book: re-pricing risk, yield curve risk, basis risk and option risk. Interest rate risk is measured in relation to the impact of changes in interest rates on earnings or economic values assuming all other factors remained constant, e.g., no action taken by GMT or other business units to mitigate the impact of this interest rate risk and interest rates at all term points move by the same amount. Prepayment and early withdrawal of customer loans or deposits are usually not entertained or will incur fees.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.3 市場風險管理(續)

(c) 利率風險(續)

銀行賬戶之利率風險

盈利或經濟價值對利率變動的敏感度概要如下：

		2016	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015	2015
		港元	美元	人民幣	歐元	紐元	日元	港元	美元	人民幣	歐元	紐元	日元
		HK\$	US\$	CNY	EUR	NZ\$	JPY	HK\$	US\$	CNY	EUR	NZ\$	JPY
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
		HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
倘利率上調200個基點對未來12個月的盈利影響	Impact on earnings over the next 12 months if interest rates rise by 200 basis points	781	349	58	(145)	(9)	(25)	105	166	(45)	-	(2)	(7)
倘利率上調200個基點對經濟價值的影響	Impact on economic value if interest rates rise by 200 basis points	(257)	3,333	774	212	(3)	-	16	2,978	528	-	(3)	-

分析乃根據以下假設進行：

- (i) 收益率曲線及利率出現平行移動；
- (ii) 組合並無其他變動；
- (iii) 沒有提早償還貸款；及
- (iv) 沒有固定到期日的存款於翌日再定息。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk management (continued)

(c) Interest rate risk (continued)

Interest rate exposures in banking book

Sensitivities of earnings or economic value to interest rate changes are summarised below:

The analysis is based on the following assumptions:

- (i) there is a parallel shift in the yield curve and in interest rates;
- (ii) there are no other changes to the portfolio;
- (iii) there is no loan prepayment; and
- (iv) deposits without fixed maturity dates are repriced on the next day.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.3 市場風險管理(續)

(c) 利率風險(續)

敏感度分析

下表顯示有關本銀行分別於二零一六年及二零一五年十二月對交易賬項及投資組合進行最後一次之壓力測試。本年度壓力測試之測試情況分析(孳息曲線變動之基點)代表在所有其他變量維持不變的情況下,本銀行之收益表對利率之合理可能的敏感度:

二零一六年

利率交易之利率風險壓力測試

千港元
(HK\$'000)

		情況分析 Scenario					
		輕微 Light		溫和 Moderate		嚴重 Extreme	
		-100個基點 -100 bps	+100個基點 +100 bps	-200個基點 -200 bps	+200個基點 +200 bps	-300個基點 -300 bps	+300個基點 +300 bps
孳息曲線變動	Yield curve shift						
二零一六年十二月	December 2016	(13,377)	(16,904)	(26,754)	(33,807)	(40,132)	(50,711)

投資賬項債券之利率風險
(HTM賬戶及EFN除外)

千港元
(HK\$'000)

		情況分析 Scenario					
		輕微 Light	溫和 Moderate	嚴重 Extreme	孳息曲線上升 Yield curve steepen	孳息曲線變平 Yield curve flatten	
		+100個基點 +100 bps	+200個基點 +200 bps	+300個基點 +300 bps	100個基點 100 bps	300個基點 300 bps	100個基點 100 bps
孳息曲線變動	Yield curve shift						
二零一六年十二月	December 2016	(1,205,848)	(2,411,696)	(3,617,544)	(976,623)	(2,929,868)	(229,225)

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk management (continued)

(c) Interest rate risk (continued)

Sensitivity analysis

The tables below show the last stress tests on the Bank's trading and investment portfolios conducted in December 2016 and 2015 respectively. The testing scenario (bps of yield curve shift) of the stress test represents the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Bank's income statement:

2016

Interest rate stress test for interest rate trading

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.3 市場風險管理(續)

(c) 利率風險(續)

敏感度分析(續)

2015

利率交易之利率風險壓力測試

千港元
(HK\$'000)

Yield curve shift		輕微 Light		溫和 Moderate		嚴重 Extreme	
		-100個基點 -100 bps	+100個基點 +100 bps	-200個基點 -200 bps	+200個基點 +200 bps	-300個基點 -300 bps	+300個基點 +300 bps
二零一五年十二月	December 2015	(14,251)	(4,244)	(28,592)	(8,411)	(42,025)	(12,504)

投資賬項債券之利率風險
(HTM賬戶及EFN除外)

千港元
(HK\$'000)

Yield curve shift		輕微 Light			溫和 Moderate		嚴重 Extreme	
		+100個基點 +100 bps	+200個基點 +200 bps	+300個基點 +300 bps	100個基點 100 bps	300個基點 300 bps	100個基點 100 bps	300個基點 300 bps
二零一五年十二月	December 2015	(530,097)	(1,021,001)	(1,476,387)	(357,014)	(998,887)	(178,569)	(522,560)

(d) 貨幣風險

貨幣風險乃金融工具之價值因外匯變化而將出現波動之風險。

本集團之外匯風險主要包括金融市場部進行之外匯交易及源自於本集團銀行業務之貨幣風險。因非交易業務產生之貨幣風險乃轉至金融市場部，以按高級管理層風險管理委員會所批准之外匯倉盤限額進行集中化管理。管理層按貨幣對倉盤設定限額。風險管理部依據經批准限額對倉盤進行逐日獨立監察。

下表概述本集團面對之外匯風險。該表包括本集團按賬面值列賬之資產及負債，按貨幣進行分類。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk management (continued)

(c) Interest rate risk (continued)

Sensitivity analysis (continued)

2015

Interest rate stress test for interest rate trading

Yield curve shift		輕微 Light		溫和 Moderate		嚴重 Extreme	
		-100個基點 -100 bps	+100個基點 +100 bps	-200個基點 -200 bps	+200個基點 +200 bps	-300個基點 -300 bps	+300個基點 +300 bps
二零一五年十二月	December 2015	(14,251)	(4,244)	(28,592)	(8,411)	(42,025)	(12,504)

Interest rate risk for investment book debt securities
(exclude HTM book and EFNs)

Yield curve shift		輕微 Light			溫和 Moderate		嚴重 Extreme	
		+100個基點 +100 bps	+200個基點 +200 bps	+300個基點 +300 bps	100個基點 100 bps	300個基點 300 bps	100個基點 100 bps	300個基點 300 bps
二零一五年十二月	December 2015	(530,097)	(1,021,001)	(1,476,387)	(357,014)	(998,887)	(178,569)	(522,560)

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group's foreign exchange exposures mainly comprise foreign exchange dealing by GMT and currency exposures originated from the Group's banking business. Currency exposures arising from non-trading businesses are transferred to GMT for centralised management within foreign exchange position limits approved by the SERMC. Management has set limits on positions by currency. Positions are independently monitored by Risk Management Department against the approved limits on a daily basis.

The tables below summarise the Group's exposure to foreign currency exchange risk. Included in the tables are the Group's assets and liabilities at carrying amounts, categorised by currency.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理 (續)

4.3 市場風險管理 (續)

(d) 貨幣風險 (續)

二零一六年十二月三十一日	31 December 2016	港元 HK\$ 千港元 HK\$'000	美元 US\$ 千港元 HK\$'000	人民幣 CNY 千港元 HK\$'000	其他 Other 千港元 HK\$'000	總計 Total 千港元 HK\$'000
資產	Assets					
現金及在銀行同業與 其他金融機構之結存	Cash and balances with banks and other financial institutions	72,316,642	60,856,433	22,684,737	9,748,694	165,606,506
在銀行同業及其他金融機構之 存款	Placements with banks and other financial institutions	10,000,000	10,119,753	4,023,132	2,450,610	26,593,495
持作交易用途金融資產	Financial assets held for trading	–	17,556	654,695	–	672,251
貸款及其他賬項	Advances and other accounts	238,126,743	131,873,356	41,196,809	8,458,367	419,655,275
備供銷售金融投資	Available-for-sale financial investments	380,009	51,658,144	24,353,449	4,301,217	80,692,819
持有至到期金融投資	Held-to-maturity financial investments	16,536,687	40,309,735	16,783,465	651,709	74,281,596
於聯營公司之投資	Investments in associates	285,953	97,246	–	–	383,199
商譽及其他無形資產	Goodwill and other intangible assets	959,934	–	67,591	–	1,027,525
投資物業	Investment properties	43,100	–	36,558	–	79,658
物業及設備	Property, plant and equipment	778,115	–	166,198	–	944,313
其他資產，包括現行及遞延稅 項資產	Other assets, including current and deferred tax assets	2,908,218	5,166,693	1,769,697	477,515	10,322,123
資產總額	Total assets	342,335,401	300,098,916	111,736,331	26,088,112	780,258,760
負債	Liabilities					
銀行同業及其他金融機構 之存款	Deposits from banks and other financial institutions	78,868,728	67,783,695	47,155,569	14,521,552	208,329,544
客戶存款	Deposits from customers	160,556,994	138,964,591	109,107,322	12,951,002	421,579,909
已發行存款證	Certificates of deposit issued	11,143,878	25,140,422	7,277,078	–	43,561,378
指定以公平價值經收益表入賬 之已發行債券	Debt securities in issue designated at fair value through profit or loss	–	–	72,101	–	72,101
以攤銷成本入賬之已發行債券	Debt securities in issue at amortised cost	3,000	–	948,078	–	951,078
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	–	11,603,948	–	–	11,603,948
其他負債，包括現行及遞延稅 項負債	Other liabilities, including current and deferred tax liabilities	5,280,709	3,038,229	2,237,163	132,313	10,688,414
負債總額	Total liabilities	255,853,309	246,530,885	166,797,311	27,604,867	696,786,372
資產負債表內倉盤淨額	Net on-balance sheet position	86,482,092	53,568,031	(55,060,980)	(1,516,755)	83,472,388
信貸承諾	Credit commitments	97,769,426	126,500,290	16,306,929	28,916,802	269,493,447

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.3 市場風險管理(續)

(d) 貨幣風險(續)

		港元 HK\$ 千港元 HK\$'000	美元 US\$ 千港元 HK\$'000	人民幣 CNY 千港元 HK\$'000	其他 Other 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一五年十二月三十一日	31 December 2015					
資產	Assets					
現金及在銀行同業與 其他金融機構之結存	Cash and balances with banks and other financial institutions	62,807,948	45,276,812	24,381,790	5,603,519	138,070,069
在銀行同業及其他金融機構之 存款	Placements with banks and other financial institutions	–	15,206,089	8,530,960	3,268,764	27,005,813
持作交易用途金融資產	Financial assets held for trading	–	165,717	–	–	165,717
貸款及其他賬項	Advances and other accounts	127,904,802	132,379,648	121,134,137	4,315,528	385,734,115
備供銷售金融投資	Available-for-sale financial investments	193,755	33,984,202	42,803,649	3,599,392	80,580,998
持有至到期金融投資	Held-to-maturity financial investments	16,567,855	41,426,486	20,027,819	675,052	78,697,212
於聯營公司之投資	Investments in associates	284,878	–	–	–	284,878
商譽及其他無形資產	Goodwill and other intangible assets	976,598	–	68,615	–	1,045,213
投資物業	Investment properties	42,300	–	38,619	–	80,919
物業及設備	Property, plant and equipment	896,194	–	50,084	–	946,278
其他資產，包括現行及 遞延稅項資產	Other assets, including current and deferred tax assets	1,452,280	4,152,736	3,691,867	258,666	9,555,549
資產總額	Total assets	211,126,610	272,591,690	220,727,540	17,720,921	722,166,761
負債	Liabilities					
銀行同業及其他金融機構 之存款	Deposits from banks and other financial institutions	57,821,910	35,084,045	56,305,282	6,618,717	155,829,954
客戶存款	Deposits from customers	150,964,512	117,641,136	119,520,232	10,405,331	398,531,211
已發行存款證	Certificates of deposit issued	6,074,773	39,534,816	22,535,293	–	68,144,882
指定以公平價值經收益表 入賬之已發行債券	Debt securities in issue designated at fair value through profit or loss	–	–	–	–	–
以攤銷成本入賬之已發行債券	Debt securities in issue at amortised cost	699,992	4,160,495	1,646,313	423,391	6,930,191
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	–	11,592,044	1,783,401	–	13,375,445
其他負債，包括現行及遞延稅 項負債	Other liabilities, including current and deferred tax liabilities	1,620,837	2,523,728	5,078,124	163,719	9,386,408
負債總額	Total liabilities	217,182,024	210,536,264	206,868,645	17,611,158	652,198,091
資產負債表內倉盤淨額	Net on-balance sheet position	(6,055,414)	62,055,426	13,858,895	109,763	69,968,670
信貸承諾	Credit commitments	13,867,116	170,266,617	10,856,416	30,973,329	225,963,478

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.3 市場風險管理(續)

(d) 貨幣風險(續)

壓力測試

下表為十二月進行最後一次之壓力測試計算在所有其他變量維持不變的情況下，即期匯率及外匯波動於二零一六年及二零一五年之合理可能變動所產生之按元計量之變化。

二零一六年

外匯倉盤風險壓力測試

千港元
(HK\$'000)

		情況分析		
		Scenario		
		輕微	溫和	嚴重
		即期(10%)	即期(12%)	即期(15%)
		波幅(4%)	波幅(6%)	波幅(10%)
		Light	Moderate	Extreme
		Spot (10%)	Spot (12%)	Spot (15%)
		Volatility (4%)	Volatility (6%)	Volatility (10%)
最低即期及波幅變動 (人民幣除外)	Worst of spot and volatility change (excluding CNY)	(359,332)	(1,046,850)	(1,734,348)

千港元
(HK\$'000)

		情況分析		
		Scenario		
		輕微	溫和	嚴重
		即期(3%)	即期(5%)	即期(7%)
		波幅(3%)	波幅(4%)	波幅(6%)
		Light	Moderate	Extreme
		Spot (3%)	Spot (5%)	Spot (7%)
		Volatility (3%)	Volatility (4%)	Volatility (6%)
最低即期及波幅變動 (人民幣)	Worst of spot and volatility change (CNY)	(239,862)	(572,252)	(802,108)

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk management (continued)

(d) Currency risk (continued)

Stress test

The tables below show the last stress tests conducted in December which calculated the change in dollar term of a reasonably possible movement of spot rates and foreign exchange volatility for 2016 and 2015, with all other variables held constant.

2016

Risk stress testing for foreign exchange position

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.3 市場風險管理(續)

(d) 貨幣風險(續)

壓力測試(續)

2015

外匯倉盤風險壓力測試

千港元
(HK\$'000)

		情況分析 Scenario		
		輕微 即期(9%) 波幅(3%) Light Spot (9%) Volatility (3%)	溫和 即期(12%) 波幅(4%) Moderate Spot (12%) Volatility (4%)	嚴重 即期(15%) 波幅(5%) Extreme Spot (15%) Volatility (5%)
最低即期及波幅變動 (人民幣除外)	Worst of spot and volatility change (excluding CNY)	(14,562)	(19,458)	(24,316)
		情況分析 Scenario		
		輕微 即期(3%) 波幅(5%) Light Spot (3%) Volatility (5%)	溫和 即期(5%) 波幅(5%) Moderate Spot (5%) Volatility (5%)	嚴重 即期(7%) 波幅(5%) Extreme Spot (7%) Volatility (5%)
最低即期及波幅變動 (人民幣)	Worst of spot and volatility change (CNY)	(1,711)	(8,667)	(13,088)

鑑於在岸人民幣和離岸人民幣的波動性上升，本銀行將檢討在執行市場風險壓力測試計劃時所採用的在岸人民幣和離岸人民幣波動性。

In view of increased volatility of CNY and CNH, the Bank will review the volatility of CNY and CNH adopted in the market risk stress test programme in accordance with the prevailing market situation.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.3 市場風險管理(續)

(e) 股票價格風險

股票價格風險乃股票組合之公平價值因股市指數水平及個別股票價值變化而下降之風險。持倉股票之市場風險於目前階段相對並不大。

本集團於二零一六年及二零一五年的股票風險主要為長期策略性股票投資，並以附註26所載之「備供銷售金融投資」列報。附註23所載之「持作交易用途金融資產」內為持作交易用途股票，並受風險管理監控措施所規管。

為計算資本充足比率，本集團已考慮其股票風險作為風險加權資產的一部分。

有關股票投資所應用之估值及方法均於財務報表附註2定義。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk management (continued)

(e) Equity price risk

Equity price risk is the risk that the fair values of the equity portfolio decrease as a result of changes in the levels of equity indices and the value of individual stocks. Market risk positions on equity are relatively not sizeable at this stage.

The Group's equity exposures in 2016 and 2015 are mainly long-term strategic equity investments which are reported as "available-for-sale financial investments" set out in Note 26. Equities held for trading purposes are included under "Financial assets held for trading" set out in Note 23. These are subject to risk management control procedures.

The Group takes into account its equity exposure as part of risk-weighted assets for the purpose of calculating the capital adequacy ratios.

Valuation and technique methodologies applied on equity investments are detailed in Note 2 to the financial statements.

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
來自出售和兌現持有股權的累積實現收益	Cumulative realized gains arising from sales and liquidations of equity exposure	2,493	674,747
在本集團的儲備內確認，但沒有經收益表入賬的未實現收益的總計	Total unrealized gains recognised in the Group's reserve but not through the income statement	142,955	110,141
為計算資本充足比率而包括在本集團的附加資本內的任何未實現收益的數額	Unrealised gains included in the Group's supplementary capital for capital adequacy ratio purpose	142,955	110,141

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.4 流動資金風險

流動資金風險乃指本集團於財務責任到期時未能償債之風險。因此，穩健的流動資金風險管理架構，對確保在正常及緊急情況下有足夠現金流以具成本效益的方式應付所有財務責任，包括到期借貸、提取活期或合約期滿的到期存款等十分重要。本集團必須符合法定的流動資金覆蓋比率及監管規定的流動資金比率。為了確保達到上述目標，本集團維持一個以零售及企業客戶存款構成的穩定而多元化的資金基礎以及一個以高流動性資產組成的強大組合。

為管理流動資金風險，本集團已制定流動資金風險管理政策，並經由資產負債管理委員會及董事會風險管理委員會審閱和審批。本集團每日均緊密管理及預測流動資金流向，以讓資產負債管理委員會、金融市場部及相關部門因應不斷變化之市況迅速行動，及時實行應變計劃。此外，本集團會編製，並每月向資產負債管理委員會以及每季向高級管理層風險管理委員會和董事會風險管理委員會呈交流動資金風險管理報告，以促進有效之流動資金風險管理和監督。本銀行就內部監控及監管目的定期履行涵蓋銀行指定、一般市場及結合二者的各種危機情景的壓力測試，以評估本集團可供在嚴峻情況下是否有足夠流動資金應付任何緊急的資金需要。資產負債管理委員會就該等壓力測試結果進行審閱及討論，以考慮是否有需要制定預防性的減低風險措施，包括但不限於為本銀行的風險設限、建立更多的流動資金緩衝，及／或調整本銀行資產及負債的結構性到期組合。此等壓力測試就所有貨幣合計以及分別就港元、美元和人民幣倉盤而獨立進行。

已建立資訊管理系統，每日從各個來源擷取數據及編製必要的管理資料報告，包括法定流動資金覆蓋比率、其他監管規定的流動性相關比率及現金流水平，以讓相關方可以及時進行監察和及時向管理層作出匯報。

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial obligations as and when they fall due. A sound liquidity risk management framework is therefore essential to ensure there is adequate cash flow to meet all financial obligations, including matured borrowings, deposits withdrawal either on demand or at contractual maturity, etc under both normal and contingency circumstances in a cost-effective manner. The Group must comply with the statutory LCR and regulatory liquidity-related ratio. To ensure this, the Group maintains a stable and diversified funding base of retail and corporate customer deposits and a strong portfolio of highly liquid assets.

To manage liquidity risk, the Group has established liquidity risk management policies that are reviewed and approved by ALCO and Board RMC. Liquidity is managed and forecasted on a daily basis to enable ALCO, GMT and relevant departments to act proactively in view of changing market conditions and to implement contingency plans on a timely basis. Also, liquidity risk management reports are prepared and reported to ALCO on a monthly basis; to SERMC and Board RMC on a quarterly basis for effective liquidity risk management oversight. Stress tests, with various crisis scenarios covering bank-specific, general market and a combination of both, are regularly performed for both internal and regulatory purposes to assess the adequacy of the Group's liquidity to meet any contingent funding needs under severe conditions. ALCO examines and discusses the stress test results to consider the need for preventive and mitigating actions. These actions include but are not limited to limit the Bank's exposures, build up more liquidity cushion, and/or adjust the structural maturity profile of the Bank's assets and liabilities. Stress tests are conducted for all currencies in aggregate and separately for positions in HKD, USD and CNY.

Management information systems are in place to extract data from various sources and produce the essential management information reports, including statutory LCR, other regulatory liquidity-related ratios and cash flow positions on a daily basis for timely monitoring by relevant parties and reporting to management.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.4 流動資金風險(續)

本銀行維持分散之流動資金緩衝組合，當中大部分為無產權負擔、流動性高及可隨時變現之可銷售資產(即一級資本流動資產)，例如現金、外匯基金債務證券及其他優質政府債券或類似工具，此等資產可迅速轉換為現金而只會涉及低額或甚至沒有價值損失或折讓。本銀行亦透過持有其他資本流動性高及可銷售性高的資產(即二級資本流動資產)，增加該等流動性緩衝組合之組成成分，此等緩衝組合可用以應對壓力期間年期較長之部分，而不會導致過多之虧損或折讓。本銀行計算所需的流動資金緩衝，所用方法為參考本集團持有的流動資金緩衝，以確保任何情況下後者都處於足夠水平。

由行長辦公會組成的資產負債管理委員會，獲行長辦公會委派及獲高級管理層風險管理委員會委任管理流動資金風險。這包括但不限於：

資產及負債管理

- 監察及管理本銀行的資產負債風險以及資產與負債概況；
- 制定合適的資產與負債管理政策及策略；及
- 審閱及討論對資產與負債以及資本有著重大影響的項目或事宜。

流動資金管理

- 識別、計量、監察及控制流動資金風險；
- 檢討及批准流動資金風險管理政策；
- 加強本銀行的流動資金，以及監察流動資金風險指標、現金流和即日流動資金；
- 定期檢討壓力測試；及
- 制定緊急流動資金計劃，包括但不限於招攬客戶存款、發行存款證、出售債券等。

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

The Bank maintains a diversified portfolio of liquidity cushion that is largely made up of unencumbered, liquid and readily marketable assets ("tier 1 assets"), such as cash, EF debt securities and other high quality government debt securities or similar instruments, that can be converted into cash quickly with little or no loss in value. The Bank also widens the composition of the liquidity cushion by holding other liquid and marketable assets ("tier 2 assets") which can be used to cater for the longer end of the stress period without resulting in excessive losses or discounts. The Bank calculates the required liquidity cushion, which is compared to the liquidity cushion held by the Bank to ensure that the latter is sufficient in all circumstances.

The ALCO, constituted by CEO Committee, is delegated by CEO Committee and appointed by SERMC to manage liquidity risk. This includes but is not limited to:

Asset and Liability Management

- monitor and manage the Bank's balance sheet risk as well as asset and liability profile;
- formulate appropriate asset and liability management policies and strategies; and
- review and discuss items or matters that have significant impact on assets and liabilities as well as capital.

Liquidity Management

- identify, measure, monitor and control the liquidity risk;
- review and approve the liquidity risk management policies;
- strengthen the Bank's liquidity and monitor the liquidity risk indicators, cash flow and intraday liquidity;
- review the stress testing on a regular basis; and
- establish contingency plan on liquidity, including but not limited to solicit customer deposits, issue CDs, sell bonds, etc.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.4 流動資金風險(續)

資金管理

- 檢討資金需要，並確保分散的來源和有效使用資金；
- 檢討內部FTP政策及計劃；及
- 制定策略性計劃，以獲取穩定的長期資金，支持業務增長。

為確保有效之流動資金風險管理，前線業務部門須：

- 透過內部現金流呈報系統及時匯報客戶資金流入和流出情況，同時監察提取存款之趨勢；
- 吸引相對穩定之存款，以及達致管理層所設定之存款增長目標；
- 在發展需要大量流動資金之貸款業務的同時，積極達致存款增長目標；
- 於有需要時，執行資產負債管理委員會或其他管理委員會同意之流動資金管理計劃；
- 考慮本銀行之資金成本和供應等因素，妥善為借貸定價；及
- 於本銀行需要籌集流動資金時，放慢或停止承造新貸款、延遲或規管貸款之提取及／或協調出售貸款事宜。

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

Funding Management

- review the funding needs and ensure diversified source and efficient use of funds;
- review the internal FTP policy and plan; and
- formulate strategic plan to secure stable long term funding to support business growth.

To ensure an effective liquidity risk management, frontline business units:

- report the customer fund in-/out-flow timely through internal cash flow reporting system and monitor the trend of deposits withdrawal;
- attract relatively stable deposits and achieve the deposit growth targets set by management;
- simultaneously comply with the deposit growth target when developing liquidity-consuming loan business;
- implement liquidity management plans as agreed in ALCO or other management committees when needed;
- price lending properly, taking into account the Bank's liquidity cost and availability; and
- slow down or cease to commit any new loans, defer or regulate loan drawdown and/or to collaborate on loan sale at times when the Bank needs to raise liquidity.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.4 流動資金風險(續)

香港金融管理局(「金管局」)已發出《銀行業(流動性)規則》(「銀行業(流動性)規則」)，詳細列明於香港執行流動資金覆蓋比率的詳情。銀行業(流動性)規則訂明所有第一類認可機構(「認可機構」)均須遵守的最低流動資金覆蓋比率。此外，金管局於二零一六年發出新版本的監管政策手冊LM-1及LM-2，為認可機構應用銀行業(流動性)規則以及建立穩健的流動資金風險管理架構的要素提供指引。至於提升長期的靈活性方面，將於二零一八年對認可機構推行穩定資金淨額比率(「穩定資金淨額比率」)。

本集團繼續尋求分散資金渠道，以控制過度集中的資金來源。母行中國工商銀行提供的資金支持亦足證本銀行有效增強資金實力。

資產及負債的相配和受控之錯配對本集團流動性管理而言至關重要。由於交易經常期限不定，且類型也經常不同，因此銀行做到資產與負債的年期完全相配的情況並不普遍。一方面，不相配的情況可能提高實體溢利能力，但也會增加實體的流動性風險(以及利率風險)。

本集團的資產大多來自客戶存款。於所有客戶存款中，10%為活期存款及往來戶口，21%為儲蓄存款，69%為定期及通知存款(二零一五年：11%為活期存款及往來戶口，20%為儲蓄存款，69%為定期及通知存款)。上述客戶存款的種類及到期日分佈甚為廣泛，屬於穩定的資金來源。本集團極為重視維持此等存款之穩定性，並透過旗下零售銀行業務及維持存戶對本集團雄厚資本之信心以維持此情況。雖然很多客戶賬項已訂約須即時或在給予短期通知後償還，但事實上，由於流入及流出額大致相符，故短期存款結餘穩定。

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

The Hong Kong Monetary Authority ("HKMA") has issued the Banking (Liquidity) Rules ("BLR") detailing the implementation of the LCR in Hong Kong. The BLR stipulates the minimum LCR with which all Category 1 authorised institutions ("AIs") need to comply. Also, new versions of Supervisory Policy Manual LM-1 and LM-2 have been issued by the HKMA in 2016 to provide guidance to the AIs on the application of the BLR and the key elements of a sound liquidity risk management framework respectively. To promote longer-term resilience, a Net Stable Funding Ratio ("NSFR") for AIs will also be introduced in 2018.

The Group continues to seek to diversify its funding channels to control excessive concentration on funding sources. Funding support from the Parent Bank, ICBC, has also proven to be efficient in strengthening the Group's liquidity capability.

The matching and controlled mismatching of assets and liabilities are fundamental to the liquidity management of the Group. It is unusual for bank's assets and liabilities to be completely matched in tenors, as transactions often entail uncertain terms and are frequently of different types. While an unmatched position potentially enhances profitability, it increases the liquidity risk (as well as the interest rate risk) of an entity.

A substantial portion of our assets is funded by customer deposits. Of total customer deposits, 10% consist of demand and current account deposits, 21% of savings deposits, and 69% of time, call and notice deposits (2015: demand and current account 11%, savings 20%, time, call and notice 69%). These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds. The Group places great emphasis on the stability of these deposits, which are sustained through the Group's retail banking activities and by maintaining depositor confidence in the Group's capital strength. Although many customer accounts are contractually due for repayment on demand or at short notice, in practice inflows and outflows are broadly matched, keeping short-term deposit balances stable.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.4 流動資金風險(續)

由於持作交易及備供銷售組合可於到期前出售或客戶存款可能在未被取用之情況下到期，合約到期日並不完全反映未來現金流量的時間和金額。

應付擔保和備用信用證項下所需款項的流動資金需求遠少於承諾的金額，因為本集團一般不預期第三方會同一時間根據協議要求兌現。由於很多信貸承諾毋須動用資金即告屆滿或終止，因此提供信貸承擔的尚未償付合同總金額未必等同日後的現金需求。

本銀行的資產負債管理部根據既定的政策管理流動資金風險，並透過執行監察和控制流動資金風險的措施，為資產負債管理委員會提供支持。本集團時刻保持非常嚴謹之流動資金風險管理，並更加倚重客戶存款而非銀行間資金，尤其是在動盪時期。本集團將繼續採取必要措施按其營運規模和複雜性加強其流動資金實力，包括符合各種壓力情景和任何新的流動性風險要求。

應變資金計劃由資產負債管理委員會及董事會／董事會風險管理委員會最少每年檢討及批核，其目的為確保本集團有實際及可行的計劃以應付流動資金危機。應變資金計劃是一個能夠於危機事件中管理流動資金的實用工具。其載列本集團為取得流動性及資金來源的可行方案及當不可預測的危機來臨時協定採取的行動。應變資金計劃包括仔細的行動步驟，以及列明各相關方的角色與職責。作為危機處理小組及其支援小組用以評估流動資金危機以於任何危機發生時執行步驟之實際指引，應變資金計劃包括一個完善的資產負債表到期日分析及列明所有已考慮其可信性、優先次序及需時的潛在資金來源。

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

As the trading and available-for-sale portfolios may be sold before maturity, or deposits from customers may mature without being withdrawn, the contractual maturity dates do not totally represent the expected timing and availability of future cash flows.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitments because the Group does not generally expect its third parties to draw funds concurrently under the agreements. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or be terminated without being funded.

The Bank's Asset and Liability Management Department manages the liquidity risk according to established policies and supports ALCO by implementing liquidity risk monitoring and control. The Group has always maintained high vigilance with regard to liquidity risk management, relying much more significantly on customer deposits than on inter-bank funding, particularly at volatile times. The Group will continue to take the necessary measures commensurate with its scale and complexity of operation to strengthen its liquidity capability, including meeting various stress scenarios and any new liquidity risk requirements.

The contingency funding plan ("CFP") is reviewed and approved by ALCO and the Board/Board RMC at least annually with the objective of ensuring that the Group has practical and operational plans in place to enable it to cope with a liquidity crisis. The CFP is a practical tool for managing liquidity during a crisis event. It sets out the options available to the Group for garnering liquidity and funding, and an agreed course of action in the event of an unexpected crisis. The CFP includes detailed action steps as well as roles and responsibilities of relevant parties. As a practical set of guidelines for the crisis management team and its support team to evaluate the liquidity crisis situation and execute action steps during any crisis, the CFP also consists of a sound balance sheet maturity analysis, and spells out all potential funding sources giving due consideration to their reliability, priority and the lead time during a crisis.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.4 流動資金風險(續)

下表基於報告期結束時至合約到期日之剩餘期間分析本集團於十二月三十一日之資產及負債到期分組情況。

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

The tables below analyse assets and liabilities of the Group as at 31 December into relevant maturing groupings based on the remaining period at the end of reporting period to the contractual maturity date.

二零一六年十二月三十一日	31 December 2016	須要求時 即時償還 Repayable on demand 千港元 HK\$'000	一個月內 Up to one month 千港元 HK\$'000	一至三個月 1-3 months 千港元 HK\$'000	三至 十二個月 3-12 months 千港元 HK\$'000	一至五年 1-5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	無限期 Indefinite 千港元 HK\$'000	總計 Total 千港元 HK\$'000
資產	Assets								
現金及在銀行同業及其他金融機構之結存	Cash and balances with banks and other financial institutions	35,649,110	129,957,396	-	-	-	-	-	165,606,506
在銀行同業及其他金融機構之存款	Placements with banks and other financial institutions	-	-	12,033,725	14,559,770	-	-	-	26,593,495
持作交易用途金融資產	Financial assets held for trading								
— 股票證券	— equity securities	-	-	-	-	-	-	17,556	17,556
— 其他債券	— other debt securities	-	-	331,341	323,354	-	-	-	654,695
衍生金融工具	Derivative financial instruments	116,823	1,880,483	3,956,545	7,849,281	3,912,626	699,999	-	18,415,757
貸款及其他賬項	Advances and other accounts	6,606,921	16,729,390	35,028,388	79,614,815	199,829,495	80,538,303	1,307,963	419,655,275
備供銷售金融投資	Available-for-sale financial investments								
— 庫務票據	— treasury bills	-	-	-	-	6,728,690	1,830,510	-	8,559,200
— 股票證券	— equity securities	-	-	-	-	-	-	183,652	183,652
— 所持有之存款證	— certificates of deposit held	-	-	-	521,302	252,868	-	-	774,170
— 其他債券	— other debt securities	-	323,661	3,930,591	7,001,355	27,993,933	27,322,253	-	66,571,793
— 財富管理產品	— wealth management product	-	1,462,733	1,616,089	1,525,182	-	-	-	4,604,004
持有至到期金融投資	Held-to-maturity financial investments								
— 庫務票據	— treasury bills	-	-	2,334,001	9,638,061	1,164,272	-	-	13,136,334
— 所持有之存款證	— certificates of deposit held	-	4,651,234	3,091,708	1,549,020	-	-	-	9,291,962
— 其他債券	— other debt securities	-	960,735	2,858,716	12,953,321	25,574,399	9,506,129	-	51,853,300
於聯營公司之投資	Investments in associates	-	-	-	-	-	-	383,199	383,199
商譽及其他無形資產	Goodwill and other intangible assets	-	-	-	-	-	-	1,027,525	1,027,525
投資物業	Investment properties	-	-	-	-	-	-	79,658	79,658
物業及設備	Property, plant and equipment	-	-	-	-	-	-	944,313	944,313
其他資產，包括現行及遞延所得稅資產	Other assets, including current and deferred income tax assets	11,410	2,385,963	603,705	2,286,891	4,723,006	253,921	57,227	10,322,123
資產總額	Total assets	42,384,264	158,351,595	65,784,809	137,822,352	270,179,289	120,151,115	4,001,093	798,674,517
負債	Liabilities								
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	42,062,598	84,450,975	65,899,124	15,562,696	354,151	-	-	208,329,544
衍生金融工具	Derivative financial instruments	-	1,814,296	3,843,384	7,990,285	4,013,624	342,410	-	18,003,999
客戶存款	Deposits from customers	130,516,183	87,643,183	76,649,855	78,346,237	48,424,451	-	-	421,579,909
已發行存款證	Certificates of deposit issued	-	1,387,524	19,006,747	22,832,247	334,860	-	-	43,561,378
已發行債券	Debt securities in issue								
— 指定以公平價值經收益表入賬	— Designated at fair value through profit or loss	-	-	-	-	72,101	-	-	72,101
— 以攤銷成本入賬	— At amortised cost	1,000	2,000	-	-	948,078	-	-	951,078
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	-	-	-	-	3,864,938	7,739,010	-	11,603,948
其他負債，包括現行及遞延所得稅負債	Other liabilities, including current and deferred income tax liabilities	1,944,560	4,692,863	1,269,327	1,675,751	1,057,055	-	46,858	10,686,414
負債總額	Total liabilities	174,524,341	179,990,841	166,668,437	126,407,216	59,069,258	8,081,420	46,858	714,788,371
流動資金缺口淨額	Net liquidity gap	(132,140,077)	(21,639,246)	(100,883,628)	11,415,136	211,110,031	112,069,695	3,954,235	83,886,146

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 流動資金風險(續)

4.4 Liquidity risk (continued)

		須要求時 即時償還 Repayable on demand	一個月內 Up to one month	一至三個月 1-3 months	三至 十二個月 3-12 months	一至五年 1-5 years	五年以上 Over 5 years	無限期 Indefinite	總計 Total
		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 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
二零一五年十二月三十一日	31 December 2015								
資產	Assets								
現金及在銀行同業與其他金融機構之結存	Cash and balances with banks and other financial institutions	48,025,280	90,044,789	-	-	-	-	-	138,070,069
在銀行同業及其他金融機構之存款	Placements with banks and other financial institutions	-	-	15,655,218	11,350,595	-	-	-	27,005,813
持作交易用途金融資產	Financial assets held for trading								
— 股票證券	— equity securities	-	-	-	-	-	-	165,717	165,717
— 其他債券	— other debt securities	-	-	-	-	-	-	-	-
衍生金融工具	Derivative financial instruments	103,590	1,719,451	1,266,065	5,503,035	2,043,621	748,502	-	11,384,264
貸款及其他賬項	Advances and other accounts	7,720,150	13,700,281	43,707,677	100,301,236	139,233,083	80,036,795	1,034,893	385,734,115
備供銷售金融投資	Available-for-sale financial investments								
— 庫務票據	— treasury bills	-	2,712,582	-	2,706,738	2,281,495	-	-	7,700,815
— 股票證券	— equity securities	-	-	-	-	-	-	150,533	150,533
— 所持有之存款證	— certificates of deposit held	-	470,287	-	773,388	479,287	-	-	1,722,962
— 其他債券	— other debt securities	-	1,929,536	917,857	4,030,749	23,703,964	7,483,815	8,140	38,074,061
— 財富管理產品	— wealth management product	-	1,995,723	3,401,219	27,535,685	-	-	-	32,932,627
持有至到期金融投資	Held-to-maturity financial investments								
— 庫務票據	— treasury bills	-	3,437,297	5,821,387	12,036,032	-	-	-	21,294,716
— 所持有之存款證	— certificates of deposit held	-	-	-	-	-	-	-	-
— 其他債券	— other debt securities	-	229,384	1,820,294	4,951,380	41,489,994	8,911,444	-	57,402,496
於聯營公司之投資	Investments in associates	-	-	-	-	-	-	284,878	284,878
商譽及其他無形資產	Goodwill and other intangible assets	-	-	-	-	-	-	1,045,213	1,045,213
投資物業	Investment properties	-	-	-	-	-	-	80,919	80,919
物業及設備	Property, plant and equipment	-	-	-	-	-	-	946,278	946,278
其他資產，包括現行及遞延所得稅資產	Other assets, including current and deferred income tax assets	17,061	2,547,118	5,609,203	738,619	590,570	2,617	50,361	9,555,549
資產總額	Total assets	55,866,081	118,786,448	78,198,920	169,927,457	209,822,014	97,183,173	3,766,932	733,551,025
負債	Liabilities								
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	24,614,188	81,459,239	35,294,422	8,269,375	6,192,730	-	-	155,829,954
衍生金融工具	Derivative financial instruments	4,019	1,775,148	1,208,175	5,522,327	1,828,358	677,449	-	11,015,476
客戶存款	Deposits from customers	127,109,361	89,991,899	77,131,401	72,457,734	31,840,816	-	-	398,531,211
已發行存款證	Certificates of deposit issued	-	22,466,795	21,059,219	23,583,839	1,035,029	-	-	68,144,882
已發行債券	Debt securities in issue								
— 指定以公平價值經收益表入賬	— Designated at fair value through profit or loss	-	-	-	-	-	-	-	-
— 以攤銷成本入賬	— At amortised cost	-	-	2,798,700	2,938,642	1,192,849	-	-	6,930,191
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	-	-	-	-	3,859,630	9,515,815	-	13,375,445
其他負債，包括現行及遞延所得稅負債	Other liabilities, including current and deferred income tax liabilities	112,662	1,224,726	5,448,646	1,563,403	245,865	21	791,085	9,386,408
負債總額	Total liabilities	151,840,230	196,917,807	142,940,563	114,335,320	46,195,277	10,193,285	791,085	663,213,567
流動資金缺口淨額	Net liquidity gap	(95,974,149)	(78,131,359)	(64,741,643)	55,592,137	163,626,737	86,989,888	2,975,847	70,337,458

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.4 流動資金風險(續)

下表呈列於結算日至到期日非衍生金融負債、將以淨額基準結算的衍生金融負債及將以總額基準結算的衍生金融工具項下本集團應付現金流。鑑於本集團乃根據預測的未經折現現金流來管理內在流動資金風險，在表內所披露之數據為合約未經折現的現金流。

將以淨額結算的本集團衍生工具包括：

- 外匯衍生工具：場外交易貨幣期權；及
- 利率衍生工具：利率掉期、遠期利率協議及場外交易利率期權。

將以總額結算的本集團衍生工具包括：

- 外匯衍生工具：貨幣遠期買賣、貨幣掉期；及
- 利率衍生工具：交叉貨幣利率掉期。

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

The table below presents the cash flows payable by the Group under non-derivative financial liabilities, derivative financial liabilities that will be settled on a net basis and derivative financial instruments that will be settled on a gross basis by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group manages the inherent liquidity risk based on expected undiscounted cash inflows.

The Group's derivatives that will be settled on a net basis include:

- Foreign exchange derivatives: over-the-counter currency options; and
- Interest rate derivatives: interest rate swaps, forward rate agreements and OTC interest rate options.

The Group's derivatives that will be settled on a gross basis include:

- Foreign exchange derivatives: currency forward, currency swaps; and
- Interest rate derivatives: cross currency interest rate swaps.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 流動資金風險(續)

4.4 Liquidity risk (continued)

		須要求時 即時償還 Repayable on demand 千港元 HK\$'000	三個月 或以下 3 months 千港元 HK\$'000	三至 十二個月 3-12 months 千港元 HK\$'000	一至五年 1-5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	無限期 Indefinite 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一六年十二月三十一日 31 December 2016								
金融負債	Financial liabilities							
銀行同業及 其他金融機構之存款	Deposits from banks and other financial institutions	41,155,957	150,239,058	15,261,336	4,061,711	5,965,964	-	216,684,026
客戶存款	Deposits from customers	131,828,429	164,963,594	79,295,292	48,425,453	-	-	424,512,768
已發行存款證	Certificates of deposit issued	234	20,792,168	22,792,792	904,777	1,317,905	-	45,807,876
指定以公平價值經收益表入賬之 已發行債券	Debt securities in issue at fair value through profit or loss	-	-	-	72,101	-	-	72,101
以攤銷成本入賬之已發行債券	Debt securities in issue at amortised cost	-	-	176,902	780,193	352,834	-	1,309,929
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	-	146,476	378,858	6,061,954	8,622,550	-	15,209,838
其他金融負債	Other financial liabilities	1,977,736	6,497,490	1,352,465	468,634	-	46,858	10,343,183
金融負債總額	Total financial liabilities	174,962,356	342,638,786	119,257,645	60,774,823	16,259,253	46,858	713,939,721
衍生現金流	Derivative cash flow							
以淨額結算的衍生金融工具	Derivative financial instruments settled on net basis	623	33,640	123,261	63,803	49,811	-	271,138
流入總額	Total inflows	1,193	1,612,754	4,880,169	34,196,755	64,910,560	-	105,601,431
流出總額	Total outflows	(570)	(1,579,114)	(4,756,908)	(34,132,952)	(64,860,749)	-	(105,330,293)
以總額結算的衍生金融工具	Derivative financial instruments settled on gross basis							
流入總額	Total inflows	336	170,405,327	172,322,086	300,418,498	73,369,773	-	716,516,020
流出總額	Total outflows	(483)	(170,400,782)	(172,129,286)	(300,565,462)	(73,398,723)	-	(716,494,736)

資產負債表外項目

Off-balance sheet items

		一年或以下 No later than 1 year 千港元 HK\$'000	一至五年 1-5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一六年十二月三十一日 31 December 2016					
貸款承諾	Loan commitments	181,598,324	18,954,733	28,989,784	229,542,841
擔保書、授信證及 其他財務融通	Guarantees, acceptances and other financial facilities	29,670,686	-	-	29,670,686
已存遠期有期存款	Forward forward deposits placed	10,279,920	-	-	10,279,920
合計	Total	221,548,930	18,954,733	28,989,784	269,493,447

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 流動資金風險(續)

4.4 Liquidity risk (continued)

		須要求時 即時償還 Repayable on demand	三個月 或以下 3 months or less	三至 十二個月 3-12 months	一至五年 1-5 years	五年以上 Over 5 years	無限期 Indefinite	總計 Total
		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 HK\$'000	千港元 HK\$'000
二零一五年十二月三十一日	31 December 2015							
金融負債	Financial liabilities							
銀行同業及 其他金融機構之存款	Deposits from banks and other financial institutions	42,172,683	119,753,216	17,706,343	6,224,399	-	-	185,856,641
客戶存款	Deposits from customers	133,555,830	170,045,324	63,767,767	35,836,021	-	-	403,204,942
已發行存款證	Certificates of deposit issued	-	43,737,162	24,558,548	1,035,032	-	-	69,330,742
指定以公平價值經收益表入賬之 已發行債券	Debt securities in issue at fair value through profit or loss	-	-	-	-	-	-	-
以攤銷成本入賬之已發行債券	Debt securities in issue at amortised cost	-	2,798,700	2,938,642	1,192,849	-	-	6,930,191
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	-	-	-	3,859,630	9,515,815	-	13,375,445
其他金融負債	Other financial liabilities	112,663	7,125,966	1,471,319	245,889	21	924,354	9,880,212
金融負債總額	Total financial liabilities	175,841,176	343,460,368	110,442,619	48,393,820	9,515,836	924,354	688,578,173
衍生現金流	Derivative cash flow							
以淨額結算的衍生金融工具	Derivative financial instruments settled on net basis	-	(213,546)	2,243,644	4,919,043	2,532,965	-	9,482,106
流入總額	Total inflows	-	64,951,635	64,475,243	50,554,124	28,691,135	-	208,672,137
流出總額	Total outflows	-	(65,165,181)	(62,231,599)	(45,635,081)	(26,158,170)	-	(199,190,031)
以總額結算的衍生金融工具	Derivative financial instruments settled on gross basis							
流入總額	Total inflows	1,095,620	329,441,232	289,526,964	81,413,304	5,720,422	-	707,197,542
流出總額	Total outflows	(1,195,191)	(329,578,409)	(289,589,209)	(80,646,519)	(5,534,385)	-	(706,543,713)

資產負債表外項目

Off-balance sheet items

		一年或以下 No later than 1 year	一至五年 1-5 years	五年以上 Over 5 years	總計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
二零一五年十二月三十一日	31 December 2015				
貸款承諾	Loan commitments	171,235,196	20,026,493	10,946,836	202,208,525
擔保書、授信證及 其他財務融通	Guarantees, acceptances and other financial facilities	22,460,286	-	-	22,460,286
已存遠期有期存款	Forward forward deposits placed	1,294,667	-	-	1,294,667
合計	Total	194,990,149	20,026,493	10,946,836	225,963,478

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.5 採用金融工具策略

本集團之業務性質主要與使用金融工具(包括衍生工具)有關。本集團按定息或浮息及不同年期接受客戶存款,以及透過將資金投資於高質素之資產優化息差收入。本集團尋求透過整合短期資金及按較高利率借出年期較長之款項增加此等息差收入,同時在過程中維持足夠流動資金應付到期負債的需要。

本集團亦透過向多家不同信貸級別之商業及零售借款人貸款,以獲取減除撥備後較高之息差,藉此提高息差收入。此等活動風險不只牽涉資產負債表內之貸款及墊款。本集團亦訂立擔保及其他承擔,例如信用證及保函及其他債券。

本集團亦通過持有場外工具之倉盤,藉貨幣、利率及證券價格之短期波動以賺取利潤,據此管理金融工具的風險。管理層就金融產品之風險水平設定交易限額。

(a) 公平價值對沖

本集團透過利率掉期,對沖其定息資產之部分現有港元及外幣利率風險。此等掉期於二零一六年十二月三十一日之公平淨值為正1億9千3百萬港元(二零一五年:負3千8百萬港元)。

(b) 現金流對沖

本集團使用利率掉期保障按可變利率計息的非交易資產及負債免受未來現金流量波動的風險。於二零一六年十二月三十一日,此等掉期之公平淨值為正1億6千9百萬港元(二零一五年:正1億9千7百萬港元)。

4 FINANCIAL RISK MANAGEMENT (continued)

4.5 Strategy in using financial instruments

By their nature, the Group's activities are principally related to the use of financial instruments including derivatives. The Group accepts deposits from customers at both fixed and floating rates, and for various periods, and seeks to optimise the interest margins by investing these funds in high-quality assets. The Group seeks to increase these margins generally by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity in the process to meet all claims that might fall due.

The Group also seeks to raise its interest margins, net of allowances, through lending to commercial and retail borrowers with a range of credit standings. Such exposures involve not just on-balance sheet loans and advances but also guarantees and other commitments such as letters of credit and performance and other bonds.

The Group also manages the risk of financial instruments by taking positions in OTC instruments to take advantage of short-term market movements in currencies, interest rates and securities prices. The management places risk limits on the level of exposure to financial products.

(a) Fair value hedges

The Group hedges part of the existing Hong Kong dollar and foreign currency interest rate risk in its fixed rate assets by means of interest rate swaps. The net fair value of these swaps as at 31 December 2016 was HK\$193 million positive (2015: HK\$38 million negative).

(b) Cash flow hedges

The Group uses interest rate swaps to protect against exposures to variability in future cash flows on non-trading assets and liabilities which bear interest at variable rates. The net fair value of these swaps as at 31 December 2016 was HK\$169 million positive (2015: HK\$197 million positive).

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.6 金融資產及負債之公平價值

使用估值方法以公平價值計量之金融工具

在活躍市場上買賣之標準化金融資產及金融負債之公平價值根據市場報價釐定。至於所有其他金融工具，本集團使用估值法釐定公平價值。一般而言，如有提供活躍市場報價，將採用此一價格。如沒有提供活躍市場報價，則將採用合適的估值法。

估值法包括淨現值及折現現金流模型、類似工具之比較(如市場上有可觀察之價格)、柏力克-舒爾斯及多項式期權定價模型，以及其他估值法。估值法下使用之假設和輸入值包括無風險及指標利率、信貸息差及估計折現率時所用之其他溢價、債券及股票價格、外幣匯率、股票及股票指數價格，以及預期價格波幅和相互關係。估值法之目標為達致能反映於報告日期市場參與者之間在有序交易下出售資產時所收取或轉讓負債時所支付之金融工具價格之公平價值計量。

本集團使用廣被認可之估值模型釐定普通金融工具之公平價值。市場數據輸入值為獨立及可在市場上觀察得出，避免任何對公平價值之操控。本集團亦已設立估值委員會，以制定計量公平價值之控制框架。估值委員會負責檢討對金融工具進行估值時所採用之全部市場價格及利率來源，以及利率曲線、估值方法和模型。

本集團之場外衍生工具持倉已加入一個信貸估值調整(CVA)因子，以於計量衍生工具之公平價值時計入交易對手違約風險。CVA是對公平價值作出按市價計值調整，以反映本集團場外衍生工具組合之潛在交易對手信貸風險。CVA乃透過將預期虧損率乘以買賣層面工具之風險價值計算。

本集團參考具有相若內部信貸級別之交易對手之歷史虧損率，估計預期之虧損率。本集團已採用一個債務估值調整(DVA)因子，以於衍生工具之公平價值內計入本集團本身之信貸風險，而估值之方法與CVA相同。

4 FINANCIAL RISK MANAGEMENT (continued)

4.6 Fair values of financial assets and liabilities

Financial instruments measured at fair value using a valuation technique

Fair values of standardized financial assets and financial liabilities that are traded in active market are based on quoted market prices. For all other financial instruments, the Group determines fair values using valuation techniques. In general, quoted prices in active market will be used if available. When quoted prices in active markets are not available, an appropriate valuation technique will be employed.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

The Group uses widely recognised valuation models for determining the fair value of the common financial instruments. The market data inputs are independent and observable in the market which avoids any manipulation of the fair values. The Group has also an established Valuation Committee to set up control framework with respect to the measurement of fair values. Valuation Committee is responsible for review of all market prices and rate sources used as well as curves, methodology and models for valuation of financial instruments.

A Credit Valuation Adjustment (CVA) is applied to the Group's over-the-counter derivative exposures to take into account the counterparty's risk of default when measuring the fair value of the derivatives. CVA is the mark-to-market adjustment to the fair value to reflect potential credit risk from counterparties in the Group's over-the-counter derivative portfolio. CVA is calculated by multiplying the expected loss rates and the exposure value of the instruments at deal level.

The Group estimates the expected loss rates by referencing the historical loss rates of the counterparties at similar internal credit grading level. A Debit Valuation Adjustment (DVA) is applied to incorporate the Group's own credit risk in the fair value of derivatives, using same methodology as for CVA.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.6 金融資產及負債之公平價值(續)

釐定公平價值等級

根據香港財務報告準則第13號「公平價值計量」三級公平價值分級之分類定義，下表列示本集團於報告期末按重覆發生基準以釐定金融工具之公平價值。分類予每一分級之公平價值釐定取決於以下所採用的估值模式的參數之可觀察性及重要性：

等級一估值：釐定公平價值只採用第一級參數，即於釐定日在活躍市場相同資產或負債的報價。

等級二估值：釐定公平價值採用第二級參數，即第一級估值內可直接或間接就資產或負債觀察所得的可觀察市場報價以外的參數。

等級三估值：釐定公平價值採用非可觀察參數。非可觀察參數是在未能提供相關可觀察參數時用以釐定公平價值的參數。

4 FINANCIAL RISK MANAGEMENT (continued)

4.6 Fair values of financial assets and liabilities (continued)

Determination of fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 valuations: Fair value measured using unobservable inputs. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.6 金融資產及負債之公平價值(續)

釐定公平價值等級(續)

二零一六年十二月三十一日

31 December 2016

		等級一 Level 1 千港元 HK\$'000	等級二 Level 2 千港元 HK\$'000	等級三 Level 3 千港元 HK\$'000	總額 Total 千港元 HK\$'000
經常性公平價值計量					
金融資產					
衍生金融工具					
遠期外匯合約	Forward foreign exchange contracts	-	10,399,556	-	10,399,556
結構性外匯合約	Structured foreign exchange contracts	-	99,543	-	99,543
貨幣掉期	Currency swaps	-	6,061,034	-	6,061,034
外匯期權	FX options	-	338,803	-	338,803
利率掉期	Interest rate swaps	-	1,032,472	-	1,032,472
商品遠期	Commodity forward	-	474,806	-	474,806
利率期貨	Interest rate futures	-	9,516	-	9,516
股票掉期	Equity swaps	-	-	-	-
股票期權	Equity options	-	27	-	27
		-	18,415,757	-	18,415,757
持作交易用途金融資產					
債券	Debt securities	-	654,695	-	654,695
股票	Equities	-	17,556	-	17,556
		-	672,251	-	672,251
備供銷售金融投資					
債券	Debt securities	58,904,085	16,993,239	-	75,897,324
股票	Equities	54,772	-	128,572	183,344
財富管理產品	Wealth management products	-	2,836,808	-	2,836,808
		58,958,857	19,830,047	128,572	78,917,476
金融資產總額	Total financial assets	58,958,857	38,918,055	128,572	98,005,484
金融負債					
衍生金融工具					
遠期外匯合約	Forward foreign exchange contracts	-	10,216,188	-	10,216,188
結構性外匯合約	Structured foreign exchange contracts	-	100,749	-	100,749
貨幣掉期	Currency swaps	-	6,114,222	-	6,114,222
外匯期權	FX options	-	352,748	-	352,748
利率掉期	Interest rate swaps	-	510,444	-	510,444
商品遠期	Commodity forward	-	476,090	-	476,090
利率期貨	Interest rate futures	-	5,643	-	5,643
股票掉期	Equity swaps	-	227,888	-	227,888
股票期權	Equity options	-	27	-	27
		-	18,003,999	-	18,003,999
指定以公平價值經收益表入賬金融負債					
已發行債券	Debt securities in issue	-	72,101	-	72,101
		-	72,101	-	72,101
金融負債總額	Total financial liabilities	-	18,076,100	-	18,076,100

4 FINANCIAL RISK MANAGEMENT (continued)

4.6 Fair values of financial assets and liabilities (continued)

Determination of fair value hierarchy (continued)

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4 FINANCIAL RISK MANAGEMENT (continued)

4.6 金融資產及負債之公平價值(續)

4.6 Fair values of financial assets and liabilities (continued)

釐定公平價值等級(續)

Determination of fair value hierarchy (continued)

		等級一 Level 1 千港元 HK\$'000	等級二 Level 2 千港元 HK\$'000	等級三 Level 3 千港元 HK\$'000	總額 Total 千港元 HK\$'000
二零一五年十二月三十一日	31 December 2015				
經常性公平價值計量	Recurring fair value measurements				
金融資產	Financial assets				
衍生金融工具	Derivative financial instruments				
遠期外匯合約	Forward foreign exchange contracts	-	6,239,711	-	6,239,711
結構性外匯合約	Structured foreign exchange contracts	-	258,142	-	258,142
貨幣掉期	Currency swaps	-	3,191,811	-	3,191,811
外匯期權	FX options	-	706,662	-	706,662
利率掉期	Interest rate swaps	-	769,116	-	769,116
商品遠期	Commodity forward	-	-	-	-
利率期貨	Interest rate futures	-	3,019	-	3,019
股票掉期	Equity swaps	-	215,797	-	215,797
股票期權	Equity options	-	6	-	6
		-	11,384,264	-	11,384,264
持作交易用途金融資產	Financial assets held for trading				
債券	Debt securities	-	-	-	-
股票	Equities	-	165,717	-	165,717
		-	165,717	-	165,717
備供銷售金融投資	Available-for-sale financial investments				
債券	Debt securities	37,730,641	9,669,408	89,649	47,489,698
股票	Equities	53,509	-	97,017	150,526
財富管理產品	Wealth management products	-	23,910,610	-	23,910,610
		37,784,150	33,580,018	186,666	71,550,834
金融資產總額	Total financial assets	37,784,150	45,129,999	186,666	83,100,815
金融負債	Financial liabilities				
衍生金融工具	Derivative financial instruments				
遠期外匯合約	Forward foreign exchange contracts	-	6,362,658	-	6,362,658
結構性外匯合約	Structured foreign exchange contracts	-	259,787	-	259,787
貨幣掉期	Currency swaps	-	3,093,438	-	3,093,438
外匯期權	FX options	-	637,961	-	637,961
利率掉期	Interest rate swaps	-	443,014	-	443,014
商品遠期	Commodity forward	-	-	-	-
利率期貨	Interest rate futures	-	2,815	-	2,815
股票掉期	Equity swaps	-	215,797	-	215,797
股票期權	Equity options	-	6	-	6
		-	11,015,476	-	11,015,476
指定以公平價值經收益表入賬	Financial liabilities designated at fair value through profit or loss				
金融負債					
已發行債券	Debt securities in issue	-	-	-	-
		-	-	-	-
金融負債總額	Total financial liabilities	-	11,015,476	-	11,015,476

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.6 金融資產及負債之公平價值(續)

按公平價值計量之等級三金融工具之變動

下表載列按公平價值列賬之等級三金融資產及負債之年初餘額與年終餘額之對賬：

		於二零一六年 一月一日 At 1 January 2016 千港元 HK\$'000	增添/ (出售) Addition/ (disposal) 千港元 HK\$'000	由持有至到期 投資重新分類 Reclassify from held-to- maturity investment 千港元 HK\$'000	於權益內列賬 之收益總額 Total gains recorded in equity 千港元 HK\$'000	於二零一六年 十二月三十一日 At 31 December 2016 千港元 HK\$'000
金融資產	Financial assets					
備供銷售金融投資	Available-for-sale financial investments					
債券	Debt securities	89,649	(89,649)	-	-	-
股票	Equities	97,017	-	-	31,555	128,572
等級三金融資產總值	Total level 3 financial assets	186,666	(89,649)	-	31,555	128,572

		於二零一五年 一月一日 At 1 January 2015 千港元 HK\$'000	增添/ (出售) Addition/ (disposal) 千港元 HK\$'000	重新分類至持有 至到期投資 Reclassify to held-to- maturity investment 千港元 HK\$'000	於權益內列賬 之收益總額 Total gains recorded in equity 千港元 HK\$'000	於二零一五年 十二月三十一日 At 31 December 2015 千港元 HK\$'000
金融資產	Financial assets					
備供銷售金融投資	Available-for-sale financial investments					
債券	Debt securities	8,602	-	79,102	1,945	89,649
股票	Equities	81,333	13,163	-	2,521	97,017
等級三金融資產總值	Total level 3 financial assets	89,935	13,163	79,102	4,466	186,666

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.6 金融資產及負債之公平價值(續)

按公平價值計量之等級三金融工具之變動(續)

計入本年度收益表之等級三金融工具之收益／虧損包括：

4 FINANCIAL RISK MANAGEMENT (continued)

4.6 Fair values of financial assets and liabilities (continued)

Movements in level 3 financial instruments measured at fair value (continued)

Gains/losses on Level 3 financial instruments included in the income statement for the year comprise:

		未變現虧損 Unrealised losses 千港元 HK\$'000	未變現收益 Unrealised gains 千港元 HK\$'000	總額 Total 千港元 HK\$'000
二零一六年	2016			
計入本年度收益表之收益／ (虧損) 總額	Total gains/(losses) included in income statement for the year	-	21,387	21,387
		未變現虧損 Unrealised losses 千港元 HK\$'000	未變現收益 Unrealised gains 千港元 HK\$'000	總額 Total 千港元 HK\$'000
二零一五年	2015			
計入本年度收益表之收益／ (虧損) 總額	Total gains/(losses) included in income statement for the year	-	13,560	13,560

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.6 金融資產及負債之公平價值(續)

等級一與等級二之間的重大轉移

下表列出按公平價值記賬之金融資產及負債的公平價值等級中，等級一與等級二之間的重大轉移：

二零一六年	2016	由等級一轉移至等級二 Transfers from level 1 to level 2	
		2016 千港元 HK\$'000	2015 千港元 HK\$'000
備供銷售金融投資 債券	Available-for-sale financial investments Debt securities	221,762	609,566

上列金融資產由等級一轉移至等級二，是因為該等資產於本年度已不再有活躍交易，相關公平價值乃於其後運用可觀察的市場輸入數據而以估值方法取得。

Significant transfers between Level 1 and 2

The following tables show significant transfers between Level 1 and Level 2 of the fair value hierarchy for financial assets and liabilities which are recorded at fair value:

二零一六年	2016	由等級二轉移至等級一 Transfers from level 2 to level 1	
		2016 千港元 HK\$'000	2015 千港元 HK\$'000
備供銷售金融投資 債券	Available-for-sale financial investments Debt securities	763,890	—

上列金融資產由等級二轉移至等級一，是因為該等資產於本年度有活躍交易，相關公平價值已經不再運用可觀察的市場輸入數據以估值方法取得。

The above financial assets were transferred from Level 2 to Level 1 as they have been actively traded during the year and fair values were no longer obtained using valuation techniques using observable market inputs.

在公平價值等級之間的轉移被視為於報告期末發生。

Transfers between levels of the fair value hierarchy are deemed to occur at the end of the reporting period.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.6 金融資產及負債之公平價值(續)

並非以公平價值計量之金融工具
金融資產及負債之公平價值估計如下：

(a) 銀行同業及其他金融機構之結存及存款

存放同業的浮息存款和隔夜存款的公平價值即其賬面值，固定利率存款(存款期少於一年)的估計公平價值，是基於貼現現金流量按貨幣市場利率及剩餘年期計算。因此，其公平價值約等於其賬面值。

(b) 貸款及其他賬項

貸款及其他賬項在扣除減值準備後列賬。除小部分客戶貸款外，其餘額均以浮動利率計息。本集團計算客戶及銀行同業之貸款之公平價值時已考慮相關之市場利率及減去減值準備，並注意到公平價值總額與賬面總值並無重大差異。

(c) 持有至到期金融投資

持有至到期債券之公平價值乃參照可用市值釐定。如市場報價並不可用，則公平價值根據定價模式或其他估值方法估計。

(d) 客戶、銀行同業及其他金融機構之存款及結存

未註明到期日的存款及結存的估計公平價值為即時償還的金額，該等浮息結餘的公平價值即為其賬面值。

定息同業存款及客戶存款而無市場報價，其估計公平價值是基於貼現現金流量採用同類剩餘到期日的債務利率計算，由於該等結餘期限自報告期結束時起計通常少於一年，因此，其公平價值約等於其賬面值。

4 FINANCIAL RISK MANAGEMENT (continued)

4.6 Fair values of financial assets and liabilities (continued)

Financial instruments not measured at fair value

The fair values of financial assets and liabilities are estimated as follows:

(a) *Balances and placements with banks and other financial institutions*

The fair values of floating rate placements and overnight deposits are their carrying amounts. The estimated fair value of fixed interest-bearing deposits, all of which are less than one year, is based on the discounted cash flows using prevailing money-market interest rates and the remaining maturity. Therefore, the fair value is approximately equal to the carrying value.

(b) *Advances and other accounts*

Advances and other accounts are net of allowances for impairment. All items, except a very insignificant portion of loans and advances to customers, bear interest at a floating rate. The Group has assessed the fair values of loans and advances to customers and banks, after taking into account the relevant market interest rates and net of allowances for impairment and noted that the total fair value is not materially different from the total carrying value.

(c) *Held-to-maturity financial investments*

The fair value of held-to-maturity debt securities is determined with reference to the available market value. If quoted market prices are not available, then the fair value is estimated on the basis of pricing models or using other valuation techniques.

(d) *Deposits and balances from customers, banks and other financial institutions*

The estimated fair value of deposits and balances with no stated maturity is the amount repayable on demand. The fair value of those balances having an interest at a floating rate is their carrying values.

The estimated fair values of the fixed interest-bearing deposits of banks and deposits from customers without quoted market prices is based on discounted cash flows using interest rates for new debts with similar remaining maturity. As their maturity is normally less than one year from the end of the reporting period, their fair values are approximately equal to their carrying values.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.6 金融資產及負債之公平價值(續)

並非以公平價值計量之金融工具(續)

(e) 已發行存款證

本集團計算已發行存款證之公平價值時已考慮相關之收益率曲線，並注意到公平價值總額與賬面值總額並無重大差異。

(f) 其他資產及其他負債

其他資產及其他負債一般為不帶利息之結餘，因此其估計公平價值為其賬面值。

本集團以成本或攤銷成本入賬之金融工具賬面值，與其於二零一六年及二零一五年十二月三十一日之公平價值並無重大差距，惟以下金融工具除外。該等金融工具之賬面值及公平價值以及所屬之公平價值等級如下：

		賬面值 Carrying amount 千港元 HK\$'000	公平價值 Fair value 千港元 HK\$'000	等級一 Level 1 千港元 HK\$'000	等級二 Level 2 千港元 HK\$'000	2016 等級三 Level 3 千港元 HK\$'000
金融負債	Financial liabilities					
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	11,603,948	19,559,236	15,577,169	3,982,067	-
		賬面值 Carrying amount 千港元 HK\$'000	公平價值 Fair value 千港元 HK\$'000	等級一 Level 1 千港元 HK\$'000	等級二 Level 2 千港元 HK\$'000	2015 等級三 Level 3 千港元 HK\$'000
金融負債	Financial liabilities					
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	13,375,445	13,726,764	9,942,883	3,783,881	-

4 FINANCIAL RISK MANAGEMENT (continued)

4.6 Fair values of financial assets and liabilities (continued)

Financial instruments not measured at fair value (continued)

(e) Certificates of deposit issued

The Group has assessed the fair value of certificates of deposit issued after taking into account the relevant yield curve and noted that the total fair value is not materially different from the total carrying value.

(f) Other assets and other liabilities

The estimated fair value of the other assets and other liabilities, which are normally non-interest-bearing, is their carrying values.

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2016 and 2015 except for the following financial instruments, for which their carrying amounts and fair value and the level of fair value hierarchy are disclosed below:

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.7 非金融資產及負債之公平價值

公平價值等級

下表呈列於報告期末按經常性基準計量本集團之銀行物業和房產以及投資物業之公平價值，並按香港財務報告準則第13號「公平價值計量」界定之三個公平價值等級進行分類。公平價值計量之等級乃參考以下估值技巧所用之輸入數據之可觀察性和重要性而分類：

等級一估值：只使用等級一輸入數據計量公平價值，即使用同類資產或負債於計量日在活躍市場的報價(未調整)計量公平價值

等級二估值：使用等級二輸入值計量公平價值，即按照不符合等級一之可觀察輸入數據，而不會主要使用不可觀察輸入數據計量公平價值。不可觀察輸入數據為無提供市場數據之輸入數據

等級三估值：主要使用不可觀察輸入數據計量公平價值

於二零一六年十二月三十一日之公平價值

經常性公平價值計量
銀行物業和房產
投資物業

Recurring fair value measurement
Bank premises and properties
Investment properties

千港元 HK\$'000	等級一 Level 1 千港元 HK\$'000	等級二 Level 2 千港元 HK\$'000	等級三 Level 3 千港元 HK\$'000
-----------------	-----------------------------------	-----------------------------------	-----------------------------------

655,436	–	–	655,436
79,658	–	–	79,658

於二零一五年十二月三十一日之公平價值

經常性公平價值計量
銀行物業和房產
投資物業

Recurring fair value measurement
Bank premises and properties
Investment properties

千港元 HK\$'000	等級一 Level 1 千港元 HK\$'000	等級二 Level 2 千港元 HK\$'000	等級三 Level 3 千港元 HK\$'000
-----------------	-----------------------------------	-----------------------------------	-----------------------------------

653,564	–	–	653,564
80,919	–	–	80,919

截至二零一六年十二月三十一日止年度，等級一及等級二之間並無轉移，亦無轉入或轉出等級三之項目。本集團之政策為於轉移發生之報告期間期末確認公平價值等級之間之轉移。

4 FINANCIAL RISK MANAGEMENT (continued)

4.7 Fair values of non-financial assets and liabilities

Fair value hierarchy

The following table presents the fair value of the Group's bank premises and properties and investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3 valuations: Fair value measured using significant unobservable inputs

Fair value at 31 December 2016

Fair value at 31 December 2015

During the year ended 31 December 2016, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.7 非金融資產及負債之公平價值(續)

公平價值等級(續)

本集團所有投資物業以及銀行物業和房產於二零一六年十二月三十一日重新估值。本銀行投資物業以及銀行物業和房產之估值由獨立專業合資格估值師韋堅信測量師行有限公司進行。本銀行附屬公司投資物業以及銀行物業和房產之估值由中國內地之獨立專業合資格估值師深圳市國眾聯資產評估土地房地產估價諮詢有限公司進行。此等估值師均具備所估值物業所在地點和物業類別之近期估值經驗。本集團之管理層已與測量師就於各中期及年度報告日期履行估值時所用之估值假設及估值結果進行討論。

關於等級三公平價值計量之資料

	估值方法 Valuation techniques	不可觀察輸入數據 Unobservable input	範圍 Range
投資物業 — 香港 — 中國內地	投資法 折現現金流	市場收益率 風險調整折現率 預期市場租金增長 預期出租率	
Investment properties — Hong Kong — Mainland China	Investment method Discount cash flow	Market yield Risk adjusted discount rate Expected market rental growth Expected occupancy rate	2.68% 5.5% 2.5% – 4% 97%
銀行物業和房產 — 香港 — 中國內地方法1	直接比較法 折現現金流	物業特點之溢價／(折讓) 風險調整折現率 預期市場租金增長 預期出租率	
— 中國內地方法2	直接比較法	市場價折現率	
Bank premises and properties — Hong Kong	Direct comparison approach	Premium/(discount) on characteristic of the properties	12.80% to (33.17%)
— Mainland China method 1	Discount cash flow	Risk adjusted discount rate Expected market rental growth Expected occupancy rate	5% 4% 97%
— Mainland China method 2	Direct comparison approach	Market value discount rate	5%

4 FINANCIAL RISK MANAGEMENT (continued)

4.7 Fair values of non-financial assets and liabilities (continued)

Fair value hierarchy (continued)

All of the Group's investment properties and bank premises and properties were revalued as at 31 December 2016. The valuations on the Banks's investment properties and bank premises and properties were carried out by an independent professionally qualified valuer, A.G. Wilkinson & Associates. The investment properties and bank premises and properties of the Bank's subsidiary were carried out by an independent professionally qualified valuer in the Mainland China, Shenzhen GuoZhongLian Asset and Real Estate Appraisal Consulting Co., Ltd. The valuers are with recent experience in the location and category of property being valued. The Group's management has discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

Information about Level 3 fair value measurements

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.7 非金融資產及負債之公平價值(續)

關於等級三公平價值計量之資料(續)

就分類為等級三之投資物業而言，公平價值以下列方法估值：

- i) 以投資法進行估值，並評估了合約租金收入和預期未來市值租金收入，再按實際市場之預期適用市場收益率就支出和維修保養需要作出撥備；及
- ii) 使用風險調整折現率，將與該等物業有關之預測現金流量折現。估值計及各物業之預期市值租金增長率和出租率。所用之折現率已就樓宇之質素和所在地點以及租戶之信貸質素作出調整。公平價值計量與預期市值租金及出租率成正比關係，並與風險調整折現率成反比關係。

就分類為等級三之銀行房產及物業而言，公平價值乃按以下方式釐定：

- i) 使用風險調整折現率，將與該等物業有關之預測現金流量折現。估值計及各物業之預期市值租金增長率和出租率。所用之折現率已就樓宇之質素和所在地點以及租戶之信貸質素作出調整。公平價值計量與預期市值租金及出租率成正比關係，並與風險調整折現率成反比關係；及
- ii) 使用直接比較法按各物業之現行狀況和用途，假設可即時交吉出售及參考可比較之銷售，以市場基準進行估值。估值已計及物業之特點，包括地點、面積、形狀、景觀、樓層、落成年份和其他因素，從整體上考慮。因有較佳特點而獲評較高溢價之物業將有較高之公平值計量。

4 FINANCIAL RISK MANAGEMENT (continued)

4.7 Fair values of non-financial assets and liabilities (continued)

Information about Level 3 fair value measurements (continued)

For investment properties classified under level 3, the fair values are valued by:

- i) investment method of valuation and have assessed the contractual rental income and the expected future market rental income after allowing for outgoings and maintenance requirements at appropriate market yields as perceived in the actual market; and
- ii) discounting a projected cash flow series associated with the properties using risk adjusted discount rates. The valuation takes into account expected market rental growth and occupancy rate of the respective properties. The discount rates used have been adjusted for the quality and location of the buildings and the tenant credit quality. The fair value measurement is positively correlated to the expected market rental growth and the occupancy rate, and negatively correlated to the risk adjusted discount rates.

For bank premises and properties classified under level 3, the fair values are determined by:

- i) discounting a projected cash flow series associated with the properties using risk adjusted discount rates. The valuation takes into account expected market rental growth and occupancy rate of the respective properties. The discount rates used have been adjusted for the quality and location of the buildings and the tenant credit quality. The fair value measurement is positively correlated to the expected market rental growth and the occupancy rate, and negatively correlated to the risk-adjusted discount rates; and
- ii) using direct comparison approach to value properties in their respective existing states and uses on the market basis assuming sale with immediate vacant possession and by making reference to comparable sales evidence. The valuations take into account the characteristic of the properties which included the location, size, shape, view, floor level, year of completion and others factors collectively. Higher premium for properties with higher characteristic will result in a higher fair value measurement.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.7 非金融資產及負債之公平價值(續)

關於等級三公平價值計量之資料(續)

錄得此等等級三公平價值計量之年度內之變動如下：

4 FINANCIAL RISK MANAGEMENT (continued)

4.7 Fair values of non-financial assets and liabilities (continued)

Information about Level 3 fair value measurements (continued)

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

銀行房產及物業：	Bank premises and properties:	千港元 HK\$'000
於二零一六年一月一日	At 1 January 2016	653,564
年內增添	Addition for the year	-
匯率調整	Exchange adjustment	(99)
年內折舊支出	Depreciation charge for the year	(18,031)
重估盈餘	Surplus on revaluation	20,002
於二零一六年十二月三十一日	At 31 December 2016	655,436

銀行房產及物業：	Bank premises and properties:	千港元 HK\$'000
於二零一五年一月一日	At 1 January 2015	620,252
年內增添	Addition for the year	-
匯率調整	Exchange adjustment	(1,603)
年內折舊支出	Depreciation charge for the year	(13,545)
重估盈餘	Surplus on revaluation	48,460
於二零一五年十二月三十一日	At 31 December 2015	653,564

投資物業：	Investment properties:	千港元 HK\$'000
於二零一六年一月一日	At 1 January 2016	80,919
公平價值調整	Fair value adjustment	1,262
匯率調整	Exchange adjustment	(2,523)
於二零一六年十二月三十一日	At 31 December 2016	79,658

投資物業：	Investment properties:	千港元 HK\$'000
於二零一五年一月一日	At 1 January 2015	69,977
公平價值調整	Fair value adjustment	13,002
匯率調整	Exchange adjustment	(2,060)
於二零一五年十二月三十一日	At 31 December 2015	80,919

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理(續)

4.8 資本管理

本集團之資本管理目標是以有效及風險為本之方法調撥資本，以優化給予股東之經風險調整回報。本集團定期審閱其資本架構及維持堅實之資本基礎以支持其業務長遠發展。自本銀行於二零一零年私有化後，本集團對獲母行注資的需求得到比以前更重視的反應，而母行於其後的多項注資即為明證。與此同時，本銀行的信貸評級亦因為私有化而獲得提升，讓本銀行可以通過比以前更符合成本效益的方式從資本市場籌集附加資本。

本集團透過管理其資本，有效地執行其策略性業務計劃，以及支持其增長和投資。於二零一六年七月二十一日，本銀行發行10億美元一級資本證券。於二零一六年十一月五日，本銀行贖回了人民幣15億元二級資本證券。本集團不時調整其業務策略及放貸方針以優化其風險回報組合。為確保遵守監管規定，本銀行已編製一項詳盡的資本管理和資本充足比率管理政策。

香港金融管理局要求本銀行維持監管資本總額與加權風險資產之比例(資本充足比率)在最低的8%再附加一個資本緩衝。本集團之若干附屬公司亦須符合其他監管機構如香港證券及期貨事務監察委員會所制定之法定資本規定。資本充足狀況及法定資本之運用由本集團管理層以資本規則所訂定之方法執行緊密之監察。所需資料將按季度以統計數據報表形式提交予香港金融管理局。資本充足狀況及資本基礎之披露載於附加財務資料附註1。

於截至二零一六年及二零一五年十二月三十一日止兩個年度內，本集團遵守了香港金融管理局對外頒布之所有資本規定。

4 FINANCIAL RISK MANAGEMENT (continued)

4.8 Capital management

The Group's objective for managing capital is to allocate capital in an efficient and risk-based approach to optimise risk-adjusted return to the shareholders. The Group periodically reviews its capital structure and maintains a strong capital base to support the development of its business. The privatisation of the Bank in 2010 facilitates greater responsiveness than before to the Group's need for capital injection from the Parent Bank as and when it arises. This was evidenced by the various capital injections from the Parent Bank thereafter. At the same time, the credit standing of the Bank is also enhanced as a result of the privatisation, which enables the Bank to raise supplementary capital from the capital market in a more cost-efficient manner than before.

The Group manages its capital to execute its strategic business plans and support its growth and investments in an efficient way. On 21 July 2016, the Bank has issued Tier 1 capital securities of US\$1 billion. On 5 November 2016, the Bank has redeemed Tier 2 capital securities of RMB1.5 billion. The Group adjusts its business and lending strategy from time to time to optimise its risk-return profile. To ensure compliance with regulatory requirements, detailed capital management and capital adequacy ratio management policies have been drawn up by the Bank.

The HKMA requires the Bank to maintain a ratio of total regulatory capital to risk-weighted assets (the CAR) at the minimum of 8% plus a capital cushion. Certain subsidiaries of the Group are also subject to statutory capital requirements from other regulatory authorities, such as the Hong Kong Securities and Futures Commission. Capital adequacy and the use of regulatory capital are closely monitored by the Management, employing techniques based on the Capital Rules. The required information is filed with the HKMA on a quarterly basis. The disclosure of capital adequacy and capital base are shown in Note 1 of the Supplementary Financial Information.

During the two years ended 31 December 2016 and 2015, the Group complied with all of the capital requirements externally imposed by the HKMA.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

4 財務風險管理 (續)

4.9 業務操作風險管理

業務操作風險指因缺乏或失誤之內部程序、人員、系統或外部事件而造成意料之外之財務虧損之風險。每家商業機構的日常業務運作均存在業務操作風險，分布於各個不同層面，及由多個不同的成因造成。本集團採用「三重防禦」方法管理業務操作風險。操作風險委員會提供足夠的監督，以確保內在的業務操作風險可透過足夠的管控措施而得以減低。本銀行亦透過執行各種管理工具，包括主要操作風險評估、主要風險指標、收集營運損失數據及事件報告、全面之內部控制制度等，監察業務操作風險。本集團將根據巴塞爾資本協定委員會和香港金融管理局分別發出的指引和原則，堅持實行主動積極的業務操作風險管理。

4.10 法律及合規風險管理

法律及合規風險乃本集團如因違反或不符合所有與經營業務有關之適用法律及規例而可能遭受之法律及法規制裁、財務虧損或名譽損失。

法律及合規職員就法律及法規發展給予管理層意見及協助其建立政策、程序及監控系統以確保符合相關之法律及法規要求。該等職員會執行定期合規檢查，以使本銀行能識別潛在違規事項並及時採取補救措施。該等職員亦定期安排培訓以更新職員對相關法律及法規規定之知識，並就相關法律及合規事宜，包括違規事項以及法律和法規發展等向行政委員會作出定期報告。

5 分部報告

5.1 業務種類

本集團包括七個經營分部。商業銀行業務指商業借貸及貿易融資。零售銀行業務指零售銀行、租購租賃和信用卡業務。金融市場部業務指外匯、貨幣市場及資本市場業務。企業及投資銀行業務主要包括企業銀行、提供債務資本市場及投資銀行業務。機構銀行業務主要包括金融機構業務。華商銀行主要包括本銀行於內地附屬公司之業務。未分類的項目主要包括中央管理部、銀行物業、分部間抵銷項目及無法合理地分配至特定業務分部的任何項目。

4 FINANCIAL RISK MANAGEMENT (continued)

4.9 Operational risk management

Operational risk is the risk of unexpected financial losses resulting from inadequate or failed internal processes, people, systems or from external events. It is inherent to every aspect of daily business operations within an organization, which covers a wide spectrum of issues and root causes. The Group is adopting the “Three Lines of Defence” approach to manage operational risk. The Operational Risk Committee provides adequate oversight to ensure inherent operational risks are mitigated with adequate control measures. Operational risk is also monitored through the implementation of various management tools, including key risk assessment, key risk indicators, operational loss data collection and incident reporting, comprehensive internal control systems, etc. The Group will keep on pursuing active and proactive operational risk management practice in accordance with the relevant guidelines and principles issued by the BASEL Committee and the HKMA respectively.

4.10 Legal and compliance risk management

Legal and compliance risk is the potential risk of legal and regulatory sanctions, financial loss, or reputational loss that the Group may suffer as a result of violations of, or non-compliance with, applicable laws and regulations with respect to the conduct of business.

Legal and compliance staff members advise the management on legal and regulatory developments and assist the management in establishing policies, procedures and monitoring programmes to ensure compliance with relevant legal and regulatory requirements. They conduct regular compliance checking so that the Bank can identify potential non-compliance issues and take remedial actions on a timely basis. They also arrange regular training sessions to update staff members with relevant legal and regulatory requirements. Regular reports on related legal and compliance issues including non-compliance issues and legal and regulatory developments are presented to various Board-level Committees.

5 SEGMENT REPORTING

5.1 Class of business

The Group comprises seven operating segments. Commercial banking represents commercial lending and trade financing. Retail banking represents retail banking, hire purchase and leasing, and credit card business. Global markets and trading represents foreign exchange, money market and capital market activities. Corporate and investment banking mainly comprises corporate banking, the provision of debt capital market and investment banking. Institutional banking represents financial institution business. Chinese Mercantile Bank represents the business of the Bank's subsidiary in Mainland China. Unallocated items mainly comprise the central management unit, bank premises, inter-group elimination entries and any items which cannot be reasonably allocated to specific operating segments.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

5 分部報告(續)

5 SEGMENT REPORTING (continued)

5.1 業務種類(續)

5.1 Class of business (continued)

		企業與 投資銀行	商業銀行	零售銀行	金融市場部	機構銀行	華商銀行	未分類	總計
		Corporate and investment banking 千港元 HK\$'000	Commercial banking 千港元 HK\$'000	Retail banking 千港元 HK\$'000	Global markets and trading 千港元 HK\$'000	Institutional banking 千港元 HK\$'000	Chinese Bank 千港元 HK\$'000		
二零一六年十二月三十一日	31 December 2016								
淨利息收入	Net interest income	1,231,457	2,855,446	1,350,231	1,241,176	632,232	2,115,573	(283,260)	9,142,855
收費及佣金收入	Fee and commission income	381,695	833,172	720,041	3	262,330	183,263	83,547	2,464,051
收費及佣金支出	Fee and commission expense	(14,457)	(18,522)	(269,141)	-	(58)	(6,355)	(7)	(308,540)
收費及佣金收入淨額	Net fee and commission income	367,238	814,650	450,900	3	262,272	176,908	83,540	2,155,511
淨交易收入	Net trading income	95,115	318,670	108,255	(22,327)	39,011	32,697	496,032	1,067,453
指定以公平價值部收益表入賬金融資產 及負債收益/(虧損)淨額	Net gain/(loss) on financial assets and liabilities designated at fair value through profit or loss	-	-	-	18,525	-	-	(106)	18,419
來自金融投資之股息收入	Dividend income from financial investments	-	-	-	-	-	-	7,475	7,475
其他營業收入	Other operating income	-	1,306	265	-	3	10,862	5,496	17,932
營業收入	Operating income	1,693,810	3,990,072	1,909,651	1,237,377	933,518	2,336,040	309,177	12,409,645
營業支出	Operating expenses	(182,154)	(554,144)	(1,146,857)	(302,394)	(173,334)	(432,006)	78	(2,790,811)
未扣除減值損失之營業溢利	Operating profit before impairment losses	1,511,656	3,435,928	762,794	934,983	760,184	1,904,034	309,255	9,618,834
貸款減值損失(支銷)/撥回	(Charge for)/write back of impairment losses on loans and advances	(364,735)	(7,990)	(29,418)	-	(39,177)	(437,671)	394	(878,597)
備供銷售金融投資減值損失回撥	Write back of impairment losses on available-for-sale financial investments	-	-	-	67,050	-	-	-	67,050
扣除減值損失之營業溢利	Operating profit after impairment losses	1,146,921	3,427,938	733,376	1,002,033	721,007	1,466,363	309,649	8,807,287
重估投資物業溢利	Revaluation gain on investment properties	-	-	-	-	-	462	800	1,262
物業及設備之虧損淨額	Net loss from property, plant and equipment	-	(8)	(2,523)	-	-	(291)	(67)	(2,889)
出售附屬公司及聯營公司之溢利	Gain on disposal of subsidiary and associate	-	-	-	-	-	-	2,984	2,984
出售貸款之虧損	Loss on disposal of loans and advances	-	-	-	-	(322)	-	-	(322)
出售備供銷售金融投資之收益淨額	Net gain on disposal of available-for-sale financial investments	-	-	-	127,452	-	17,129	88,858	233,439
出售持有至到期金融投資之收益淨額	Net gain on disposal of held-to-maturity financial investments	-	-	-	5,909	-	-	-	5,909
營業溢利	Operating profit	1,146,921	3,427,930	730,853	1,135,394	720,685	1,483,663	402,224	9,047,670
應佔聯營公司溢利	Share of profits of associates	-	-	-	-	-	-	21,064	21,064
除稅前溢利	Profit before tax	1,146,921	3,427,930	730,853	1,135,394	720,685	1,483,663	423,288	9,068,734
分部資產	Segment assets	95,808,319	151,418,285	53,832,978	102,142,622	36,215,128	139,354,582	218,337,391	797,109,305
於聯營公司之投資	Investment in associates	-	-	-	-	-	-	383,199	383,199
未分類資產	Unallocated assets	-	-	-	-	-	-	1,182,013	1,182,013
總資產	Total assets	95,808,319	151,418,285	53,832,978	102,142,622	36,215,128	139,354,582	219,902,603	798,674,517
分部負債	Segment liabilities	94,036,088	147,657,331	54,621,092	99,300,774	41,995,297	128,373,118	204,355,946	770,339,646
未分類負債	Unallocated liabilities	-	-	-	-	-	-	(55,551,275)	(55,551,275)
負債總額	Total liabilities	94,036,088	147,657,331	54,621,092	99,300,774	41,995,297	128,373,118	148,804,671	714,788,371
資本性支出	Capital expenditure	15	857	32,739	994	69	5,156	42,437	82,267
折舊及攤銷費用	Depreciation and amortisation charges	144	658	40,137	5,514	1,458	27,381	41,326	116,618

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

5 分部報告(續)

5.1 業務種類(續)

		企業與投資銀行 Corporate and investment banking 千港元 HK\$'000	商業銀行 Commercial banking 千港元 HK\$'000	零售銀行 Retail banking 千港元 HK\$'000	金融市場部 Global markets and trading 千港元 HK\$'000	機構銀行 Institutional banking 千港元 HK\$'000	華商銀行 Chinese Mercantile Bank 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一五年十二月三十一日 31 December 2015									
淨利息收入	Net interest income	1,398,313	2,358,768	1,098,473	1,122,372	561,474	2,155,844	(178,002)	8,517,242
收費及佣金收入	Fee and commission income	423,815	628,111	661,103	6	246,980	184,178	36,866	2,181,059
收費及佣金支出	Fee and commission expense	(36,565)	(29,432)	(235,881)	-	(1,297)	(42,222)	-	(345,397)
收費及佣金收入淨額	Net fee and commission income	387,250	598,679	425,222	6	245,683	141,956	36,866	1,835,662
淨交易收入	Net trading income	90,608	293,662	91,518	220,412	100,540	42,687	231,111	1,070,538
指定以公平價值經收益表入賬金融資產 及負債收益淨額	Net gain on financial assets and liabilities designated at fair value through profit or loss	-	-	-	1,372	-	-	-	1,372
來自金融投資之股息收入	Dividend income from financial investments	-	-	-	-	-	-	8,950	8,950
其他營業收入	Other operating income	-	623	290	1,761	1	31,246	8,550	42,471
營業收入	Operating income	1,876,171	3,251,732	1,615,503	1,345,923	907,698	2,371,733	107,475	11,476,235
營業支出	Operating expenses	(201,047)	(538,693)	(1,099,701)	(304,870)	(161,160)	(479,011)	84,398	(2,700,084)
未扣除減值損失之營業溢利	Operating profit before impairment losses	1,675,124	2,713,039	515,802	1,041,053	746,538	1,892,722	191,873	8,776,151
貸款減值損失(支銷)/撥回	(Charge for)/write back of impairment losses on loans and advances	(989,753)	12,079	(33,115)	109	(20,127)	(295,639)	14,504	(1,311,942)
備供銷售金融投資減值損失回撥	Write back of impairment losses on available-for-sale financial investments	-	-	-	137,298	-	-	-	137,298
扣除減值損失之營業溢利	Operating profit after impairment losses	685,371	2,725,118	482,687	1,178,460	726,411	1,597,083	206,377	7,601,507
重估投資物業溢利	Revaluation gain on investment properties	-	-	-	-	-	12,802	200	13,002
物業及設備之虧損淨額	Net loss from property, plant and equipment	(2)	(4)	(1,727)	-	-	(35)	(35)	(1,803)
出售附屬公司及聯營公司之溢利	Gain on disposal of subsidiary and associate	-	-	-	-	-	-	-	-
出售貸款之虧損	Loss on disposal of loans and advances	-	-	-	-	-	-	-	-
出售備供銷售金融投資之收益淨額	Net gain on disposal of available-for-sale financial investments	-	-	-	49,927	-	70,142	640,010	760,079
出售持有至到期金融投資之收益淨額	Net gain on disposal of held-to-maturity financial investments	-	-	-	-	-	-	-	-
營業溢利	Operating profit	685,369	2,725,114	480,960	1,228,387	726,411	1,679,992	846,552	8,372,785
應佔聯營公司溢利	Share of profits of associates	-	-	-	-	-	-	19,262	19,262
除稅前溢利	Profit before tax	685,369	2,725,114	480,960	1,228,387	726,411	1,679,992	865,814	8,392,047
分部資產	Segment assets	93,212,292	144,241,999	45,339,902	238,453,212	24,082,582	152,306,284	34,291,843	731,928,114
於聯營公司之投資	Investment in associates	-	-	-	-	-	-	284,878	284,878
未分類資產	Unallocated assets	-	-	-	-	-	-	1,338,033	1,338,033
總資產	Total assets	93,212,292	144,241,999	45,339,902	238,453,212	24,082,582	152,306,284	35,914,754	733,551,025
分部負債	Segment liabilities	92,116,396	141,195,764	63,215,174	195,939,870	45,241,130	142,635,934	28,202,440	708,546,708
未分類負債	Unallocated liabilities	-	-	-	-	-	-	(45,333,141)	(45,333,141)
負債總額	Total liabilities	92,116,396	141,195,764	63,215,174	195,939,870	45,241,130	142,635,934	(17,130,701)	663,213,567
資本性支出	Capital expenditure	141	296	48,770	4,730	80	19,166	33,895	107,078
折舊及攤銷費用	Depreciation and amortisation charges	212	821	41,361	5,759	1,596	24,118	49,650	123,517

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

5 分部報告(續)

5 SEGMENT REPORTING (continued)

5.2 按地域劃分

5.2 Geographical area

本集團主要在香港經營業務。按主要營業地點劃分之地域分析如下：

The Group operates predominantly in Hong Kong. The geographical analysis, which has been classified by the location of the principal operations, is as follows:

二零一六年	2016	香港 Hong Kong 千港元 HK\$'000	除香港以外 之亞太地區 Asia Pacific (excluding Hong Kong) 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
營業收入	Operating income	9,952,875	2,456,770	12,409,645
除稅前溢利	Profit before taxation	7,461,554	1,607,180	9,068,734
資產總額	Total assets	659,324,888	139,349,629	798,674,517
負債總額	Total liabilities	586,421,344	128,367,027	714,788,371
或然負債及承擔	Contingent liabilities and commitments	244,231,479	25,261,968	269,493,447
年內資本性支出	Capital expenditure during the year	77,111	5,156	82,267

二零一五年	2015	香港 Hong Kong 千港元 HK\$'000	除香港以外 之亞太地區 Asia Pacific (excluding Hong Kong) 千港元 HK\$'000	綜合 Consolidated 千港元 HK\$'000
營業收入	Operating income	8,911,419	2,564,816	11,476,235
除稅前溢利	Profit before taxation	6,516,069	1,875,978	8,392,047
資產總額	Total assets	581,248,248	152,302,777	733,551,025
負債總額	Total liabilities	520,582,028	142,631,539	663,213,567
或然負債及承擔	Contingent liabilities and commitments	203,631,054	22,332,424	225,963,478
年內資本性支出	Capital expenditure during the year	87,912	19,166	107,078

於二零一六年或二零一五年，概無與單一外部客戶或對手交易之收入佔本集團總收入10%或上。

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2016 or 2015.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

6 淨利息收入

6 NET INTEREST INCOME

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
以下項目之利息收入：	Interest income on:		
現金及在銀行同業與其他金融機構之結存	Cash and balances with banks and other financial institutions	662,563	1,649,125
在銀行同業與其他金融機構之存款	Placements with banks and other financial institutions	435,951	478,663
貸款及其他賬項	Advances and other accounts	12,685,718	11,678,054
金融投資－可供銷售	Financial investments – available-for-sale	2,590,385	2,320,146
金融投資－持有至到期	Financial investments – held-to-maturity	1,867,229	1,613,258
		18,241,846	17,739,246
以下項目之利息支出：	Interest expense on:		
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	1,499,689	1,797,202
客戶存款	Deposits from customers	5,738,507	5,447,941
已發行存款證	Certificates of deposit issued	1,004,204	882,623
已發行債券	Debt securities in issue	148,370	92,113
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	649,687	993,305
其他	Others	58,534	8,820
		9,098,991	9,222,004
淨利息收入	Net interest income	9,142,855	8,517,242

計入上述項目為已減值金融資產應計之利息收入32,776,000港元(二零一五年：26,155,000港元)，但包括貸款減值損失之利息折扣轉回28,729,000港元(二零一五年：14,740,000港元)。

Included in the above is interest income accrued on impaired financial assets of HK\$32,776,000 (2015: HK\$26,155,000), but including unwinding of discounts on loan impairment losses of HK\$28,729,000 (2015: HK\$14,740,000).

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

7 收費及佣金收入淨額

7 NET FEE AND COMMISSION INCOME

		(重列) (Restated)	
		2016 千港元 HK\$'000	2015 千港元 HK\$'000
貸款、透支及擔保	Loans, overdrafts and guarantees	1,217,147	1,003,942
證券及經紀	Securities and brokerage	213,659	292,020
貿易融資	Trade finance	177,443	254,168
信用卡	Credit card	321,873	287,043
匯款	Remittance	84,830	76,402
保險	Insurance	161,031	56,333
其他零售及商業銀行服務	Other retail and commercial banking services	34,819	46,192
證券安排費	Securities arrangement fee	29,383	26,391
其他	Others	223,866	144,568
收費及佣金收入	Fee and commission income	2,464,051	2,187,059
收費及佣金支出	Fee and commission expense	(308,540)	(345,397)
收費及佣金收入淨額	Net fee and commission income	2,155,511	1,841,662
其中：	Of which:		
由非持作交易用途或指定以公平價值 經收益表入賬金融資產或金融負債 所產生之淨收費收入（不包含計算 實際利率之金額）	Net fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading nor designated at fair value through profit or loss	1,329,689	1,258,110
因本集團代表其客戶持有資產或投資 之信託及其他受託人業務而產生之 淨收費收入	Net fee income on trust and other fiduciary activities where the Group holds or invests on behalf of its customers	92,394	23,811
其中：	Of which:		
按產品組成之收費及佣金收入不少於 收費及佣金總額百分之十，如下：	Fee and commission income by product line constitutes not less than 10% of the total amount of fee and commission income, as follows:		
— 有期貸款	— term loan	509,121	362,073
— 銀團貸款	— syndication loan	503,716	464,639
— 信用卡	— credit card	321,873	287,043

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

8 淨交易收入

8 NET TRADING INCOME

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
股權投資	Equity investments	(2,466)	37,435
債券	Debt securities		
— 持作交易用途金融資產	— financial assets held for trading	34,598	72,961
— 備供銷售金融投資	— available-for-sale financial investments	(2,899)	1,083
衍生工具	Derivatives	(136,591)	119,160
外匯	Foreign exchange	1,175,203	839,915
		1,067,845	1,070,554
對沖活動之收益／(虧損)	Gain/(loss) from hedging activities		
公平價值對沖	Fair value hedges		
— 對沖風險導致之對沖項目	— Net loss on hedged items attributable to the hedged risk	(222,597)	(13,558)
虧損淨額			
— 對沖工具收益淨額	— Net gain on hedging instruments	222,205	13,542
		(392)	(16)
淨交易收入總額	Total net trading income	1,067,453	1,070,538

二零一六年之淨交易收入總額中並無以攤銷成本入賬之金融負債收益或虧損(二零一五年：無)。

There is no gain or loss on financial liabilities measured at amortised cost which is included in total net trading income in 2016 (2015: Nil).

9 指定以公平價值經收益表入賬金融資產及負債之淨收益

9 NET GAIN ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
指定以公平價值經收益表入賬金融資產	Financial assets designated at fair value through profit or loss	—	1,372
指定以公平價值經收益表入賬金融負債	Financial liabilities designated at fair value through profit or loss	18,419	—
指定以公平價值經收益表入賬金融資產及負債淨收益總額	Total net gain on financial assets and liabilities designated at fair value through profit or loss	18,419	1,372

10 來自金融投資之股息收入

10 DIVIDEND INCOME FROM FINANCIAL INVESTMENTS

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
持作交易用途之上市金融資產之股息收入	Dividend income from listed financial assets held for trading	—	802
上市備供銷售金融投資之股息收入	Dividend income from listed available-for-sale financial investments	250	249
非上市備供銷售金融投資之股息收入	Dividend income from unlisted available-for-sale financial investments	7,225	7,899
來自金融投資之股息收入總額	Total dividend income from financial investments	7,475	8,950

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

11 其他營業收入

11 OTHER OPERATING INCOME

		(重列) (Restated)	
		2016 千港元 HK\$'000	2015 千港元 HK\$'000
租金收入	Rental income	(38)	411
投資物業之租金收入	Rental income from investment properties	3,476	3,074
減：年內產生租金收入之 投資物業之直接營業支出	Less: Direct operating expenses arising from investment properties that generated rental income during the year	(85)	(76)
其他	Others	14,579	33,062
其他營業收入總額	Total other operating income	17,932	36,471

12 營業支出

12 OPERATING EXPENSES

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
員工支出：	Staff costs:		
— 薪金及其他支出	— Salaries and other costs	1,393,781	1,248,022
— 退休金支出	— Retirement benefit costs	74,407	67,068
		1,468,188	1,315,090
物業及設備支出 (不包括折舊及攤銷)：	Premises and equipment expenses, excluding depreciation and amortisation:		
— 物業租金	— Rental of premises	453,409	449,965
— 其他	— Others	134,171	129,207
		587,580	579,172
折舊及攤銷支出	Depreciation and amortisation expenses	116,618	123,517
審計師酬金	Auditors' remuneration	4,680	4,617
行政費用	General administration expenses	93,840	85,584
推廣費用	Business promotion expenses	149,909	138,059
通訊費用	Communication expenses	84,066	85,514
其他營業支出	Other operating expenses	285,930	368,531
營業支出總額	Total operating expenses	2,790,811	2,700,084

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

13 退休金支出

自收益表扣除之退休金計劃支出指本集團根據職業退休金計劃及強積金計劃(「該等計劃」)須作出之供款。

根據該等計劃，本集團之員工在符合資格全數取得僱主供款前退出該等計劃，本集團可沒收供款以扣減應付之供款。年內已動用合共8,200,000港元(二零一五年：9,500,000港元)之沒收供款，於年結日尚餘550,000港元(二零一五年：586,000港元)留作日後扣減供款之用。

於年結日並無應付予該等計劃之供款(二零一五年：無)。該等計劃之資產由基金獨立持有與本集團之資產分開管理。

13 RETIREMENT BENEFIT COSTS

The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the ORSO Scheme and the MPF Scheme (the “Schemes”).

Under the Schemes, the Group’s contributions are reduced by contributions forfeited by those employees who leave the Schemes prior to the contributions vesting fully. Forfeited contributions totaling HK\$8,200,000 (2015: HK\$9,500,000) were utilised during the year leaving HK\$550,000 (2015: HK\$586,000) available at the year-end to reduce future contributions.

No contributions were payable to the Schemes at the year-end (2015: Nil). The assets of the Schemes are held separately from those of the Group in independently administered funds.

14 貸款減值損失支銷

14 CHARGE FOR IMPAIRMENT LOSSES ON LOANS AND ADVANCES

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
貸款減值損失支銷	Charge for impairment losses on loans and advances		
個別評估	Individually assessed		
— 新增撥備	– New allowances	684,993	1,225,915
— 撥回	– Releases	(99,904)	(85,436)
— 收回 (附註25)	– Recoveries (Note 25)	(3,358)	(4,736)
個別評估貸款減值損失支銷淨額 (附註25)	Net charge for impairment losses on individually assessed loans and advances (Note 25)	581,731	1,135,743
組合評估	Collectively assessed		
— 新增撥備	– New allowances	296,866	176,199
組合評估貸款減值損失支銷淨額 (附註25)	Net charge for impairment losses on collectively assessed loans and advances (Note 25)	296,866	176,199
於收益表支銷淨額	Net charge to the income statement	878,597	1,311,942

15 物業及設備之虧損淨額

15 NET LOSS FROM PROPERTY, PLANT AND EQUIPMENT

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
出售物業及設備之虧損淨額	Net loss on disposal of property, plant and equipment	(2,832)	(1,780)
銀行物業重估虧絀支出	Charge for revaluation deficits of bank premises	(57)	(23)
		(2,889)	(1,803)

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

16 稅項

香港利得稅乃根據本年度來自香港之估計應課稅溢利按稅率16.5% (二零一五年：16.5%) 準備。有關海外分行及附屬公司應課稅溢利的稅項按本集團營運所在國家的現行稅率計算。

於綜合收益表支銷的稅項為：

16 TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable for overseas branches and subsidiaries have been calculated at the rates of tax prevailing in the countries in which the Group operates.

The amount of tax charged to the consolidated income statement represents:

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
本年稅項	Current tax		
一年內香港利得稅準備	– Provision for Hong Kong profits tax for the year	1,225,419	997,873
一年內海外稅項準備	– Provision for overseas tax for the year	587,612	707,953
往年超額準備	Over-provision in respect of prior years	(65,558)	(43,961)
遞延稅額	Deferred taxation	(74,105)	(53,482)
		1,673,368	1,608,383

本集團有關除稅前溢利之稅項支出與假若按現行稅率而計算之理論稅額之差額如下：

The difference between the tax expense for the Group's profit before tax and the theoretical amount that would arise using the current tax rate is as follows:

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
除稅前溢利	Profit before tax	9,068,734	8,392,047
按稅率16.5% (二零一五年：16.5%) 計算	Calculated at a tax rate of 16.5% (2015: 16.5%)	1,496,341	1,384,688
其他國家不同稅率之影響	Effect of different tax rates in other countries	173,691	306,737
無須課稅之收入	Income not subject to tax	(28,835)	(105,923)
就稅務而言不可扣減之支出	Expenses not deductible for tax purposes	101,205	70,020
過往期間稅項調整	Adjustments in respect of current tax of previous periods	(65,558)	(43,961)
分佔聯營公司稅項	Share of tax of an associate	(3,476)	(3,178)
稅項支出	Tax charge	1,673,368	1,608,383

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

17 董事酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部分披露的董事酬金如下：

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
袍金	Fees	2,400	2,300
其他酬金：	Other emoluments:		
薪金及津貼	Salaries and allowances	9,294	7,481
酌情花紅	Discretionary bonuses	1,084	1,295
公積金供款 (定義見附註13)	Contribution to the Schemes (as defined in Note 13)	491	328
		13,269	11,404

薪酬制度

本銀行的政策是根據本銀行的表現和行業慣例維持公允公平並且在市場具競爭力的薪酬組合。

向非執行董事支付的袍金水平是參照多項因素釐定，譬如其他機構所支付的袍金以及非執行董事的工作範圍及其付出。

釐定執行董事的薪酬組合時已考慮以下因素：

- 業務需要
- 業務表現
- 經濟及市場情況
- 以往和將來對本銀行業務的個人貢獻
- 本銀行的整體風險及其他非財務因素

為免產生利益衝突，董事將不會參與釐定本身的薪酬。

Remuneration system

It is the Bank's policy to maintain a fair, equitable and market competitive remuneration packages based on the Bank's performance and industry practice.

The level of fees paid to Non-executive Directors is determined by factors such as fees paid by others institutions, and the Non-executive Directors' scope of work and efforts.

In determining the remuneration packages of Executive Directors, the following factors are considered:

- Business needs
- Business performance
- Economic and market situation
- Individual contributions to the Bank's business in the past and future
- Overall risk and non-financial factors of the Bank

To avoid conflict of interest, the Directors will not be involved in the determination of his own remuneration.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

18 股息

董事會建議不派付截至二零一六年十二月三十一日止年度的股息(二零一五年：無)。

18 DIVIDENDS

The Board has not recommended the payment of dividend for the year ended 31 December 2016 (2015: Nil).

19 每股盈利

本年度每股基本盈利數額乃按本集團股東應佔年內溢利除以年內已發行普通股之加權平均數計算。

19 EARNINGS PER SHARE

Basic earnings per share amount is calculated by dividing the profit for the year attributable to shareholders of the Group by the weighted average number of ordinary shares in issue during the year.

		2016	2015
股東應佔溢利 (千港元)	Profit attributable to shareholders (HK\$'000)	7,395,366	6,783,664
已發行普通股之加權平均數 (千股)	Weighted average number of ordinary shares in issue (thousands)	2,577,000	2,191,057
每股基本盈利 (港元)	Basic earnings per share (HK\$)	2.87	3.10

由於本集團於截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度並無已發行潛在攤薄普通股，故該等年度之每股攤薄盈利金額與每股基本盈利相同。

Diluted earnings per share amount for the year ended 31 December 2016 and 31 December 2015 were the same as basic earnings per share, as the Group had no potential dilutive ordinary shares in issue during those years.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

20 會計分類

20 ACCOUNTING CLASSIFICATIONS

		持作 交易用途	持作 對沖用途	指定以 公平價值經 收益表入賬 Designated at fair value through profit or loss	備供銷售	持有至到期	貸款及 應收款項	其他已 攤銷成本	總計
		Held for trading	Held for hedging		Available- for-sale	Held-to- maturity	Loans and receivables	Other amortised cost	Total
於二零一六年十二月三十一日		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2016		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
資產	Assets								
現金及在銀行同業與 其他金融機構之結存	Cash and balances with banks and other financial institutions	-	-	-	-	-	-	165,606,506	165,606,506
在銀行同業及其他金融機構 之存款	Placements with banks and other financial institutions	-	-	-	-	-	26,593,495	-	26,593,495
衍生金融工具	Derivative financial instruments	18,008,315	407,442	-	-	-	-	-	18,415,757
貸款及其他賬項	Advances and other accounts	-	-	-	-	-	419,655,275	-	419,655,275
金融投資	Financial investments	672,251	-	-	80,692,819	74,281,596	-	-	155,646,666
金融資產總值	Total financial assets	18,680,566	407,442	-	80,692,819	74,281,596	446,248,770	165,606,506	785,917,699
非金融資產	Non-financial assets								12,756,818
總資產	Total assets								798,674,517
負債	Liabilities								
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	-	-	-	-	-	-	208,329,544	208,329,544
衍生金融工具	Derivative financial instruments	17,959,516	44,483	-	-	-	-	-	18,003,999
客戶存款	Deposits from customers	-	-	-	-	-	-	421,579,909	421,579,909
已發行存款證	Certificates of deposit issued	-	-	-	-	-	-	43,561,378	43,561,378
已發行債券	Debt securities in issue	-	-	72,101	-	-	-	951,078	1,023,179
—指定以公平價值經 收益表入賬	— Designated at fair value through profit or loss	-	-	72,101	-	-	-	-	72,101
—以攤銷成本入賬	— Measured at amortised cost	-	-	-	-	-	-	951,078	951,078
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	-	-	-	-	-	-	11,603,948	11,603,948
金融負債總額	Total financial liabilities	17,959,516	44,483	72,101	-	-	-	686,025,857	704,101,957
非金融負債	Non-financial liabilities								10,686,414
負債總額	Total liabilities								714,788,371

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

20 會計分類(續)

20 ACCOUNTING CLASSIFICATIONS (continued)

		持作 交易用途	持作 對沖用途	指定以 公平價值經 收益表入賬 Designated at fair value through profit or loss	備供銷售 Available- for-sale	持有至到期 Held-to- maturity	貸款及 應收款項 Loans and receivables	其他已 攤銷成本 Other amortised cost	總計 Total
	於二零一五年十二月三十一日 At 31 December 2015	Held for trading 千港元 HK\$'000	Held for hedging 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 HK\$'000	千港元 HK\$'000
資產	Assets								
現金及在銀行同業與 其他金融機構之結存	Cash and balances with banks and other financial institutions	-	-	-	-	-	-	138,070,069	138,070,069
在銀行同業及其他金融機構 之存款	Placements with banks and other financial institutions	-	-	-	-	-	27,005,813	-	27,005,813
衍生金融工具	Derivative financial instruments	11,148,859	235,405	-	-	-	-	-	11,384,264
貸款及其他賬項	Advances and other accounts	-	-	-	-	-	385,734,115	-	385,734,115
金融投資	Financial investments	165,717	-	-	80,580,998	78,697,212	-	-	159,443,927
金融資產總值	Total financial assets	11,314,576	235,405	-	80,580,998	78,697,212	412,739,928	138,070,069	721,638,188
非金融資產	Non-financial assets								11,912,837
總資產	Total assets								733,551,025
負債	Liabilities								
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	-	-	-	-	-	-	155,829,954	155,829,954
衍生金融工具	Derivative financial instruments	10,939,778	75,698	-	-	-	-	-	11,015,476
客戶存款	Deposits from customers	-	-	-	-	-	-	398,531,211	398,531,211
已發行存款證	Certificates of deposit issued	-	-	-	-	-	-	68,144,882	68,144,882
已發行債券	Debt securities in issue	-	-	-	-	-	-	6,930,191	6,930,191
—指定以公平價值經 收益表入賬	— Designated at fair value through profit or loss	-	-	-	-	-	-	-	-
—以攤銷成本入賬	— Measured at amortised cost	-	-	-	-	-	-	6,930,191	6,930,191
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	-	-	-	-	-	-	13,375,445	13,375,445
金融負債總額	Total financial liabilities	10,939,778	75,698	-	-	-	-	642,811,683	653,827,159
非金融負債	Non-financial liabilities								9,386,408
負債總額	Total liabilities								663,213,567

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

21 現金及在銀行同業與其他金融機構之結存

21 CASH AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
現金	Cash on hand	494,430	490,400
中央銀行之結存	Balances with central banks	22,863,053	28,735,015
其他銀行及金融機構之結存	Balances with other banks and financial institutions	12,291,627	18,799,865
於一個月以內到期之銀行同業及其他金融機構存款	Placements with banks and other financial institutions maturing within one month	129,957,396	90,044,789
		165,606,506	138,070,069

22 在銀行同業及其他金融機構之存款

22 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
於一到十二個月到期之銀行同業及其他金融機構存款	Placements with banks and other financial institutions maturing between one and twelve months	26,593,495	27,005,813

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

23 持作交易用途金融資產

23 FINANCIAL ASSETS HELD FOR TRADING

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
債券，按公平價值： 非上市	Debt securities, at fair value: Unlisted	654,695	–
		654,695	–
股票證券，按公平價值： 非上市	Equity securities, at fair value: Unlisted	17,556	165,717
		17,556	165,717
持作交易用途金融資產總值	Total financial assets held for trading	672,251	165,717
持作交易用途之金融資產按發行人類 別分析如下：	Financial assets held for trading are analysed by category of issuer as follows:		
銀行同業及其他金融機構	Banks and other financial institutions	654,695	–
企業	Corporate entities	17,556	165,717
		672,251	165,717

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

24 衍生金融工具

本集團訂立下列股份權益、匯率及利率相關的衍生金融工具合約用作買賣及風險管理之用：

遠期外匯合約是指於未來某一日期買賣外幣的承諾。

貨幣及利率掉期是指交換不同現金流量的承諾。掉期的結果是交易不同貨幣、利率（如固定利率或浮動利率）或以上的所有組合（即交叉貨幣利率掉期）。除某些貨幣掉期合約外，該等交易無需交換本金。

外匯、利率及股份權益合約期權是指期權的賣方（出讓方）為買方（持有方）提供在未來某一特定日期或之前或未來一定時期內按約定的價格買進（認購期權）或賣出（認沽期權）一定數量的金融工具的權利（而非承諾）的一種協定。作為承擔外匯和利率風險的代價，期權的賣方從買方收取一定的期權費。本集團期權合約是與對手方在場外協商達成協定的或透過交易所進行（如於交易所進行買賣之期權）。

本集團所持有之衍生金融工具合約／名義合約數額及其公平價值詳列於下表。各類型金融工具的合約／名義金額僅顯示了於報告期結束時之未完成交易量，而若干金融工具之合約／名義合約數額則提供了一個與綜合財務狀況表內所確認的以公平價值入賬之金融工具的對比基礎。但是，這並不代表所涉及的未來的現金流量或當前的公平價值，因而也不能反映本集團所面臨的信用風險或市場風險。隨著與衍生金融工具合約條款相關的市場利率、匯率和股份權益的波動，衍生金融工具的估值可能產生對銀行有利（資產）或不利（負債）的影響。衍生金融工具之資產及負債之公平價值總額會不時可能大幅波動。

本集團進行場內及場外衍生產品交易的主要目的是開展客戶業務。本集團對客戶及對同業市場的衍生產品交易均需嚴格遵從本集團的各相關風險管理政策。

衍生產品亦應用於管理銀行賬的利率風險，只有獲批准之產品名單上載有的衍生產品方可進行交易。由衍生產品交易產生的風險承擔名義數額以設限控制，並制訂交易的最長期限及其損益之管理預警限額。每宗衍生產品交易必須記錄於相應的系統，以進行結算、市價重估、報告及監控。

24 DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into the following equity, foreign exchange and interest rate related derivative financial instruments for trading and risk management purposes:

Currency forwards represent commitments to purchase and sell foreign currency on a future date.

Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an exchange of currencies, interest rates (for example, fixed rate for floating rate), or a combination of all these (i.e., cross-currency interest rate swaps). Except for certain currency swap contracts, no exchange of principal takes place.

Foreign currency, interest rate and equity options are contractual agreements under which the seller (writer) grants the purchaser (holder) the rights, but not an obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of the financial instrument at a predetermined price. In consideration for the assumption of foreign exchange and interest rate risk, the seller receives a premium from the purchaser. Options are negotiated OTC between the Group and its counterparty or traded through the stock exchange (for example, exchange-traded stock option).

The contractual/notional amounts and fair values of derivative financial instruments held by the Group are set out in the following tables. The contractual/notional amounts of these instruments indicate the volume of transactions outstanding at the end of reporting periods and certain of them provide a basis for comparison with fair value instruments recognised on the consolidated statement of financial position. However, they do not necessarily indicate the amounts of future cash flows involved or the current fair values of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The derivative financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates and equity relative to their terms. The aggregate fair values of derivative financial instruments (assets and liabilities) can fluctuate significantly from time to time.

The Group trades derivative products (both exchange-traded or OTC) mainly for customer business. The Group strictly follows risk management policies in providing derivative products to the customers and in trading derivative products in the interbank market.

Derivatives are also used to manage the interest rate risk of the banking book. A derivative instrument must be included in the approved product list before any transactions for that instrument can be made. There are limits to control the notional amount of exposure arising from derivative transactions and the maximum tenor of the deal and management alert limit in profit or loss is set. Every derivative transaction must be input into the relevant system for settlement, mark to market revaluation, reporting and control.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

24 衍生金融工具(續)

下表為衍生金融工具中每項重要類別於十二月三十一日之合約／名義數額之概要：

24 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The following tables summarise the contractual/notional amounts of each significant type of derivative financial instruments as at 31 December:

二零一六年	2016	合約／ 名義金額 Contractual/ notional amounts 千港元 HK\$'000	公平價值資產 Fair value assets 千港元 HK\$'000	公平價值負債 Fair value liabilities 千港元 HK\$'000
1) 持作交易用途之衍生工具	1) Derivatives held for trading			
a) 外匯衍生工具	a) Foreign exchange derivatives			
－貨幣遠期	－ Currency forwards	707,501,681	16,460,590	(16,330,410)
－場外貨幣期權買入	－ OTC currency options purchased	23,070,823	334,392	－
－場外貨幣期權賣出	－ OTC currency options written	25,415,975	4,411	(352,748)
－結構性外匯工具	－ Structured foreign exchange instruments	527,181	99,543	(100,749)
外匯衍生工具總額	Total foreign exchange derivatives		16,898,936	(16,783,907)
b) 利率衍生工具	b) Interest rate derivatives			
－利率掉期	－ Interest rate swaps	98,354,536	625,030	(465,961)
－利率期貨	－ Interest rate futures	17,659,551	9,516	(5,643)
－利率與外幣利率 指標掉期	－ Quanto swaps	－	－	－
利率衍生工具總額	Total interest rate derivatives		634,546	(471,604)
c) 股本衍生工具	c) Equity derivatives			
－股票期權	－ Equity options	8,067	27	(27)
－股票掉期	－ Equity swaps	2,309,648	－	(227,888)
股本衍生工具總額	Total equity derivatives		27	(227,915)
d) 商品合約	d) Commodity contract	9,088,063	474,806	(476,090)
持作交易用途衍生工具 資產／(負債)總額	Total derivative assets/(liabilities) held for trading		18,008,315	(17,959,516)
2) 持作對沖用途衍生工具	2) Derivatives held for hedging			
a) 指定為公平價值對沖之 衍生工具	a) Derivatives designated as fair value hedges			
－利率掉期	－ Interest rate swaps	4,341,017	215,448	(21,815)
b) 指定為現金流量對沖之 衍生工具	b) Derivatives designated as cash flow hedges			
－利率掉期	－ Interest rate swaps	16,465,912	191,994	(22,668)
持作對沖用途之衍生 工具資產／(負債) 總額	Total derivative assets/(liabilities) held for hedging		407,442	(44,483)
已確認衍生工具資產／ (負債)總額	Total recognised derivative assets/(liabilities)		18,415,757	(18,003,999)

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

24 衍生金融工具(續)

24 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

二零一五年	2015	合約／名義金額 Contractual/ notional amount 千港元 HK\$'000	公平價值資產 Fair value assets 千港元 HK\$'000	公平價值負債 Fair value liabilities 千港元 HK\$'000
1) 持作交易用途之衍生工具	1) Derivatives held for trading			
a) 外匯衍生工具	a) Foreign exchange derivatives			
－貨幣遠期	－ Currency forwards	700,877,000	9,431,522	(9,456,096)
－場外貨幣期權買入	－ OTC currency options purchased	48,857,523	706,662	－
－場外貨幣期權賣出	－ OTC currency options written	50,344,091	－	(637,961)
－結構性外匯工具	－ Structured foreign exchange instruments	1,047,404	258,142	(259,787)
外匯衍生工具總額	Total foreign exchange derivatives		10,396,326	(10,353,844)
b) 利率衍生工具	b) Interest rate derivatives			
－利率掉期	－ Interest rate swaps	80,764,207	533,711	(367,316)
－利率期貨	－ Interest rate futures	8,010,710	3,019	(2,815)
－利率與外幣利率 指標掉期	－ Quanto swaps	3,685,430	－	－
利率衍生工具總額	Total interest rate derivatives		536,730	(370,131)
c) 股本衍生工具	c) Equity derivatives			
－股票期權	－ Equity options	2,025	6	(6)
－股票掉期	－ Equity swaps	2,374,117	215,797	(215,797)
股本衍生工具總額	Total equity derivatives		215,803	(215,803)
d) 商品合約	d) Commodity contract	－	－	－
持作交易用途衍生工具 資產／(負債)總額	Total derivative assets/(liabilities) held for trading		11,148,859	(10,939,778)
2) 持作對沖用途衍生工具	2) Derivatives held for hedging			
a) 指定為公平價值對沖之 衍生工具	a) Derivatives designated as fair value hedges			
－利率掉期	－ Interest rate swaps	708,971	－	(37,752)
b) 指定為現金流量對沖 之衍生工具	b) Derivatives designated as cash flow hedges			
－利率掉期	－ Interest rate swaps	15,048,024	235,405	(37,946)
持作對沖用途之衍生 工具資產／(負債) 總額	Total derivative assets/(liabilities) held for hedging		235,405	(75,698)
已確認衍生工具資產／ (負債)總額	Total recognised derivative assets/ (liabilities)		11,384,264	(11,015,476)

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

24 衍生金融工具(續)

或然負債及承擔以及衍生金融工具的合約或名義金額僅表示於報告期結束時的未完成業務量，與風險承擔的相關風險則無甚關連。

上述衍生金融工具當中之若干項目被指定用作對沖工具。

本集團採用公平價值對沖以保障其免受市場利率變動導致的金融資產公平價值變動產生的影響。就利率風險予以對沖的金融工具主要包括備供銷售債券。本銀行採用利率掉期對沖利率風險。

根據因年內已於收益表確認的衍生工具及獲對沖風險的相關獲對沖項目公平價值變動作出的對沖有效性分析列示如下：

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
公平價值對沖收益／(虧損)，扣減	Gain/(loss) arising from fair value hedge, net:		
以下項目：			
－對沖工具	－ Hedging instruments	222,205	13,542
－獲對沖風險之相關獲對沖項目	－ Hedged items attributable to the hedged risk	(222,597)	(13,558)
		(392)	(16)

現金流量對沖包括已訂立之利率掉期，用於保護本集團免受浮動利率資產及負債波動所帶來的風險。掉期有效部分產生之收益及虧損初步直接於權益內之現金流量對沖儲備確認，並當預測現金流量會影響收益表時撥至收益表。該等衍生工具無效部分產生之收益及虧損乃即時於收益表確認。年內，並無於收益表內確認因現金流量對沖產生之無效部分(二零一五年：無)。

24 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The contractual or notional amounts of contingent liabilities and commitments and derivative financial instruments provide only an indication of the volume of business outstanding at the end of the reporting period and bear little relation to the underlying risks of the exposures.

Among the above derivative financial instruments, certain of them were designated as hedging instruments.

Fair value hedges are used by the Group to protect it against changes in the fair value of financial assets due to movements in market interest rates. The financial instruments hedged for interest rate risk mainly include available-for-sale debt securities. The Bank uses interest rate swaps to hedge interest rate risk.

The effectiveness of the hedge based on changes in fair value of the derivatives and the hedged items attributable to the hedged risk recognised in the income statement during the year is presented as follows:

Cash flow hedge consists of interest rate swaps entered into that are used to protect the Group against exposures to variability of floating-rate assets and liabilities. Gains and losses on the effective portion of the swaps are initially recognised directly in equity, in the cash flow hedge reserve, and are transferred to the income statement when the forecast cash flows affect the income statement. The gains and losses on ineffective portions of such derivatives are recognised immediately in the income statement. During the year, there was no ineffectiveness recognised in the income statement that arose from cash flow hedges (2015: Nil).

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

24 衍生金融工具(續)

下表列出截至二零一六年十二月三十一日及二零一五年十二月三十一日，預期出現被對沖的現金流量之期間以及預期該等被對沖的現金流量將會影響損益的時間：

二零一六年	2016	一年內 Within 1 year 百萬港元 HK\$ million	一至三年 1-3 years 百萬港元 HK\$ million	三至八年 3-8 years 百萬港元 HK\$ million	八年以上 Over 8 years 百萬港元 HK\$ million
現金流入(資產)	Cash inflows (assets)	38	74	34	-
現金流出(負債)	Cash outflows (liabilities)	(101)	(106)	(110)	(6)
現金流量淨額	Net cash flow	(63)	(32)	(76)	(6)

二零一五年	2015	一年內 Within 1 year 百萬港元 HK\$ million	一至三年 1-3 years 百萬港元 HK\$ million	三至八年 3-8 years 百萬港元 HK\$ million	八年以上 Over 8 years 百萬港元 HK\$ million
現金流入(資產)	Cash inflows (assets)	19	33	31	-
現金流出(負債)	Cash outflows (liabilities)	(44)	(60)	(58)	(8)
現金流量淨額	Net cash flow	(25)	(27)	(27)	(8)

年內，先前於權益中的現金流對沖儲備內確認之16,792,000港元已變現收益已撥至收益表，並計入淨利息收入(二零一五年：2,254,000港元)。

並無交易之現金流對沖會計因為預期不會出現原先極有可能取得之現金流而須於二零一六年終止。

24 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Below is a schedule indicating as at 31 December 2016 and 31 December 2015, the periods when the hedged cash flows are expected to occur and when they are expected to affect profit or loss:

During the year, realised gain amounted to HK\$16,792,000 previously recognised in equity under the cash flow hedge reserve was transferred to the income statement and included in the net interest income (2015: 2,254,000).

There were no transactions for which cash flow hedge accounting had to be ceased in 2016 as a result of the highly probable cash flows no longer being expected to occur.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

24 衍生金融工具(續)

上述或然負債及承擔以及衍生金融工具的總重置成本及信用風險加權金額為：

24 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The aggregate replacement costs and credit risk weighted amounts of the above contingent liabilities and commitments and derivative financial instruments are:

		2016		2015	
		重置成本	信用風險 加權金額	重置成本	信用風險 加權金額
		Replacement cost	Credit risk weighted amount	Replacement cost	Credit risk weighted amount
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
或然負債及承擔	Contingent liabilities and commitments	-	32,369,742	-	21,811,120
外匯合約	Exchange rate contracts				
– 遠期	– Forwards	10,058,763	3,911,926	5,948,315	2,646,605
– 掉期	– Swaps	5,987,111	5,021,705	3,214,659	3,778,318
– 購買期權	– Option purchased	70,519	69,615	372,703	257,854
– 沽售期權	– Option written	20,978	128,717	5,049	124,023
– 結構性外匯	– Structure FX	99,543	487,789	258,142	1,735,310
		16,236,914	9,619,752	9,798,868	8,542,110
利率合約	Interest rate contracts				
– 歐元期貨產品	– Eurodollar Futures Product	7,266	19,673	1,366	9,698
– 掉期	– Swaps	751,573	799,077	769,117	905,294
		758,839	818,750	770,483	914,992
股本合約	Equity contracts				
– 沽售期權	– Option written	27	54	6	13
– 掉期	– Swaps	-	184,772	215,797	405,726
		27	184,826	215,803	405,739
債券或其他商品	Debt securities or other commodities				
– 商品	– Commodities	472,408	866,843	-	-
– 美國庫券期貨產品	– US Treasury Futures Product	2,251	47,460	1,653	81,946
		474,659	914,303	1,653	81,946
		17,470,439	43,907,373	10,786,807	31,755,907

上述風險項目之重置成本及信用風險加權金額並沒有雙邊淨額結算安排之影響。

The replacement costs and credit risk weighted amounts of the exposures do not have the effects of bilateral netting arrangements.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

25 貸款及其他賬項

25 ADVANCES AND OTHER ACCOUNTS

25.1 客戶、銀行同業之貸款以及商業票據

25.1 Loans and advances to customers, banks and trade bills

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
客戶貸款	Advances to customers	392,966,358	339,141,041
銀行同業貸款	Advances to banks	2,159,837	5,885,328
商業票據	Trade bills	27,357,571	42,908,998
客戶、銀行同業之貸款以及商業票據總額	Gross loans and advances to customers, banks and trade bills	422,483,766	387,935,367
應計利息	Accrued interest	972,928	1,020,839
		423,456,694	388,956,206
減：減值準備	Less: Impairment allowances		
— 個別評估	– Individually assessed	(1,828,704)	(1,486,171)
— 組合評估	– Collectively assessed	(1,972,715)	(1,735,920)
		419,655,275	385,734,115
		2016 千港元 HK\$'000	2015 千港元 HK\$'000
減值貸款總額	Gross impaired loans and advances	3,143,237	2,523,872
上述貸款之減值準備	Impairment allowances made in respect of such loans	1,828,704	1,486,171
減值貸款總額佔貸款總額之百分比	Gross impaired loans and advances as a percentage of total gross loans and advances	0.74%	0.65%
抵押品市值	Market value of collateral	773,281	673,686

減值貸款定義為因於首次確認資產後出現一件或多件對可以可靠估計未來現金流量有影響之事件（「虧損事件」），而導致個別確定存在客觀減值證據而須個別評估的貸款。

於二零一六年十二月三十一日，客戶貸款的減值貸款比率為0.80%（二零一五年：0.74%）。

於二零一六年十二月三十一日及二零一五年十二月三十一日，本集團貸予銀行同業的款項及商業票據並沒有減值，亦沒有就該等貸款及商業票據提撥任何個別減值準備。

Impaired loans and advances are defined as those loans which are individually determined to have objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event has an impact on the estimated future cash flows of the loans that can be reliably estimated.

The impaired loan ratio of advances to customers was 0.80% as at 31 December 2016 (2015: 0.74%).

There were no impaired advances to banks and trade bills as at 31 December 2016 and 31 December 2015; nor were there any individual impairment allowances made for them on these two dates.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

25 貸款及其他賬項 (續)

25 ADVANCES AND OTHER ACCOUNTS (continued)

25.2 客戶及銀行同業貸款之貸款減值準備

25.2 Loan impairment allowances against advances to customers and banks

		個別評估 Individual assessment 千港元 HK\$'000	組合評估 Collective assessment 千港元 HK\$'000	總額 Total 千港元 HK\$'000
二零一六年	2016			
貸款減值準備變動：	Movement in impairment allowances on loans and advances:			
於二零一六年一月一日餘額	Balance at 1 January 2016	1,486,171	1,735,920	3,222,091
減值損失(附註14)	Impairment losses (Note 14)	581,731	296,866	878,597
撇銷不能收回之貸款	Loans written off as uncollectibles	(193,275)	–	(193,275)
確認為利息收入的貸款減值準備折現值撥回(附註6)	Unwinding of discounts of loan impairment allowances recognised as interest income (Note 6)	(28,729)	–	(28,729)
收回過往年度已撇銷貸款(附註14)	Recoveries of loans written off in previous years (Note 14)	3,358	–	3,358
匯兌及其他調整	Exchange and other adjustments	(20,552)	(60,071)	(80,623)
於二零一六年十二月三十一日	At 31 December 2016	1,828,704	1,972,715	3,801,419
扣除自：	Deducted from:			
客戶貸款	Advances to customers	1,828,704	1,816,073	3,644,777
銀行同業貸款	Advances to banks	–	5,852	5,852
商業票據	Trade bills	–	150,790	150,790
		1,828,704	1,972,715	3,801,419
二零一五年	2015			
貸款減值準備變動：	Movement in impairment allowances on loans and advances:			
於二零一五年一月一日餘額	Balance at 1 January 2015	510,302	1,594,701	2,105,003
減值損失(附註14)	Impairment losses (Note 14)	1,135,743	176,199	1,311,942
撇銷不能收回之貸款	Loans written off as uncollectibles	(142,342)	–	(142,342)
確認為利息收入的貸款減值準備折現值撥回(附註6)	Unwinding of discounts of loan impairment allowances recognised as interest income (Note 6)	(14,740)	–	(14,740)
收回過往年度已撇銷貸款(附註14)	Recoveries of loans written off in previous years (Note 14)	4,736	–	4,736
匯兌及其他調整	Exchange and other adjustments	(7,528)	(34,980)	(42,508)
於二零一五年十二月三十一日	At 31 December 2015	1,486,171	1,735,920	3,222,091
扣除自：	Deducted from:			
客戶貸款	Advances to customers	1,486,171	1,552,622	3,038,793
銀行同業貸款	Advances to banks	–	6,471	6,471
商業票據	Trade bills	–	176,827	176,827
		1,486,171	1,735,920	3,222,091

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

25 貸款及其他賬項 (續)

25.3 逾期客戶及銀行同業貸款 (不包括商業票據及應收款項)

本集團截至二零一六年及二零一五年十二月三十一日之已逾期的客戶貸款總額 (不包括商業票據及應收款項) 分析如下：

		貸款總額 Gross advances 千港元 HK\$'000	佔客戶貸款 百分比 % of advances to customers	抵押品市值 Market value of collateral 千港元 HK\$'000	有抵押 結餘金額 Amount of secured balance 千港元 HK\$'000	無抵押 結餘金額 Amount of unsecured balance 千港元 HK\$'000	個別 減值準備 Individual impairment allowance 千港元 HK\$'000
二零一六年 逾期：	2016 Overdue for:						
六個月或以下但超過 三個月	Six months or less but over three months	53,232	0.0	58,834	37,244	15,988	13,987
一年或以下但超過 六個月	One year or less but over six months	338,626	0.1	96,513	60,342	278,284	125,630
超過一年	Over one year	2,311,236	0.6	304,812	277,437	2,033,799	1,622,265
		2,703,094	0.7	460,159	375,023	2,328,071	1,761,882
二零一五年 逾期：	2015 Overdue for:						
六個月或以下但超過 三個月	Six months or less but over three months	64,922	0.0	3,922	1,514	63,408	25,489
一年或以下但超過 六個月	One year or less but over six months	1,304,410	0.4	727,695	89,558	1,214,852	856,017
超過一年	Over one year	379,893	0.1	249,352	124,654	255,239	259,479
		1,749,225	0.5	980,969	215,726	1,533,499	1,140,985

合資格抵押品標準如下：

- 抵押品市值易於釐定或可合理地確定及驗證；
- 抵押品可予銷售，且易於覓得二手市場出售抵押品；
- 本銀行收回抵押品的權利可依法強制執行且概無任何阻礙；及
- 倘抵押品為可移動資產，則其應由本銀行保管，或本銀行可確定其所處位置。

合資格抵押品主要為物業、存款及股票。

於二零一六年十二月三十一日及二零一五年十二月三十一日，並無借予銀行已逾期超過三個月的貸款 (不包括商業票據及應收款項)。

25 ADVANCES AND OTHER ACCOUNTS (continued)

25.3 Overdue advances to customers and banks (excluding trade bills and receivables)

The gross amount of the Group's advances to customers (excluding trade bills and receivables) overdue as at 31 December 2016 and 2015 is analysed as follows:

		貸款總額 Gross advances 千港元 HK\$'000	佔客戶貸款 百分比 % of advances to customers	抵押品市值 Market value of collateral 千港元 HK\$'000	有抵押 結餘金額 Amount of secured balance 千港元 HK\$'000	無抵押 結餘金額 Amount of unsecured balance 千港元 HK\$'000	個別 減值準備 Individual impairment allowance 千港元 HK\$'000
二零一六年 逾期：	2016 Overdue for:						
六個月或以下但超過 三個月	Six months or less but over three months	53,232	0.0	58,834	37,244	15,988	13,987
一年或以下但超過 六個月	One year or less but over six months	338,626	0.1	96,513	60,342	278,284	125,630
超過一年	Over one year	2,311,236	0.6	304,812	277,437	2,033,799	1,622,265
		2,703,094	0.7	460,159	375,023	2,328,071	1,761,882
二零一五年 逾期：	2015 Overdue for:						
六個月或以下但超過 三個月	Six months or less but over three months	64,922	0.0	3,922	1,514	63,408	25,489
一年或以下但超過 六個月	One year or less but over six months	1,304,410	0.4	727,695	89,558	1,214,852	856,017
超過一年	Over one year	379,893	0.1	249,352	124,654	255,239	259,479
		1,749,225	0.5	980,969	215,726	1,533,499	1,140,985

The criteria for eligible collateral are as follows:

- The market value of the collateral is readily determinable or can be reasonably established and verified;
- The collateral is marketable and there exists a readily available secondary market for disposing of the collateral;
- The Bank's rights to repossess the collateral is legally enforceable and without impediment; and
- If the collateral is a movable asset, it should be under the Bank's custody, or its whereabouts can be located by the Bank.

The eligible collateral is mainly properties, deposits and shares.

There were no advances to banks (excluding trade bills and receivables) which were overdue for over 3 months as at 31 December 2016 and 31 December 2015.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

25 貸款及其他賬項 (續)

25.4 其他逾期資產

		2016 應計利息 Accrued interest 千港元 HK\$'000	2016 其他資產 Other assets 千港元 HK\$'000	2015 應計利息 Accrued interest 千港元 HK\$'000	2015 其他資產 Other assets 千港元 HK\$'000
逾期： 六個月或以下但超過三個月	Overdue for: Six months or less but over three months	240	-	4	-
一年或以下但超過六個月	One year or less but over six months	214	-	5,153	-
超過一年	Over one year	43,349	-	19,417	-
		43,803	-	24,574	-
重組資產	Rescheduled assets	-	-	-	-
		43,803	-	24,574	-

其他資產指商業票據及應收款項。

Other assets refer to trade bills and receivables.

25.5 重組貸款

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
重組貸款 (不包括超過三個月之逾期貸款)	Rescheduled advances (excluding overdue loans over three months)	423,550	9,338
客戶貸款所佔百分比	As % of advances to customers	0.11	0.00

根據經修訂償還條款已逾期超過三個月的重組貸款屬上文附註25.3對逾期貸款的分析範圍。

Rescheduled advances which have been overdue for more than three months under the revised repayment terms are included in the analysis of overdue advances in Note 25.3 above.

於二零一六年十二月三十一日及二零一五年十二月三十一日，並無任何銀行同業的重組貸款。

There were no rescheduled advances to banks as at 31 December 2016 and 31 December 2015.

25.6 收回資產

於二零一六年十二月三十一日，本集團並無收回資產(二零一五年十二月三十一日：無)。收回資產僅包括就全面或部分解除借款人責任而取得(如透過法律行動或相關借款人自願下)取用或控制權之物業。

25.6 Repossessed assets

There were no repossessed assets of the Group as at 31 December 2016 (31 December 2015: Nil). Repossessed assets only comprise properties which the Group has acquired access or control (e.g. through legal actions or voluntary actions by the borrowers concerned) for releasing in full or in part on the obligations of the borrowers.

25.7 證券借入及轉售協議的現金抵押品

就轉售交易而言，於二零一六年十二月三十一日，並無由本集團持有並可以出售或轉押的抵押品(二零一五年十二月三十一日：無)。於年結日，本集團實際上並無將抵押品出售或轉押。進行交易的條款屬於標準借貸活動的一般及慣常條款。

25.7 Cash collateral on securities borrowed and reverse repurchase agreements

In respect of reverse repurchase transactions, there were no collateral held by the Group which were permitted to be sold or repledged as at 31 December 2016 (31 December 2015: Nil). No collateral has been actually sold or repledged by the Group as at the year end. The transactions are conducted on terms that are usual and customary to standard lending activities.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

26 備供銷售金融投資

26 AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
債券	Debt securities		
於香港上市	Listed in Hong Kong	20,844,039	15,860,587
於香港以外地區上市	Listed outside Hong Kong	39,806,079	17,184,999
非上市	Unlisted	15,255,045	14,452,252
		75,905,163	47,497,838
股票證券	Equity securities		
於香港以外地區上市	Listed outside Hong Kong	54,772	53,510
非上市	Unlisted	128,880	97,023
		183,652	150,533
財富管理產品	Wealth management products		
非上市	Unlisted	4,604,004	32,932,627
備供銷售金融投資總額	Total available-for-sale financial investments	80,692,819	80,580,998
上市證券之市值	Market value of listed securities	60,704,890	33,099,096
經計入減值損失之債券包括以下項目：	Debt securities after taking into account of impairment loss are comprised of the following items:		
庫券	Treasury bills	8,559,200	7,700,815
所持有之存款證	Certificates of deposit held	774,170	1,722,962
其他債券	Other debt securities	66,571,793	38,074,061
		75,905,163	47,497,838
備供銷售金融投資按發行人類別分析如下：	Available-for-sale financial investments are analysed by category of issuer as follows:		
中央政府及中央銀行	Central governments and central banks	15,982,561	8,203,550
公營機構	Public sector entities	865,387	532,645
銀行同業及其他金融機構	Banks and other financial institutions	35,547,441	47,606,656
企業	Corporate entities	28,297,430	24,238,147
		80,692,819	80,580,998

備供銷售金融投資之個別減值準備變動

Movement in individual impairment allowances on available-for-sale financial investments

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
於一月一日	At 1 January	122,578	84,462
年內撥回	Write-back for the year	(67,050)	(13,560)
轉撥自持有至到期投資及客戶貸款	Transfer from held-to-maturity investments and advances to customers	26,887	51,731
匯兌差額	Exchange difference	508	(55)
於十二月三十一日	At 31 December	82,923	122,578

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

27 持有至到期金融投資

27 HELD-TO-MATURITY FINANCIAL INVESTMENTS

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
債券	Debt securities		
於香港上市	Listed in Hong Kong	25,911,718	25,912,515
於香港以外地區上市	Listed outside Hong Kong	13,683,906	17,403,148
非上市	Unlisted	34,685,972	35,381,549
持有至到期金融投資總額	Total held-to-maturity financial investments	74,281,596	78,697,212
上市證券之市值	Market value of listed securities	39,830,565	43,394,046
經計入減值損失之債券 包括以下項目：	Debt securities after taking into account of impairment losses are comprised of the following items:		
庫券	Treasury bills	13,136,334	21,294,716
所持之存款證	Certificates of deposits held	9,291,962	–
其他債券	Other debt securities	51,853,300	57,402,496
		74,281,596	78,697,212
持有至到期金融投資按發行人 類別分析如下：	Held-to-maturity financial investments are analysed by category of issuer as follows:		
中央政府及中央銀行	Central governments and central banks	21,822,768	33,853,767
公營機構	Public sector entities	658,723	331,455
銀行同業及其他金融機構	Banks and other financial institutions	26,106,825	19,245,173
企業	Corporate entities	25,693,280	25,266,817
		74,281,596	78,697,212

年內並無對持有至到期金融投資作出組合減值準備
(二零一五年：無)。

There was no collective impairment allowance made against the held-to-maturity financial investments during the year (2015: Nil).

28 於聯營公司之投資

28 INVESTMENTS IN ASSOCIATES

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
應佔淨資產	Share of net assets	353,413	255,092
收購時產生之商譽	Goodwill on acquisition	29,786	29,786
		383,199	284,878

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

28 於聯營公司之投資(續)

以下列表只載有本身為非上市企業實體(故並無市場報價)的本集團重大聯營公司的詳情：

	業務架構形式 Form of business structure	註冊成立及營業地點 Place of incorporation and business	已發行及繳足股本之詳情 Particulars of issued and paid up capital	本集團之實際權益 Group's effective interest	主要業務 Principal activity
IEC Investments Limited	註冊成立 Incorporated	香港 Hong Kong	100,000股之普通股 100,000 ordinary shares	40%	投資控股 Investment holding
世福資本管理有限公司 SINO-CEEFF Capital Management Company Limited	註冊成立 Incorporated	香港 Hong Kong	10,000,000股之普通股 10,000,000 ordinary shares	37%	提供資產管理服務 Provision of asset management services

IEC Investments Limited (「IEC」) 在香港從事投資控股。本集團於二零零七年收購IEC之40%股權，作為策略性投資。本集團於年內擁有40,000股IEC普通股。世福資本管理有限公司(「世福」)在香港從事資產管理服務。世福的前身為集團的全資附屬公司。根據集團的重組計劃，世福向集團及其他投資者發行了額外股份，並將集團的持股量由二零一五年的100%減少至二零一六年的37%。本集團在出售世福的交易中確認淨溢利2,984,127港元。本集團於年末持有世福3,700,000股普通股。上述聯營公司使用權益法在綜合財務報表內列值。

主要聯營公司之財務資料概要(已就會計政策的任何差異作出調整)，以及與綜合財務報表內之賬面值之對賬如下：

28 INVESTMENTS IN ASSOCIATES (continued)

The following list contains only the particulars of the Group's material associates which are unlisted corporate entities whose quoted market prices are not available:

IEC Investments Limited (「IEC」) engages in investment holding in Hong Kong. The Group acquired 40% stake of IEC in 2007 as a strategic investment. The Group held 40,000 ordinary shares of IEC during the year. SINO-CEEFF Capital Management Company Limited (「SCM」) engages in asset management services in Hong Kong. SCM was formerly a wholly owned subsidiary of the Group. As part of the Group's restructuring plan during 2016, SCM issued additional shares to the Group and other investors, which diluted the Group's shareholding in SCM from 100% in 2015 to 37% in 2016. The Group recognised a gain of HK\$2,984,127 on disposal of SCM. The Group held 3,700,000 ordinary shares of SCM as of year end. The above associates are accounted for using equity method in the consolidated financial statements.

Summarised financial information of these material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

		IEC Investments Limited		世福資本管理有限公司 SINO-CEEFF Capital Management Company Limited	
		2016 千港元 HK\$'000	2015 千港元 HK\$'000	2016 千港元 HK\$'000	2015 千港元 HK\$'000
流動資產	Current assets	238,541	317,472	259,518	-
非流動資產	Non-current assets	403,758	403,578	3,320	-
流動負債	Current liabilities	1,881	28,185	11	-
非流動負債	Non-current liabilities	-	55,134	-	-
權益	Equity	640,418	637,731	262,827	-
收入	Revenue	58,574	58,574	14	-
持續經營業務溢利	Profit from continuing operations	53,007	48,399	(3,146)	-
全面收益總額	Total comprehensive income	53,007	48,389	(3,146)	-
與集團於聯營公司之權益對賬	Reconciled to the Group's interest in the associates				
聯營公司資產淨值總計	Gross amounts of net assets of the associate	640,418	637,731	262,827	-
本集團之實際權益	Group's effective interest	40%	40%	37%	-
本集團應佔聯營公司資產淨值	Group's share of net assets of the associate	256,167	255,092	97,246	-
商譽	Goodwill	29,786	29,786	-	-
於綜合財務報表之賬面值	Carrying amount in the consolidated financial statements	285,953	284,878	97,246	-

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

29 商譽及其他無形資產

29 GOODWILL AND OTHER INTANGIBLE ASSETS

		商譽 Goodwill 千港元 HK\$'000	電腦軟件 Computer software 千港元 HK\$'000	交易權 Trading rights 千港元 HK\$'000	合計 Total 千港元 HK\$'000
成本值	Cost				
於二零一六年一月一日	At 1 January 2016	999,715	257,118	1,895	1,258,728
添置	Additions	-	6,572	-	6,572
出售	Disposals	-	-	-	-
其他調整	Other adjustments	-	(615)	-	(615)
於二零一六年十二月三十一日	At 31 December 2016	999,715	263,075	1,895	1,264,685
累積攤銷	Accumulated amortisation				
於二零一六年一月一日	At 1 January 2016	-	213,515	-	213,515
年內攤銷	Charge for the year	-	24,046	-	24,046
出售	Disposals	-	-	-	-
其他調整	Other adjustments	-	(401)	-	(401)
於二零一六年十二月三十一日	At 31 December 2016	-	237,160	-	237,160
賬面淨值	Net book value				
於二零一六年十二月三十一日	At 31 December 2016	999,715	25,915	1,895	1,027,525
		商譽 Goodwill 千港元 HK\$'000	電腦軟件 Computer software 千港元 HK\$'000	交易權 Trading rights 千港元 HK\$'000	合計 Total 千港元 HK\$'000
成本值	Cost				
於二零一五年一月一日	At 1 January 2015	999,715	241,139	1,895	1,242,749
添置	Additions	-	16,325	-	16,325
出售	Disposals	-	(41)	-	(41)
其他調整	Other adjustments	-	(305)	-	(305)
於二零一五年十二月三十一日	At 31 December 2015	999,715	257,118	1,895	1,258,728
累積攤銷	Accumulated amortisation				
於二零一五年一月一日	At 1 January 2015	-	182,221	-	182,221
年內攤銷	Charge for the year	-	31,501	-	31,501
出售	Disposals	-	(32)	-	(32)
其他調整	Other adjustments	-	(175)	-	(175)
於二零一五年十二月三十一日	At 31 December 2015	-	213,515	-	213,515
賬面淨值	Net book value				
於二零一五年十二月三十一日	At 31 December 2015	999,715	43,603	1,895	1,045,213

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

29 商譽及其他無形資產(續)

附註：

- (i) 綜合業務網絡系統於二零零五年十月進行升級，直接成本包括軟件開發顧問費及僱員成本，並分別確認為於二零零九年及二零零八年十二月三十一日之無形資產。
- (ii) 於二零零四年，本銀行向富通銀行收購ICBC Asia Wa Pei Limited集團之全部已發行股本。此項收購之商譽為322,317,000港元。
- (iii) 包含商譽的現金生產單位已進行減值測試。

本集團按業務分部分配商譽予可辨別的現金生產單位(「現金生產單位」)如下：

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
企業與投資銀行	Corporate and Investment Banking	585,715	585,715
商業銀行	Commercial Banking	230,450	230,450
零售銀行	Retail Banking	142,386	142,386
其他	Others	41,164	41,164
		999,715	999,715

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准而涵蓋五年期間的財務預算的現金流估計。超過一年期間的現金流按下述的估計利率作推斷。按一年期應用於現金流預期之增長率不可超過該現金生產單位所經營業務的長期平均增長率。

用於計算使用價值的折現率為6%至10%。

管理層根據過往及預計市場發展以決定預算財務表現。加權平均增長率與行業報告內所作預測是一致的。

29 GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

Notes:

- (i) The Core banking system was upgraded in October 2005 with direct costs including software development consultancy fees and employee costs recognised as intangible asset as at 31 December 2009 and 2008 respectively.
- (ii) In 2004, the Bank acquired all the issued share capital of ICBC Asia Wa Pei Limited group from Fortis Bank. The goodwill of the acquisition amounted to HK\$322,317,000.
- (iii) Impairment tests are performed for cash-generating units containing goodwill.

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segment as follows:

The recoverable amount of a CGU is determined based on value-in-use calculations. Such calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the one-year period are extrapolated using the estimate rates stated below. The growth rate which applies to the cashflow projections over the one-year period does not exceed the long term average growth rate for the business of which the CGU operates.

The discount rates used for value-in-use calculations are ranging from 6% to 10%.

Management determined the budgeted financial performance based on the past performance and its expectation for market development. The weighted average growth rates used are consistent with the forecasts included in industry reports.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

30 投資物業

30 INVESTMENT PROPERTIES

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
於一月一日之賬面值	Carrying amount at 1 January	80,919	69,977
重估收益淨額	Net revaluation gain	1,262	13,002
匯兌差額	Exchange difference	(2,523)	(2,060)
於十二月三十一日之賬面值	Carrying amount at 31 December	79,658	80,919

本集團之投資物業位於香港及內地按以下租期持有：

The Group's investment properties are situated in Hong Kong and Mainland China under the following lease terms:

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
在香港持有 長期租賃（50年以上）	Held in Hong Kong Long term leases (over 50 years)	43,100	42,300
在香港以外地區持有 中期租賃（10至50年）	Held outside Hong Kong Medium term leases (10-50 years)	36,558	38,619
		79,658	80,919

本銀行的投資物業於二零一六年十二月三十一日由獨立專業合資格測量師韋堅信產業測計師行按公開市場及當前用途基準重新估定為43,100,000港元（二零一五年：42,300,000港元）。本銀行附屬公司的投資物業於二零一六年十二月三十一日由獨立專業合資格測量師深圳市國眾聯資產評估土地房地產估價諮詢有限公司按公開市場及當前用途基準重新估定為36,558,000港元（二零一五年：38,619,000港元）。

The Bank's investment properties were revalued on 31 December 2016 by A.G. Wilkinson & Associates, an independent professionally qualified valuer, at HK\$43,100,000 (2015: HK\$42,300,000) on an open market, existing use basis. The investment properties of the Bank's subsidiary were revalued on 31 December 2016 by Shenzhen GuoZhongLian Asset and Real Estate Appraisal Consulting Co., Ltd., an independent professionally qualified valuer, at HK\$36,558,000 (2015: HK\$38,619,000) on an open market, existing use basis.

投資物業資料
二零一六年十二月三十一日

Particulars of investment properties
31 December 2016

地點 Location	用途 Use	租期 Lease term	本集團之歸屬利益 Attributable interest of the Group
香港銅鑼灣高士威道8號地下B號舖 Shop B on the Ground Floor No. 8 Causeway Road Hong Kong	商業用途 Office building	長期租賃（50年以上） Long term lease (over 50 years)	100%
深圳市福田區振興路賽格科技工業園 四棟二樓A、B座 Unit A&B, 2/F, 4 Blocks SEG Technology Park Zhenxing Road, Futian District Shenzhen	商業用途 Office building	中期租賃（10至50年） Medium term lease (10-50 years)	100%

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

31 物業及設備

31 PROPERTY, PLANT AND EQUIPMENT

		銀行房產及物業 Bank premises and properties 千港元 HK\$'000	租賃物業裝修 Leasehold improvements 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一五年十二月三十一日及 二零一六年一月一日：	At 31 December 2015 and 1 January 2016:				
成本值或估值	Cost or valuation	890,286	371,516	405,047	1,666,849
累計折舊及減值	Accumulated depreciation and impairment	(236,722)	(212,178)	(271,671)	(720,571)
於二零一五年十二月三十一日及 二零一六年一月一日之賬面淨值	Net book value at 31 December 2015 and 1 January 2016	653,564	159,338	133,376	946,278
添置	Additions	-	29,693	46,002	75,695
出售	Disposals	-	(2,096)	(9,663)	(11,759)
重估(附註(i))	Revaluation (Note (i))	20,002	-	-	20,002
年內計提折舊	Depreciation provided during the year	(18,031)	(29,874)	(44,667)	(92,572)
匯兌及其他調整	Exchange rate and other adjustments	(99)	(426)	7,194	6,669
於二零一六年十二月三十一日之賬面淨值	Net book value at 31 December 2016	655,436	156,635	132,242	944,313
於二零一六年十二月三十一日：	At 31 December 2016:				
成本值或估值	Cost or valuation	830,379	389,851	426,737	1,646,967
累計折舊及減值	Accumulated depreciation and impairment	(174,943)	(233,216)	(294,495)	(702,654)
於二零一六年十二月三十一日之賬面淨值	Net book value at 31 December 2016	655,436	156,635	132,242	944,313
上述資產之成本或估值分析如下：	The analysis of cost or valuation of the above assets is as follows:				
於二零一六年十二月三十一日：	At 31 December 2016:				
按成本值	At cost	-	389,851	426,737	816,588
按估值	At valuation	655,436	-	-	655,436
		655,436	389,851	426,737	1,472,024

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

31 物業及設備(續)

31 PROPERTY, PLANT AND EQUIPMENT (Continued)

		銀行房產及物業 Bank premises and properties 千港元 HK\$'000	租賃物業裝修 Leasehold improvements 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一四年十二月三十一日及二零一五年一月一日：	At 31 December 2014 and 1 January 2015:				
成本值或估值	Cost or valuation	1,000,407	337,093	387,154	1,724,654
累計折舊及減值	Accumulated depreciation and impairment	(380,155)	(188,660)	(242,979)	(811,794)
於二零一四年十二月三十一日及二零一五年一月一日之賬面淨值	Net book value at 31 December 2014 and 1 January 2015	620,252	148,433	144,175	912,860
添置	Additions	-	47,889	42,864	90,753
出售	Disposals	-	(4,082)	(6,331)	(10,413)
重估(附註(i))	Revaluation (Note (i))	48,460	-	-	48,460
年內計提折舊	Depreciation provided during the year	(13,545)	(31,559)	(46,912)	(92,016)
匯兌及其他調整	Exchange rate and other adjustments	(1,603)	(1,343)	(420)	(3,366)
賬面淨值於二零一五年十二月三十一日	Net book value at 31 December 2015	653,564	159,338	133,376	946,278
於二零一五年十二月三十一日：	At 31 December 2015:				
成本值或估值	Cost or valuation	890,286	371,516	405,047	1,666,849
累計折舊及減值	Accumulated depreciation and impairment	(236,722)	(212,178)	(271,671)	(720,571)
於二零一五年十二月三十一日之賬面淨值	Net book value at 31 December 2015	653,564	159,338	133,376	946,278
上述資產之成本或估值分析如下：	The analysis of cost or valuation of the above assets is as follows:				
於二零一五年十二月三十一日：	At 31 December 2015:				
按成本值	At cost	-	371,516	405,047	776,563
按估值	At valuation	653,564	-	-	653,564
		653,564	371,516	405,047	1,430,127

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

31 物業及設備(續)

附註：

- (i) 銀行物業於二零一六年十二月三十一日根據由獨立專業合資格估值師韋堅信測量師行所作出之公開市場估值進行重估。本集團附屬公司之房產已於二零一六年十二月三十一日根據由中國內地獨立專業合資格測量師深圳市國眾聯資產評估土地房地產估價諮詢有限公司所作出之公開市場估值進行重估。重估盈餘(扣除適用遞延所得稅)乃計入股東權益中之銀行物業重估儲備內。如本集團之銀行房產及物業按成本減累計折舊列賬，則彼等之賬面值將為59,946,000港元(二零一五年：58,895,000港元)。

本集團之物業位於香港及內地按以下租期持有：

31 PROPERTY, PLANT AND EQUIPMENT (continued)

Note:

- (i) The bank premises were revalued at 31 December 2016 based on the open market value by A.G. Wilkinson & Associates, an independent professionally qualified valuer. The subsidiary's premises were revalued at 31 December 2016 based on the open market value by Shenzhen GuoZhongLian Asset and Real Estate Appraisal Consulting Co., Ltd, an independent professionally qualified valuer in the Mainland China. The revaluation surplus net of applicable deferred income taxes was credited to bank premises revaluation reserve in shareholders' equity. The carrying amount of the bank premises and properties of the Group would have been HK\$59,946,000 (2015: HK\$58,895,000) had they been stated at cost less accumulated depreciation.

The Group's properties are situated in Hong Kong and Mainland China under the following lease terms:

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
在香港持有	Held in Hong Kong		
長期租賃(50年以上)	Long term leases (over 50 years)	388,683	384,000
中期租賃(10至50年)	Medium term leases (10-50 years)	112,596	116,380
在香港以外地區持有	Held outside Hong Kong		
中期租賃(10至50年)	Medium term leases (10-50 years)	154,157	153,184
		655,436	653,564

32 其他資產

32 OTHER ASSETS

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
應收利息	Interest receivable	1,963,623	2,312,846
預付款項	Prepayments	191,857	147,634
結算賬戶	Settlement accounts	3,266,953	3,291,242
已付保證金	Margin deposit paid	4,252,691	2,161,711
保理	Factoring	96,348	668,376
其他	Others	266,146	732,972
		10,037,618	9,314,781

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

33 於附屬公司之投資

以下列表只載有本集團的主要附屬公司的詳情：

33 INVESTMENT IN SUBSIDIARIES

The following list contains only the particulars of principal subsidiaries of the Group:

公司名稱 Name	註冊地點 Place of incorporation	主要業務 Principal activities	已發行及已繳足股本 Issued and paid-up capital	持有之權益 Interest held	
				2016	2015
華商銀行 Chinese Mercantile Bank	中華人民共和國 People's Republic of China	銀行業務 Banking business	人民幣4,150,000,000元 RMB4,150,000,000	100%	100%
工銀亞洲金業有限公司 ICBC (Asia) Bullion Company Limited	香港 Hong Kong	不活躍 Inactive	港幣6,000,000元 HK\$6,000,000	100%	100%
工銀亞洲期貨有限公司 ICBC (Asia) Futures Company Limited	香港 Hong Kong	提供期貨業務 Provision of futures business	港幣26,000,000元 HK\$26,000,000	100%	100%
工銀亞洲投資管理有限公司 ICBC (Asia) Investment Management Company Limited	香港 Hong Kong	提供資產管理服務 Provision of asset management services	港幣58,828,870元 HK\$58,828,870	100%	100%
工銀亞洲代理人有限公司 ICBC (Asia) Nominee Limited	香港 Hong Kong	提供代理人服務 Provision of nominee services	港幣10,000元 HK\$10,000	100%	100%
工銀亞洲証券有限公司 ICBC (Asia) Securities Limited	香港 Hong Kong	提供證券經紀服務 Provision of securities brokerage services	港幣100,000,000元 HK\$100,000,000	100%	100%
工銀亞洲信託有限公司 ICBC (Asia) Trustee Company Limited	香港 Hong Kong	提供信託服務 Provision of trustee services	港幣30,000,000元 HK\$30,000,000	100%	100%
ICBC (Asia) Wa Pei Nominees Limited	香港 Hong Kong	不活躍 Inactive	港幣100元 HK\$100	100%	100%
ICBCA (C.I.) Limited	開曼群島 Cayman Islands	發行債券之特設公司 Being a special-purpose vehicle for bond issuance	1美元 US\$1	100%	100%
友聯中國業務管理有限公司 UB China Business Management Co. Ltd	英屬維爾京群島 British Virgin Islands	不活躍 Inactive	1美元 US\$1	100%	100%
工銀亞投股權投資管理(深圳)有限公司	中華人民共和國 People's Republic of China	私募股權投資管理 Provision of equity investment	4,000,000美元 US\$4,000,000	100%	100%
中國—中東歐金融控股有限公司 SINO-CEEFF Holding Company Limited	香港 Hong Kong	投資控股公司 Investment holding company	11,818,183歐元 EUR11,818,183	100%	-

集團於二零一六年十二月十三日出售了前身為工銀亞洲資產管理有限公司的全資附屬公司，世福資本管理有限公司(「世福」)。於二零一六年十二月三十一日，集團通過附屬公司，中國—中東歐金融控股有限公司，持有世福37%的股份。

On 13 December 2016, the Group disposed one of its wholly owned subsidiaries, SINO-CEEFF Capital Management Company Limited ("SCM") (formerly known as ICBC (Asia) Asset Management Company Limited). At 31 December 2016, the Group held 37% stake of SCM through its subsidiary, SINO-CEEFF Holding Company Limited.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

34 銀行同業及其他金融機構之存款

34 DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	208,329,544	155,829,954

就回購交易而言，於二零一六年十二月三十一日，本集團可以出售或轉押的抵押品的公平價值為24,337,097,000港元(二零一五年：8,572,188,000港元)。進行交易的條款屬於標準借貸活動的一般及慣常條款。

In respect of repurchase transactions, the fair value of collateral which were permitted to be sold or repledged from the Group was HK\$24,337,097,000 as at 31 December 2016 (2015: HK\$8,572,188,000). The transactions are conducted on terms that are usual and customary to standard lending activities.

35 客戶存款

35 DEPOSITS FROM CUSTOMERS

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
活期存款及往來戶口	Demand deposits and current accounts	39,689,441	44,977,109
儲蓄存款	Savings deposits	90,255,162	80,582,493
定期及通知存款	Time, call and notice deposits	291,635,306	272,971,609
		421,579,909	398,531,211

就回購交易而言，於二零一六年十二月三十一日，本集團並無可以出售或轉押的抵押品(二零一五年：1,582,176,000港元)。進行交易的條款屬於標準借貸活動的一般及慣常條款。

In respect of repurchase transactions, there was no collateral which were permitted to be sold or repledged from the Group as at 31 December 2016 (2015: HK\$1,582,176,000). The transactions are conducted on terms that are usual and customary to standard lending activities.

36 遞延所得稅

36 DEFERRED INCOME TAX

遞延稅項資產／(負債)之變動如下：

The movement on the deferred tax assets/(liabilities) account is as follows:

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
於一月一日	At 1 January	48,904	(81,011)
在收益表記賬	Credited to income statement	74,105	53,482
在權益記賬	Credited to equity	139,255	20,062
匯兌及其他調整	Exchange and other adjustments	7,386	56,371
於十二月三十一日	At 31 December	269,650	48,904

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

36 遞延所得稅(續)

就財務報告而言，本集團之遞延稅項結餘分析如下：

36 DEFERRED INCOME TAX (continued)

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
於綜合財務狀況表確認之 遞延所得稅資產淨額	Net deferred income tax assets recognised in the consolidated statement of financial position	269,650	58,011
於綜合財務狀況表確認之 遞延所得稅負債淨額	Net deferred income tax liabilities recognised in the consolidated statement of financial position	-	(9,107)
於十二月三十一日	At 31 December	269,650	48,904

年內權益(支賬)/記賬之遞延所得稅如下：

The deferred income tax (debited)/credited to equity during the year is as follows:

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
股東權益之公平價值儲備	Fair value reserves in shareholder's equity		
銀行物業	Bank premises	(2,925)	(8,315)
備供銷售金融投資及指定為現金流 對沖的衍生金融工具	Available-for-sale financial investments and derivative financial instruments designated as cash flow hedge	142,180	28,377
		139,255	20,062

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

36 遞延所得稅(續)

年內遞延所得稅資產及負債(與同一稅務機關之結餘抵銷前)之變動如下:

遞延所得稅資產

		組合減值損失		投資重估儲備		加速稅項折舊		總額	
		Collective impairment losses		Investment revaluation reserves		Accelerated tax depreciation		Total	
		2016	2015	2016	2015	2016	2015	2016	2015
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於一月一日	At 1 January	190,238	138,769	21,122	8,273	629	787	211,989	147,829
在收益表記賬/(支賬)	Credited/(charged) to income statement	72,773	52,080	-	-	(210)	287	72,563	52,367
在權益記賬	Credited to equity	-	-	137,439	13,224	-	-	137,439	13,224
匯兌差額	Exchange difference	(2)	(611)	(9,564)	(375)	218	(445)	(9,348)	(1,431)
於十二月三十一日	At 31 December	263,009	190,238	148,997	21,122	637	629	412,643	211,989

遞延所得稅負債

		物業重估儲備		投資重估儲備		加速稅項折舊		總額	
		Premises revaluation reserves		Investment revaluation reserves		Accelerated tax depreciation		Total	
		2016	2015	2016	2015	2016	2015	2016	2015
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於一月一日	At 1 January	145,527	137,351	(12,893)	59,923	30,451	31,566	163,085	228,840
在收益表支賬	Charged to income statement	-	-	-	-	(1,543)	(1,115)	(1,543)	(1,115)
在權益記賬/(支賬)	Debited/(credited) to equity	2,925	8,315	(4,741)	(15,153)	-	-	(1,816)	(6,838)
匯兌差額	Exchange difference	(62,670)	(139)	45,937	(57,663)	-	-	(16,733)	(57,802)
於十二月三十一日	At 31 December	85,782	145,527	28,303	(12,893)	28,908	30,451	142,993	163,085

本集團在香港產生之稅項虧損385,128港元(二零一五年: 9,524,000港元), 可無限期用以抵銷產生該等虧損之公司之未來應課稅溢利。由於該等虧損乃來自部分長期虧蝕之附屬公司, 不大可能有應課稅溢利可供動用該等稅項虧損以作抵銷, 故並無就此等虧損確認遞延稅項資產。

於二零一六年十二月三十一日, 倘若本集團若干附屬公司之未來盈利已收到, 本集團亦無額外應付之稅項負債, 故本集團並無應付之重大未確認遞延稅項負債(二零一五年: 無)。

本銀行向其股東支付之股息並不附帶任何所得稅後果。

36 DEFERRED INCOME TAX (continued)

The movements in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

Deferred income tax assets

		組合減值損失		投資重估儲備		加速稅項折舊		總額	
		Collective impairment losses		Investment revaluation reserves		Accelerated tax depreciation		Total	
		2016	2015	2016	2015	2016	2015	2016	2015
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於一月一日	At 1 January	190,238	138,769	21,122	8,273	629	787	211,989	147,829
在收益表記賬/(支賬)	Credited/(charged) to income statement	72,773	52,080	-	-	(210)	287	72,563	52,367
在權益記賬	Credited to equity	-	-	137,439	13,224	-	-	137,439	13,224
匯兌差額	Exchange difference	(2)	(611)	(9,564)	(375)	218	(445)	(9,348)	(1,431)
於十二月三十一日	At 31 December	263,009	190,238	148,997	21,122	637	629	412,643	211,989

Deferred income tax liabilities

		物業重估儲備		投資重估儲備		加速稅項折舊		總額	
		Premises revaluation reserves		Investment revaluation reserves		Accelerated tax depreciation		Total	
		2016	2015	2016	2015	2016	2015	2016	2015
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於一月一日	At 1 January	145,527	137,351	(12,893)	59,923	30,451	31,566	163,085	228,840
在收益表支賬	Charged to income statement	-	-	-	-	(1,543)	(1,115)	(1,543)	(1,115)
在權益記賬/(支賬)	Debited/(credited) to equity	2,925	8,315	(4,741)	(15,153)	-	-	(1,816)	(6,838)
匯兌差額	Exchange difference	(62,670)	(139)	45,937	(57,663)	-	-	(16,733)	(57,802)
於十二月三十一日	At 31 December	85,782	145,527	28,303	(12,893)	28,908	30,451	142,993	163,085

The Group has tax losses arising in Hong Kong of HK\$385,128 (2015: HK\$9,524,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for sometime and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At 31 December 2016, there was no significant unrecognised deferred tax liability (2015: Nil) for taxes that would be payable on the future earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be received.

There are no income tax consequences attaching to the payment of dividends by the Bank to its shareholders.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

37 以攤銷成本入賬之後償債項

37 SUBORDINATED DEBTS MEASURED AT AMORTISED COST

		2016		2015	
		千港元 HK\$'000	利率 Interest rate %	千港元 HK\$'000	利率 Interest rate %
後償定息票據	Subordinated fixed rate notes				
– 最終於二零二零年十一月三十日到期	– with a final maturity on 30 November 2020	3,864,938	5.125%	3,859,630	5.125%
– 最終於二零二一年十一月四日到期 (可於二零一六年十一月五日贖回)	– with a final maturity on 4 November 2021 (callable on 5 November 2016)	–	–	1,783,401	6%
– 最終於二零二三年十月十日到期 (可於二零一八年十月十日贖回)	– with a final maturity on 10 October 2023 (callable on 10 October 2018)	3,861,710	4.5%	3,857,264	4.5%
– 最終於二零二四年十二月三十日到期 (可於二零一九年十二月三十日贖回)	– with a final maturity on 30 December 2024 (callable on 30 December 2019)	3,877,300	4.5%	3,875,150	4.5%
		11,603,948		13,375,445	

後償債項乃由本銀行籌集作業務拓展用途。定息債券已獲最終控股公司悉數認購。該等票據合資格並已按資本規則列入本銀行之附加資本。

於二零一六年十一月五日，本銀行贖回面額人民幣1,500,000,000元固定年息6厘及到期日為二零二一年十一月四日的後償票據(可贖回日期為二零一六年十一月五日)。

本銀行於本年度無拖欠本金、利息或其他與後償票據有關的違約情況(二零一五年：無)。

Subordinated debts were raised by the Bank for the development and expansion of business. Fixed rate debts have been fully subscribed by the ultimate holding company. These notes have been qualified and included as the Bank's supplementary capital in accordance with the Capital Rules.

On 5 November 2016, the Bank redeemed the subordinated notes with nominal amount of CNY1,500,000,000 at a fixed interest rate of 6% per annum with maturity due on 4 November 2021 (callable on 5 November 2016).

The Bank has not had any default of principal or interest or other breaches with respect to the subordinated debts during the year (2015:Nil).

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

38 其他負債

38 OTHER LIABILITIES

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
應付利息	Interest payable	3,464,551	2,623,581
應付薪金及福利	Salaries and welfare payable	499,059	392,678
結算賬戶	Settlement accounts	3,982,755	2,997,238
已收保證金	Margin deposit received	550,800	1,163,282
保理	Factoring	96,348	668,376
其他	Others	1,803,612	1,325,655
		10,397,125	9,170,810

本集團於年內就其負債並無任何拖欠本金、利息或其他違約(二零一五年:無)。

The Group has not had any defaults of principal, interest or other breaches with respect to their liabilities during the year (2015: nil).

39 股本

39 SHARE CAPITAL

		股份數目 Number of shares 千股 in thousands	普通股 Ordinary shares 千港元 HK\$'000
於二零一六年一月一日及 二零一六年十二月三十一日	At 1 January 2016 & 31 December 2016	2,577,000	36,379,331
於二零一五年一月一日	At 1 January 2015	2,064,748	23,591,832
配發新股	Allotment of new shares	512,252	12,787,499
於二零一五年十二月三十一日	At 31 December 2015	2,577,000	36,379,331

根據香港公司條例第135條，本銀行的普通股並無面值。

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Bank do not have a par value.

普通股的持有人有權收取不時宣派的股息，並有權就每股股份於本銀行的股東大會上享有一票投票權。所有普通股在享有本銀行的剩餘資產方面地位相等。

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

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

40 額外權益工具

40 ADDITIONAL EQUITY INSTRUMENTS

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
10億美元無期限非累積 後償額外一級資本證券	US\$1 billion undated non-cumulative subordinated additional tier 1 capital securities	7,738,332	–

於二零一六年七月二十一日，本銀行發行符合巴塞爾資本協定三之非累積後償額外一級資本證券（「額外一級資本證券」），總額為10億美元（相等於約77.38億港元，已扣除相關之發行成本）。額外一級資本證券附帶息率4.25厘的分派，分派直至二零二一年七月二十一日之首個贖回日期。如額外一級資本證券沒有被贖回，該等分派將每五年根據當時五年期美國國庫券之息率加一個固定之初步息差（3.135厘年息率）予以重訂。

分派將每半年支付一次，首個分派日期為二零一七年一月二十一日。本銀行有權取消分派付款（受額外一級資本證券之條款及細則所載之規定限制），被取消之分派將不予累積。

如金管局通知本銀行，金管局或相關政府部門認為，如本銀行不撤銷額外一級資本證券之本金，本銀行將無法繼續營運，則本銀行將按金管局之指示撤銷額外一級資本證券之本金額。額外一級資本證券亦附帶一項權力(Hong Kong Bail-in Power)。每名額外一級資本證券之持有人將受限於香港監管部門行使以下任何一項或多項權力：

- (a) 削減或註銷額外一級資本證券之全部或部分本金及／或分派；
- (b) 將額外一級資本證券之全部或部分本金及／或分派轉換為本銀行或另一名人士之股份；及／或
- (c) 修改額外一級資本證券之到期日、分派付款日及／或分派金額。

本銀行享有一項贖回權，可由二零二一年七月二十一日或任何其後之分派支付日期起贖回全部未贖回之資本證券。

On 21 July 2016, the Bank issued Basel III-compliant Non-Cumulative Subordinated Additional Tier 1 Capital Securities (the "Additional Tier 1 Capital Securities") in the aggregate amount of US\$1 billion (equivalent to approximately HK\$7,738 million net of related issuance costs). The Additional Tier 1 Capital Securities bear a 4.25 per cent. distribution until the first call date on 21 July 2021. If the Additional Tier 1 Capital Securities are not called, the distribution will be reset based on the then prevailing 5-year US Treasury yield plus a fixed initial spread (3.135 per cent. per annum) every 5 years.

The distribution shall be payable semi-annually, with the first distribution payment date being 21 January 2017. The Bank has the right to cancel distribution payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the distribution cancelled shall not be cumulative.

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed by the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA or a relevant government body, the Bank would become non-viable if there is no written off of the principal. The Additional Tier 1 Capital Securities also contain Hong Kong Bail-in Power. Each holder of the Additional Tier 1 Capital Securities shall be subject to the exercise by the Hong Kong Resolution Authority to any or a combination of the following:

- (a) reduction or cancellation of all or a part of the principal and/or distribution of the Additional Tier 1 Capital Securities;
- (b) the conversion of all or a part of the principal and/or distribution of the Additional Tier 1 Capital Securities into shares of the Bank or another person; and/or
- (c) the amendment of the maturity, distribution payment date and/or the distribution amount of the Additional Tier 1 Capital Securities.

The Bank has a call option to redeem all the outstanding capital securities from 21 July 2021 or any subsequent distribution payment date thereafter.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

41 儲備

41.1 本集團

(i) 銀行房產儲備

已設立物業重估儲備，並按附註2.16所載就土地及樓宇所採納之會計政策處理。

(ii) 投資重估儲備

投資重估儲備包括備供銷售金融資產累計直至該等金融資產取消確認為止之累計公平價值變動淨額，並按附註2.7(d)所載之會計政策處理。

(iii) 現金流對沖儲備

現金流對沖儲備包括按附註2.10(b)所載就現金流對沖所採納之會計政策，於有待已對沖現金流其後確認之期間用於現金流對沖之對沖工具累計公平價值變動淨額之有效部分。

(iv) 匯兌儲備

匯兌儲備包括因換算外國業務的財務報表而產生之所有匯兌差額。此等儲備按附註2.15(c)所述之會計政策處理。

(v) 一般儲備

本集團之一般儲備包括：

- 轉撥可供分派予本集團股東之保留溢利；及
- 附屬公司之法定盈餘儲備（相當於按中國法律及規例所規定之除稅後溢利撥款之10%及風險資產賬面值之1%）。此儲備用於沖銷累計虧損或增加資本。

於二零一六年十二月三十一日，本集團從保留溢利撥出3,758,226,000港元（二零一五年：4,277,079,000港元）作「法定儲備」。法定儲備是為應付香港銀行業條例中訂明之審慎監察目的而設。該儲備之變動在向香港金融管理局作出徵詢後，直接透過保留溢利作出。

本集團股東應佔之綜合溢利中包括已於本銀行賬目處理之溢利6,104,339,000港元（二零一五年：5,209,502,000港元）。

41 RESERVES

41.1 Group

(i) Bank premises reserve

The property revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for land and buildings in note 2.16.

(ii) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the financial assets are derecognized and is dealt with in accordance with the accounting policies in note 2.7(d).

(iii) Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flow in accordance with the accounting policy adopted for cash flow hedges in note 2.10(b).

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2.15(c).

(v) General reserve

The general reserve of the Group is comprised of:

- the transfer of retained earnings which is distributable to the shareholders of the Group; and
- a statutory surplus reserve of a subsidiary represents 10% of the profit after tax appropriation and 1% of the book value of risk assets as required by law and regulation in PRC. This reserve is used to offset accumulated losses or increase in capital.

As at 31 December 2016, the Group has earmarked a "Regulatory Reserve" of HK\$3,758,226,000 (2015: HK\$4,277,079,000) from the retained earnings. The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purpose. Movements in the reserve are made directly through retained earnings and in consultation with the Hong Kong Monetary Authority.

The consolidated profit attributable to shareholders of the Group includes a profit of HK\$6,104,339,000 (2015: HK\$5,209,502,000) which has been dealt with in the accounts of the Bank.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

41 儲備 (續)

41 RESERVES (continued)

41.2 本銀行

41.2 Bank

		銀行物業 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000	投資重估 儲備 Investment revaluation reserve 千港元 HK\$'000	現金流 對沖儲備 Cash flow hedge reserve 千港元 HK\$'000	匯兌儲備 Exchange reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留溢利 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一六年一月一日	At 1 January 2016	424,852	104,749	167,225	-	219,200	25,806,824	26,722,850
備供銷售金融投資之公平價值變動	Change in fair value of available-for-sale financial investments	-	(454,608)	-	-	-	-	(454,608)
出售備供銷售金融投資之 已變現儲備	Reserve realised on disposal of available-for-sale financial investments	-	22,862	-	-	-	-	22,862
現金流對沖之公平價值變動	Change in fair value of cash flow hedge	-	-	(28,734)	-	-	-	(28,734)
銀行物業重估盈餘	Revaluation surplus on bank premises	16,983	-	-	-	-	-	16,983
年內溢利	Profit for the year	-	-	-	-	-	6,104,339	6,104,339
遞延稅項變動	Change in deferred tax	(2,925)	76,652	4,741	-	-	-	78,468
其他調整項目	Other adjustments	-	-	-	-	-	(146,476)	(146,476)
於二零一六年十二月三十一日	At 31 December 2016	438,910	(250,345)	143,232	-	219,200	31,764,687	32,315,684

		銀行物業 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000	投資重估 儲備 Investment revaluation reserve 千港元 HK\$'000	現金流 對沖儲備 Cash flow hedge reserve 千港元 HK\$'000	匯兌儲備 Exchange reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留溢利 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零一五年一月一日	At 1 January 2015	397,614	688,465	165,329	-	219,200	20,597,322	22,067,930
備供銷售金融投資之公平價值變動	Change in fair value of available-for-sale financial investments	-	20,546	-	-	-	-	20,546
出售備供銷售金融投資之 已變現儲備	Reserve realised on disposal of available-for-sale financial investments	-	(632,580)	-	-	-	-	(632,580)
現金流對沖之公平價值變動	Change in fair value of cash flow hedge	-	-	2,270	-	-	-	2,270
銀行物業重估盈餘	Revaluation surplus on bank premises	32,620	-	-	-	-	-	32,620
年內溢利	Profit for the year	-	-	-	-	-	5,209,502	5,209,502
遞延稅項變動	Change in deferred tax	(5,382)	28,318	(374)	-	-	-	22,562
其他調整項目	Other adjustments	-	-	-	-	-	-	-
於二零一五年十二月三十一日	At 31 December 2015	424,852	104,749	167,225	-	219,200	25,806,824	26,722,850

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

42 關連交易

以下為於一般業務過程中與最終控股公司以及同系附屬公司和聯營公司訂立之結餘及交易概要，包括接納銀行同業之存款、相關之銀行交易及資產負債表外交易。該等活動乃於交易時間按有關市場利率定價。

42.1 最終控股公司

42 RELATED PARTY TRANSACTIONS

Listed out below is a summary of the balances and transactions entered into during the ordinary course of business with the ultimate holding company and fellow subsidiaries and associate, including the acceptance of placement of interbank deposits, corresponding banking transactions and off-balance sheet transactions. The activities were priced at the relevant market rates at the time of transactions.

42.1 Ultimate holding company

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
利息收入	Interest income	589,107	400,612
利息支出	Interest expense	1,006,307	1,777,611
其他營業收入 ^{1,2}	Other operating income ^{1,2}	385,594	72,742
其他營業支出 ^{3,4}	Other operating expense ^{3,4}	492,514	290,324
應收金額	Amounts due from	138,523,141	96,619,831
應付金額	Amounts due to	192,215,639	139,051,316

1. 根據二零零一年七月三日訂立之合作協議以及二零零五年二月四日和二零零八年二月十三日訂立之補充合作協議，本銀行就提供會計與預算、內部稽核、市場推廣及後台清算及結算等服務而向中國工商銀行香港分行（「分行」）收取管理費收入。根據二零一二年十二月二十一日訂立之合作協議，本銀行就提供管理、行政及信用卡業務服務市場推廣而向最終控股公司收取管理費收入。

2. 根據二零零七年九月四日訂立之託管代理協議及二零零八年五月十六日和二零零九年十二月三十一日訂立之補充託管代理協議，本銀行為最終控股公司之客戶就有關中國合資格境內機構投資者計劃於中國境外投資之若干投資產品提供託管、結算及交收服務而向最終控股公司收取服務費。

3. 根據二零零二年二月二十一日（經補充協議所修訂及補充）訂立之服務協議及二零零八年三月十九日與本銀行附屬公司訂立之服務協議，向本銀行及本銀行附屬公司就最終控股公司所提供之數據處理服務而需支付服務費。

4. 根據日期為二零一二年五月二十三日之租賃協議，已就租賃位於香港之物業向最終控股公司支付租金支出。

1. In accordance with the collaboration agreement dated 3 July 2001 and the supplemental collaboration agreements dated 4 February 2005 and 13 February 2008, management fee income was received from the Hong Kong Branch of ICBC (the "Branch") for the provision of services such as accounting and budgeting, internal audit, marketing and back office settlement and clearing. In accordance with the collaboration agreement dated 21 December 2012, management fee income was received from the ultimate holding company for the provision of management, ad-ministrative and marketing services of its credit card business.

2. In accordance with the custodian and trustee services agreement dated 4 September 2007 and the supplemental custodian and trustee services agreements dated 16 May 2008 and 31 December 2009, services fees were paid by the ultimate holding company to the Bank for providing custodian, settlement and clearing services in relation to the investments outside the PRC in certain investment products by the customers of the ultimate holding company in connection with the Qualified Domestic Institutional Investor Scheme of the PRC.

3. In accordance with the service level agreements with the Bank dated 21 February 2002 (as amended and supplemented by supplemental agreements), and the service levels agreement with a subsidiary of the Bank dated 19 March 2008, service fee expense was paid to the ultimate holding company for the provision of data processing services to the Bank and its subsidiary.

4. In accordance with the tenancy agreement dated 23 May 2012, rental expense was paid to the ultimate holding company for the leasing of property located in Hong Kong.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

42 關連交易 (續)

42.1 最終控股公司 (續)

與最終控股公司之交易包括發行定息存款證及後償定息票據，兩者均由最終控股公司及其分行全數認購。於二零一六年十二月三十一日，本銀行發行1,200,000,000美元、人民幣300,000,000元及10,500,000,000港元之定息存款證予最終控股公司的分行（二零一五年：1,800,000,000美元及人民幣450,000,000元之定息存款證）。

於二零一六年十二月三十一日，本銀行已承諾向最終控股公司授出融資為數人民幣700,000,000元（二零一五年：人民幣700,000,000元）。本銀行亦收到最終控股公司就貸款作出之合計擔保為數18,591,856,000港元（二零一五年：26,845,715,000港元）。

(i) 最終控股公司作出之承諾

為表示對本銀行之支持，最終控股公司於二零零一年七月三日簽署安慰函，據此，最終控股公司將向本銀行提供所需資金，以確保本銀行維持充足資本及流動資金水平。

於二零零一年七月三日，最終控股公司及本銀行訂立一份擔保協議，據此，最終控股公司同意就因根據業務轉讓協議轉讓予本銀行之若干「大額風險」客戶的付款責任作出高達9,000,000,000港元之擔保，及就該等的任何責任未能依法執行而產生之損失對本銀行作出賠償保證。於二零一六年十二月三十一日，並無本銀行就該項擔保大額風險所保障之資產負債表項目（二零一五年：無）。

(ii) 從屬參與貸款

本銀行與分行訂立各類資本市場交易，其中包括安排參與／從屬參與貸款、買賣銀團或個別貸款、認購及／或發行債券及節稅型融資。該等交易包括最終控股公司及／或分行從屬參與本銀行之貸款共計8,770,843,000港元（二零一五年：19,256,594,000港元）。於二零一六年，本銀行並無從屬參與分行的貸款（二零一五年：無）。於二零一六年，本銀行就上述交易向分行支付費用共約17,009,000港元（二零一五年：50,072,000港元）。該等交易乃按相關貸款協議之條款（如適用）或按可比較之相等現行市場價格，或以不遜於給予其他獨立銀團貸款成員之條款定價。

42 RELATED PARTY TRANSACTIONS (continued)

42.1 Ultimate holding company (continued)

Transactions with ultimate holding company included the issuance of fixed rate certificates of deposit and subordinated fixed rate notes, which were both fully subscribed by the ultimate holding company and its branches. As at 31 December 2016, the Bank has issued US\$1,200,000,000, RMB300,000,000 and HKD10,500,000,000 fixed rate certificates of deposit to the branch of ultimate holding company (2015: US\$1,800,000,000 and RMB450,000,000 fixed rate certificates of deposit).

As at 31 December 2016, the Bank has committed facilities to the ultimate holding company in the amount of RMB700,000,000 (2015: RMB700,000,000). The Bank also received conglomerate guarantee on loan from the ultimate holding company in the amount of HK\$18,591,856,000 (2015: HK\$26,845,715,000).

(i) Undertaking from the ultimate holding company

To demonstrate its support to the Bank, a letter of comfort dated 3 July 2001 was executed by the ultimate holding company, pursuant to which it will provide the Bank with such funding as may be required by the Bank to ensure that it will maintain sufficient capital and liquidity levels.

Simultaneously on 3 July 2001, the ultimate holding company and the Bank entered into a guarantee agreement whereby the ultimate holding company agreed to guarantee to the extent of HK\$9,000,000,000 the payment obligations of certain customers whose "large exposures" were transferred to the Bank pursuant to a business transfer agreement and to indemnify the Bank in respect of any losses incurred if any obligation of such customers becomes unenforceable. There was no such on-balance sheet large exposures of the Bank covered by this guarantee as at 31 December 2016 (2015: Nil).

(ii) Sub-participation of loans

The Bank entered into various capital markets transactions with the Branch, which include arranging participation/sub-participation in loans, acquiring and disposing of interests in syndicated or individual loans, subscribing to and/or issuing of debt securities and tax efficient financing. These transactions included sub-participation in loans of the Bank by the ultimate holding company and/or the Branch for a total of HK\$8,770,843,000 (2015: HK\$19,256,594,000). There was no sub-participation in loans of the Branch by the Bank in 2016 (2015: Nil). The total fee attributable to the above transactions of approximately HK\$17,009,000 was paid by the Bank to the Branch in 2016 (2015: HK\$50,072,000). These transactions were priced based either on the terms of the underlying loan agreement, if applicable, or prevailing market rates if such comparable rates were available, or on terms that were no less favorable than those available to other independent loan members.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

42 關連交易(續)

42.2 同系附屬公司

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
利息收入	Interest income	176,352	201,914
利息支出	Interest expense	17,178	32,764
其他營業收入	Other operating income	208,906	5,668
其他營業支出	Other operating expense	231,270	6,537
應收金額	Amounts due from	5,962,418	4,386,689
應付金額	Amounts due to	11,502,401	3,599,514

42.3 聯營公司

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
利息收入	Interest income	1,344	2,385
利息支出	Interest expense	194	264
應收金額	Amounts due from	-	83,700
應付金額	Amounts due to	259,141	78,402

42.4 與其他國家控制實體及政府機關之交易

與以下國家控制實體及政府機關的交易被視為對本集團來說屬個別地重要的交易或共同地重要的交易：

- 中國財政部
- 中央滙金投資有限責任公司(「滙金」)
- 滙金擁有股本權益之受中國政府指示之若干其他銀行及金融機構

42 RELATED PARTY TRANSACTIONS (continued)

42.2 Fellow subsidiaries

42.3 Associates

42.4 Transactions with other state controlled entities and government authority

Transactions with the following state-controlled entities and government authority are considered as individually significant or collectively significant to the Group:

- The Ministry of Finance of the PRC
- Central Huijin Investment Limited (“Huijin”)
- Other banks and financial institutions under the direction of the PRC government in which Huijin has equity interests

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
利息收入	Interest income	938,099	991,950
利息支出	Interest expense	173,828	133,992
其他營業收入	Other operating income	97,644	13,389
其他營業開支	Other operating expense	72,051	-
應收金額	Amounts due from	40,477,586	36,821,577
應付金額	Amounts due to	11,925,641	8,797,801

此外，本集團亦可能與其他國家控制實體及政府機關進行交易，包括但不限於存貸和提供金融產品或服務。管理層認為，與此等國家控制實體及政府機關進行的交易是於日常業務範圍內根據正常條款及條件以及按市場費率進行。因此，概無有關交易被視為屬個別地重要的交易。

In addition, the Group may also enter into transactions with other state-controlled entities and government authority, including but not limited to lending, deposit taking and the provision of financial products or services. In the opinion of management, transactions with these state-controlled entities and government authority were conducted in the ordinary course of business under normal terms and conditions and at market rates. As a result, none of these transactions are considered individually significant.

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

42 關連交易(續)

42.5 主要行政人員酬金

主要行政人員酬金，包括本銀行董事酬金，如下：

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
僱員福利	Employee benefits	20,900	25,993

42.6 與主要行政人員之重大交易

年內，本集團與關連人士在正常商業活動下進行之銀行交易，包括貸款、存款及其他金融相關交易。關連人士包括本銀行之主要行政人員、其家庭成員及受其控制或重大影響之公司。

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
利息收入	Interest income	14	9
利息支出	Interest expense	375	399
貸款	Loans and advances	2,549	-
存款	Deposits	39,433	40,483

42.7 給予董事及與董事有關連之實體之貸款

根據香港公司條例第383(1)(d)條及公司(披露董事利益資料)規例第3部分披露向本銀行的董事作出貸款，包括向董事控制的法團貸款如下：

42 RELATED PARTY TRANSACTIONS (continued)

42.5 Key management personnel remuneration

Remuneration for key management personnel, including the Bank's directors' emoluments, is as follows:

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
僱員福利	Employee benefits	20,900	25,993

42.6 Material transactions with key management personnel

During the year, the Group entered into certain banking transactions consisting of loans and advances, deposits and other financial related transactions with related parties in the normal course of business. The related parties include key management personnel of the Bank, their close family members and companies controlled or significantly influenced by them.

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
利息收入	Interest income	14	9
利息支出	Interest expense	375	399
貸款	Loans and advances	2,549	-
存款	Deposits	39,433	40,483

42.7 Loans to directors and entities connected with directors

Loans to directors of the Bank, including loans to bodies corporate controlled by them, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

		於十二月三十一日之 未償還餘額 Balance outstanding at 31 December		年內最高結餘 Maximum balance during the year	
		2016 千港元 HK\$'000	2015 千港元 HK\$'000	2016 千港元 HK\$'000	2015 千港元 HK\$'000
未償還本金及利息總額	Aggregate amount outstanding in respect of principal and interest	333	34	917	197

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

43 金融資產的轉讓

在日常業務中，本集團進行的某些交易會將已確認的金融資產轉讓給第三方。在某些情況，這些轉讓可能令到終止確認全部或部分相關金融資產。當本集團保留了已轉讓資產的絕大部分風險與回報時，相關金融資產轉讓不符合終止確認的條件，本集團繼續確認上述轉讓資產。

回購交易及借出證券交易

不符合終止確認準則的已轉讓金融資產主要為回購交易中作為擔保物交付給對手方的證券以及根據借出證券協議借予對手方的債券，此種交易下對手方在本集團無任何違約的情況下，可以將上述證券出售或再次用於擔保，但同時需承擔在協議規定的到期日將上述證券歸還於本集團的義務。在某些情況下，若相關證券價值上升或下降，本集團可以要求對手方支付額外的現金作為抵押或需要向對手方歸還部分現金抵押物。對於上述交易，本集團認為本集團保留了相關證券的大部分風險和報酬，故未對相關證券進行終止確認。同時，本集團將收到的現金抵押品確認為一項金融負債。

下表為已轉讓給第三方而不符合終止確認條件的金融資產及相關金融負債的賬面值分析：

43 TRANSFERRED FINANCIAL ASSETS

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties. In some cases these transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the transferred assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these assets, the Group continued to recognise the transferred assets.

Repurchase transactions and securities lending transactions

Transferred financial assets that do not qualify for derecognition mainly include debt securities held by counterparties as collateral under repurchase agreements and debt securities lent to counterparties under securities lending agreements. The counterparties are allowed to sell or repledge those securities sold under agreements to repurchase in the absence of default by the Group, but has an obligation to return the securities at the maturity of the contract. If the securities increase or decrease in value, the Group may in certain circumstances require or be required to pay additional cash collateral. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, it recognises a financial liability for cash received as collateral.

The following table analyses the carrying amount of the abovementioned financial assets transferred to third parties that did not qualify for derecognition and their associated financial liabilities:

		31 December 2016 二零一六年十二月三十一日	
		轉讓資產 的賬面值 Carrying amount of transferred assets	相關負債 的賬面值 Carrying amount of associated liabilities
回購協議	Repurchase agreements	6,067,494	8,968,144
借出證券協議	Securities lending agreements	24,336,666	22,343,746
		31 December 2015 二零一五年十二月三十一日	
		轉讓資產 的賬面值 Carrying amount of transferred assets	相關負債 的賬面值 Carrying amount of associated liabilities
回購協議	Repurchase agreements	12,281,927	5,373,562
借出證券協議	Securities lending agreements	10,153,913	9,802,420

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

43 金融資產的轉讓 (續)

貼現票據交易

在日常業務中，本集團進行的貼現票據交易會將附有追溯權條款的貼現票據轉讓給位於中國的第三方，令本集團繼續參與已轉讓的金融資產。於二零一六年十二月三十一日，本集團保留這些賬面值11,751,718港元(二零一五年：164,517,889港元)的已轉讓但未到期的中國貼現票據的責任。

44 資產負債表外風險

44.1 或然負債及承擔

以下為每個主要類別的或然負債及承擔的合約金額概要：

		2016 合約金額 Contractual amount 千港元 HK\$'000	2016 信用風險 加權額 Credit risk weighted 千港元 HK\$'000	2015 合約金額 Contractual amount 千港元 HK\$'000	2015 信用風險 加權額 Credit risk weighted 千港元 HK\$'000
直接信貸代替品	Direct credit substitutes	16,276,629	4,492,005	11,445,502	4,338,315
與交易有關之或然負債	Transaction-related contingencies	169,465	71,419	158,368	72,597
與貿易有關之或然負債	Trade-related contingencies	13,224,592	2,566,316	10,856,416	1,756,149
遠期有期存款	Forward forward deposits placed	10,279,920	2,055,984	1,294,667	258,933
到期日如下之其他承擔：	Other commitments with an original maturity of:				
可無條件撤銷	Unconditionally cancellable	180,816,984	–	170,266,617	–
原到期日少於一年	With original maturity of less than one year	781,340	156,268	968,579	193,716
原到期日在一年及以上	With original maturity of over one year	47,944,517	23,027,750	30,973,329	15,191,410
		269,493,447	32,369,742	225,963,478	21,811,120

或然負債及承擔來自遠期資產購置、只繳付部分股款之股份及證券欠付之金額、遠期有期存款、附追溯權之資產銷售或其他交易，以及信貸相關工具，包括信用證、擔保和批授信貸之承擔。此等信貸相關工具所涉及之風險大致上與向客戶授出貸款融資所涉及之風險相同。合約金額為倘合約金額被全數提取及客戶拖欠還款而承擔風險之額。由於融資有可能在未經提取下屆滿，合約金額不等於預期未來現金流。

計算信貸風險加權金額所用之風險比重介乎0%至100%。

43 TRANSFERRED FINANCIAL ASSETS (continued)

Discounted bills transactions

The Group enters into discounted bills transactions in the normal course of business by which it transfers discounted bills to third parties in the PRC with recourse term which would give rise to the Group's continuing involvement in the transferred assets. As at 31 December 2016, the Group retains obligation on those PRC discounted bills transferred but not matured with a carrying amount of HK\$11,751,718 (2015: HK\$164,517,889).

44 OFF-BALANCE SHEET EXPOSURES

44.1 Contingent liabilities and commitments

The following are summaries of the contractual amounts of each significant class of contingent liabilities and commitments:

Contingent liabilities and commitments arise from forward asset purchases, amounts owing on partly paid-up shares and securities, forward forward deposits placed, asset sales or other transactions with recourse, as well as credit-related instruments which include letters of credit, guarantees and commitments to extend credit. The risk involved in these credit-related instruments 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 client default. As the facilities may expire without being drawn upon, the contract amounts do not represent expected future cash flows.

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

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

44 資產負債表外風險 (續)

44.2 資本承擔

於二零一六年十二月三十一日之未於財務報表內撥備的物業及設備資本承擔餘額如下：

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
已訂約惟未撥備之支出	Expenditure contracted but not provided for	45,854	31,075
已授權惟未訂約之支出	Expenditure authorised but not contracted for	8,900	14,690
		54,754	45,765

44.3 經營租約承擔

於二零一六年十二月三十一日，本集團根據不可撤銷的經營租約於未來應付的最低租金總額如下：

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
土地及樓宇	Land and buildings		
— 一年以內	– Not later than one year	367,788	414,644
— 一年以上及五年以內	– Later than one year and not later than five years	578,341	598,239
— 五年後	– More than five years	38,665	–
		984,794	1,012,883

44.4 經營租約安排

本集團根據經營租約安排按商定年期為兩至八年之租約出租其投資物業（見財務報表附註30）。租約條款一般規定承租人須支付抵押按金，並訂明定期根據當時市況對租金作出調整。

於二零一六年十二月三十一日，本集團按以下到期期限根據不可撤銷的經營租約於未來應收其承租人的最低租金總額如下：

		2016 千港元 HK\$'000	2015 千港元 HK\$'000
一年內	Within one year	2,581	3,100
二至五年（包括首尾兩年）	In the second to fifth years, inclusive	3,364	6,305
		5,945	9,405

年內，本集團概無任何未確認應收或然租金（二零一五年：無）。

44 OFF-BALANCE SHEET EXPOSURES (continued)

44.2 Capital commitments

Capital commitments for property, plant and equipment outstanding as at 31 December 2016 not provided for in the financial statements were as follows:

	2016 千港元 HK\$'000	2015 千港元 HK\$'000
已訂約惟未撥備之支出	45,854	31,075
已授權惟未訂約之支出	8,900	14,690
	54,754	45,765

44.3 Operating lease commitments

At 31 December 2016, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2016 千港元 HK\$'000	2015 千港元 HK\$'000
土地及樓宇		
— 一年以內	367,788	414,644
— 一年以上及五年以內	578,341	598,239
— 五年後	38,665	–
	984,794	1,012,883

44.4 Operating lease arrangements

The Group leases its investment properties (Note 30 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from two to eight years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At as 31 December 2016, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2016 千港元 HK\$'000	2015 千港元 HK\$'000
一年內	2,581	3,100
二至五年（包括首尾兩年）	3,364	6,305
	5,945	9,405

During the year, the Group had no unrecognised contingent rentals receivable (2015: Nil).

財務報表附註 Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

45 金融資產及金融負債之抵銷

金融資產受限於抵銷、可執行的總淨額結算安排及類似協議

45 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

		並無於資產負債表內抵銷之金額 Amounts not set off in the balance sheet					
於二零一六年十二月三十一日	At 31 December 2016	已確認金融 資產之總額 Gross amounts of recognised financial assets 千港元 HK\$'000	於資產負債表 內抵銷之總額 Gross amounts offset in the balance sheet 千港元 HK\$'000	於資產負債表 呈列之淨額 Net amounts presented in the balance sheet 千港元 HK\$'000	金融工具 Financial instruments 千港元 HK\$'000	已收現金 抵押品 Cash collateral received 千港元 HK\$'000	淨額 Net amount 千港元 HK\$'000
衍生金融資產	Derivative financial assets	12,489,415	-	12,489,415	(6,241,044)	-	6,248,371
其他資產	Other assets	292,434	-	292,434	(264,429)	-	28,005
		12,781,849	-	12,781,849	(6,505,473)	-	6,276,376

		並無於資產負債表內抵銷之金額 Amounts not set off in the balance sheet					
於二零一六年十二月三十一日	At 31 December 2016	已確認金融 負債之總額 Gross amounts of recognised financial liabilities 千港元 HK\$'000	於資產負債表 內抵銷之總額 Gross amounts offset in the balance sheet 千港元 HK\$'000	於資產負債表 呈列之淨額 Net amounts presented in the balance sheet 千港元 HK\$'000	金融工具 Financial instruments 千港元 HK\$'000	已抵押現金 抵押品 Cash collateral pledged 千港元 HK\$'000	淨額 Net amount 千港元 HK\$'000
衍生金融負債	Derivative financial liabilities	9,693,538	-	9,693,538	(6,241,044)	(4,061,442)	(608,948)
其他負債	Other liabilities	466,317	-	466,317	(264,429)	-	201,888
		10,159,855	-	10,159,855	(6,505,473)	(4,061,442)	(407,060)

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

45 金融資產及金融負債之抵銷(續)

45 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

		並無於資產負債表內抵銷之金額 Amounts not set off in the balance sheet					
		已確認金融 資產之總額 Gross amounts of recognised financial assets 千港元 HK\$'000	於資產負債表 內抵銷之總額 Gross amounts offset in the balance sheet 千港元 HK\$'000	於資產負債表 呈列之淨額 Net amounts presented in the balance sheet 千港元 HK\$'000	金融工具 Financial instruments 千港元 HK\$'000	已收現金 抵押品 Cash collateral received 千港元 HK\$'000	淨額 Net amount 千港元 HK\$'000
於二零一五年十二月三十一日	At 31 December 2015						
衍生金融資產	Derivative financial assets	8,650,080	-	8,650,080	(5,341,796)	-	3,308,284
其他資產	Other assets	210,923	-	210,923	(180,325)	-	30,598
		8,861,003	-	8,861,003	(5,522,121)	-	3,338,882

		並無於資產負債表內抵銷之金額 Amounts not set off in the balance sheet					
		已確認金融 負債之總額 Gross amounts of recognised financial liabilities 千港元 HK\$'000	於資產負債表 內抵銷之總額 Gross amounts offset in the balance sheet 千港元 HK\$'000	於資產負債表 呈列之淨額 Net amounts presented in the balance sheet 千港元 HK\$'000	金融工具 Financial instruments 千港元 HK\$'000	已抵押現金 抵押品 Cash collateral pledged 千港元 HK\$'000	淨額 Net amount 千港元 HK\$'000
於二零一五年十二月三十一日	At 31 December 2015						
衍生金融負債	Derivative financial liabilities	8,412,534	-	8,412,534	(5,341,796)	(2,067,708)	1,003,030
其他負債	Other liabilities	340,371	-	340,371	(180,325)	-	160,046
		8,752,905	-	8,752,905	(5,522,121)	(2,067,708)	1,163,076

如有合法可執行權利抵銷已確認金額，並有意按淨額基準進行結算或同時變現資產及償還負債，金融資產及金融負債將進行抵銷並按淨額呈列。

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when 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.

列入並無於資產負債表進行抵銷之金額內之衍生工具和轉售／回購協議與以下交易有關：

Derivatives and reverse repurchase/repurchase agreements included in amounts not set off in the balance sheet relate to transactions where:

- 對手方與本集團之間有可抵銷持倉並且已制定總淨額結算或類似安排，但附帶只在發生違約事件、資不抵債或破產情況下方可進行抵銷之權利，否則抵銷條件未能達成；及
- 就上述交易已收／已抵押之現金抵押品。

- the counterparty has an offsetting exposure with the Group and a master netting or similar arrangement is in place with a right of set off only in the event of default, insolvency or bankruptcy, or the offset criteria are otherwise not satisfied; and
- cash collateral received/pledged in respect of the transactions described above.

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

46 本銀行層面的財務狀況表

46 BANK-LEVEL STATEMENT OF FINANCIAL POSITION

		二零一六年 十二月三十一日 31 December 2016 HK\$'000	二零一五年 十二月三十一日 31 December 2015 HK\$'000
資產	Assets		
現金及在銀行同業與 其他金融機構之結存	Cash and balances with banks and other financial institutions	147,644,158	129,566,182
在銀行同業及其他金融機構之存款	Placements with banks and other financial institutions	24,235,111	30,242,289
衍生金融工具	Derivative financial instruments	18,415,757	11,361,222
貸款及其他賬項	Advances and other accounts	335,226,982	304,556,854
金融投資：	Financial investments:	126,298,222	106,744,112
— 備供銷售	— Available-for-sale	63,352,063	41,247,181
— 持有至到期	— Held-to-maturity	62,946,159	65,496,931
於聯營公司之投資	Investments in associates	106,874	126,938
於附屬公司之投資	Investments in subsidiaries	5,287,139	3,999,107
商譽及其他無形資產	Goodwill and other intangible assets	959,934	976,598
投資物業	Investment properties	43,100	42,300
物業及設備	Property, plant and equipment	777,788	758,854
現行稅項資產	Current income tax assets	—	182,757
遞延所得稅資產	Deferred income tax assets	77,386	—
其他資產	Other assets	9,551,390	8,622,711
資產總額	Total assets	668,623,841	597,179,924
負債	Liabilities		
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	173,351,059	135,487,837
衍生金融工具	Derivative financial instruments	18,003,999	10,993,310
客戶存款	Deposits from customers	337,609,972	307,732,300
已發行存款證	Certificates of deposit issued	41,626,810	51,309,526
已發行債券	Debt securities in issue	1,023,179	6,930,191
— 指定以公平價值經收益表入賬	— Designated at fair value through profit or loss	72,101	—
— 以攤銷成本入賬	— At amortised cost	951,078	6,930,191
現行稅項負債	Current income tax liabilities	111,734	—
遞延稅項負債	Deferred income tax liabilities	—	9,107
以攤銷成本入賬之後償債項	Subordinated debts measured at amortised cost	11,603,948	13,375,445
其他負債	Other liabilities	8,859,792	8,240,027
負債總額	Total liabilities	592,190,493	534,077,743
權益	Equity		
股本	Share capital	36,379,331	36,379,331
保留溢利	Retained earnings	31,764,687	25,806,824
其他儲備	Other reserves	550,998	916,026
歸屬於本銀行股東權益總額	Total equity attributable to shareholders of the Bank	68,695,016	63,102,181
額外權益工具	Additional equity instruments	7,738,332	—
權益總額	Total equity	76,433,348	63,102,181
權益及負債總額	Total equity and liabilities	668,623,841	597,179,924

高明
主席兼
執行董事

姜壹盛
執行董事
兼行政總裁

Gao Ming
Chairman &
Executive
Director

Jiang Yisheng
Executive
Director & Chief
Executive Officer

財務報表附註

Notes to the Financial Statements

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016

47 最終控股公司

董事認為，於中國註冊成立之中國工商銀行股份有限公司乃本銀行之最終控股公司。該公司將刊發財務報表供公眾使用。

48. 比較金額

- (a) 年內，管理層檢討了列入收益表內「管理費收入」項目之呈列方式，認為該方式將該項分類為「淨費用及佣金收入」而非之前披露之「其他營業收入」，改善了可比較性。該金額於本年度重新分類為「淨費用及佣金收入」，因此可比較金額6,000,000港元由「其他營業收入」重新分類至「淨費用及佣金收入」，以符合本年度之呈列方式。
- (b) 除上述項目外，若干比較數字已予修改，以符合本年之呈列。

47 THE ULTIMATE HOLDING COMPANY

In the opinion of the directors, the ultimate holding company of the Bank is Industrial and Commercial Bank of China Limited, which is established in the PRC and produces financial statements available for public use.

48 COMPARATIVE AMOUNTS

- (a) During the year, management reviewed the presentation of “Management fee income” in the income statement and determined that it improves the comparability to classify the item as Net Fee And Commission Income rather than Other Operating Income as previously disclosed. The amount was reclassified as Net Fee And Commission Income in the current year and accordingly the comparative figure amounted to HK\$6,000,000 was reclassified from Other Operating Income to Net Fee And Commission Income to conform with the current year’s presentation.
- (b) In addition to the above item, certain comparative amounts have been amended to conform with current year’s presentation.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

下列資料僅為財務報表附加資料之部分，並不構成經審核財務報表任何部分。

The following information is disclosed as part of the accompanying information to the financial statements and does not form part of the audited financial statements.

1 資本充足比率及資本基礎

資本充足比率乃根據香港金融管理局所頒布的《銀行業(資本)規則》(「《資本規則》」)計算。資本充足比率乃根據因應實施新巴塞爾資本協定三而經修訂並於二零一三年一月一日生效的《資本規則》編製。本集團因資本規則而選擇採納「標準(信用風險)計算法」計算信貸風險之風險加權資產、採納「基本指標計算法」計算業務運作風險及採納「標準(市場風險)計算法」計算市場風險。

正如財務報表附註2詳述，用於財務會計的綜合基礎乃按照香港財務報告準則而編制。根據資本規則第3C(1)條，就監管而言被綜合的附屬公司，均會列在由香港金融管理局發出的通知。

根據資本規則，計算資本比率之綜合基礎乃跟隨財務報告之綜合基礎，但撇除資本規則界定為「受規管金融實體」(即保險及證券公司)之附屬公司。因此，該等未綜合之附屬公司之投資成本會從資本基礎中扣除。該等未綜合附屬公司概無任何資金短缺。

1 CAPITAL ADEQUACY AND CAPITAL BASE

Capital adequacy ratios were compiled in accordance with the Banking (Capital) Rules (the “Capital Rules”) issued by the HKMA. The ratios were compiled in accordance with the amended Capital Rules effective from 1 January 2013 for the implementation of the “Basel III” capital accord. In view of the Capital Rules, the Group has adopted the “standardised (credit risk) approach” for the calculation of the risk-weighted assets for credit risk, “basic indicator approach” for the calculation of the operational risk and the “standardised (market risk) approach” for the calculation of market risk.

The basis of consolidation for financial accounting purposes is in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), as described in Note 2 to the financial statements. Subsidiaries included in the consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with section 3C(1) of the Capital Rules.

Under the Capital Rules, the basis of consolidation in calculating the capital ratios follows that of the financial reporting with the exclusion of subsidiaries which are “regulated financial entities” (e.g., Insurance and securities companies) as defined by the Capital Rules. Accordingly, the investment costs of these unconsolidated subsidiaries are deducted from the capital base. There is no capital shortfall of these unconsolidated subsidiaries.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

1 資本充足比率及資本基礎 (續)

下表列出此等未綜合附屬公司：

1 CAPITAL ADEQUACY AND CAPITAL BASE (continued)

A list of these unconsolidated subsidiaries is shown below:

		於二零一六年十二月三十一日 At 31 December 2016	
主要活動 Principal activities		總資產 Total assets 千港元 HK\$'000	總權益 Total equity 千港元 HK\$'000
工銀亞洲金業有限公司 ICBC (Asia) Bullion Company Limited	不活躍 Inactive	7,507	7,498
工銀亞洲期貨有限公司 ICBC (Asia) Futures Company Limited	提供期貨業務 Provision of futures business	102,643	102,607
工銀亞洲投資管理有限公司* ICBC (Asia) Investment Management Company Limited*	提供資產管理服務 Provision of asset management services	88,430	77,323
工銀亞洲証券有限公司 ICBC (Asia) Securities Limited	提供證券經紀服務 Provision of securities brokerage services	1,125,386	812,380
工銀亞洲信託有限公司 ICBC (Asia) Trustee Company Limited	提供信託服務 Provision of trustee services	29,811	28,805
ICBC (Asia) Wa Pei Nominees Limited	不活躍 Inactive	-	-
友聯中國業務管理有限公司 UB China Business Management Co. Ltd.	不活躍 Inactive	-	-
大中華基金 Greater China Fund	信託基金 Trust fund	389,618	388,168

* 包括名為工銀亞投股權投資管理(深圳)有限公司的綜合附屬公司

* Included a consolidated subsidiary in the name of ICBC (Asia) Investment Management (Shenzhen) Co., Ltd.

於二零一六年十二月三十一日，集團並沒有在會計及監管而言均被包含在綜合範圍內、但綜合方法有所差別之附屬公司。此外，集團亦沒有任何附屬公司只包含在就監管而言的綜合範圍內，而不包含在會計而言的綜合範圍內。

As at 31 December 2016, there are no subsidiaries which are included within both the accounting scope of consolidation and the regulatory scope of consolidation but the method of consolidation differs. There are also no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

1 資本充足比率及資本基礎(續)

本集團於不同國家及地區營運之附屬公司，其資本受當地條例所規管而可能限制法定資本及資金在集團內調撥。

1 CAPITAL ADEQUACY AND CAPITAL BASE (continued)

The Group operates a subsidiary in other countries and territories where capital is governed by local rules and there may be restrictions on the transfer of regulatory capital and funds between members of the Group.

		二零一六年 十二月三十一日 31 December 2016 千港元 HK\$'000	二零一五年 十二月三十一日 31 December 2015 千港元 HK\$'000
普通股權益一級資本	Common Equity Tier 1 ("CET1") Capital		
普通股權益一級資本工具	CET1 capital instruments	36,379,331	36,379,331
普通股權益一級資本工具產生的股份溢價	Share premium arising from CET1 capital instruments	-	-
保留溢利	Retained earnings	35,976,769	28,924,450
其中：本年度未經審計的損益與待審計的上一年度損益	of which: unaudited profit or loss of the current financial year and profit or loss of the immediately preceding financial year pending audit completion	7,152,986	6,610,913
披露儲備	Disclosed reserves	2,606,686	3,940,798
其中：備供銷售投資儲備	of which: available-for-sale investment reserve	(464,182)	(235,655)
普通股權益一級資本扣減前資本	CET1 Capital before deductions	74,962,786	69,244,579
扣減：	Deduct:		
與金融工具對沖有關並且在資產負債表中並非以公平價值入賬的累計現金流量對沖儲備	Cumulative cash flow hedge reserves that relate to the hedging of financial instruments that are not fair valued on the balance sheet	(143,232)	(167,224)
以公平價值入賬及因本身之信貸風險變動而產生之機構負債累計公平價值損益	Cumulative fair value gains or losses on liabilities of the institution that are fair-valued and result from changes in the own credit risk	-	-
包括土地及樓宇重估所產生的累計公平價值收益	Cumulative fair value gains arising from the revaluation of land and buildings	(650,077)	(634,218)
一般銀行風險的監管儲備	Regulatory reserve for general banking risk	(3,984,306)	(4,277,079)
商譽（扣除相關遞延稅項負債）	Goodwill (net of related deferred tax liability)	(980,154)	(980,154)
其他無形資產（扣除相關遞延稅項負債）	Other intangible assets (net of related deferred tax liability)	(29,773)	(44,978)
超出遞延稅項負債的遞延稅項資產	Deferred tax assets in excess of deferred tax liabilities	(269,650)	(58,011)
機構持有土地及樓宇產生的低於折舊成本的累計虧損	Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings	(302)	(300)
有關衍生工具合約之負債估值調整	Debit valuation adjustments in respect of derivative contracts	(121,184)	(77,717)
普通股權益一級資本扣減後資本	CET1 Capital after deductions	68,784,108	63,004,898
增加：	Add:		
額外一級資本扣減後資本	Additional TIER 1 Capital after deductions	7,742,968	-
扣減後資本基礎總額	Tier 1 Capital after deductions	76,527,076	63,004,898
二級資本	Tier 2 Capital		
二級資本工具的發行及股份溢價	Tier 2 capital instruments issued and share premium	10,051,714	12,210,519
其中：需除去金額	of which: amount that is subject to phase out	2,314,446	2,698,689
持有的土地及樓宇重估公平價值收益貢獻的儲備	Reserve attributable to fair value gains on revaluation of holdings of land and buildings	292,534	285,398
一般銀行風險之法定儲備及列入二級資本的組合減值準備（限於1.25%的信貸風險加權金額）	Regulatory reserve for general banking risks and collective provisions included in Tier 2 Capital (Limited to 1.25% of risk-weighted amount for credit risk)	5,957,021	5,533,599
二級資本扣減前資本	Tier 2 Capital before deductions	16,301,269	18,029,516
扣減	Deductions	-	-
二級資本扣減後資本	Tier 2 Capital after deductions	16,301,269	18,029,516
扣減後資本基礎總額	Total capital base after deductions	92,828,345	81,034,414

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

1 資本充足比率及資本基礎(續)

1 CAPITAL ADEQUACY AND CAPITAL BASE (continued)

		二零一六年 十二月三十一日 31 December 2016 千港元 HK\$'000	二零一五年 十二月三十一日 31 December 2015 千港元 HK\$'000
風險加權資產	Risk-weighted assets		
信用風險	Credit risk	507,222,689	447,045,096
市場風險	Market risk	17,297,138	18,421,975
運作風險	Operational risk	21,622,813	19,381,713
扣除：一般銀行業風險之法定儲備部分及並無包括在二級資本內的組合減值準備	Deduct: Portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 capital	-	(479,399)
不包括在二級資本內的由土地及房產重估所產生的累計公平價值變動收益部分	Portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 capital	(357,543)	(348,820)
風險加權資產總值	Total risk-weighted assets	545,785,097	484,020,565
		二零一六年 十二月三十一日 31 December 2016	二零一五年 十二月三十一日 31 December 2015
普通股權一級資本比率	CET1 capital ratio	12.60%	13.02%
一級資本比率	Tier 1 capital ratio	14.02%	13.02%
總資本比率	Total capital ratio	17.01%	16.74%
防護緩衝資本比率	Capital conservation buffer ratio	0.63%	0%

為符合銀行業(披露)規則，本集團將在本行網站內增設「監管資本披露」一節，披露一切關於監管資本票據，以及就本集團已公佈之年度財務報表而作出之全部對賬的資料。

本行將於本集團之網站(www.icbcasia.com)按銀行業(披露)規則公佈披露，有關披露將包括下列資料：

- 本集團之普通股權一級資本、額外一級資本及二級資本之主要特點及全部條款及條件；
- 本集團採用金管局要求之標準範本披露本集團之普通股權一級資本、額外一級資本、二級資本，以及監管扣減之詳情；及
- 本集團採用金管局要求之標準範本披露本集團就財務及監管資產負債表作出之全部對賬。

根據《資本規則》第3M條，就二零一六年及二零一五年而言，本集團用以計算緩衝水平的防護緩衝資本比率分別是0.63%及0%。

To comply with the Banking (Disclosure) Rules, the Group will establish a new section “Regulatory Capital Disclosure” on its website to house all the information relating to the disclosure of regulatory capital instruments and the reconciliation to the Group’s published annual financial disclosure statements.

The disclosure will be published on its website (www.icbcasia.com) according to the Banking (Disclosure) Rules and will include the following information:

- A description of the main features and the full terms and conditions of the Group’s CET1 capital, Additional Tier 1 capital and Tier 2 capital.
- A detailed breakdown of the Group’s CET1 capital, Additional Tier 1 capital, Tier 2 capital and regulatory deductions, using the standard template as specified by the HKMA.
- A full reconciliation between the Group’s accounting and regulatory balance sheets, using the standard template as specified by the HKMA.

Under Section 3M of the Capital Rules, the capital conservation buffer ratio for calculating the Group’s buffer level is 0.63% for 2016 and 0% for 2015.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

2 流動資金覆蓋比率

本集團由二零一六年一月一日起每日遵守根據香港金融管理局發出的《銀行業(流動性)規則》規定的最低流動資金覆蓋比率(「流動資金覆蓋比率」) 70% 的要求。

2 LIQUIDITY COVERAGE RATIO

The Group complies with the minimum requirement of 70% of Liquidity Coverage Ratio (“LCR”) on a daily basis with effective from 1 January 2016 onwards, in accordance with the Banking (Liquidity) Rules issued by the HKMA.

		二零一六年 2016	二零一五年 2015
平均流動性覆蓋比率	Average liquidity coverage ratio		
— 第一季	— First quarter	105.12%	94.05%
— 第二季	— Second quarter	124.76%	94.68%
— 第三季	— Third quarter	143.81%	90.25%
— 第四季	— Fourth quarter	141.50%	96.89%

銀行業(披露)規則第30及30A條規定的流動性披露要求，可瀏覽本銀行網站www.icbcasia.com「監管披露」一節。

Liquidity disclosures as required by section 30 and 30A of the Banking (Disclosure) Rules are available in the section of Regulatory Disclosures of our website www.icbcasia.com.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

3 信用風險、業務操作風險及市場風險之資本性支出

3.1 信用風險

- (i) 本集團使用下列外部信貸評級機構(「外部信貸評級機構」)根據資本規則規定的標準(信用風險)計算法計算其資本充足要求：

- 穆迪投資者服務
- 標準普爾評級服務
- 惠譽評級

每一類風險於報告期結束時根據標準(信用風險)計算法計算的資本要求概要如下：

3 CAPITAL CHARGE FOR CREDIT, OPERATIONAL AND MARKET RISKS

3.1 Credit risk

- (i) The Group uses the following external credit assessment institutions (“ECAIs”) to calculate its capital adequacy requirements under the standardized (credit risk) approach prescribed in the Capital Rules:

- Moody’s Investors Service
- S&P’s Ratings Services
- Fitch Ratings

The capital requirements on each class of exposures under the standardized (credit risk) approach as at the end of reporting period is summarised as follows:

		二零一六年 2016 千港元 HK\$’000	二零一五年 2015 千港元 HK\$’000
資產負債表項目	On-balance sheet		
主權風險	Sovereign exposures	–	41,197
公營機構風險	Public sector entity exposures	28,963	13,473
銀行風險	Bank exposures	8,854,116	9,547,224
證券公司風險	Securities firm exposures	33,958	51,173
企業風險	Corporate exposures	23,882,523	20,444,383
組合投資計劃風險	Collective investment scheme exposures	18,560	18,560
現金項目	Cash items	75,507	45,426
規管性零售業風險	Regulatory retail exposures	896,919	694,952
住宅按揭貸款	Residential mortgage loans	880,333	764,259
其他並非逾期之風險	Other exposures which are not past due exposures	1,711,561	1,150,460
逾期風險	Past due exposures	178,920	86,487
資本負債表風險項目之資本性支出總額	Total capital charge for on-balance sheet exposures	36,561,360	32,857,594
資產負債表外項目	Off-balance sheet		
直接信貸代替品	Direct credit substitutes	359,360	347,065
與交易有關之或然負債	Transaction-related contingencies	5,714	5,808
與貿易有關之或然負債	Trade-related contingencies	205,305	140,492
已存遠期有期存款	Forward forward deposits placed	164,479	20,715
其他承擔	Other commitments	1,842,220	1,230,773
外匯合約	Exchange rate contracts	769,580	683,369
利率合約	Interest rate contracts	65,500	73,199
股本權益合約	Equity contracts	14,786	32,459
債券合約或其他商品合約	Debt security contracts or other commodity contracts	73,144	6,556
證券融資交易	Securities financing transaction	59,325	17,006
資產負債表外風險之資本性支出總額	Total capital charge for off-balance sheet exposures	3,559,413	2,557,442
信用風險之資本性支出總額	Total capital charge for credit risk	40,120,773	35,415,036

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

3 信用風險、業務操作風險及市場風險之資本性支出(續)

3.1 信用風險(續)

- (i) 資本要求乃以本集團由相關計算法得出之風險加權額乘以8%計算，並不反映本集團的實際監管資本。
- (ii) 由上述外部信貸評級機構評估的風險按下列風險類別分類：
- 主權風險
 - 公營機構風險
 - 多邊發展銀行風險
 - 銀行風險
 - 證券公司風險
 - 企業風險
 - 組合投資計劃風險
- (iii) 本集團銀行簿冊內用以列示外部信貸評級機構發行人評級或外部信貸評級機構發行特定評級的程序與資本規則內之規定一致。

3.2 業務操作風險

香港金融管理局已根據資本規則第24(1)(a)條批准本集團使用經更新之巴塞爾資本協定基本指標計算法以計算其業務操作風險。因此，本集團於管理業務操作風險方面應用此方法，但同時採納香港金融管理局之有關監管指引。於二零一六年十二月三十一日，業務操作風險之資本性支出為1,729,825,000港元(二零一五年：1,550,537,000港元)。

3.3 市場風險

目前由本銀行進行之市場風險活動基本上可劃分為「交易賬項」及「非交易賬項」。

交易賬項：

交易賬項包括於備供銷售或交易意向為自實際及／或預期短期價格或利率變動中獲益而認購之金融工具及衍生工具之自有倉盤。

3 CAPITAL CHARGE FOR CREDIT, OPERATIONAL AND MARKET RISKS (continued)

3.1 Credit risk (continued)

- (i) The capital requirement is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%. It does not reflect the Group's actual regulatory capital.
- (ii) Where exposures have been rated by the above-mentioned ECAIs, they are categorised under the following class of exposures:
- Sovereign exposures
 - Public sector entity exposures
 - Multilateral development bank exposures
 - Bank exposures
 - Securities firm exposures
 - Corporate exposures
 - Collective investment scheme exposures
- (iii) The process used to map ECAIs issuer ratings or ECAIs issue specific ratings in the Group's banking book is consistent with those prescribed in the Capital Rules.

3.2 Operational risk

HKMA has granted approval under section 24(1)(a) of the Capital Rules for the Group to use the updated Basel Basic Indicator Approach to calculate its operational risk. The Group thus applies this approach in managing operational risk, but is simultaneously adopting the relevant supervising guidelines of the HKMA. As at 31 December 2016, the capital charge for operational risk amounted to HK\$1,729,825,000 (2015: HK\$1,550,537,000).

3.3 Market risk

Market risk activities currently undertaken by the Bank can basically be divided into "Trading Book" and "Non-Trading Book".

Trading Book:

It consists of proprietary positions in financial instruments and derivatives which are held for re-sale or which are taken on with the trading intention of benefiting from actual and/or expected short-term price or interest rate movements.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

3 信用風險、業務操作風險及市場風險之資本性支出(續)

3.3 市場風險(續)

本集團於資本規則中為其市場風險採用「標準計算法」。於二零一六年十二月三十一日之資本性支出為1,383,771,000港元(二零一五年:1,473,758,000港元)。於二零一六年及二零一五年十二月三十一日有關市場風險資本規定如下:

3 CAPITAL CHARGE FOR CREDIT, OPERATIONAL AND MARKET RISKS (continued)

3.3 Market risk (continued)

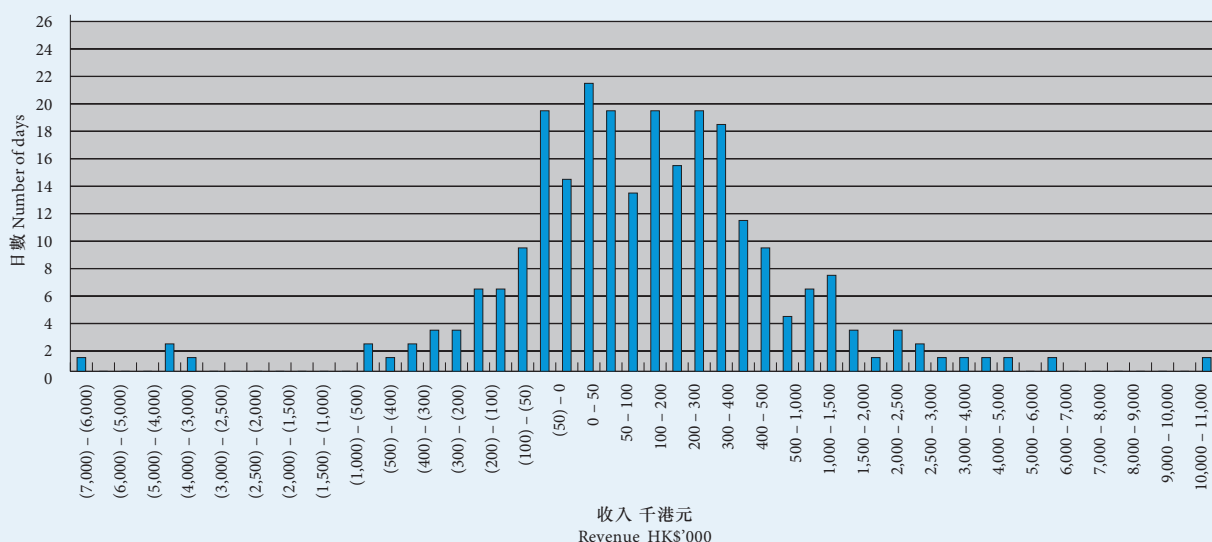
The Group applies the “standardized approach” for its market risk in the Capital Rules. The capital charge as at 31 December 2016 is HK\$1,383,771,000 (2015: HK\$1,473,758,000). The market risk capital requirement as at 31 December 2016 and 2015 are:

風險類型	Risk type	市場風險資本性支出 Market risk capital charge	
		二零一六年 2016	二零一五年 2015
		千港元 HK\$'000	千港元 HK\$'000
利率風險—特定風險	Interest rate exposure – specific risk	52,376	–
利率風險—一般市場風險	Interest rate exposure – general market risk	507,492	360,760
股本風險	Equity exposures	–	189,929
外匯風險	Foreign exchange exposures	545,090	918,258
商品風險	Commodity exposures	274,677	289
認股權風險	Option exposures	4,136	4,522
總計	Total	1,383,771	1,473,758

以下柱狀圖顯示截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度本集團之市場風險活動有關之每日收入頻率分類。

The following histograms show the frequency distribution of daily revenues related to market risk activities of the Group for years ended 31 December 2016 and 31 December 2015.

截至二零一六年十二月三十一日止年度
For the year ended 31 December 2016



附加財務資料(未經審核) Supplementary Financial Information (unaudited)

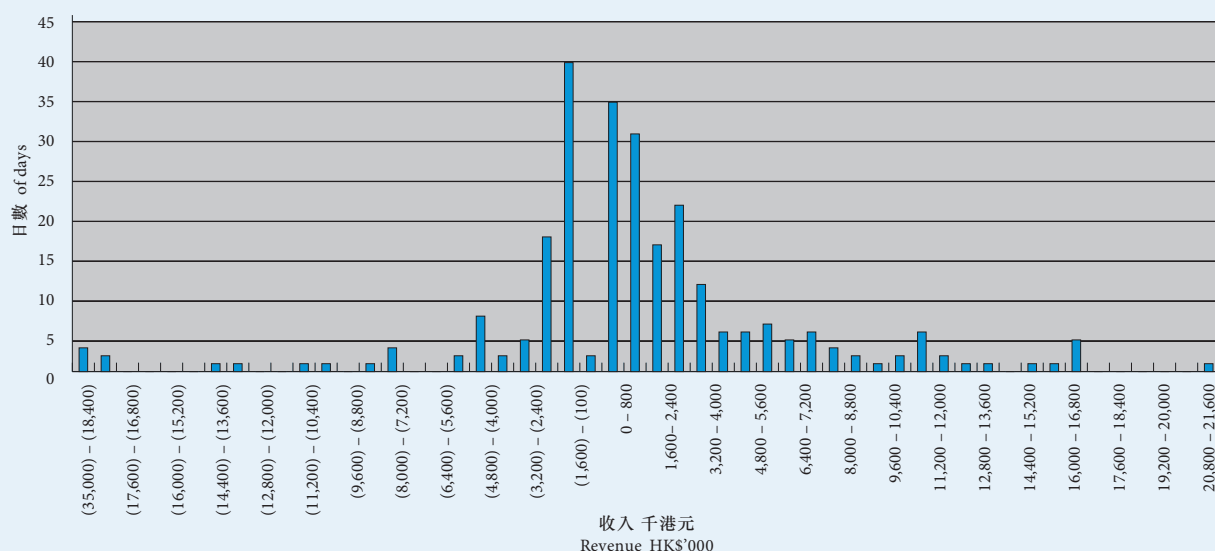
3 信用風險、業務操作風險及市場風險之資本性支出(續)

3.3 市場風險(續)

3 CAPITAL CHARGE FOR CREDIT, OPERATIONAL AND MARKET RISKS (continued)

3.3 Market risk (continued)

截至二零一五年十二月三十一日止年度
For the year ended 31 December 2015



截至二零一六年十二月三十一日止年度，本集團源自市場風險相關業務之平均每日收入為544,000港元(二零一五年：1,325,000港元)，而此每日收入之標準偏差為3,145,000港元(二零一五年：6,093,000港元)。經分析每日收入之分佈情況，在二零一六年之245個交易日中，有109日錄得虧損(二零一五年：247個交易日中，有86日錄得虧損)，而最高之一日虧損為12,449,000港元(二零一五年：31,401,000港元)。最高之一日收入則為13,140,000港元(二零一五年：22,102,000港元)。就自有買賣及客戶之預期而言，本集團將逐步增加其金融產品及服務範圍，以輔補一直以來依賴貸款資產帶來之收入。於該過程中，本集團將密切關注就此產生之市場風險、對手方信用風險、流動資金及資本影響。

非交易賬項：

非交易賬項包括因融資、流動資金管理、投資及自非庫務相關業務之資產負債表活動所產生的結構性外匯及利率風險敞口。由金融市場部進行之債券活動大部分作投資及流動資金用途。

The average daily revenue earned from the Group's market risk related activities during the year ended 31 December 2016 was HK\$544,000 (2015: HK\$1,325,000) and the standard deviation for such daily revenue was HK\$3,145,000 (2015: HK\$6,093,000). An analysis of the frequency distribution of daily revenue showed that losses were recorded on 109 days out of 245 trading days for the year 2016 (2015: 86 days out of 247 trading days). The maximum daily loss was HK\$12,449,000 (2015: HK\$31,401,000). The highest daily revenue was HK\$13,140,000 (2015: HK\$22,102,000). In respect of proprietary trading and customers' expectation, the Group will gradually expand the scope of treasury products and services to complement its conventional reliance on loan assets for revenue. In the process, the Group will watch out for the resulting market risk, and counterparty credit risk, liquidity and capital implications.

Non-Trading Book:

It consists of structured foreign exchange and interest rate risk positions arising from funding and liquidity management as well as investment and balance sheet activities from non-treasury related business. Debt securities activities undertaken by Global Markets & Trading Department are largely for investment and liquidity management purpose.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

4 資產證券化

年內，本集團於有關證券化風險中均僅為投資者。穆迪投資服務、標準普爾及惠譽國際的評級方法獲採納用於評定證券化風險。由於本集團所持證券化風險均由資本規則指定的認可外部信貸評級機構進行評估，本集團採用標準(證券化)計算法計算加權信用風險。本集團密切監控相關風險。

下表列示於二零一六年及二零一五年十二月三十一日之證券化類別風險承擔：

		餘額	風險加權金額	資本規定	核心資本	從普通股權 一級資本扣減 之風險承擔 Exposures deducted from CET1 Capital
		Outstanding amounts 千港元 HK\$'000	Risk-weighted amounts 千港元 HK\$'000	Capital requirements 千港元 HK\$'000	Core capital 千港元 HK\$'000	千港元 HK\$'000
二零一六年	2016					
證券化類別風險承擔	Securitisation exposures					
傳統證券化 債券	Traditional securitisations Debt securities	-	-	-	-	-
		餘額	風險加權金額	資本規定	核心資本	從普通股權 一級資本扣減 之風險承擔 Exposures deducted from CET1 Capital
		Outstanding amounts 千港元 HK\$'000	Risk-weighted amounts 千港元 HK\$'000	Capital requirements 千港元 HK\$'000	Core capital 千港元 HK\$'000	千港元 HK\$'000
二零一五年	2015					
證券化類別風險承擔	Securitisation exposures					
傳統證券化 債券	Traditional securitisations Debt securities	-	-	-	-	-

於二零一六年十二月三十一日根據標準(證券化)方法計算的證券化風險資本要求為無(二零一五年：無)。於二零一六年十二月三十一日資產證券化下可從普通股權益一級資本扣減之項目為無(二零一五年：無)。

於二零一六年十二月三十一日之交易賬項中並無證券化風險入賬(二零一五年：無)。

During the year, the Group only acted as an investor in related securitisation exposure. Ratings from Moody's Investors Service, S&P's and Fitch Ratings are adopted in assessing securitisation exposures. Since the securitisation exposures held by the Group are all rated by recognised ECAIs designated by the Capital Rules, the Group uses the standardized (securitisation) approach to calculate the weighted credit risk for these exposures. The Group closely monitors the risk arising from these exposures.

The following table indicates the securitisation exposures as at 31 December 2016 and 2015:

Capital requirement of securitisation exposures under the standardized (securitisation) approach at 31 December 2016 was nil (2015: nil). The deductible items from CET1 Capital under asset securitisation at 31 December 2016 was nil (2015: nil).

There are no securitisation exposures booked in trading book as at 31 December 2016 (2015: nil).

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

5 與對手方信用風險有關之風險承擔

本集團已採納現行風險承擔法釐定銀行及交易簿冊內的場外衍生工具交易對手方信用風險的風險承擔額。於二零一六年十二月三十一日，本集團概無任何回購交易或信貸衍生工具合約(二零一五年：無)。於二零一六年十二月三十一日，亦無持有任何包括已確認信貸衍生工具合約的已確認抵押品作為與對手方信用風險有關的風險承擔的信貸保障(二零一五年：無)。

根據我們於衍生工具合約下之現有抵押責任之條款，我們基於二零一六年十二月三十一日之持倉估計，如本銀行之信貸評級被降一至兩級，本銀行將毋須提供額外之抵押品(二零一五年：無)。

錯向風險為高於一般之集中度風險，乃於對手方違約可能性與相關交易按市價計算之價值之間有著強大相互關係時產生。本集團使用一系列之程序監察和控制錯向風險，包括要求前線部門在預先協定的指引以外進行錯向風險交易前，必須先取得批准。

下表列示按標準計算法計算的與對手方信用風險有關的風險承擔相關資料：

5 COUNTERPARTY CREDIT RISK-RELATED EXPOSURE

The Group has adopted the current exposure method (the “CEM”) to determine the exposure amount for inter bank counterparty credit risk which arises from OTC derivative transactions in banking and trading books. As at 31 December 2016, there are no repo-style transactions nor credit derivative contracts in the Group (2015: nil). No recognised collateral including recognised credit derivative contracts is held as credit protection for counterparty credit risk-related exposure as at 31 December 2016 (2015: nil).

Under the terms of our current collateral obligations under derivative contracts, we estimate based on the positions as at 31 December 2016 that the Bank would not be required to post additional collateral in the event of one or two notch downgrade in the Bank’s credit ratings (2015: nil).

Wrong-way risk is an aggravated form of concentration risk and arises when there is a strong correlation between the counterparty’s PD and the mark-to-market value of the underlying transaction. The Group uses a range of procedures to monitor and control wrong-way risk, including requiring front offices to obtain prior approval before undertaking wrong way risk transactions outside pre-agreed guidelines.

The following table indicates the information of counterparty credit risk-related exposures under the standardized approach:

		總正數公平價值 Gross total Positive Fair value 千港元 HK\$'000	信貸等值 Credit equivalent 千港元 HK\$'000	風險加權額 Risk weighted amount 千港元 HK\$'000
二零一六年	2016			
交易場外衍生工具交易：	OTC derivative transactions:			
銀行	Bank	15,517,542	25,520,906	7,706,319
其他	Others	1,991,127	3,909,078	3,850,932
		17,508,669	29,429,984	11,557,251
二零一五年	2015			
交易場外衍生工具交易：	OTC derivative transactions:			
銀行	Bank	9,293,408	19,830,465	6,330,590
其他	Others	1,493,399	3,786,952	3,614,197
		10,786,807	23,617,417	9,944,787

雙邊淨額結算安排對衍生工具交易信貸等值數額並沒有影響。

There is no effect of bilateral netting agreement on the credit equivalent amounts of the derivative transactions.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

6 減低信用風險

6.1 管理及確認減低信用風險之程序

本集團已就按標準計算法計算的所有類別信用風險承擔(包括交易場外衍生工具交易產生的與對手方信用風險的承擔)制定經信貸委員會批准之管理及確認減低信用風險的政策。本集團審慎評估抵押品是否符合資格及其質素。可接納的減低信用風險方法由信貸委員會及／或監管機構所界定。本集團亦就抵押品指定穩健的託管人，並定期重新評估及密切監控。有價證券每日按市價調整，如未能進行每日重新評估／按市價調整，最少每月一次進行重估，而物業亦定期作出重估。

就監管資本的計算而言，只有資本規則界定的獲確認抵押品及擔保方可視為獲確認信用風險減低措施。本集團於確定信用風險減低時應用資本規則規定的簡單標準。

獲認可抵押品包括合資格擔保、現金存款、黃金、股份、債券及可轉讓證券的彙集投資，商業不動產、住宅不動產、汽車及設備。減低後的風險承擔額以抵押品採用資本規則規定的標準監督扣減率的現值釐定。獲認可擔保人為風險權重低於借方的任何主權機構、公營機構、銀行及受規管證券公司或其內部評定級別等同於外部評級的公司的A-或以上。

於二零一六年及二零一五年十二月三十一日，擔保人主要類型及其外部評級分析如下：

擔保人類別 Class of guarantors	標準普爾的對等級別 S & P's equivalent	標準普爾等同 Guaranteed amount	
		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
Bank 銀行	AAA/AA-	-	-
	A+/A-	81,479,576	80,492,799
Sovereign 主權機構	AAA/AA-	857,204	1,142,108
PSE 公營機構	A+	-	1,022
Corporate 企業	A+/A-	710,036	2,043,311
		83,046,816	83,679,240

本集團使用的信用風險減低措施(獲確認抵押品及擔保)有限地應用於信貸及市場風險集中，惟房產除外，其風險減低措施廣泛參照借款予非銀行機構及非機構客戶。

6 CREDIT RISK MITIGATION

6.1 Process of managing and recognising credit risk mitigation

The Group has established policies on managing and recognising credit risk mitigation, which are approved by the Credit Committee, for all types of credit exposure under the standardized approach including counterparty credit risk-related exposure which arises from OTC derivative transactions. The Group applies prudent assessments of eligibility and quality of collateral. Acceptable credit risk mitigations are as defined by the Credit Committee and/or regulatory authorities. The Group also adheres to safe custodian of collateral, regular revaluation and close monitoring. Marketable securities are marked to market on a daily basis or, if daily revaluation/marked to market is unavailable, a minimum of once a month, whilst properties are revalued periodically.

For regulatory capital calculation, only recognised collateral and guarantee defined in the Capital Rules are considered as recognised credit risk mitigations. The Group applies the simple approach criteria as stipulated in the Capital Rules in ascertaining credit risk mitigation.

Recognised collateral includes eligible guarantees, cash deposits, gold, shares, debt securities and collective investments in transferable securities, commercial real estate, residential real estate, vehicles and equipment. The exposure amount after mitigation is determined by applying the standard supervisory haircut laid down by the Capital Rules to the current collateral value. Recognised guarantor is any sovereign entity, public sector entity, bank and regulated securities firm with a lower risk weight than the borrower, or company that is internally rated with a rating equivalent to external rating of A- or better.

The main types of guarantors and their external ratings as at 31 December 2016 and 2015 are analysed as follows:

There are limited credit and market risk concentrations within the credit risk mitigants (recognised collateral and guarantees) used by the Group, except for real estate which is extensively relied on for risk mitigation in lending to non-bank corporate and non-corporate customers.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

6 減低信用風險(續)

6.2 信用風險承擔(續)

標準普爾評級服務、穆迪投資者服務及惠譽評級為本集團就以下各類及所有類別風險承擔使用的外部信貸評級機構。其用以列示外部信貸評級機構對其銀行簿冊內所載風險承擔發行人評級的程序為資本規則第4部分所規定的程序。

6 CREDIT RISK MITIGATION (continued)

6.2 Credit risk exposures

S&P's Ratings Services, Moody's Investors Service and Fitch Ratings are the ECAIs that the Group uses in relation to each and all classes of exposures below. The process it used to map ECAI issuer ratings to exposures booked in its banking book is a process as prescribed in Part 4 of the Capital Rules.

二零一六年	2016	經獲確認信用風險減低措施 調整後的風險承擔 Exposures after recognised credit risk mitigation			風險加權額 Risk-weighted amounts			抵押品可擔保 的風險承擔 Exposure covered by collateral	擔保可擔保的 風險承擔 Exposure covered by guarantees
		風險承擔總額*	已評級 [†]	未評級 [‡]	已評級 [†]	未評級 [‡]	風險加權 總額 Total risk-weighted amounts		
風險承擔類別	Class of exposures	Total exposures*	Rated [†]	Unrated [‡]	Rated [†]	Unrated [‡]			
資產負債表項目	On-balance sheet								
主權	Sovereign	60,730,371	60,730,371	816,799	-	-	-	-	-
公營機構	Public sector entity	1,810,207	1,810,207	-	362,042	-	362,042	-	-
多邊發展銀行	Multilateral development bank	586,088	586,088	-	-	-	-	-	-
銀行	Bank	251,049,861	77,993,703	254,347,849	28,853,159	81,823,285	110,676,444	-	4,713
證券公司	Securities firm	848,958	-	848,958	-	424,479	424,479	-	-
企業	Corporate	408,656,339	58,879,103	259,446,294	40,227,954	258,303,583	298,531,537	8,324,053	82,716,925
組合投資計劃	Collective investment scheme	232,001	-	232,001	-	232,001	232,001	-	-
現金項目	Cash items	496,140	-	9,023,331	-	943,843	943,843	-	-
受規管零售業務	Regulatory retail	15,172,139	-	14,948,645	-	11,211,484	11,211,484	121,893	101,601
住宅按揭貸款	Residential mortgage loans	24,853,587	-	24,845,263	-	11,004,159	11,004,159	8,324	-
其他並非逾期的風險承擔	Other exposures which are not past due exposures	15,463,083	119,505	15,270,657	298,763	21,095,748	21,394,511	72,921	-
逾期風險承擔	Past due exposures	1,658,274	-	1,658,274	-	2,236,495	2,236,495	403,733	32,700
資產負債表外項目	Off-balance Sheet								
除場外衍生工具交易或信 貸衍生工具合約以外的 資產負債表外風險承擔	Off-balance sheet exposures other than OTC derivative transactions or credit derivative contracts	53,414,727	3,169,001	50,245,726	1,666,392	30,703,350	32,369,742	10,145,174	190,877
場外衍生工具交易	OTC derivative transactions	54,195,858	10,974,368	43,221,490	2,011,958	10,267,230	12,279,188	-	-
信貸衍生工具合約	Credit derivative contracts	-	-	-	-	-	-	-	-
本報告其他部分未予列出 的其他資產負債表 外風險承擔	Other off-balance sheet exposures not elsewhere specified	-	-	-	-	-	-	-	-
自資本基礎扣除的風險 承擔	Exposures deducted from capital base 承擔	-	-	-	-	-	-	-	-

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

6 減低信用風險(續)

6 CREDIT RISK MITIGATION (continued)

6.2 信用風險承擔(續)

6.2 Credit risk exposures (continued)

二零一五年 2015	風險承擔總額*	經獲確認信用風險減低措施 調整後的風險承擔 Exposures after recognised credit risk mitigation		風險加權額 Risk-weighted amounts		風險加權 總額 Total risk-weighted amounts	抵押品可擔保 的風險承擔 Exposure covered by collateral	擔保可擔保 的風險承擔 Exposure covered by guarantees
		已評級 ^a Rated ^a	未評級 ^a Unrated ^a	已評級 ^a Rated ^a	未評級 ^a Unrated ^a			
風險承擔類別 Class of exposures	風險承擔總額* Total exposures*	已評級 ^a Rated ^a	未評級 ^a Unrated ^a	已評級 ^a Rated ^a	未評級 ^a Unrated ^a	風險加權 總額 Total risk-weighted amounts	抵押品可擔保 的風險承擔 Exposure covered by collateral	擔保可擔保 的風險承擔 Exposure covered by guarantees
資產負債表項目	On-balance sheet							
主權	Sovereign	70,831,215	70,831,215	1,103,200	514,960	–	514,960	–
公營機構	Public sector entity	841,050	841,050	1,022	168,211	204	168,415	–
多邊發展銀行	Multilateral development bank	989,316	989,316	–	–	–	–	–
銀行	Bank	241,393,890	89,553,251	232,147,222	38,616,507	80,723,788	119,340,295	–
證券公司	Securities firm	1,279,317	–	1,279,317	–	639,659	639,659	–
企業	Corporate	360,197,311	55,240,963	215,703,559	41,131,155	214,423,630	255,554,785	7,968,790
組合投資計劃	Collective investment scheme	232,000	–	232,000	–	232,000	232,000	–
現金項目	Cash items	491,148	–	8,690,798	–	567,825	567,825	–
受規管零售業務	Regulatory retail	11,842,887	–	11,582,539	–	8,686,904	8,686,904	133,542
住宅按揭貸款	Residential mortgage loans	21,813,268	–	21,796,861	–	9,553,239	9,553,239	16,407
其他並非逾期的風險承擔	Other exposures which are not past due exposures	12,502,663	118,703	12,303,049	296,758	14,083,994	14,380,752	80,911
逾期風險承擔	Past due exposures	862,287	106,638	755,649	159,957	921,132	1,081,089	322,174
資產負債表外項目	Off-balance Sheet							
除場外衍生工具交易或信 貸衍生工具合約以外的	Off-balance sheet exposures other than OTC derivative transactions or							
資產負債表外風險承擔	credit derivative contracts	30,670,552	980,475	29,690,077	685,220	21,125,435	21,810,655	5,215,823
場外衍生工具交易	OTC derivative transactions	23,829,998	6,027,376	17,802,662	1,843,262	8,314,106	10,157,368	–
信貸衍生工具合約	Credit derivative contracts	–	–	–	–	–	–	–
本報告其他部分未予列出 的其他資產負債表外風 險承擔	Other off-balance sheet exposures not elsewhere specified	–	–	–	–	–	–	–
自資本基礎扣除的風險 承擔	Exposures deducted from capital base	–						

* 代表扣除個別減值後的本金額或信貸等值數額(如適當)

^a 包括具有外部信貸評級機構發行特定評級的風險承擔及具有推定評級的風險承擔(即並無發行特定評級,但其風險權值已根據資本規則釐定的風險承擔,參考外部信貸評級機構就風險承擔給予債務人的發行人評級或外部信貸評級機構就債務人的任何其他風險承擔作出的發行評級)

^a 代表既無外部信貸評級機構發行特定評級亦無推定評級的風險承擔

* Representing principal amount or credit equivalent amount, as applicable, net of individual impairments

^a Including exposures with ECAI issue specific rating and exposures which have an inferred rating (i.e. exposures which do not have an issue-specific rating but whose risk-weights are determined under the Capital Rules by reference to an ECAI issuer rating assigned to the obligor of the exposure or to an ECAI issue rating of any other exposures of the obligor)

^a Representing exposures which do not have the ECAI issue specific rating nor inferred rating

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

7 分部資料

7.1 客戶貸款

(i) 客戶之貸款—按地域劃分

本集團經計及任何風險轉移因素後按國家或地區劃分的客戶貸款總額如下：

		客戶貸款總額 Gross advances to customers 千港元 HK\$'000	逾期三個月以上 貸款 Advances overdue for over three months 千港元 HK\$'000	減值貸款 Impaired loans and advances 千港元 HK\$'000	個別減值準備 Individual impairment allowances 千港元 HK\$'000	組合減值準備 Collective impairment allowances 千港元 HK\$'000
二零一六年十二月三十一日	31 December 2016					
香港	Hong Kong	195,181,125	583,318	507,610	315,763	623,060
內地	Mainland China	185,691,014	2,119,776	2,635,627	1,512,941	1,254,667
澳門	Macau	1,295,989	-	-	-	3,888
亞太區 (不包括香港、內地及澳門)	Asia Pacific Region (excluding Hong Kong, Mainland China and Macau)	4,429,848	-	-	-	14,692
其他	Others	6,368,382	-	-	-	26,347
總額	Total	392,966,358	2,703,094	3,143,237	1,828,704	1,922,654

		客戶貸款總額 Gross advances to customers 千港元 HK\$'000	逾期三個月以上 貸款 Advances overdue for over three months 千港元 HK\$'000	減值貸款 Impaired loans and advances 千港元 HK\$'000	個別減值準備 Individual impairment allowances 千港元 HK\$'000	組合減值準備 Collective impairment allowances 千港元 HK\$'000
二零一五年十二月三十一日	31 December 2015					
香港	Hong Kong	154,394,230	155,176	178,837	86,876	533,245
內地	Mainland China	173,885,736	1,457,766	2,195,196	1,262,961	979,806
澳門	Macau	480,797	-	-	-	1,450
亞太區 (不包括香港、內地及澳門)	Asia Pacific Region (excluding Hong Kong, Mainland China and Macau)	3,468,759	-	-	-	10,896
其他	Others	6,911,519	136,283	149,839	136,334	27,225
總額	Total	339,141,041	1,749,225	2,523,872	1,486,171	1,552,622

僅於申索獲其所在國家不同於對手方的人士擔保，或申索乃向其總部位於另一國家的銀行的海外分行作出的情況下，方會轉移風險。

Risk transfers are only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

7 分部資料(續)

7.1 客戶貸款(續)

(ii) 客戶之貸款總額—按業務範圍

		二零一六年 十二月三十一日 31 Dec 2016	二零一六年 十二月三十一日 31 Dec 2016	二零一五年 十二月三十一日 31 Dec 2015	二零一五年 十二月三十一日 31 Dec 2015
		貸款總額 Gross loans and advances 千港元 HK\$'000	有抵押貸款百分比 % of secured advances %	貸款總額 Gross loans and advances 千港元 HK\$'000	有抵押貸款百分比 % of secured advances %
在香港使用之貸款	Loans for use in Hong Kong				
工商及金融	Industrial, commercial and financial				
—物業發展	— Property development	33,808,808	25.33%	20,115,277	27.02%
—物業投資	— Property investment	21,500,034	62.56%	16,213,117	75.90%
—金融企業	— Financial concerns	23,657,109	0.06%	6,880,652	1.39%
—證券經紀商	— Stockbrokers	2,839,487	2.78%	2,619,688	13.55%
—批發及零售業	— Wholesale and retail trade	15,432,412	43.00%	19,280,434	25.52%
—土木工程	— Civil engineering works	1,031,298	33.78%	1,095,782	12.37%
—製造業	— Manufacturing	11,239,818	16.66%	8,932,932	22.67%
—運輸及運輸設備	— Transport and transport equipment	25,853,326	40.12%	24,113,519	42.10%
—電力及燃氣	— Electricity and gas	3,571,466	—	1,200,000	—
—資訊科技	— Information technology	7,542,506	1.65%	2,686,610	3.70%
—酒店、公寓及飲食	— Hotels, boarding houses and catering	1,032,107	73.71%	1,077,586	79.50%
—康樂活動	— Recreational activities	9,865	81.21%	4,847	69.18%
—其他	— Others	30,368,292	14.73%	40,962,107	8.67%
個別人士	Individuals				
—購買「居者有其屋」、「私人參建居屋計劃」及「租者置其屋」單位之貸款	— Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	373,890	97.92%	411,782	93.82%
—購買其他住宅物業之貸款	— Loans for the purchase of other residential properties	21,979,330	98.84%	18,135,472	98.37%
—信用卡貸款	— Credit card advances	345,058	—	283,143	—
—其他	— Others	6,316,085	88.47%	3,833,893	86.44%
貿易融資	Trade finance	12,502,673	18.54%	8,389,371	19.10%
在香港境外使用之貸款	Loans for use outside Hong Kong	173,562,794	25.25%	162,904,829	26.36%
		392,966,358	30.67%	339,141,041	31.26%

7 SEGMENTAL INFORMATION (continued)

7.1 Loans and advances to customers (continued)

(ii) Gross loans and advances to customers – by industry sectors

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

7 分部資料(續)

7.1 客戶貸款(續)

(ii) 客戶之貸款總額—按業務範圍(續)

佔客戶之貸款總額10%或以上的業務類別的個別減值貸款、三個月以上之逾期貸款、個別減值準備及撇銷減值貸款如下：

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
(a) 在香港以外使用之貸款	(a) Loans for use outside Hong Kong		
個別減值貸款	Individually impaired loans	2,612,164	1,119,246
三個月以上之逾期貸款	Overdue loans and advances over three months	2,517,689	368,514
個別減值準備	Individual impairment allowance	1,731,520	630,686
組合減值準備	Collective impairment allowance	1,227,704	1,033,385
於收益表支銷之新減值準備	New impairment allowance charged to income statement	509,358	321,946
年內撇銷減值貸款	Impaired loans and advances written off during the year	135,435	60,747
		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
(b) 在香港境內使用之貸款	(b) Loans for use in Hong Kong		
工業、商業及金融	Industrial, commercial and financial		
其他	Other		
個別減值貸款	Individually impaired loans	2,685	8,351
三個月以上之逾期貸款	Overdue loans and advances over three months	3,306	2,562
個別減值準備	Individual impairment allowance	999	2,960
組合減值準備	Collective impairment allowance	82,552	149,328
於收益表支銷之新減值準備	New impairment allowance charged to income statement	44,313	112,227
年內撇銷減值貸款	Impaired loans and advances written off during the year	–	40,665

7.2 國際申索

國際債權資料披露對海外交易對手風險額最終風險的所在地，並已顧及認可風險轉移因素。一般而言，有關貸款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。當某一地區的風險額佔已計算認可風險轉移的風險總額的百分之十或以上，該地區的國際債權便須予以披露。

7 SEGMENTAL INFORMATION (continued)

7.1 Loans and advances to customers (continued)

(ii) Gross loans and advances to customers – by industry sectors (continued)

Individually impaired loans, overdue loans and advances over three months, impairment allowances and impaired loans and advances written off in respect of industry sectors that constitute 10% or more of the total advances to customers are as follows:

		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
(a) Loans for use outside Hong Kong			
Individually impaired loans		2,612,164	1,119,246
Overdue loans and advances over three months		2,517,689	368,514
Individual impairment allowance		1,731,520	630,686
Collective impairment allowance		1,227,704	1,033,385
New impairment allowance charged to income statement		509,358	321,946
Impaired loans and advances written off during the year		135,435	60,747
		二零一六年 2016 千港元 HK\$'000	二零一五年 2015 千港元 HK\$'000
(b) Loans for use in Hong Kong			
Industrial, commercial and financial			
Other			
Individually impaired loans		2,685	8,351
Overdue loans and advances over three months		3,306	2,562
Individual impairment allowance		999	2,960
Collective impairment allowance		82,552	149,328
New impairment allowance charged to income statement		44,313	112,227
Impaired loans and advances written off during the year		–	40,665

7.2 International claims

The information on international claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any recognised risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only regions constituting 10% or more of the aggregate international claims after taking into account any recognised risk transfer are disclosed.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

7 分部資料(續)

7.2 國際申索(續)

本銀行之國際申索按地點及對手方類別分析如下：

		非銀行私營機構 Non-bank private sector				總計 Total 百萬港元 HK\$ million
		同業 Banks 百萬港元 HK\$ million	官方機構 Official sector 百萬港元 HK\$ million	非銀行金融機構 Non-bank financial institutions 百萬港元 HK\$ million	非金融私營機構 Non-financial private sector 百萬港元 HK\$ million	
二零一六年十二月三十一日	31 December 2016					
發達國家	Developed countries	43,121	15,869	3,399	5,780	68,169
離岸中心	Offshore centres	18,543	23,355	14,216	223,676	279,790
發展中的歐洲國家	Developing Europe	1	-	-	-	1
發展中的拉丁美洲和加勒比海國家	Developing Latin America and Caribbean	6	-	-	-	6
發展中的非洲和中東國家	Developing Africa and Middle East	759	-	-	944	1,703
發展中的亞太區國家，其中	Developing Asia-Pacific, of which	142,497	22,002	46,581	160,620	371,700
— 中國	— China	139,466	22,002	46,581	158,430	366,479
— 其他	— Others	3,031	-	-	2,190	5,221
國際機構	International organisations	-	-	586	-	586
		204,927	61,226	64,782	391,020	721,955

		非銀行私營機構 Non-bank private sector				總計 Total 百萬港元 HK\$ million
		同業 Banks 百萬港元 HK\$ million	官方機構 Official sector 百萬港元 HK\$ million	非銀行金融機構 Non-bank financial institutions 百萬港元 HK\$ million	非金融私營機構 Non-financial private sector 百萬港元 HK\$ million	
二零一五年十二月三十一日	31 December 2015					
發達國家	Developed countries	53,444	21,464	2,380	3,802	81,090
離岸中心	Offshore centres	16,098	34,250	16,275	179,302	245,925
發展中的歐洲國家	Developing Europe	-	-	-	1,054	1,054
發展中的拉丁美洲和加勒比海國家	Developing Latin America and Caribbean	117	-	-	-	117
發展中的非洲和中東國家	Developing Africa and Middle East	79	-	-	174	253
發展中的亞太區國家，其中	Developing Asia-Pacific, of which	144,801	15,513	35,882	150,200	346,396
— 中國	— China	141,056	15,369	35,882	147,139	339,446
— 其他	— Others	3,745	144	-	3,061	6,950
國際機構	International organisations	-	-	989	-	989
		214,539	71,227	55,526	334,532	675,824

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

7 分部資料(續)

7.3 內地活動

中國內地非銀行風險承擔，乃按非銀行對手方類別及依據香港金融管理局銀行業(披露)規則內界定的直接風險承擔類別，經參考「中國內地風險報表—MA(BS) 20」第三部分進行分析，包括本銀行及其海外附屬公司及分行填報的中國內地風險承擔。

7 SEGMENTAL INFORMATION (continued)

7.3 Mainland activities

The analysis of non-bank Mainland China exposures is based on the categories of non-bank counterparties and the types of direct exposures defined by the HKMA under the Banking (Disclosure) Rules with reference to Part 3 of the “Return of Mainland China exposures – MA(BS) 20”, which includes the Mainland China exposures extended by the Bank and its overseas subsidiary and branch.

		資產負債表 風險承擔 On-balance sheet exposures 千港元 HK\$'000	或然負債 Contingent liabilities 千港元 HK\$'000	外匯及衍生 工具合約 FX and derivatives contract 千港元 HK\$'000	風險承擔總額 Total exposure 千港元 HK\$'000
二零一六年十二月三十一日 31 December 2016					
對手方類別 (a) 中央政府、中央政府擁有的實體，以及他們的附屬公司及合營公司	Type of counterparties (a) Central government, central government-owned entities and their subsidiaries and JVs	98,455,075	1,467,748	593,825	100,516,648
(b) 地方政府、地方政府擁有的實體，以及他們的附屬公司及合營公司	(b) Local governments, local government-owned entities and their subsidiaries and JVs	26,535,958	4,017,637	49,023	30,602,618
(c) 於中國內地居住的中國國民或於中國內地註冊成立的其他實體，以及他們的附屬公司及合營公司	(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	107,154,011	46,634,886	709,922	154,498,819
(c)(i) 其中，於中國內地居住的中國國民或由中國內地的權益實益擁有的實體	(c)(i) Of which, PRC nationals residing in Mainland China or entities beneficially-owned by Mainland interest	72,957,113	37,770,930	24,008	110,752,051
(d) 並未於上文(a)項內報告的中央政府的其他實體	(d) Other entities of central government not reported in item (a) above	5,316,543	233	–	5,316,776
(e) 並未於上文(b)項內報告的地方政府的其他實體	(e) Other entities of local governments not reported in item (b) above	2,296,167	5,382	–	2,301,549
(f) 於中國內地居住的中國國民或在中國內地以外註冊成立的實體，信貸是供於中國內地使用而授出	(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	27,053,236	14,338	73,353	27,140,927
(g) 報告機構認為屬非中國內地銀行風險的其他交易對手	(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	36,126,884	2,679,661	232,737	39,039,282
		302,937,874	54,819,885	1,658,860	359,416,619

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

7 分部資料(續)

7 SEGMENTAL INFORMATION (continued)

7.3 內地活動(續)

7.3 Mainland activities (continued)

二零一五年十二月三十一日	31 December 2015	資產負債表 風險承擔 On-balance sheet exposures 千港元 HK\$'000	或然負債 Contingent liabilities 千港元 HK\$'000	外匯及衍生 工具合約 FX and derivatives contract 千港元 HK\$'000	風險承擔總額 Total exposure 千港元 HK\$'000
對手方類別	Type of counterparties				
(a) 中央政府、中央政府擁有的實體，以及他們的附屬公司及合營公司	(a) Central government, central government-owned entities and their subsidiaries and JVs	91,389,058	317,683	4,118	91,710,859
(b) 地方政府、地方政府擁有的實體，以及他們的附屬公司及合營公司	(b) Local government, local government-owned entities and their subsidiaries and JVs	30,093,855	3,707,230	698,624	34,499,709
(c) 於中國內地居住的中國國民或於中國內地註冊成立的其他實體，以及他們的附屬公司及合營公司	(c) PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	85,351,923	37,604,002	111,437	123,067,362
(c)(i) 其中，於中國內地居住的中國國民或由中國內地的權益實益擁有的實體	(c)(i) Of which, PRC nationals residing in Mainland China or entities beneficially-owned by Mainland interest	59,703,483	28,237,880	107,948	88,049,311
(d) 並未於上文(a)項內報告的中央政府的其他實體	(d) Other entities of central government not reported in item (a) above	6,916,352	233	106,736	7,023,321
(e) 並未於上文(b)項內報告的當地政府的其他實體	(e) Other entities of local governments not reported in item (b) above	1,506,466	166,523	–	1,672,989
(f) 於中國內地居住的中國國民或在中國內地以外註冊成立的實體，信貸是供於中國內地使用而授出	(f) PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	22,015,013	582,406	72,214	22,669,633
(g) 報告機構認為屬非中國內地銀行風險的其他交易對手	(g) Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	45,183,172	2,102,179	850,476	48,135,827
		282,455,839	44,480,256	1,843,605	328,779,700

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

8 外幣持盤量

外幣持盤量—下表概述本集團之外幣倉盤淨額。外幣倉盤淨額乃當該貨幣構成所有外幣倉盤淨額總額之10%或以上時予以披露。敏感度分析在所有其他變數於收益表及權益維持不變下，計算貨幣匯率對港元之合理可能變動之影響。

8 CURRENCY CONCENTRATIONS

Currency concentrations – the table below summarises the net foreign currency positions of the Group. The net positions in foreign currency is disclosed when the currency constitutes 10% or more of the total net position of all foreign currencies. A sensitivity analysis calculates the effect of a reasonably possible movement in a currency rate against the Hong Kong dollar, with all other variables in the income statement and equity held constant.

		美元 US\$ 千港元 HK\$'000	人民幣 RMB 千港元 HK\$'000	其他外幣 Other foreign currencies 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一六年	2016				
非結構倉盤	Non-structural position				
現貨資產	Spot assets	298,702,881	193,608,822	26,043,361	518,355,064
現貨負債	Spot liabilities	(251,069,038)	(175,411,737)	(27,556,869)	(454,037,644)
遠期買入	Forward purchases	279,184,991	163,614,885	79,035,160	521,835,036
遠期賣出	Forward sales	(302,449,316)	(183,574,826)	(77,069,772)	(563,093,914)
期權盤淨額	Net option position	(482,018)	(10,289)	(114,429)	(606,736)
長盤／(短盤)淨額	Net long/(short) position	23,887,500	(1,773,145)	337,451	22,451,806
結構性持盤淨額	Net structural position	212,764	7,911,865	–	8,124,629
		美元 US\$ 千港元 HK\$'000	人民幣 RMB 千港元 HK\$'000	其他外幣 Other foreign currencies 千港元 HK\$'000	總計 Total 千港元 HK\$'000
二零一五年	2015				
非結構倉盤	Non-structural position				
現貨資產	Spot assets	264,167,972	224,969,733	17,569,133	506,706,838
現貨負債	Spot liabilities	(207,472,309)	(214,966,546)	(17,526,422)	(439,965,277)
遠期買入	Forward purchases	255,266,192	152,957,917	93,804,330	502,028,439
遠期賣出	Forward sales	(287,853,166)	(154,546,348)	(93,468,252)	(535,867,766)
期權盤淨額	Net option position	4,683,011	(4,513,322)	(238,273)	(68,584)
長盤／(短盤)淨額	Net long/(short) position	28,791,700	3,901,434	140,516	32,833,650
結構性持盤淨額	Net structural position	212,646	7,227,723	–	7,440,369

外幣風險包括因交易倉盤產生之風險。期權盤淨額乃根據所有外匯期權合約之得爾塔加權持倉為基礎計算。本集團之結構性持盤淨額為本銀行在海外附屬公司華商銀行的資本投資的結構倉盤。

Foreign currency exposures include those arising from trading position. The net option position is calculated on the basis of the delta-weighted position of option contracts. The net structural position of the Group is the structural positions of the Bank's capital investment in overseas subsidiary Chinese Mercantile Bank.

附加財務資料(未經審核) Supplementary Financial Information (unaudited)

9 槓桿比率

於二零一六年十二月三十一日，槓桿比率符合香港金融管理局發出的槓桿比率架構。

9 LEVERAGE RATIO

The leverage ratio as at 31 December 2016 was compiled in accordance with the Leverage Ratio Framework issued by the HKMA.

		二零一六年 十二月三十一日 31 December 2016	二零一五年 十二月三十一日 31 December 2015
槓桿比率	Leverage ratio	8.28%	7.84%

銀行業(披露)規則第45A條規定的槓桿比率披露要求，可瀏覽本銀行網站www.icbcasia.com。

Leverage ratio disclosures as required by section 45A of the Banking (Disclosure) Rules are available in the section of Regulatory Disclosures of our website www.icbcasia.com.

10 逆周期緩衝資本比率

10 COUNTERCYCLICAL CAPITAL BUFFER RATIO

		二零一六年 十二月三十一日 31 December 2016	二零一五年 十二月三十一日 31 December 2015
逆周期緩衝資本比率	Countercyclical Capital Buffer ratio	0.38%	0.00%

銀行業(披露)規則第45B條規定的有關披露要求可瀏覽本銀行網站www.icbcasia.com。

The relevant disclosures pursuant to section 45B of the Banking (Disclosure) Rules are available in the section of Regulatory Disclosures of our website www.icbcasia.com.

根據《資本規則》第3P及3Q條，由於在二零一六年一月一日之前，香港及非香港司法管轄區的適用JCCyB比率均是0%，故二零一五年未有資料就《銀行(披露)規則》第45B條作出有關披露。

There was no information disclosed relating to the countercyclical capital buffer ratio pursuant to section 45B of the Banking (Disclosure) Rules for 2015 because the applicable JCCyB ratios for Hong Kong and for jurisdiction outside Hong Kong are at 0% before 1 January 2016 according to section 3P and section 3Q of the Capital Rules.

分行、附屬及聯營公司 Branches, Subsidiaries and Associate

總辦事處

香港中環花園道3號
中國工商銀行大廈33樓
電話：(852) 3510 8888
圖文傳真：(852) 2805 1166
郵箱：香港郵政總局信箱872號
環球銀行金融電信：UBHKHKHH
網址：<http://www.icbcasia.com>

分行 — 香港島區

西環分行

香港皇后大道西242-244號
電話：(852) 2189 5588
圖文傳真：(852) 2559 8442

西環個人理財中心(不設櫃檯服務)

香港德輔道西345-345A地下2號舖
電話：(852) 2189 5588
圖文傳真：(852) 2547 9728

上環分行

香港上環德輔道中317-319號
啓德商業大廈地下F舖
電話：(852) 2189 5588
圖文傳真：(852) 2545 7458

德輔道中分行

香港德輔道中220號
三昌大廈地下B2號舖及
香港德輔道中232號
嘉華銀行中心11樓
電話：(852) 2189 5588
圖文傳真：(852) 2559 8442

中環分行

香港皇后大道中9號1字樓
電話：(852) 2189 5588
圖文傳真：(852) 2525 3848

金鐘分行

香港金鐘道95號
統一中心1樓1013-1014號舖
電話：(852) 2189 5588
圖文傳真：(852) 2529 0669

金鐘個人理財中心(不設櫃檯服務)

香港金鐘道95號
統一中心1樓1019號舖
電話：(852) 2189 5588
圖文傳真：(852) 2324 6400

堅道分行

香港堅道22號廣堅大廈地下
電話：(852) 2189 5588
圖文傳真：(852) 2526 8478

灣仔分行

香港灣仔軒尼詩道117-123號
電話：(852) 2189 5588
圖文傳真：(852) 2865 0251

HEADQUARTERS

33/F., ICBC Tower,
3 Garden Road,
Central, Hong Kong
Telephone: (852) 3510 8888
Facsimile: (852) 2805 1166
Post Box: GPO Box 872 Hong Kong
SWIFT: UBHKHKHH
Website: <http://www.icbcasia.com>

BRANCHES – HONG KONG ISLAND

West Point Branch

242-244 Queen's Road West,
Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2559 8442

West Point Personal Banking Centre (No-teller service)

Shop 2, G/F, 345-345A Des Voeux Road West,
Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2547 9728

Sheung Wan Branch

Shop F, G/F., Kai Tak Commercial Building,
317-319 Des Voeux Road Central, Sheung Wan,
Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2545 7458

Des Voeux Road Central Branch

Shop B2, G/F, Sam Cheong Building,
220 Des Voeux Road Central, Hong Kong &
11/F, Ka Wah Bank Centre,
232 Des Voeux Road Central, Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2545 7458

Central Branch

1/F., 9 Queen's Road Central, Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2525 3848

Admiralty Branch

Shop 1013-1014, 1/F., United Centre,
95 Queensway, Admiralty, Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2529 0669

Admiralty Personal Banking Centre (No teller service)

Shop 1019, 1/F, United Centre,
95 Queensway, Admiralty, Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2324 6400

Caine Road Branch

G/F., Caine Building, 22 Caine Road,
Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2526 8478

Wanchai Branch

117-123 Hennessy Road, Wanchai,
Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2865 0251

分行、附屬及聯營公司 Branches, Subsidiaries and Associate

灣仔道分行

香港灣仔道133號
卓凌中心地下
電話：(852) 2189 5588
圖文傳真：(852) 2838 1817

灣仔個人理財中心 (不設櫃檯服務)

香港灣仔港灣道26號華潤大廈1樓101號舖
電話：(852) 2189 5588
圖文傳真：(852) 2455 3612

銅鑼灣分行

香港銅鑼灣軒尼詩道488-490號
軒尼詩大廈地下A舖至1樓
電話：(852) 2189 5588
圖文傳真：(852) 2808 1331

跑馬地分行

香港跑馬地景光街23號
電話：(852) 2189 5588
圖文傳真：(852) 2834 3075

香港仔分行

香港香港仔中心第一期地下7A舖
電話：(852) 2189 5588
圖文傳真：(852) 2518 7007

電氣道分行

香港電氣道113-115號
電話：(852) 2189 5588
圖文傳真：(852) 2807 1697

炮台山分行

香港英皇道272-276號
光超台地下A-C號舖
電話：(852) 2189 5588
圖文傳真：(852) 2887 7094

城市花園個人理財中心 (不設櫃檯服務)

香港北角電氣道233號城市中心商場23號舖
電話：(852) 2189 5588
圖文傳真：(852) 2570 7366

北角分行

香港北角英皇道436-438號地下
電話：(852) 2189 5588
圖文傳真：(852) 2510 9902

鰂魚涌分行

香港鰂魚涌華蘭路2-12號
惠安苑地下低層SLG1號舖
電話：(852) 2189 5588
圖文傳真：(852) 2565 5541

Wanchai Road Branch

G/F, Times Media Centre, No.133 Wan Chai Road,
Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2838 1817

Wanchai Personal Banking (No teller service)

Shop 101, 1/F, China Resources Building,
26 Harbour Road, Wanchai, Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2455 3612

Causeway Bay Branch

Shop A on G/F, 1/F, Hennessy Apartments
488 & 490 Hennessy Road,
Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2808 1331

Happy Valley Branch

23 King Kwong Street, Happy Valley,
Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2834 3075

Aberdeen Branch

Shop 7A, G/F., Site 1, Aberdeen Centre,
Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2518 7007

Electric Road Branch

113-115 Electric Road, Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2807 1697

Fortress Hill Branch

Shop A-C, G/F, Kwong Chiu Terrace,
272-276 King's Road, Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2887 7094

City Garden Personal Banking Centre (No teller service)

Shop Unit 23, G/F, Maximall, City Garden,
233 Electric Road, North Point,
Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2570 7366

North Point Branch

G/F., 436-438 King's Road, North Point,
Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2510 9902

Quarry Bay Branch

Shop SLG1, Sub-Lower Ground Floor,
Westlands Gardens, Nos. 2-12, Westlands Road,
Quarry Bay, Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2565 5541

分行、附屬及聯營公司 Branches, Subsidiaries and Associate

西灣河分行

香港筲箕灣道57-87號
太安樓G10號舖
電話：(852) 2189 5588
圖文傳真：(852) 2569 6142

筲箕灣個人理財中心(不設櫃檯服務)

香港筲箕灣道195號
電話：(852) 2189 5588
圖文傳真：(852) 2940 3008

小西灣分行

香港小西灣道9號
富欣花園地下17-19號舖
電話：(852) 2189 5588
圖文傳真：(852) 2898 3077

分行 — 九龍區

尖沙咀東分行

九龍尖沙咀漆咸道南39號鐵路大廈地下B舖
電話：(852) 2189 5588
圖文傳真：(852) 2311 2810

尖沙咀分行

九龍尖沙咀漢口道35-37號地下1-2號舖
電話：(852) 2189 5588
圖文傳真：(852) 2724 4846

佐敦分行

九龍佐敦彌敦道233號佐敦薈1字樓
電話：(852) 2189 5588
圖文傳真：(852) 2375 6935

油麻地分行

九龍油麻地彌敦道542號
電話：(852) 2189 5588
圖文傳真：(852) 2770 9837

太子分行

九龍旺角彌敦道777號
電話：(852) 2189 5588
圖文傳真：(852) 2380 3887

深水埗分行

九龍深水埗荔枝角道290號地下
電話：(852) 2189 5588
圖文傳真：(852) 2387 5533

荔枝角分行

九龍荔枝角長沙灣道833號
長沙灣廣場地下G06號舖
電話：(852) 2189 5588
圖文傳真：(852) 2785 5566

美孚分行

九龍美孚新村萬事達廣場一樓N95A舖
電話：(852) 2189 5588
圖文傳真：(852) 2307 1811

Sai Wan Ho Branch

Shop G10 G/F, Tai On Building,
57-87 Shau Kei Wan Road, Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2569 6142

Shau Kei Wan Personal Banking Centre (No teller service)

195 Shau Kei Wan Road, Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2940 3008

Siu Sai Wan Branch

Shop Nos 17-19, Ground Floor, Harmony Garden,
No.9 Siu Sai Wan Road, Hong Kong
Telephone: (852) 2189 5588
Facsimile: (852) 2898 3077

BRANCHES – KOWLOON

Tsimshatsui East Branch

Shop B, G/F., Railway Plaza, 39 Chatham Road South,
Tsimshatsui, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2311 2810

Tsim Sha Tsui Branch

Shop 1-2, G/F., 35-37 Hankow Road,
Tsimshatsui, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2724 4846

Jordan Branch

1/F., JD Mall, No. 233 Nathan Road,
Jordan, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2375 6935

Yaumatei Branch

542 Nathan Road, Yaumatei, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2770 9837

Prince Edward Branch

777 Nathan Road, Mongkok, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2380 3887

Shamshuipo Branch

G/F., 290 Lai Chi Kok Road, Shamshuipo, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2387 5533

Lai Chi Kok Branch

Shop G06, G/F., Cheung Sha Wan Plaza,
833 Cheung Sha Wan Road, Lai Chi Kok, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2785 5566

Mei Foo Branch

Shop N95A, 1/F., Mount Sterling Mall, Mei Foo Sun Chuen, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2307 1811

分行、附屬及聯營公司 Branches, Subsidiaries and Associate

何文田分行

九龍何文田窩打老道70號曾榕大廈地下
電話：(852) 2189 5588
圖文傳真：(852) 2769 7083

Ho Man Tin Branch

G/F, Tsan Yung Mansion, No. 70 Waterloo Road,
Ho Man Tin, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2769 7083

愛民分行

九龍何文田愛民廣場F18-F19號舖
電話：(852) 2189 5588
圖文傳真：(852) 2760 4309

Oi Man Branch

Shop F18 & F19, Oi Man Plaza,
Oi Man Estate, Homantin, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2760 4309

紅磡分行

九龍紅磡德民街2-34E號紅磡商場地下2A舖
電話：(852) 2189 5588
圖文傳真：(852) 2365 2182

Hung Hom Branch

Shop 2A, G/F., Hung Hom Shopping Mall,
2-34E Tak Man Street, Hung Hom, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2365 2182

木廠街分行

九龍土瓜灣木廠街12-14號
電話：(852) 2189 5588
圖文傳真：(852) 2761 0935

Mok Cheong Street Branch

12-14 Mok Cheong Street, Tokwawan, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2761 0935

新蒲崗分行

九龍新蒲崗寧遠街3-23號
越秀廣場G10號舖
電話：(852) 2189 5588
圖文傳真：(852) 2726 2317

San Po Kong Branch

Shop G10, Yue Xiu Plaza, 3-23 Ning Yuen Street,
San Po Kong, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2726 2317

黃大仙分行

九龍黃大仙正德街103號
黃大仙中心一樓128號舖
電話：(852) 2189 5588
圖文傳真：(852) 2267 7782

Wong Tai Sin Branch

Shop 128, Level One, Wong Tai Sin Plaza,
103 Ching Tak Street, Wong Tai Sin, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2267 7782

德福分行

九龍九龍灣德福廣場F19號舖
電話：(852) 2189 5588
圖文傳真：(852) 2797 8984

Telford Branch

Shop F19, Telford Plaza, Kowloon Bay, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2797 8984

牛頭角分行

九龍牛頭角道77號淘大商場
第二期地下211-214號舖
電話：(852) 2189 5588
圖文傳真：(852) 2331 8600

Ngau Tau Kok Branch

Shop Nos. G211-214, G/F., Phase II, Amoy Plaza,
77 Ngau Tau Kok Road, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2331 8600

康寧道個人理財中心(不設櫃檯服務)

九龍觀塘康寧道58號
電話：(852) 2189 5588
圖文傳真：(852) 2342 9050

Hong Ning Road Personal Banking Centre (No teller service)

58 Hong Ning Road, Kwun Tong, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2342 9050

觀塘分行

九龍觀塘開源道79號鱸魚恤中心一樓5號和6號舖
電話：(852) 2189 5588
圖文傳真：(852) 2357 5825

Kwun Tong Branch

Shop 5 & 6, 1/F, Crocodile Center, 79 Hoi Yuen Road,
Kwun Tong, Kowloon
Telephone: (852) 2189 5588
Facsimile: (852) 2357 5825

分行 — 新界區

BRANCHES – NEW TERRITORIES

將軍澳分行

新界將軍澳欣景路8號
新都城中心2期商場1樓1025A號舖
電話：(852) 2189 5588
圖文傳真：(852) 3194 3829

Tseung Kwan O Branch

Shop 1025A, Level 1, Metro City Plaza II,
8 Yan King Road, Tseung Kwan O, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 3194 3829

分行、附屬及聯營公司 Branches, Subsidiaries and Associate

將軍澳個人理財中心 (不設櫃檯服務)

新界將軍澳欣景路8號
新都城中心2期商場1樓1025B號舖
電話：(852) 2189 5588
圖文傳真：(852) 3194 3829

葵芳分行

新界葵芳葵涌廣場二字樓C63A-C66號舖
電話：(852) 2189 5588
圖文傳真：(852) 2480 0210

葵涌分行

新界葵涌和宜合道63號麗晶中心A座G02
電話：(852) 2189 5588
圖文傳真：(852) 2420 9883

荃灣青山公路分行

新界青山公路荃灣段423-427號地下
電話：(852) 2189 5588
圖文傳真：(852) 2412 1080

沙咀道分行

新界荃灣沙咀道297-313號翠安大廈地下4號舖
電話：(852) 2189 5588
圖文傳真：(852) 2439 0076

沙咀道個人理財中心 (不設櫃檯服務)

新界荃灣沙咀道315-323號廣益大廈地下4號舖
電話：(852) 2189 5588
圖文傳真：(852) 2455 3592

屯門分行

新界屯門天后路18號
南豐工業城中央服務大樓217號A-F
電話：(852) 2189 5588
圖文傳真：(852) 2466 6245

仁政街分行

新界屯門仁政街11號屯門中心大廈地下4-5號地舖
電話：(852) 2189 5588
圖文傳真：(852) 2427 2117

大興分行

新界屯門大興邨商場21-23號舖
電話：(852) 2189 5588
圖文傳真：(852) 2456 3200

元朗分行

新界元朗青山道197-199號地下
電話：(852) 2189 5588
圖文傳真：(852) 2442 5448

教育路個人理財中心 (不設櫃檯服務)

新界元朗教育路21號英暢大廈地下3-4號舖
電話：(852) 2189 5588
圖文傳真：(852) 2613 5099

Tseung Kwan O Personal Banking Centre (No teller service)

Shop 1025B, Level 1, Metro City Plaza II,
8 Yan King Road, Tseung Kwan O, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 3194 3829

Kwai Fong Branch

C63A-C66, 2F., Kwai Chung Plaza, Kwai Fong, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2480 0210

Kwai Chung Branch

Unit G02, Tower A, Regent Centre, 63 Wo Yi Hop Road,
Kwai Chung, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2420 9883

Tsuen Wan Castle Peak Road Branch

G/F, 423-427 Castle Peak Road Tsuen Wan, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2412 1080

Sha Tsui Road Branch

Shop 4, G/F., Chung On Building, 297-313 Sha Tsui Road,
Tsuen Wan, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2439 0076

Sha Tsui Road Personal Banking Centre (No teller service)

Shop 4, G/F, Kwong Yick Building, 315-323 Sha Tsui Road,
Tsuen Wan, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2455 3592

Tuen Mun Branch

217 A-F Central Services Building, Nan Fung Industrial City,
18 Tin Hau Road, Tuen Mun, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2466 6245

Yan Ching Street Branch

Shops 4 and 5, G/F, Tuen Mun Centre,
11 Yan Ching Street, Tuen Mun, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2427 2117

Tai Hing Branch

Shop 21-23 Tai Hing Commercial Complex, Tai Hing Estate,
Tuen Mun, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2456 3200

Yuen Long Branch

G/F., 197-199 Castle Peak Road, Yuen Long,
New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2442 5448

Kau Yuk Road Personal Banking Centre (No teller service)

Shop 3-4, G/F, Ying Cheong Building, 21 Kau Yuk Road,
Yuen Long, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2613 5099

分行、附屬及聯營公司 Branches, Subsidiaries and Associate

大圍分行

新界大圍大圍道金山樓地下5號舖
電話：(852) 2189 5588
圖文傳真：(852) 2405 6669

沙田分行

新界沙田中心3樓22J號舖
電話：(852) 2189 5588
圖文傳真：(852) 2695 7399

沙田個人理財中心（不設櫃檯服務）

新界沙田好運中心3樓185號舖
電話：(852) 2189 5588
圖文傳真：(852) 2772 2560

大埔分行

新界大埔大榮里34至38號
美發大廈地下F舖
電話：(852) 2189 5588
圖文傳真：(852) 2638 8738

太和分行

新界大埔太和商場2樓216號舖
電話：(852) 2189 5588
圖文傳真：(852) 2650 2982

上水分行

新界上水石湖墟新豐路33號
新豐大廈地下2號舖
電話：(852) 2189 5588
圖文傳真：(852) 2639 0500

海外分行

開曼群島分行

Harbour Place
5th Floor
103 Church Street
George Town
Grand Cayman KY1-1108
Cayman Islands

附屬公司

華商銀行
工銀亞洲金業有限公司
工銀亞洲期貨有限公司
工銀亞洲投資管理有限公司
工銀亞洲代理有限公司
工銀亞洲証券有限公司
工銀亞洲信託有限公司
ICBC (Asia) Wa Pei Nominees Limited
ICBCA (C.I.) Limited
友聯中國業務管理有限公司
工銀亞投股權投資管理(深圳)有限公司
中國－中東歐金融控股有限公司

聯營公司

IEC Investments Limited
世福資本管理有限公司

Tai Wai Branch

Shop No. 5, G/F, Kam Shan Building, Tai Wai Road,
Tai Wai, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2405 6669

Shatin Branch

Shop 22J, Level 3, Shatin Centre, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2695 7399

Shatin Personal Banking Centre (No teller service)

Shop No.185, Level 3, Shatin Lucky Plaza, Shatin, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2772 2560

Tai Po Branch

Shop F, G/F, Mee Fat Building, No. 34-38 Tai Wing Lane,
Tai Po, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2638 8738

Tai Wo Branch

Shop 216, 2/F., Tai Wo Plaza, Tai Wo Estate,
Tai Po, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2650 2982

Sheung Shui Branch

Shop 2, G/F, San Fung Building, No.33 San Fung Avenue,
Shek Wu Hui, Sheung Shui, New Territories
Telephone: (852) 2189 5588
Facsimile: (852) 2639 0500

OVERSEAS BRANCH

Cayman Islands Branch

Harbour Place
5th Floor
103 Church Street
George Town
Grand Cayman KY1-1108
Cayman Islands

SUBSIDIARIES

Chinese Mercantile Bank
ICBC (Asia) Bullion Company Limited
ICBC (Asia) Futures Company Limited
ICBC (Asia) Investment Management Company Limited
ICBC (Asia) Nominee Limited
ICBC (Asia) Securities Limited
ICBC (Asia) Trustee Company Limited
ICBC (Asia) Wa Pei Nominees Limited
ICBCA (C.I.) Limited
UB China Business Management Co. Ltd.
工銀亞投股權投資管理(深圳)有限公司
SINO-CEEF Holding Company Limited

ASSOCIATED COMPANIES

IEC Investments Limited
SINO-CEEF Capital Management Company Limited

中國工商銀行（亞洲）有限公司
Industrial and Commercial Bank of China (Asia) Limited

香港中環花園道3號中國工商銀行大廈33樓
33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong
電話 Tel (852) 3510 8888
傳真 Fax (852) 2805 1166

www.icbcasia.com