

大生銀行有限公司
TAI SANG BANK LIMITED

2016年財務披露報表
2016 FINANCIAL DISCLOSURE STATEMENT

董事局**BOARD OF DIRECTORS**

馬清偉 主席

MA CHING WAI, WILLIAM, CHAIRMAN

馬清俊

MA CHING TSUN

馬清煜 *SBS, 太平紳士*

MA CHING YUK, *SBS, J.P.*

馬清權

MA CHING KUEN, ALFRED

馬清鏗 *BBS, 太平紳士*

MA CHING HANG, PATRICK, *BBS, J.P.*

馬清揚

MA CHING YEUNG, PHILIP

馬清楠 *OSUJ, 太平紳士*

MA CHING NAM, *OSUJ, J.P.*

馬清霖

MA CHING LAM

張永銳 *BBS*

CHEUNG WING YUI, *BBS*

黎桂培

LAI KWAI PUI, MARTIN

黃紹昆

WONG SHIU KWAN, HENRY

姚紀中

YIU KEI CHUNG, THOMAS

馬清雯 (代理董事)

MA CHING MAN, KATY (Alternate Director)

馬清秀 (代理董事)

MA CHING SAU, AMY (Alternate Director)

馬清正 (代理董事)

MA CHING CHENG (Alternate Director)

經理部**MANAGEMENT**

馬清偉 主席

MA CHING WAI, WILLIAM, CHAIRMAN

馬清鏗 總經理 *BBS, 太平紳士*

MA CHING HANG, PATRICK, General Manager, *BBS, J.P.*

馬清煜 *SBS, 太平紳士*

MA CHING YUK, *SBS, J.P.*

馬清權 助理總經理

MA CHING KUEN, ALFRED, Assistant General Manager

余文煥 助理總經理

YU MAN WOON, JAMES, Assistant General Manager

柯婉綾 會計總監

OR YUEN LING, ELAINE, Chief Accountant

董事會報告書

大生銀行有限公司（「銀行」）董事會同人現謹向各股東發表截至2016年12月31日止年度之董事會報告書及已審核綜合財務報表。

主要業務

銀行之主要業務為提供商業銀行服務及其相關之財務服務與及物業投資及管理。銀行之附屬公司主要業務已顯示在綜合財務報表附註14內。

業績及分配

銀行及其附屬公司（統稱「集團」）截至2016年12月31日止年度之業績已刊載於第7頁之綜合全面收益表內。

董事會不建議派發股息。

捐款

是年度內本集團之慈善及其他捐款為港幣101,000元（2015年：港幣1,000元）。

於本年度發行之股本

於截至2016年12月31日止年度內，本銀行並無發行新股本。股本之詳情已顯示在綜合財務報表附註20內。

股票掛鉤協議

於截至2016年12月31日止年度內，本銀行並無訂立任何股票掛鉤協議。

董事

（甲）本銀行之董事

是年度內及至本報告書日期本銀行之在任董事如下：

| | | |
|-------------------|-------------------|-------------------|
| 馬清偉先生 主席 | 馬清俊先生 | 馬清煜先生 SBS 太平紳士 |
| 馬清權先生 | 馬清鏗先生 BBS 太平紳士 | 馬清揚先生 |
| 馬清楠先生 OStJ 太平紳士 | 馬清霖先生 | 馬清雯小姐(馬清權先生之代理董事) |
| 馬清秀小姐(馬清揚先生之代理董事) | 馬清正先生(馬清楠先生之代理董事) | 張永銳先生 BBS * |
| 黎桂培先生* | 黃紹昆先生* | 姚紀中先生* |

*獨立非執行董事

按照本銀行組織章程第98條，所有普通董事例應隔年告退。所有普通董事將於即將召開之股東周年常會中告退，並願應選連任。

（乙）銀行附屬公司之董事

於是年度內及本報告書日期，馬清煜先生、馬清權先生、馬清鏗先生、馬清揚先生及馬清俊先生皆為銀行附屬公司之董事。銀行之附屬公司並無其他董事。

董事於相應集團業務之重要交易、安排或合約中之重大利益

除綜合財務報表附註23所顯示之貸款外，本年度內或年結時，銀行之附屬公司概無簽訂任何涉及本集團之業務而銀行之董事直接或間接在其中擁有重大利益之重要交易、協議及合約。

董事於銀行或其任何指明企業之股本及債券之利益

本年度內，銀行、其附屬公司及其有聯繫法團概無簽訂任何協議，使銀行之董事及行政總裁（包括其配偶及18歲以下之子女）持有本銀行、其指明企業或其聯營機構股票或債券之權益或短倉。

管理合約

本年度內，銀行並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。

董事會報告書(續)

業務審視

(甲) 業務之評論

集團之稅前及物業重估增長及出售可出售投資溢利前之溢利由2015年之港幣1.78百萬元增加75.49%至2016年之港幣3.13百萬元。於本年度內保管箱收入(上升19.96%)及物業租金收入(上升3.04%)皆有增長。此外，由於息口逐漸上升及能將資金拆放於較長期之同業資金之市場，集團之淨利息收入錄得增加(上升16.07%)。

總客戶存款上升4.24%，而總資產則增加2.81%至2016年之港幣17.1億元（2015年：港幣16.6億元）。客戶放款及其他賬項，共港幣1.68億元，與以往相若，而存拆同業款項則增加12.37%。

於是年度內，所有有關之法例及規定已被遵守。從集團於2016年末維持着超過88%之總資本比率及超過77%之流動性維持比率，而兩者皆遠超於分別為12%及25%之法定最低比率而言，均反映出其保守之管理方針。

由於集團之總人數稍高於30人，並於單一地點營運，因此集團十分重視管理層及員工間之有效溝通，以建立提升營運效率，降低風險及遵守規則之文化，並使員工能達到合理之工作與生活間之平衡。

集團遵守嚴格之客戶接納政策。集團之目標並非為提供全面之銀行服務以滿足所有客戶之需要，但承諾提供有質量及具靈活性之產品及服務用以建立並維持穩固之客戶關係。

集團亦推廣對環境友善之工作環境從而支持保護環境之文化。

(乙) 主要風險

集團承受着各種不同風險，包括信貸風險、營運風險、流動資金風險、市場風險、法律風險及策略性風險。不同之董事局委員會，即執行委員會、貸款委員會、資產及負債委員會、監核委員會及薪酬委員會，其詳情刊載於綜合財務報表附註3內，已成立用以監察風險管理架構，並辨認、評估、監測、審查及予管理層發出指引以便控制及減低該等風險。

(丙) 重要事項及未來發展

美元息率上升所帶來於香港利率之可能正常化將為集團之有效資產利用帶來更多機會。集團將繼續其審慎之管理，並不會為增加收益而承受過度風險。2017年將會是集團另一具穩定及平衡增長之年度。

獲准許之彌償條文

於本財政年度內及至本董事會報告書日期並無有效之獲准許彌償條文惠及銀行之任何董事（不論是否由銀行訂立）或其有聯繫公司之任何董事（如由銀行訂立）。

符合銀行業〔披露〕規則

本銀行已遵從香港銀行業條例之銀行業〔披露〕規則內之規定。

核數師

本綜合財務報表已由羅兵咸永道會計師事務所審核，該核數師依章告退，惟願意受聘復任。

董事會主席

馬清偉

香港，2017年3月29日

REPORT OF THE DIRECTORS

The directors of Tai Sang Bank Limited (the 'Bank') submit their report together with the audited consolidated financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Bank are commercial banking and related financial services and property investment and management. The principal activities of the Bank's subsidiaries are shown in note 14 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Bank and its subsidiaries (collectively the 'Group') for the year ended 31 December 2016 are set out in the consolidated statement of comprehensive income on page 7.

The directors do not recommend the payment of a dividend.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$101,000 (2015: HK\$1,000).

SHARE ISSUED IN THE YEAR

For the year ended 31 December 2016, the Bank has not issued any new shares. Details of the share capital are set out in note 20 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2016, the Bank has not entered into any equity-linked agreement.

DIRECTORS

(a) Directors of the Bank

The directors of the Bank during the year and up to the date of this report are :

| | | |
|---|--|---|
| Mr William Ma Ching Wai (Chairman) | Mr Ma Ching Tsun | Mr Ma Ching Yuk, SBS, JP |
| Mr Alfred Ma Ching Kuen | Mr Patrick Ma Ching Hang, BBS, JP | Mr Philip Ma Ching Yeung |
| Mr Ma Ching Nam, OSU, JP | Mr Ma Ching Lam | Ms Katy Ma Ching Man (Alternate director to Mr. Alfred Ma Ching Kuen) |
| Ms Amy Ma Ching Sau (Alternate director to Mr. Philip Ma Ching Yeung) | Mr Ma Ching Cheng (Alternate director to Mr. Ma Ching Nam) | Mr Cheung Wing Yui, BBS * |
| Mr Martin Lai Kwai Pui* | Mr Henry Wong Shiu Kwan* | Mr Thomas Yiu Kei Chung* |

*Independent non-executive director

In accordance with Article 98 of the Bank's Articles of Association, all ordinary directors retire in alternate years. All ordinary directors shall retire in the forthcoming annual general meeting but, being eligible, offer themselves for re-election.

(b) Directors of the Bank's subsidiaries

During the year and up to the date of this report, Mr. Ma Ching Yuk, Mr. Alfred Ma Ching Kuen, Mr. Patrick Ma Ching Hang, Mr. Philip Ma Ching Yeung and Mr. Ma Ching Tsun are also directors in subsidiaries of the Bank. There are no other directors of the subsidiaries of the Bank.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

Except for the loans disclosed in note 23 to the consolidated financial statements, no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Bank's subsidiaries was a party and in which a director of the Bank had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN THE SHARES AND DEBENTURES OF THE BANK OR ANY SPECIFIED UNDERTAKING OF THE BANK

At no time during the year was the Bank, its subsidiaries or its other associated corporations a party to any arrangement to enable the directors and chief executives of the Bank (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Bank or its specified undertakings or other associated corporation.

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.

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW

(a) Review of Business

The Group's profit before tax and property revaluation gains and profits on disposal of available-for-sale investments increased by 75.49%, from HK\$1.78 million in 2015 to HK\$3.13 million in 2016. During the year, there were increases in safe deposit box rentals (up 19.96%) and property rental income (up 3.04%). In addition, the Group noted an increase in net interest income (up 16.07%) due to the gradually increased interest rates and the ability to place longer tenor interbank funds.

With total customer deposits increased by 4.24%, total assets grew 2.81% to reach HK\$1.71 billion in 2016 (2015: HK\$1.66 billion). The level of loans and advances and other accounts of HK\$168 million was maintained while the amounts placed interbank increased by 12.37%.

During the year, all relevant laws and regulations were complied with. The Group's conservative management was reflected in its maintaining a Total Capital Ratio exceeding 88% and Liquidity Maintenance Ratio exceeding 77% as at year end 2016, which were substantially above the statutory minimum 12% and 25% respectively.

With total headcount of slightly above 30 and operating in a single location, the Group places a lot of emphasis on effective communications among management and staff. A culture of operational efficiency, risk mitigation and compliance has been built, and a sensible work-life balance for employees is promoted.

The Group observes a strict customer acceptance policy. While the aim is not to provide full range of banking services to satisfy all customer needs, the Group is committed to deliver products and services with quality and flexibility such that solid customer relationships are established and maintained.

The Group also supports the culture of environmental protection by promoting an environmental-friendly working environment.

(b) Principal Risks

The Group is exposed to various types of risks including credit risk, operational risk, liquidity risk, market risk, legal risk and strategic risk. Different Board committees, viz. Executive Committee, Credit Committee, Asset & Liability Committee, Audit Committee and Remuneration Committee, details of which are carried in Note 3 to the consolidated financial statements, are in place to oversee the risk management framework and to identify, assess, monitor, review and give direction to management to control and mitigate these risks.

(c) Important Events and Future Development

The likely normalization of the interest rates in Hong Kong, resulting from an increase of US interest rates, will bring more opportunities for the Group's efficient asset utilization. The Group will continue its prudent management and will not assume undue risks for the sake of earnings. 2017 is expected to be another year of stable and balanced growth for the Group.

PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this Directors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Bank (whether made by the Bank or otherwise) or an associated company (if made by the Bank).

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The Bank has complied with the requirements set out in the Banking (Disclosure) Rules under the Hong Kong Banking Ordinance.

AUDITOR

The consolidated financial statements of the Group have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for reappointment.

On behalf of the Board

WILLIAM MA CHING WAI
Chairman

HONG KONG, 29 MARCH 2017

2016年12月31日結算之綜合財務狀況表
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

| | | 附註 | 31 December | 31 December |
|------------------------|--|---|---------------|-----------------|
| | | Note | 2016 | 2015 |
| | | | HK\$ | HK\$ |
| 資產 | ASSETS | | | |
| 庫存現金及存放同業款項 | CASH AND BALANCES WITH BANKS | 10 | 713,822,540 | 716,811,170 |
| 定期拆放同業款項於1至12個月內到期 | PLACEMENTS WITH BANKS MATURING BETWEEN ONE AND TWELVE MONTHS | 11 | 427,191,024 | 380,198,000 |
| 客戶放款及其他賬項 | LOANS AND ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS | 12 | 168,195,094 | 167,965,926 |
| 可出售投資 | AVAILABLE-FOR-SALE INVESTMENTS | 13 | 39,154,685 | 38,894,166 |
| 物業，裝置及設備 | PROPERTY, PLANT AND EQUIPMENT | 15 | 72,877,708 | 73,663,581 |
| 投資物業 | INVESTMENT PROPERTIES | 16 | 284,700,000 | 281,800,000 |
| 能收回之稅款 | TAX RECOVERABLE | | 1,898 | - |
| 資產合計 | TOTAL ASSETS | | 1,705,942,949 | 1,659,332,843 |
| 負債 | LIABILITIES | | | |
| 客戶存款 | DEPOSITS FROM CUSTOMERS | 17 | 1,016,930,337 | 975,538,713 |
| 其他負債及準備 | OTHER LIABILITIES AND PROVISIONS | 18 | 23,500,362 | 25,186,390 |
| 本期稅項負債 | CURRENT TAX LIABILITIES | | 8,729 | 308,659 |
| 遞延稅項負債 | DEFERRED TAX LIABILITIES | 19 | 4,998,102 | 4,923,264 |
| 負債合計 | TOTAL LIABILITIES | | 1,045,437,530 | 1,005,957,026 |
| 權益 | EQUITY | | | |
| 股本 | SHARE CAPITAL | 20 | 310,000,000 | 310,000,000 |
| 儲備 | RESERVES | 21 | 350,505,419 | 343,375,817 |
| 權益合計 | TOTAL EQUITY | | 660,505,419 | 653,375,817 |
| 董事會於2017年3月29日核准及授權發佈。 | | APPROVED AND AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS ON 29 MARCH 2017. | | |
| 董事 | 馬清煜 | MA CHING YUK |) | |
| | 馬清權 | ALFRED MA CHING KUEN |) | Directors |
| | 馬清揚 | PHILIP MA CHING YEUNG |) | |
| 總經理 | 馬清鏗 | PATRICK MA CHING HANG | | General Manager |
| 權益及負債合計 | TOTAL EQUITY AND LIABILITIES | | 1,705,942,949 | 1,659,332,843 |

第10至59頁之附註屬本綜合財務報表之一部分。

THE NOTES ON PAGES 10 TO 59 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

截至2016年12月31日止全年度綜合全面收益表
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

| | | 附註 Note | 2016 HK\$ | 2015 HK\$ |
|---------------------|--|------------|--------------|--------------|
| 利息收入 | INTEREST INCOME | 5 | 9,341,697 | 8,082,254 |
| 利息支出 | INTEREST EXPENSE | 5 | (667,486) | (609,235) |
| 淨利息收入 | NET INTEREST INCOME | | 8,674,211 | 7,473,019 |
| 其他經營收入 | OTHER OPERATING INCOME | 6 | 14,611,226 | 13,558,916 |
| 淨經營收入 | NET OPERATING INCOME | | 23,285,437 | 21,031,935 |
| 經營支出 | OPERATING EXPENSES | 7 | (20,139,129) | (19,237,344) |
| 經營溢利 | OPERATING PROFIT | | 3,146,308 | 1,794,591 |
| 出售可出售投資之溢利 | PROFIT ON DISPOSAL OF AVAILABLE-FOR-SALE INVESTMENTS | | 1,008,482 | - |
| 重估投資物業之盈餘 | REVALUATION SURPLUS ON INVESTMENT PROPERTIES | 16 | 2,900,000 | 22,900,000 |
| 出售物業，裝置及設備之虧損 | LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT | | (20,428) | (12,566) |
| 除稅前溢利 | PROFIT BEFORE INCOME TAX | | 7,034,362 | 24,682,025 |
| 所得稅支出 | INCOME TAX EXPENSE | 9 | (175,008) | (15,537) |
| 權益持有者應佔溢利 | PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS | | 6,859,354 | 24,666,488 |
| 其他全面收益/(支出): | OTHER COMPREHENSIVE INCOME / (EXPENSE) : | | | |
| 於未來可被重新分類至損益之項目 | ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS: | | | |
| 可出售投資 | AVAILABLE-FOR-SALE INVESTMENTS | 21 | 1,275,672 | (2,188,205) |
| 本年度其他全面收益/(支出), 除稅後 | OTHER COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR, NET OF TAX | | 1,275,672 | (2,188,205) |
| 本年度權益持有者應佔總全面收益 | TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS | | 8,135,026 | 22,478,283 |

第10至59頁之附註屬本綜合財務報表之一部分。

THE NOTES ON PAGES 10 TO 59 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

截至2016年12月31日止全年度綜合權益變動表
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

| 銀行權益持有者應佔 | | | | | |
|--|---|--------------------------------|-----------------------------------|--------------------------------------|---------------------|
| Attributable to equity holders of the Bank | | | | | |
| 附註 Note | | 股本 Share capital HK\$ | 其他儲備 Other reserves HK\$ | 盈餘滾存 Retained earnings HK\$ | 總額 Total HK\$ |
| 於2016年1月1日之結餘 | Balance at 1 January 2016 | 310,000,000 | 9,576,387 | 333,799,430 | 653,375,817 |
| 全面收益 | Comprehensive income | | | | |
| 本年度溢利 | Profit for the year | - | - | 6,859,354 | 6,859,354 |
| 其他全面收益 | Other comprehensive income | | | | |
| 可出售資產之公平價值之 改變 | Change in fair value of available-for-sale investments | 21 | - 1,275,672 | - | 1,275,672 |
| 全面收益合計 | Total comprehensive income | - | 1,275,672 | 6,859,354 | 8,135,026 |
| 轉撥及分配 | Transfer and appropriation | | | | |
| 自投資重估儲備轉入全面 收益表 | Transfer from investment revaluation reserve to statement of comprehensive income | 21 | - (1,005,424) | - | (1,005,424) |
| 自其他物業重估儲備轉入 盈餘滾存 | Transfer from other properties revaluation reserve to retained earnings | 21 | - (64,092) | 64,092 | - |
| 轉入法定儲備 | Transfer to regulatory reserve | 21 | - 100,000 | (100,000) | - |
| 轉撥及分配合計 | Total transfer and appropriation | - | (969,516) | (35,908) | (1,005,424) |
| 於2016年12月31日之結餘 | Balance at 31 December 2016 | 310,000,000 | 9,882,543 | 340,622,876 | 660,505,419 |
| 於2015年1月1日之結餘 | Balance at 1 January 2015 | 310,000,000 | 11,628,683 | 309,268,851 | 630,897,534 |
| 全面收益 | Comprehensive income | | | | |
| 本年度溢利 | Profit for the year | - | - | 24,666,488 | 24,666,488 |
| 其他全面收益 | Other comprehensive income | | | | |
| 可出售資產之公平價值之 改變 | Change in fair value of available-for-sale investments | 21 | - (2,188,205) | - | (2,188,205) |
| 全面收益合計 | Total comprehensive income | - | (2,188,205) | 24,666,488 | 22,478,283 |
| 轉撥及分配 | Transfer and appropriation | | | | |
| 自其他物業重估儲備轉入 盈餘滾存 | Transfer from other properties revaluation reserve to retained earnings | 21 | - (64,091) | 64,091 | - |
| 轉入法定儲備 | Transfer to regulatory reserve | 21 | - 200,000 | (200,000) | - |
| 轉撥及分配合計 | Total transfer and appropriation | - | 135,909 | (135,909) | - |
| 於2015年12月31日之結餘 | Balance at 31 December 2015 | 310,000,000 | 9,576,387 | 333,799,430 | 653,375,817 |

第10至59頁之附註屬本綜合財務報表之一部分。

THE NOTES ON PAGES 10 TO 59 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

截至2016年12月31日止全年度綜合現金流量表
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

| | | 附註 Note | 2016 HK\$ | 2015 HK\$ |
|---------------------|--|------------|--------------------|--------------------|
| 經營業務之現金流入/(流出)淨額 | NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES | 22(a) | 26,765,717 | (81,401,186) |
| 投資活動 | INVESTING ACTIVITIES | | | |
| 收取可出售投資之股息 | DIVIDENDS RECEIVED ON AVAILABLE-FOR-SALE INVESTMENTS | 6 | 1,463,391 | 1,469,584 |
| 購置物業、裝置及設備 | PURCHASE OF PROPERTY, PLANT AND EQUIPMENT | 15 | (56,559) | (369,051) |
| 出售可出售投資所收之款項 | PROCEEDS FROM DISPOSAL OF AVAILABLE-FOR-SALE INVESTMENTS | | 1,364,758 | - |
| 購入可出售投資 | PURCHASE OF AVAILABLE-FOR-SALE INVESTMENTS | 13 | (346,547) | (331,488) |
| 投資活動之現金流入淨額 | NET CASH INFLOW FROM INVESTING ACTIVITIES | | <u>2,425,043</u> | <u>769,045</u> |
| 現金及等同現金項目之增加/(減少) | INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | 29,190,760 | (80,632,141) |
| 於1月1日之現金及等同現金項目結餘 | CASH AND CASH EQUIVALENTS AT 1 JANUARY | | 819,353,900 | 899,986,041 |
| 於12月31日之現金及等同現金項目結餘 | CASH AND CASH EQUIVALENTS AT 31 DECEMBER | 22(b) | <u>848,544,660</u> | <u>819,353,900</u> |

第10至59頁之附註屬本綜合財務報表之一部分。

THE NOTES ON PAGES 10 TO 59 ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

1 主要業務

大生銀行有限公司（「銀行」）及其附屬公司（統稱「集團」）之主要業務為提供銀行及其相關之財務服務與物業投資及管理。

銀行乃於香港註冊之認可機構，其註冊地址為香港德輔道中130至132號。

如非另有列示，此綜合財務報表以港元貨幣單位（港幣）列示，並已於2017年3月29日由董事會通過發佈。

2 主要會計政策

編製此綜合財務報表所採用之主要會計政策已詳列如下。如非另有列示，該等政策已被一致應用於所有顯示年度。

2.1 編製基準

大生銀行有限公司之綜合財務報表乃按照已包括香港會計師公會（「會計師公會」）所頒佈之香港財務報告準則及香港公司條例（Cap. 622）之規定編製而成。綜合財務報表乃根據歷史成本常規法編製，就住址、可出售投資及投資物業之重估而修訂。

為符合財務報告準則，財務報表之編製有需要用上某些重要之會計評估，亦需要管理層於應用集團會計政策時作出判斷。需要較多判斷或具複雜性之部份或對綜合財務報表有重大影響之假設及評估，均顯示於附註4內。

(甲) 2016年1月1日開始生效之準則、修正及詮釋

會計師公會已頒佈一些在2016年1月1日開始之財政年度作首次強制實行之新準則及準則之修正。銀行已對該等準則、修正及詮釋作出評估，並認為其對本綜合財務報表沒有重大影響，亦因此不作詳細分析。

(乙) 以下已頒佈之新準則，新詮釋及準則與詮釋之修正於2016年1月1日開始之財政年度仍未生效，亦未被提早採用

香港財務報告準則第9號，「金融工具」

該新準則對財務資產及財務負債之分類、量度及不被確認情況作出處理解說，並引入對沖會計之新規則及針對財務資產之新減值制定。

General Information

The principal activities of Tai Sang Bank Limited (the "Bank") and its subsidiaries (collectively the "Group") are the provision of banking and related financial services, and property investment and management.

The Bank is an authorized institution incorporated in Hong Kong. The address of its registered office is 130-132 Des Voeux Road Central, Hong Kong.

These consolidated financial statements are presented in units of Hong Kong dollars (HK\$), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 29 March 2017.

Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of Tai Sang Bank Limited have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and requirements of the Hong Kong Companies Ordinance Cap 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of bank premises, available-for-sale investments and investment properties 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 4.

(a) Standards, amendments and interpretations effective beginning 1 January 2016

The HKICPA has issued a number of new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2016. The Bank has made an assessment of these standards, amendments and interpretations and considered that they do not have significant impact on the consolidated financial statements and have therefore not been analysed in detail.

(b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2016 and have not been early adopted

HKFRS 9, 'Financial instruments'

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

2 主要會計政策 (續)

2.1 編製基準 (續)

- (乙) 以下已頒佈之新準則，新詮釋及準則與詮釋之修正於2016年1月1日開始之財政年度仍未生效，亦未被提早採用 (續)

香港財務報告準則第9號，‘金融工具’ (續)

集團還需對其財務資產之分類及量度作出詳細之評估，但現時分類為客戶放款之財務資產應可乎合可攤分成本之分類條件，而因此該等資產之量度應無改變。

集團所持有之其他財務資產包括現時被分類為可出售之股本工具，對此等資產集團可選擇以公平價值記入其他全面收益。

因此，集團並不預期該等新指引會對其財務資產之分類及量度有重大影響。

由於新規定只影響以公平價值記入損益賬之財務負債，而集團並無該等負債，因此財務負債之會計將不被影響。不被確認之規則乃轉自香港會計準則第39號，‘金融工具：確認及量度’及未被改變。

新之減值模式要求減值準備之確認乃根據預期信貸損失而不是香港會計準則第39號所採用之只針對已招致信貸損失。該減值模式應用於分類為攤分成本之財務資產，以公平價值記入其他全面收益量度之債務工具，適用於香港財務報告準則第15號‘合約所得之收入’內之合約資產，應收未收租賃，貸款承擔及某些財務擔保合約。集團雖則未詳細評估新模式對其減值準備之影響，但預期信貸損失將有可能被提早確認。

此新準則亦推行擴大披露規定及列示改變，其將會改變集團金融工具性質及程度之披露，特別是在初次應用新準則之年度。

香港財務報告準則第9號當於2018年1月1日或以後開始之財政年度被應用。根據已完成之香港財務報告準則第9號內之過渡性安排條款，分階段之提早應用只限於2015年2月1日前開始之報告年度。該日期以後，新規則定當作全面採用。集團並無計劃提早強制生效日期前採用香港財務準則第9號。

香港財務報告準則第15號，‘自客戶合約所得之收入’

會計師公會已發布有關收入確認之新準則，以取代有關商品及服務合約之香港會計準則第18號及有關建築合約之香港會計準則第11號。該新準則乃根據當商品或服務之控制權轉往顧客時收入才被確認之原則製成。準則亦容許完全追溯性處理或作經修改追溯性處理。

Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

- (b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2016 and have not been early adopted (Continued)

HKFRS 9, ‘Financial instruments’ (Continued)

While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, loans and advances to customers currently classified as loans and receivables would appear to satisfy the conditions for classification as at amortised cost and hence there will be no change to the measurement for these assets.

The other financial assets held by the Group include equity instruments currently classified as AFS for which a FVOCI election is available.

Accordingly, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 ‘Financial Instruments: Recognition and Measurement’ and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt HKFRS 9 before its mandatory date.

HKFRS 15, ‘Revenue from contracts with customers’

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

2 主要會計政策 (續)

2.1 編製基準 (續)

- (乙) 以下已頒佈之新準則，新詮釋及準則與詮釋之修正於2016年1月1日開始之財政年度仍未生效，亦未被提早採用 (續)

香港財務報告準則第15號，‘自客戶合約所得之收入’ (續)

管理層現正評估採用該新準則對集團財務報表之影響，並已識別以下為較有可能被影響之範圍：

- 自服務所得之收入 - 採用香港財務報告準則第15號有可能識別出另外需履行之承諾，從而影響收入被確認之時間。
- 在履行合約時所引起之某些費用之會計 - 某些現時被耗消之費用有可能根據香港財務報告準則第15號被確認為資產；及
- 可退回之權利 - 香港財務報告準則第15號規定於資產負債表內對從顧客收回商品之權利及退款責任有分開之列表。

集團在現階段並未能對此新規定於集團財務報表之影響作出估計。集團將於未來12個月內作出更詳盡之評估。

香港財務報告準則第15號於2018年1月1日或以後開始之財政年度強制生效。於現階段，集團並無計劃於生效日期前採用此準則。

香港財務報告準則第16號 ‘租賃’

由於香港財務報告準則第16號移除營運租賃及財務租賃間之分別，其將會使幾乎所有租賃於資產負債表內被確認。於新準則下，一項資產（使用租賃項目之權利）與一項支付租金之財務負債當被確認，只有短期及低額租賃除外。

對出租者而言，其會計將不會有重大改變。

此準則將主要影響集團營運租賃之會計。於報告日期，集團主要以出租者營運，而只有某些以承租人身份需要支付之最少營運租賃承擔。然而集團仍未確定該等承擔將會帶來需確認之資產及未來付款負債之程度，及其如何影響集團之溢利及現金流量之分類。

其中一些承擔有可能被歸類為短期及低額租賃之例外情況，而另一些承擔則可能被視為不符合香港財務報告準則第16號下租賃之定義。

此新準則於2019年1月1日或以後開始之財政年度強制生效。於現階段，集團並無計劃於生效日前採用此準則

此外並無其他預計對集團有重大影響而又未生效之香港財務報告準則或香港(國際財務報告詮釋委員會)詮釋。

Summary of Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

- (b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2016 and have not been early adopted (Continued)

HKFRS 15, ‘Revenue from contracts with customers’(Continued)

Management is currently assessing the effects of applying the new standard on the group's financial statements and has identified the following areas that are likely to be affected:

- revenue from service - the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue.
- accounting for certain costs incurred in fulfilling a contract - certain costs which are currently expensed may need to be recognised as an asset under HKFRS 15, and
- rights of return HKFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

HKFRS 16, ‘Leases’

HKFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group is operating mainly as a lessor and only has certain minimal operating lease commitments as lessee. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

2 主要會計政策 (續)

2.2 綜合結算

集團綜合財務報表包括銀行及其附屬公司截至12月31日之財務報表。

附屬公司乃所有集團能控制之機構(包括有組織機構)。當集團暴露於或有權收取自一間機構之可變動回報及其於機構內有能力影響該等回報時，集團被視作可控制該機構。附屬公司於其控制權被轉移至集團之日期開始作全面綜合結算，而由控制權停止之日期開始解除綜合結算。

集團公司間之交易，結餘及集團公司間交易所產生之未實現盈餘已被對銷。除有證據顯示該交易所轉賬之資產已減值外，未實現虧損亦被對銷。附屬公司之會計政策如有需要已被更改，用以確保集團所採用之政策一致。

在銀行財務狀況表內「附註26」，在附屬公司之投資按成本減減值準備列賬「附註2.13」。銀行乃根據已收及應收股息誌入附屬公司之業績。自附屬公司之股息收入，在其收取權利被確立時於收益表確認。

於集團公司間資金或法定資本之調動並無限制或存在其他重要障礙。

2.3 利息收入及支出

所有以實際利率法攤分成本入賬之工具，其利息收入及支出均確認於綜合全面收益表內。

實際利率法乃一個用以計算財務資產或財務負債之攤分成本，並分配其利息收入或利息支出至其相關期間內之方法。實際利率則為一個能折讓於金融工具之預計年內或較短年內(如適合)之估計未來現金支出或收款至該財務資產或財務負債之賬面淨額之利率。集團於計算實際利率時所估計之現金流量已計入金融工具所有合約條款(例如提早還款選擇)，但並未計入未來借貸虧損。該計算包括作為實際利率整體部份之所有合約雙方間所支付或收取之費用及百份點，交易開支與其他溢價或折讓。

當財務資產或一組相似之財務資產因減值虧損而被降值時，利息收入按計算減值虧損時折讓未來現金流量之利率而確認。

Summary of Significant Accounting Policies (Continued)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to 31 December.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Bank's statement of financial position (Note 26), the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.13). The results of subsidiaries are accounted by the Bank on the basis of dividend received and receivable. Dividend income from subsidiaries is recognised in the income statement when the right to receive payment is established.

There are no restrictions, or other major impediments on the transfer of funds or regulatory capital between the Group companies.

2.3 Interest income and expense

Interest income and expense are recognised in the consolidated statement of comprehensive income for all instruments measured at amortised cost 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 discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset 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 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.

Once a financial asset or a group of similar financial assets have been written down as a result of an impairment loss, 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 主要會計政策 (續)

2.4 費用及佣金收入及支出

費用及佣金一般於提供服務時以應計形式確認。對一些有可能被動用之貸款而言，其貸款承諾費〔與其他有關之直接支出〕則被遞延並確認為該貸款之實際利率之調整。來自替第三者洽商或參與洽商交易之佣金及費用，例如安排購置股票或其他證券或業務之買賣，於完成有關交易時確認。

2.5 財務資產

集團將其財務資產按其置入之目的分類為貸款及應收款項或可出售財務資產。管理層於最初確認該財務資產時決定其類別。

(甲) 貸款及應收款項

貸款及應收款項為於活躍市場上無報價但有固定或能計定付款之非衍生財務資產。貸款及應收款項於最初時以公平價值確認入賬，隨後則按實際利率法以攤分成本入賬。

(乙) 可出售投資

可出售投資為被歸納於此類別或不屬於任何其他類別之非衍生工具財務資產。此類投資雖為有意作無期限持有但可因應流動資金所需或利率、匯率或股票價格變動而出售。

正常之證券買賣於交易日，即集團承諾買賣資產之日期，被確認。所有非以公平價值記入損益賬之投資以其公平價值加上交易支出作最初確認。當從投資收取現金流量之全部權利已到期或當集團亦已大致轉出其擁有權之風險及利益時，投資被停止確認。

可出售投資以公平價值入賬。自可出售投資公平價值改變而產生之未實現盈虧均於其他全面收益內直接確認，此乃直至該財務資產被停止確認或減值時，其以往確認於權益之累積盈虧當被確認於綜合全面收益表。然而，按實際利率法計算之利息及匯對損益則於綜合全面收益表內確認。可出售證券工具之股息於集團收取款項之權利確立時確認於綜合全面收益表。

有報價投資之公平價值乃按照其現行之買入價釐定。沒有於活躍市場上有報價之可出售投資而公平價值不能被可靠地量度時，該等資產於綜合財務狀況表以成本減減值虧損列賬。

Summary of Significant Accounting Policies (Continued)

2.4 Fee and commission income and expense

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan 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. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party - such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses - are recognised on completion of the underlying transaction.

2.5 Financial assets

The Group classifies its financial assets as loans and receivables or available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and measured at amortised cost using the effective interest method thereafter.

(b) Available-for-sale investments

Available-for-sale investments are non-derivatives financial assets that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Regular purchases and sales of securities are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or where the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale investments are carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale investments are recognised directly in other comprehensive income, until the financial asset is derecognised or impaired. At this time, the cumulative gain or loss previously recognised in equity should be recognised in the consolidated statement of comprehensive income. However, interest calculated using the effective interest method and foreign currency gains and losses are recognised in the consolidated statement of comprehensive income. Dividends on available-for-sale equity instruments are recognised in the consolidated statement of comprehensive income when the Group's right to receive payment is established.

The fair values of quoted investments are based on current bid prices. Available-for-sale investments which do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are stated in the consolidated statement of financial position at cost less impairment loss.

2 主要會計政策(續)

2.6 金融工具之公平價值估計

公平價值乃於量度日期在一項有秩序交易中市場參與者間去出售資產所收取或去轉移負債所支付之價格。於活躍市場內買賣(例如公開買賣之衍生工具及交易證券)之財務資產及負債之公平價值乃按照於報告日期收市時之所報市價而定。

2.7 財務資產之減值

(甲) 以攤分成本入賬之資產

集團於每個報告期末就一項財務資產或一組財務資產有否客觀之減值證據進行評審。只有當有客觀減值證據顯示因為一項或多項於資產最初確認後發生之事項「損失事項」，而該損失事項(或多個事項)對一項財務資產或一組財務資產之估計未來現金流量有所影響，而影響能可靠地被評估時，該財務資產或該組財務資產才被視為已減值並記入減值虧損。集團用作評定減值虧損之客觀證據所採用之條件包括：

- 本金或利息之合約還款被拖欠；
- 貸款人有週轉困難；
- 借貸承諾或條件被違反；
- 破產程序開始；
- 貸款人之競爭地位變差；
- 抵押品價值下降；及
- 被降低於投資評級水平；

每一組別之虧損產生及其確認間之估計期間由管理層決定。

集團首先就個別重大財務資產評核有否個別減值之客觀證據，並就非個別重大財務資產評核有否個別或綜合減值。如集團決定一個個別評核之財務資產，不論重大與否，並無客觀減值證據時，集團將該資產放置於一組有相似借貸風險特質之財務資產組別內並進行綜合減值評估。已被個別減值評估，及當減值虧損繼續被確認之資產並不包括於綜合減值評估。

虧損額為資產之賬面值及按該財務資產之原本實際利率折讓其估計未來現金流量(不包括未承擔之未來借貸虧損)所得現值兩者間之差額。資產之賬面值經一個準備賬目作減少而虧損額則確認於綜合全面收益表。若貸款為浮動利率，則用作計算減值虧損之貼現率乃根據合約所訂之現行實際利率。

有抵押財務資產估計未來現金流量之現值計算已反映從沒收抵押所帶來之現金流量減取回及出售抵押之支出，不管沒收抵押是否可能。

Summary of Significant Accounting Policies (Continued)

2.6 Fair value estimation of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date.

2.7 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred 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 (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Group uses to determine that there is objective evidence of an impairment loss include :

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

The estimated period between a loss occurring and its identification is determined by management for each identified portfolio.

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

The 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) discounted at the financial asset's original 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 consolidated statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

2 主要會計政策 (續)

2.7 財務資產之減值 (續)

(甲) 以攤分成本入賬之資產 (續)

為達至綜合減值評估之目的，財務資產按其相似之信貸風險特質（即按集團考慮到資產類別、行業、地理位置、抵押品類別、過期還款情況及其他有關因素所設定之評級程序）被分類。該些特質能顯示貸款者根據該等資產之合約條款而償還所有款項之能力，從而對該等資產組別之未來現金流量之估計有相關幫助。

一組已作綜合減值評估之財務資產之未來現金流量乃按照該組資產之合約現金流量及與該組資產有相似信貸風險特質之資產之歷史損失經驗作估計。歷史損失經驗則以現行可觀察之數據作出調整，其目的在於反映於過往歷史損失經驗發生時期所未有之現有條件之影響，並除去該些現時已不存在之歷史期間情況之影響。

資產組別未來現金流量變動之估計應反映並與各期間相關可觀察數據之變動（例如，樓價，付款情況，或其他顯示該組損失機會率有所變動之因素之變動及其強弱）有一致方向。集團不時檢討用作估計未來現金流量之方法及假設以減低虧損估計及實際虧損經驗兩者間之差異。

當貸款不能收回時該貸款於完成全部所需程序及計算虧損額後，於其相關貸款減值準備中撤除。

若減值虧損數額於往後期間因某項於減值確認後發生之事項（例如，債務人借貸評級有改善）而減少，該過往被確認之減值虧損當被撤銷於準備賬目之調整上，撤銷額於綜合全面收益表確認。

(乙) 被列作可出售之資產

股票投資

集團於每個資產負債表結算日就一項財務資產或一組財務資產有否客觀之減值證據進行評審。就界別為可出售之股票投資而言，決定該等資產有否減值乃取決於該證券之公平價值有著重大或長時間低於其成本之跌幅。如該等證據存在於可出售證券，則以其置入成本及現行公平價值兩者間之差額再扣除以往該財務資產於綜合全面收益表確認之減值虧損所計算之累積虧損當於權益內扣除，並於綜合全面收益表確認。於綜合全面收益表確認之被界定為可出售之股票工具減值虧損並不經綜合全面收益表還原。

Summary of Significant Accounting Policies (Continued)

2.7 Impairment of financial assets (Continued)

(a) Assets carried at amortised cost (Continued)

For the purposes 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 for 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 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 currently exist.

Estimates of change 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, 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 loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the consolidated statement of comprehensive income.

(b) Assets classified as available-for-sale

Equity Investments

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. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale securities, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in consolidated statement of comprehensive income - is removed from equity and recognised in the consolidated statement of comprehensive income. Impairment losses recognised in the consolidated statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the consolidated statement of comprehensive income.

2 主要會計政策 (續)

2.8 財務負債

財務負債於開始時作分類，最初以公平價值扣減交易成本確認，並以攤分成本誌賬。除淨交易成本後所得款項與贖回價值兩者間之差額則按實際利息法根據財務負債之年期確認於綜合全面收益表內。

2.9 金融工具之抵銷

當有合法權利可將已確認之財務資產及負債作出抵銷及當有意進行淨額結算或同時將資產變現並還清負債時，該財務資產及負債會被抵銷並以淨額於綜合財務狀況表列賬。

2.10 外幣換算

(甲) 功能及顯示貨幣

每個集團公司財務報表內之項目均以該公司營運所在之第一經濟環境所用之貨幣作結算「功能貨幣」。綜合財務報表則以銀行之功能貨幣及集團之顯示貨幣，即港幣，列賬。

(乙) 交易與結餘

外幣交易均按成交日期之匯率或如有重估按估值折算為功能貨幣。該等交易之結算及以外幣結算之貨幣資產與負債按年結日之匯率折算所得之匯算盈虧於綜合全面收益表內確認。

以外幣結算及被界定為可出售之貨幣證券之公平價值變動被分析為兩部分換算差異：產生自證券已攤銷成本值之變動及證券賬面值之其他變動。攤銷成本值變動之換算差異於綜合全面收益表確認，而賬面值其他變動之換算差異則確認於權益。

非貨幣項目之折算盈虧則計入公平價值盈虧之部份，例如被界定為可出售證券之股票，其折算盈虧已包括在權益內之投資重估儲備中。

Summary of Significant Accounting Policies (Continued)

2.8 Financial liabilities

Financial liabilities are classified at inception, recognised initially at fair value net of transaction costs incurred and carried at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the financial liabilities using the effective interest method.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position 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.

2.10 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 currency and the Group's 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 or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Changes in the fair value of monetary securities denominated in foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. Translation differences related to changes in the amortised cost are recognised in the consolidated statement of comprehensive income, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary items are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale securities, are included in the investment revaluation reserve in equity.

2 主要會計政策 (續)

2.11 物業、裝置及設備

行址乃自用物業，並因為於租賃開始時該租賃物業之土地及樓宇部份之成本並不能被可靠地分配，因此被視作財務租賃處理。行址按往年所作出之估值減累積折舊及減值虧損列賬。

於採用香港會計準則第16號時，以1995年9月30日以前所作之重估作為物業，裝置及設備之量度基準之公司可被豁免要在往後要作定期重估之規定，不過該等公司一定不能於1995年後以重估模式量度其物業，裝置及設備。

自1995年9月30日始，行址並無作進一步重估。集團採用香港會計準則第16號第80A段之過渡性規定，可豁免對行址作定期重估。

於1995年9月30日以前所作之重估數額變為其於香港會計準則第16號下作將來量度之認作成本。

成本包括直接屬於置入該等資產之開支。其後之成本只會在該款項有可能為集團帶來未來經濟效益及該款項之成本能被可靠計算時才記入資產之賬面值內，或如合適時，確認為另一資產。所有其他修繕及保養費用則在其耗出之財政期間內於綜合全面收益表開銷。

行址 行址按其預計可使用年限折舊。所有以往重估額乃以直線法按剩餘之預計可使用年限予以折舊。

租賃資產 行址之剩餘可使用年限。
改良工程

傢俬、裝置及設備 傢俬、裝置及設備按成本減累積折舊及累積減值虧損列賬，而折舊乃在購入當年按成本撥備20%後，依照餘額遞減法，每年以10%計算。

於每個報告期末，資產之剩餘價值及其可使用年限當被評檢，並如合適時被調整。每當有事件或情況上之改變而顯示該等受攤銷之資產賬面值有不能回收之可能時，該資產當被減值評檢。

若資產之賬面值較其估計可收回額為大時，其賬面值將立即被減記至其可收回額。資產之可以收回額為其公平價值減出售開支及其使用價值兩者間較高者。

出售之溢利及虧損乃計算自出售所得款項與賬面值之比較數額。

Summary of Significant Accounting Policies (Continued)

2.11 Property, plant and equipment

Bank premises represent those properties held for own use and are treated as finance lease since the costs of land and building elements of the leasehold properties cannot be allocated reliably at the inception of the lease. Bank premises are stated at valuation made in prior years less accumulated depreciation charge and impairment losses.

On adoption of HKAS 16 entities that measured property, plant and equipment based on revaluation performed prior to 30 September 1995 were exempted from the requirement to make regular revaluations prospectively, provided that these entities did not measure their property, plant and equipment using the revaluation model subsequent to 1995.

Effective from 30 September 1995, no further revaluations of bank premises have been carried out. The Group has adopted the transitional provision in paragraph 80A of HKAS 16, which provides exemption from the need to make regular revaluation of bank premises.

The revalued amount made prior to 30 September 1995 became a deemed cost as the revaluation date for subsequent measurement under HKAS 16.

Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, 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 repairs and maintenance are expensed in the consolidated statement of comprehensive income during the financial period in which they are incurred.

Bank premises Bank premises are depreciated over their estimated useful life. Any previously revalued amount is depreciated on a straight line basis over the remaining portion of the useful life.

Leasehold improvements Remaining portion of the useful life of the bank premises.

Furniture, fixtures & equipment Furniture, fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated at 10% per annum on a reducing balance basis after an initial provision of 20% on cost in the year of purchase.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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 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. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount.

2 主要會計政策(續)

2.12 投資物業

投資物業主要包括非集團自用之土地及辦公室樓宇，並為業主或財務租賃人因長期租金收益或資本增值而持有。

以營運租賃持有之土地，若其符合投資物業之其他定義，當被分類為投資物業並以此入賬，而營運租賃則被視為財務租賃入賬。

投資物業最初以其成本並包括相關之交易成本入賬。

投資物業於最初確認後按獨立專業測量師以公開市場基礎所作出之估計公平價值入賬。如欠缺以公開市場基礎所作出之估計公平價值之資料時，另外之估值方法當被採用，例如於活躍程度較少之市場所得之近期價格或現金流量預測之折讓額。該等估值乃按照香港測量師學會所發出之物業估值準則而釐定。

置入後之開支只會在該款項有可能為集團帶來未來經濟效益及該款項之成本能被可靠計算時才記入資產之賬面值內。該款項以成本減減值列賬，並包括在投資物業賬面值內。當該款項開始產生經濟效益時，其以公平價值作量度。所有其他修繕及保養費用則在其耗出財政期間內於綜合全面收益表開銷。

公平價值之變動直接記入綜合全面收益表。

如投資物業被轉為自用，其當被重新分類為自用物業，而其於重新分類日期之公平價值則成為其會計上之成本。若因一項自用物業之用途改變從而使其變為投資物業，則根據會計準則第16號“物業，裝置及設備”，該項目之賬面值及公平價值間之差額於轉賬當日記入其他全面收益。但當公平價值盈餘逆轉以往所誌之重估虧損或減值虧損時，該盈餘於收益表確認至以往所減低之數額。

2.13 非財務資產之減值

擁有無限可使用年期之資產不予攤分，但每年作減值測檢，並於有事情發生或情況有變時而顯示其賬面值不能被收回時作減值評審。資產之賬面值所超越其可收回價值之數額當被確認為減值虧損。可收回價值則為一項資產之公平價值減出售開支及其使用價值兩者間之較高者。資產於可分開及可分辨現金流量之最低層次（即現金生產單位）作出分組以作減值評估用途。已受減值之非商譽資產則於每一報告日對撤銷其減值之可能性作出檢測。

Summary of Significant Accounting Policies (Continued)

2.12 Investment properties

Investment properties, principally comprising land and office buildings, are held by the owner or by the lessee under a finance lease for long-term yields or for capital appreciation or both, and are not occupied by the Group.

Land held under operating lease is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment properties are measured at fair value assessed by professional valuers on the basis of open market value. If information of open market value is not available, alternative valuation methods are used such as recent prices on less active markets or discounted cash flow projections. These valuations are performed in accordance with valuation standards on properties published by the Hong Kong Institute of Surveyors.

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. The item is stated at cost less impairment and is included in the carrying amount of investment properties. Once the item begins to generate economic benefits, it is then measured at fair value. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Any changes in fair value are recognised directly in the consolidated statement of comprehensive income.

If an investment property becomes owner-occupied, it is reclassified as premises, and its fair value at the date of reclassification becomes its cost for accounting purposes. If an item of premises 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 other comprehensive income as a revaluation of premises under HKAS 16 "Property, Plant and Equipment". However, if a fair value gain reverses a previous revaluation loss or impairment loss, the gain is recognised in the income statement up to the amount previously debited.

2.13 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment and 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). Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2 主要會計政策(續)

2.14 本期及遞延所得稅

本期之稅務支出包括本期及遞延稅項。稅項於綜合全面收益表確認，此乃除了部分因其相關事項直接於權益確認時，該等稅項亦於權益確認。

本期所得稅乃按照於報告期末在公司之附屬公司所運作及產生應課稅收益之國家已生效或基本上已生效之稅率而計算。管理層於有稅例需作闡明時會定期評估報稅表內之數額，於適當時對其預計需付予稅務機關之款項作出撥備。

資產及負債之納稅基礎與其於財務報表內之賬面值兩者間之暫時性差異已按負債法撥備遞延所得稅。遞延所得稅乃按在報告期末已生效或基本上已生效及預計當有關之遞延所得稅資產實現或遞延所得稅負債支付時仍有效之稅率及法例而計算。

主要暫時性差異來自物業，裝置及設備之折舊，行址之重估，帶往未來之稅損。然而，如遞延所得稅產生自非商業合併之資產或負債之最初確認而於該交易時其會計或稅務損益均不受影響之情況下，該遞延所得稅不被確認。

遞延所得稅資產只限於未來可能有應課稅溢利予以抵銷其暫時性差異時才作確認。

在附屬公司所作之投資而產生之遞延所得稅暫時性差異均被確認，但當該暫時性差異轉回之時間能被集團控制而該暫時性差異在可見將來不會轉回時則除外。

從可供帶往將來之稅損所持之稅務影響只限於未來可能有應課稅溢利予以利用該稅損時才確認為資產。

2.15 員工福利

(甲) 員工休假享有權

員工享有之年假於獲取享有權時被確認。員工截至報告期末因其提供服務而所享年假之估計負債已被撥存準備。

員工享有之病假及產假於其休假時才作確認。

Summary of Significant Accounting Policies (Continued)

2.14 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially 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.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of bank premises and tax losses carried forward. However, the deferred income tax is not accounted for if it 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.

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, 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.

The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

2.15 Employee benefits

(a) Employee leave entitlements

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2 主要會計政策 (續)

2.15 員工福利 (續)

(乙) 退休金責任

集團內之公司提供界定供款強制性公積金予集團所有合資格員工。該等公積金之供款乃支付至由受託人管理之基金內。

集團因應界定供款計劃而作強制性，合約性或自願性供款至公眾或私人管理之退休金保險計劃。當供款已付後，集團並無再作額外支付之責任。供款當於應付時確認為員工福利支出，並因員工在全數取得既得之利益前退出計劃而被沒收之僱主供款而獲扣減。預付供款只於在有可能有現金退款或未來繳款獲取減免時才被確認為資產。

(丙) 長期服務金

集團內已工作了一定年期之合資格員工於其停止受僱時，而其停止受僱能符合香港僱傭條例內所指定之情況，根據香港僱傭條例當有權享有長期服務金。

於未來可能需作支付之長期服務金之相關準備已被確認，而該準備乃根據員工截至報告期末對集團提供之服務而所賺取之可能未來報償之最佳估計而計算。

2.16 有關連人士

就本財務報表而言，若一人或機構能控制，聯合控制集團或對集團有重大影響力；又或是同一財務報集團之成員，例如母公司，附屬公司及同集團附屬公司；又或是集團之聯營公司或合資機構；或集團或母公司之主要管理員工；又若此人或機構及集團乃被共同控制時，此人或機構被視作與集團有關連。有關連人士可以為個人或機構。

2.17 準備

當集團因過往事項而引至有法律或推定之責任，而此責任極有可能引至資源上之支出及其數額已被可靠地估計時，準備當被確立。

當有數個相類似之責任時，該組責任當被整體地考慮以決定其需要支付之可能程度，因此就算該同一組別之責任內有個別一項之支出可能程度很小，準備也被確立。

準備乃按一個能反映現時市場對金錢之時間值之評估及該責任特有風險之稅前利率而計算用以支付該責任之預計支出之現值。因時間推移而產生之準備增加則確認為利息支出。

Summary of Significant Accounting Policies (Continued)

2.15 Employee benefits (Continued)

(b) Pension obligations

Group companies offer defined contribution mandatory provident funds to all eligible employees of the Group. The funds are provided through payments to trustee-administered funds.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Long service payments

The Group's eligible employees who have completed a required number of years of service to the Group are eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment, provided that such termination meets the circumstances specified in the Hong Kong Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the end of the reporting period.

2.16 Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if that party controls, jointly controls or has significant influence over the Group; is a member of the same financial reporting group, such as parents, subsidiaries and fellow subsidiaries; is an associate or a joint venture of the Group; is a key management personnel of the Group or parents, or where the Group and the party are subject to common control. Related parties may be individuals or entities.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow 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 with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

2 主要會計政策(續)

2.18 現金及等同現金項目

現金及等同現金項目包括原到期日為3個月或以下之庫存現金，存放同業及中央銀行款項，定期拆放同業款項及外匯基金票據，並為可立即兌換至已知數額之現金及只受到微量之價值改變風險。

3 財務風險管理

集團之活動使其面對不同之財務風險，而該等活動包含着對某程度之風險或風險組合之分析，評審，接受及管理。風險承擔乃財經業務之核心，而營運風險乃經營業務上不能逃避之結果。因此集團之目標乃於風險及回報之間取得合適之平衡及將集團財務表現上之可能不良影響降至最低。

集團之風險管理政策用於辨別及分析該等風險，制定適合之風險限制及監控與利用可靠及即時資料系統監察風險及管制其遵守。集團不時檢討其風險管理政策及系統以便為市場，產品及新興之好常規作出反映。

風險管理由高級管理層根據董事局所批准之政策而實行。財務風險乃經過與集團營運單位緊密合作下被辨別，評審及監控。董事局為以下範圍，例如信貸風險，利率風險及流動資金風險提供書面政策或指引。此外，內部審核組負責為風險管理及監控環境進行獨立檢查。

最重要之風險類別為信貸風險，流動資金風險，市場風險及其他營運風險。市場風險包括貨幣風險，利率及其他價值風險。

3.1 信貸風險

集團承受信貸風險，亦即交易對手因不能償付其債務而使集團引致財務損失。經濟上或於集團貸款組合內佔大比重之某一個行業之健康上之重大改變均能產生一些與報告期末之撥備有所不同之損失。因此管理層當小心監控其信貸風險承擔。信貸承擔主要來自貸款及放款，而資產負債表外之財務安排，例如貸款承擔亦產生信貸風險。信貸風險之管理及監控由高級管理層進行並由董事局作嚴密監督。

Summary of Significant Accounting Policies (Continued)

2.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with banks and central bank, placements with banks and exchange fund papers with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial Risk Management

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by senior management under policies approved by the Board of Directors. Financial risks are identified, evaluated and managed in close co-operation with the Group's operating units. The Board provides written policies or guidelines covering areas, such as credit risk, interest rate risk and liquidity risk. In addition, internal audit is responsible for the independent review of risk management and the control environment.

The most important types of risk are credit risk, liquidity risk, market risk and other operational risks. Market risk includes currency risk, interest rate and other price risks.

3.1 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the end of reporting period. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are performed by senior management under close supervision by the Board of Directors.

3.1.1 信貸風險管理

集團對每一被分辨出之信貸風險重大比重作出管理，設定限制及監控，特別是對個別交易對手及組別及對各行業。集團為其相對於單一貸款人或貸款人組別及行業分類之風險承受額設置限制，從而建立信貸風險程度。該等風險以循環方式監控，並於有需要時接受每年或更頻密之檢核。

信貸風險承擔之監控乃以對貸款人及未來貸款人於償還貸款利息及本金之能力作出定期分析及於適當時改變該等借貸限額，該等信貸承擔亦能以取得抵押品及公司與個人擔保而被管制。

(甲) 抵押品

集團實施關於接受特定抵押品種類之指引。貸款及放款之主要抵押品類型為：

- 住宅及商業物業之按揭
- 股票抵押；及
- 存款質押

客戶放款一般均為有抵押。此外，集團於注意到個別相關貸款有減值指示後當立即自交易對手徵求額外押抵。

(乙) 與信貸有關之承擔

此等工具之主要目的乃確保當客戶有需要時能有資金供其運用。擔保及備用信用狀乃集團所作出如其客戶不能支付其承擔予第三者時會代為支付之不可撤回承諾，其信貸風險與放款相同。押匯及商業信用狀為集團代客所發之書面保證並授權第三者於特定條款及情況下可向集團支取至規定金額之匯票，其相關之貨物已被用作抵押。

借貸承擔為以放款，擔保或信用狀等形式所貸予客戶之未用授權部分。對此等借貸承擔之信貸風險，集團之潛在損失等同於未用承擔之總額，然而可能之虧損額會較未用承擔之總額為少，因大部分信貸承擔均有要求客戶保持特定信貸標準之附帶條件。

3.1.1 Credit risk management

The Group manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and groups, and to industries. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

(a) Collateral

The Group implements guidelines on the acceptability of specific classes of collateral. The principal collateral types for loans and advances are:

- Mortgages over residential and commercial properties;
- Charges over equities; and
- Pledges over deposits.

Loans and advances to customers are generally secured. In addition, the Group will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

(b) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer 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.

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, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards.

3 財務風險管理 (續)

3.1 信貸風險 (續)

3.1.2 計入持有抵押及其他信貸提升品前之最大信貸風險承擔

集團

資產負債表內資產之信貸風險承擔如下：

存放同業及中央銀行款項

拆放同業款項

客戶放款：

個人貸款：

- 透支

- 按揭

公司企業貸款：

- 投資公司

- 中小型企業 (中小企)

資產負債表外項目之信貸風險承擔如下：

- 財務擔保

- 貸款承擔及其他信貸有關之負債

於12月31日

以上表格所列表載乃集團於2016年及2015年12月31日未計入所持抵押或其他信貸提升之信貸風險承擔最壞情況。就資產負債表內資產而言，以上列出之承擔以綜合財務狀況表內所報告之賬面淨額為根據。

管理層基於以下理由有信心能繼續監控及保持集團自貸款組合所產生之信貸風險承擔在最低水平：

- 100%之貸款組合乃評定為內部評級系統之最高等級 (2015年：100%)；
- 客戶放款組合內大部分為按揭貸款及物業投資貸款，均有抵押支持；
- 100%之貸款組合被定為非過期或非減值 (2015年：100%)；及
- 集團以嚴格之甄選程序處理貸款批核。

信貸風險之抵銷，抵押及其他信貸提升品

集團採用不同之技術用以減低自借貸活動所產生之信貸風險。可執行之法律文件確立集團擁有對任何所提供之抵押，擔保品或其他信貸提升品之直接，不可被推翻及無條件追索權。

Financial Risk Management (Continued)

3.1 Credit risk (Continued)

3.1.2 Maximum exposure to credit risk before collateral held or other credit enhancements

The Group

| | 最大承擔 Maximum exposure | |
|---|--------------------------|----------------------|
| | 2016 HK\$ | 2015 HK\$ |
| Credit risk exposures relating to on-balance sheet assets are as follows: | | |
| Balances with banks and central bank | 541,073,943 | 593,040,735 |
| Placements with banks | 597,191,024 | 500,973,763 |
| Loans and advances to customers: | | |
| Loans to individuals: | | |
| - Overdrafts | 2,017,317 | 247,084 |
| - Mortgages | 8,541,722 | 11,184,299 |
| Loans to corporate entities: | | |
| - Investment companies | 148,536,977 | 152,792,736 |
| - Small and medium size enterprises (SMEs) | 1,454,972 | 1,789,915 |
| Credit risk exposures relating to off-balance sheet items are as follows: | | |
| - Financial guarantees | 4,000,000 | 4,996,000 |
| - Loan commitments and other credit related liabilities | 6,785,246 | 13,121,967 |
| At 31 December | <u>1,309,601,201</u> | <u>1,278,146,499</u> |

The above table represents a worst case scenario of credit risk exposure to the Group at 31 December 2016 and 2015, without taking into account any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out above are based on net carrying amounts as reported in the consolidated statement of financial position.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk to the Group resulting from its loan and advances portfolio based on the following:

- 100% of the loans and advances portfolio is categorised in the top grade of the internal rating system (2015 : 100%);
- Mortgage loans and properties investment loans, which represent the majority of the loans and advances portfolio, are backed by collateral;
- 100% of the loans and advances portfolio is considered to be neither past due nor impaired (2015 : 100%); and
- The Group has a stringent selection process in granting loans and advances.

Credit risk mitigation, collateral and other credit enhancements

The Group uses a variety of techniques to reduce the credit risk arising from its lending activities. Enforceable legal documentation establishes the Group's direct, irrevocable and unconditional recourse to any collateral, security or other credit enhancements provided.

3 財務風險管理 (續)

3.1 信貸風險 (續)

3.1.2 計入持有抵押及其他信貸提升品前之最大信貸風險承擔 (續)

以下列表描述每類財務資產之所持有抵押及其財務影響：

存放及拆放同業及其他財務機構款項 此等承擔一般因其交易對手之性質而被視為低信貸風險。此等款項一般並無抵押。

客戶放款 此等承擔根據其抵押品及給予客戶之貸款類別而可分為有抵押，部份抵押或無抵押。主要之抵押品類別包括住宅物業，其他物業，銀行存款及股票。集團亦利用可確認擔保作信貸提升。於2016年12月31日，客戶放款之抵押比率乃100% (2015年：100%)。

或有負債及承擔 或有負債及承擔之類別及性質已顯示在附註25內。對於可於未有預先通知而無條件取消之承擔，集團於貸款人信貸質素變差時，當收回所給予貸款人之貸款，因此，此等承擔對集團並不構成重大信貸風險。於2016年12月31日，或有負債及承擔之抵押比率乃100% (2015年：100%)。

3.1.3 客戶放款及銀行同業拆放

客戶放款及銀行同業拆放概述如下：

集團 The Group

| | | 2016年12月31日 31 December 2016 | 2015年12月31日 31 December 2015 |
|--------|-------------------------------|---|--|
| 非過期或減值 | Neither past due nor impaired | 客戶放款 Loans and advances to customers HK\$ | 銀行同業拆放 Placements with banks HK\$ |
| | | 160,550,988 | 597,191,024 |
| | | 客戶放款 Loans and advances to customers HK\$ | 銀行同業拆放 Placements with banks HK\$ |
| | | 166,014,034 | 500,973,763 |

於2016年及2015年12月31日，並無已過期但未減值之貸款及放款或已減值之貸款及放款。貸款組合內非過期或非減值貸款之信貸品質按集團所採用之內部評級系統均被評為滿意。

於是年度內集團並未因收回所持抵押而獲取任何資產 (2015年：無)。於2016年12月31日集團亦無經重組貸款 (2015年：無) 或收回資產 (2015年：無)。

Financial Risk Management (Continued)

3.1 Credit risk (Continued)

3.1.2 Maximum exposure to credit risk before collateral held or other credit enhancements (Continued)

The table below describes the nature of collateral held and their financial effect by class of financial asset:

Balances and placements with banks and other financial institutions These exposures are generally considered to be low credit risk due to the nature of the counterparties. Collateral is generally not sought on these balances.

Loans and advances These exposures are secured, partially secured or unsecured depending on the type of collateral and type of facilities offered to customers. The major types of collateral taken include residential properties, other properties, bank deposits and shares. Recognised guarantees are also employed by the Group for credit enhancement. As at 31 December 2016, the collateral coverage of loans and advances to customers is 100% (2015: 100%).

Contingent liabilities and commitments The components and nature of contingent liabilities and commitments are disclosed in Note 25. Regarding the commitments that are unconditionally cancellable without prior notice, the Group would withdraw the credit facilities extended to borrowers in case their credit quality deteriorates. Accordingly, these commitments do not expose the Group to significant credit risk. As at 31 December 2016, the collateral coverage of contingent liabilities and commitments is 100% (2015: 100%).

3.1.3 Loans and advances and placements with banks

Loans and advances and placements with banks are summarised as follows:

| | | 2016年12月31日 31 December 2016 | 2015年12月31日 31 December 2015 |
|--------|-------------------------------|---|--|
| 非過期或減值 | Neither past due nor impaired | 客戶放款 Loans and advances to customers HK\$ | 銀行同業拆放 Placements with banks HK\$ |
| | | 160,550,988 | 597,191,024 |
| | | 客戶放款 Loans and advances to customers HK\$ | 銀行同業拆放 Placements with banks HK\$ |
| | | 166,014,034 | 500,973,763 |

There were no loans and advances that were past due but not impaired nor loans and advances that were impaired at 31 December 2016 and 2015. The credit quality of the portfolio of loans and advances that were neither past due nor impaired was of satisfactory grading by reference to the internal rating system adopted by the Group.

During the year, the Group did not obtain any assets by taking possession of collateral held as security (2015 : Nil). The Group has no rescheduled loans (2015 : Nil) nor repossessed assets (2015 : Nil) as at 31 December 2016.

3 財務風險管理 (續)

3.1 信貸風險 (續)

3.1.4 財務資產信貸風險承擔之風險分佈

(甲) 地區分類

以下表格提供於2016年與2015年12月31日集團於其賬面值之主要信貸風險承擔以地理區域分佈說明。於此分佈內，集團按交易對手之居住國家分配風險承擔至各區域。信貸風險之地區分類乃按照風險轉移後交易對手之地點歸類。

集團

The Group

| | | 香港 Hong Kong HK\$ | 亞太區 香港除外 Asia Pacific excluding Hong Kong HK\$ | 歐洲 Europe HK\$ | 總額 Total HK\$ |
|--------------|----------------------------------|-------------------------|---|----------------------|---------------------|
| 於2016年12月31日 | At 31 December 2016 | | | | |
| 拆放同業款項 | Placements with banks | 170,000,000 | 377,191,024 | 50,000,000 | 597,191,024 |
| 客戶放款： | Loans and advances to customers： | | | | |
| 個人貸款： | Loans to individuals： | | | | |
| - 透支 | - Overdrafts | 2,017,317 | - | - | 2,017,317 |
| - 按揭 | - Mortgages | 8,541,722 | - | - | 8,541,722 |
| 企業貸款： | Loans to corporate entities： | | | | |
| - 投資公司 | - Investment companies | 148,536,977 | - | - | 148,536,977 |
| - 中小企 | - SMEs | 1,454,972 | - | - | 1,454,972 |
| | | <u>330,550,988</u> | <u>377,191,024</u> | <u>50,000,000</u> | <u>757,742,012</u> |
| 於2015年12月31日 | At 31 December 2015 | | | | |
| 拆放同業款項 | Placements with banks | 150,000,000 | 345,229,522 | 5,744,241 | 500,973,763 |
| 客戶放款： | Loans and advances to customers： | | | | |
| 個人貸款： | Loans to individuals： | | | | |
| - 透支 | - Overdrafts | 247,084 | - | - | 247,084 |
| - 按揭 | - Mortgages | 11,184,299 | - | - | 11,184,299 |
| 企業貸款： | Loans to corporate entities： | | | | |
| - 投資公司 | - Investment companies | 152,792,736 | - | - | 152,792,736 |
| - 中小企 | - SMEs | 1,789,915 | - | - | 1,789,915 |
| | | <u>316,014,034</u> | <u>345,229,522</u> | <u>5,744,241</u> | <u>666,987,797</u> |

Financial Risk Management (Continued)

3.1 Credit risk (Continued)

3.1.4 Concentration of risks of financial assets with credit risk exposure

(a) Geographical sectors

The following table sets out the breakdown of the Group's main credit exposure at their carrying amounts, as categorised by geographical region as of 31 December 2016 and 2015. For this distribution, the Group has allocated exposures to regions based on the country of domicile of its counterparties. Credit risk exposure by geographical sectors is classified according to the location of counterparties after taking into account the transfer of risk.

| | 香港 Hong Kong HK\$ | 亞太區 香港除外 Asia Pacific excluding Hong Kong HK\$ | 歐洲 Europe HK\$ | 總額 Total HK\$ |
|--------------|-------------------------|---|----------------------|---------------------|
| 於2016年12月31日 | | | | |
| 拆放同業款項 | 170,000,000 | 377,191,024 | 50,000,000 | 597,191,024 |
| 客戶放款： | | | | |
| 個人貸款： | | | | |
| - 透支 | 2,017,317 | - | - | 2,017,317 |
| - 按揭 | 8,541,722 | - | - | 8,541,722 |
| 企業貸款： | | | | |
| - 投資公司 | 148,536,977 | - | - | 148,536,977 |
| - 中小企 | 1,454,972 | - | - | 1,454,972 |
| | <u>330,550,988</u> | <u>377,191,024</u> | <u>50,000,000</u> | <u>757,742,012</u> |
| 於2015年12月31日 | | | | |
| 拆放同業款項 | 150,000,000 | 345,229,522 | 5,744,241 | 500,973,763 |
| 客戶放款： | | | | |
| 個人貸款： | | | | |
| - 透支 | 247,084 | - | - | 247,084 |
| - 按揭 | 11,184,299 | - | - | 11,184,299 |
| 企業貸款： | | | | |
| - 投資公司 | 152,792,736 | - | - | 152,792,736 |
| - 中小企 | 1,789,915 | - | - | 1,789,915 |
| | <u>316,014,034</u> | <u>345,229,522</u> | <u>5,744,241</u> | <u>666,987,797</u> |

3 財務風險管理 (續)

Financial Risk Management (Continued)

3.1 信貸風險 (續)

3.1 Credit risk (Continued)

3.1.4 財務資產信貸風險承擔之風險分佈 (續)

3.1.4 Concentration of risks of financial assets with credit risk exposure (Continued)

(乙) 行業分類

(b) Industry sectors

以下表格提供集團於其賬面值之主要信貸風險承擔以交易對手之行業分佈之分析。

The following table sets out the breakdown of the Group's main credit exposure at their carrying amounts, as categorised by the industry sectors of its counterparties.

集團

The Group

| | | 財務機構 Financial institutions HK\$ | 批發及 零售貿易 Whole-sale and retail trade HK\$ | 投資公司 Investment companies HK\$ | 個人 Individuals HK\$ | 總額 Total HK\$ |
|--------------|----------------------------------|---|--|---|---------------------------|---------------------|
| 於2016年12月31日 | As at 31 December 2016 | | | | | |
| 拆放同業款項 | Placements with banks | 597,191,024 | - | - | - | 597,191,024 |
| 客戶放款： | Loans and advances to customers： | | | | | |
| 個人貸款： | Loans to individuals： | | | | | |
| - 透支 | - Overdrafts | - | - | - | 2,017,317 | 2,017,317 |
| - 按揭 | - Mortgages | - | - | - | 8,541,722 | 8,541,722 |
| 企業貸款： | Loans to corporate entities： | | | | | |
| - 投資公司 | - Investment companies | - | - | 148,536,977 | - | 148,536,977 |
| - 中小企 | - SMEs | - | 1,454,972 | - | - | 1,454,972 |
| | | <u>597,191,024</u> | <u>1,454,972</u> | <u>148,536,977</u> | <u>10,559,039</u> | <u>757,742,012</u> |
| 於2015年12月31日 | As at 31 December 2015 | | | | | |
| 拆放同業款項 | Placements with banks | 500,973,763 | - | - | - | 500,973,763 |
| 客戶放款： | Loans and advances to customers： | | | | | |
| 個人貸款： | Loans to individuals： | | | | | |
| - 透支 | - Overdrafts | - | - | - | 247,084 | 247,084 |
| - 按揭 | - Mortgages | - | - | - | 11,184,299 | 11,184,299 |
| 企業貸款： | Loans to corporate entities： | | | | | |
| - 投資公司 | - Investment companies | - | - | 152,792,736 | - | 152,792,736 |
| - 中小企 | - SMEs | - | 1,789,915 | - | - | 1,789,915 |
| | | <u>500,973,763</u> | <u>1,789,915</u> | <u>152,792,736</u> | <u>11,431,383</u> | <u>666,987,797</u> |

3 財務風險管理 (續)

3.2 市場風險

集團承受最少之市場風險，亦即金融工具之公平價值或未來現金流量因市場改變而有所波動之風險。市場風險源自利率，貨幣及股票產品之未平倉合約，以上所有均被一般及特定市場動向與例如利率，信貸價格差異，匯率及股價等市場定率或價格之不穩定程度之變動所影響。

集團進行定期之壓力測試從而監控其市場風險承擔。壓力測試顯示於極端情況下所產生之可能損失估算。集團所進行之壓力測試均為一般風險因素之壓力測試，而壓力變動應用於風險類別。

壓力測試之結果由高級管理層及董事局委員會查核，而壓力測試設合其業務，並一般為採用處境分析。

3.2.1 2016年及2015年之敏感分析

於2016年12月31日，並無重大外匯之未平倉合約，因此外幣淨利息收入對利率變動並不敏感。利率敏感度主要在港幣盤上，如港幣市場利率調低50個百分點而其他可變因素保持不變時，是年度之除稅後溢利將降低港幣2,456,385元（2015年：港幣2,050,673元）。此乃由於自浮動利率金融工具之淨利息收入下降。

集團之股權風險主要源自其持有全部被界定為可出售之股票，其大部分為香港上市。該等股票乃作長期投資用途而持有。於2016年12月31日，如恆生指數於當日下跌10%（2015年：下跌10%），而其他因素不變及股價按其與指數之歷史關係而移動的話，集團之除稅後溢利將會不變（2015年：不變），而集團之投資重估儲備則會減少港幣3,364,808元（2015年：減少港幣3,420,450元）。集團之可出售股票證券則減少港幣3,364,808元（2015年：減少港幣3,504,640元）。

於2016年及2015年12月31日，集團大部分之財務資產及負債均為港元或美元結算，由於港元與美元掛鈎，因此集團並無重大匯率風險承擔。

用於以上利率風險及股價風險敏感分析之方法及假設於2016年及2015年均以同一基準進行。

Financial Risk Management (Continued)

3.2 Market risk

The Group takes on minimal exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

The Group performs periodic stress tests to monitor its exposures to market risks. Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by the Group are in general risk factor stress testing, where stress movements are applied to risk category.

The results of the stress tests are reviewed by senior management and by Board Committees. The stress testing is tailored to the business and typically uses scenario analysis.

3.2.1 Sensitivity analysis for 2016 and 2015

As at 31 December 2016, no significant open positions in foreign currencies were taken, hence the net interest income for foreign currencies were not sensitive to interest rate changes. Interest sensitivity applies mainly to Hong Kong Dollar ('HKD') positions, whereby if the HKD market interest rates had been 50 basis points lower with other variables held constant, the Group's profit after tax for the year and reserves would have been HK\$2,456,385 (2015: HK\$2,050,673) lower. This arose as a result of lower net interest income earned on floating rate financial instruments.

The Group's equity risk position arises mainly from the holdings of equity securities all being classified as available-for-sale, the majority of which being listed in Hong Kong. Such holdings are held for long term investment purpose. At 31 December 2016, if Hang Seng Index had been 10% lower (2015: 10% lower) with all other variables held constant and the equity instruments moved according to the historical correlation with the index, the Group's profit after tax would remain unchanged (2015: unchanged), while the Group's investment revaluation reserve would be HK\$3,364,808 lower (2015: HK\$3,420,450 lower). The Group's available-for-sale equity securities would be HK\$3,364,808 lower (2015: HK\$3,420,450 lower).

At 31 December 2016 and 2015, majority of the Group's financial assets and liabilities are denominated in HKD or United States dollars ('USD') and as HKD is pegged to the USD, therefore the Group is not exposed to significant currency risk.

The method and assumption used on the above sensitivity analysis on interest rate risk and equity price risk is performed on the same basis for both 2016 and 2015.

3 財務風險管理(續)

3.2 市場風險(續)

3.2.2 外幣匯兌

集團承受著因主要外幣匯率波動而為其財務狀況及現金流量帶來影響之風險。以下之表格概述集團於12月31日所承受之外幣匯率風險，表格包括集團之資產與負債之賬面值，並按其幣值分類。

資產負債表內及外項目貨幣風險之分佈

Financial Risk Management (Continued)

3.2 Market risk (Continued)

3.2.2 Foreign exchange

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by currency.

Concentrations of currency risk on-and off-balance sheet items

| | | 港幣 HK Dollars HK\$ | 美元 US Dollars HK\$ | 其他 Others HK\$ | 總額 Total HK\$ |
|---------------------|--|--------------------------|--------------------------|----------------------|----------------------|
| 集團 | The Group | | | | |
| 於2016年12月31日 | At 31 December 2016 | | | | |
| 資產 | Assets | | | | |
| 庫存現金及存放同業 | Cash and balances with banks | 713,113,868 | 143,352 | 565,320 | 713,822,540 |
| 定期拆放同業款項於1至12個月內到期 | Placements with banks maturing between one and twelve months | 400,000,000 | 27,191,024 | - | 427,191,024 |
| 客戶放款及其他賬項 | Loans and advances to customers and other accounts | 168,164,979 | 30,100 | 15 | 168,195,094 |
| 可出售投資 | Available-for-sale investments | 39,096,219 | 58,466 | - | 39,154,685 |
| 物業，裝置及設備 | Property, plant and equipment | 72,877,708 | - | - | 72,877,708 |
| 投資物業 | Investment properties | 284,700,000 | - | - | 284,700,000 |
| 能收回之稅款 | Tax recoverable | 1,898 | - | - | 1,898 |
| 資產合計 | Total assets | 1,677,954,672 | 27,422,942 | 565,335 | 1,705,942,949 |
| 負債 | Liabilities | | | | |
| 客戶存款 | Deposits from customers | 990,299,348 | 26,388,147 | 242,842 | 1,016,930,337 |
| 其他負債及準備 | Other liabilities and provisions | 23,438,189 | 62,167 | 6 | 23,500,362 |
| 本期稅項負債 | Current tax liabilities | 8,729 | - | - | 8,729 |
| 遞延稅項負債 | Deferred tax liabilities | 4,998,102 | - | - | 4,998,102 |
| 負債合計 | Total liabilities | 1,018,744,368 | 26,450,314 | 242,848 | 1,045,437,530 |
| 資產負債表內淨額 | Net on-balance sheet position | 659,210,304 | 972,628 | 322,487 | 660,505,419 |
| 信貸承擔 | Credit commitments | 9,641,898 | - | 1,143,348 | 10,785,246 |

3 財務風險管理 (續)

Financial Risk Management (Continued)

3.2 市場風險 (續)

3.2 Market risk (Continued)

3.2.2 外幣匯兌 (續)

3.2.2 Foreign exchange (Continued)

| | | 港幣 HK Dollars HK\$ | 美元 US Dollars HK\$ | 其他 Others HK\$ | 總額 Total HK\$ |
|--------------------|--|--------------------------|--------------------------|----------------------|----------------------|
| 集團 | The Group | | | | |
| 於2015年12月31日 | At 31 December 2015 | | | | |
| 資產 | Assets | | | | |
| 庫存現金及存放同業 | Cash and balances with banks | 715,239,268 | 923,379 | 648,523 | 716,811,170 |
| 定期拆放同業款項於1至12個月內到期 | Placements with banks maturing between one and twelve months | 350,000,000 | 30,198,000 | - | 380,198,000 |
| 客戶放款及其他賬項 | Loans and advances to customers and other accounts | 167,943,538 | 22,388 | - | 167,965,926 |
| 可出售投資 | Available-for-sale investments | 38,829,542 | 64,624 | - | 38,894,166 |
| 物業，裝置及設備 | Property, plant and equipment | 73,663,581 | - | - | 73,663,581 |
| 投資物業 | Investment properties | 281,800,000 | - | - | 281,800,000 |
| 資產合計 | Total assets | 1,627,475,929 | 31,208,391 | 648,523 | 1,659,332,843 |
| 負債 | Liabilities | | | | |
| 客戶存款 | Deposits from customers | 944,757,808 | 30,417,035 | 363,870 | 975,538,713 |
| 其他負債及準備 | Other liabilities and provisions | 25,135,560 | 50,708 | 122 | 25,186,390 |
| 本期稅項負債 | Current tax liabilities | 308,659 | - | - | 308,659 |
| 遞延稅項負債 | Deferred tax liabilities | 4,923,264 | - | - | 4,923,264 |
| 負債合計 | Total liabilities | 975,125,291 | 30,467,743 | 363,992 | 1,005,957,026 |
| 資產負債表內淨額 | Net on-balance sheet position | 652,350,638 | 740,648 | 284,531 | 653,375,817 |
| 信貸承擔 | Credit commitments | 15,232,274 | - | 2,885,693 | 18,117,967 |

3 財務風險管理 (續)

3.2 市場風險 (續)

3.2.3 利率風險

資產，負債及資產負債表外項目相對利率之敏感度-重新定價分析

現金流量利率風險乃由於市場利率之變動而引至一項金融工具之未來現金流量有所波動之風險，而公平價值利率風險則為因市場利率變動而引至一項金融工具之價值有所波動之風險。集團承受因主要市場利率水平改變而帶來之公平價值及現金流量風險。息差可能因此改變而上升，但亦會隨著預測不到之變動而減少或產生虧損。董事局於利率重新定價之不相配水平設置限額，並每日由管理層進行監控。

以下表格概述集團之利率風險。表格包括集團之資產及負債之賬面值，並按其合約重新定價日或到期日之較早者作出分類。

Financial Risk Management (Continued)

3.2 Market risk (Continued)

3.2.3 Interest rate risk

Interest sensitivity of assets, liabilities and off-balance sheet items - repricing analysis

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by senior management.

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.

| 集團 | The Group | 1個月以內 | 1至3個月 | 3至12 | 1至5 | 超過 | 非負息 | 總額 |
|--------------------|--|--------------------------|-----------------------|------------------------|----------------------|-------------------------|-------------------------------------|---------------|
| | | Up to 1 month HK\$ | 1-3 months HK\$ | 3-12 months HK\$ | 1-5 years HK\$ | Over 5 years HK\$ | Non- interest bearing HK\$ | |
| 於2016年12月31日 | At 31 December 2016 | | | | | | | |
| 資產 | Assets | | | | | | | |
| 庫存現金及存放同業 | Cash and balances with banks | 170,566,709 | - | - | - | - | 543,255,831 | 713,822,540 |
| 定期拆放同業款項於1至12個月內到期 | Placements with banks maturing between one and twelve months | - | 327,191,024 | 100,000,000 | - | - | - | 427,191,024 |
| 客戶放款及其他賬項 | Loans and advances to customers and other accounts | 89,574,805 | 70,976,183 | - | - | - | 7,644,106 | 168,195,094 |
| 可出售投資 | Available-for-sale investments | - | - | - | - | - | 39,154,685 | 39,154,685 |
| 其他資產 | Other assets | - | - | - | - | - | 357,579,606 | 357,579,606 |
| 資產合計 | Total assets | 260,141,514 | 398,167,207 | 100,000,000 | - | - | 947,634,228 | 1,705,942,949 |
| 負債 | Liabilities | | | | | | | |
| 客戶存款 | Deposits from customers | 776,629,458 | 83,924,013 | 76,900,000 | - | - | 79,476,866 | 1,016,930,337 |
| 其他負債 | Other liabilities | - | - | - | - | - | 28,507,193 | 28,507,193 |
| 負債合計 | Total liabilities | 776,629,458 | 83,924,013 | 76,900,000 | - | - | 107,984,059 | 1,045,437,530 |
| 對利率敏感差距合計 | Total interest sensitivity gap | (516,487,944) | 314,243,194 | 23,100,000 | - | - | | |

3 財務風險管理 (續)

3.2 市場風險 (續)

3.2.3 利率風險 (續)

Financial Risk Management (Continued)

3.2 Market risk (Continued)

3.2.3 Interest rate risk (Continued)

| 集團 | The Group | 1個月以內 | 1至3個月 | 3至12個月 | 1至5年 | 超過5年 | 非負息 | 總額 |
|--------------------|--|--------------------------|-----------------------|------------------------|----------------------|-------------------------|-------------------------------------|----------------------|
| | | Up to 1 month HK\$ | 1-3 months HK\$ | 3-12 months HK\$ | 1-5 years HK\$ | Over 5 years HK\$ | Non- interest bearing HK\$ | |
| 於2015年12月31日 | At 31 December 2015 | | | | | | | |
| 資產 | Assets | | | | | | | |
| 庫存現金及存放同業 | Cash and balances with banks | 121,362,487 | - | - | - | - | 595,448,683 | 716,811,170 |
| 定期拆放同業款項於1至12個月內到期 | Placements with banks maturing between one and twelve months | - | 230,198,000 | 150,000,000 | - | - | - | 380,198,000 |
| 客戶放款及其他賬項 | Loans and advances to customers and other accounts | 80,312,037 | 85,701,997 | - | - | - | 1,951,892 | 167,965,926 |
| 可出售投資 | Available-for-sale investments | - | - | - | - | - | 38,894,166 | 38,894,166 |
| 其他資產 | Other assets | - | - | - | - | - | 355,463,581 | 355,463,581 |
| 資產合計 | Total assets | <u>201,674,524</u> | <u>315,899,997</u> | <u>150,000,000</u> | <u>-</u> | <u>-</u> | <u>991,758,322</u> | <u>1,659,332,843</u> |
| 負債 | Liabilities | | | | | | | |
| 客戶存款 | Deposits from customers | 724,383,070 | 85,172,622 | 77,900,000 | - | - | 88,083,021 | 975,538,713 |
| 其他負債 | Other liabilities | - | - | - | - | - | 30,418,313 | 30,418,313 |
| 負債合計 | Total liabilities | <u>724,383,070</u> | <u>85,172,622</u> | <u>77,900,000</u> | <u>-</u> | <u>-</u> | <u>118,501,334</u> | <u>1,005,957,026</u> |
| 對利率敏感差距合計 | Total interest sensitivity gap | <u>(522,708,546)</u> | <u>230,727,375</u> | <u>72,100,000</u> | <u>-</u> | <u>-</u> | | |

3.3 流動資金風險

流動資金風險源自於資產負債表內資產與負債所產生之現金流量之不相配合，再加上資產負債表外活動之結算特質。

集團之流動資金管理程序由高級管理層根據董事局所制定之政策及指引進行密切監控，並包括以下工序：

- 監控未來現金流量使日常資金要求能被應付；
- 維持足夠數額之能容易變賣高銷售性資產用作對任何現金流量之未預期干擾之保護；
- 對照內部及法例規定監控流動資金比率；及
- 管理借貸到期之集中程度及情況。

3.3 Liquidity Risk

Liquidity risk arises from the mismatch in the cash flows arising from on-balance sheet assets and liabilities, plus the settlement characteristics of off-balance sheet activities.

The Group's liquidity management process, as closely monitored by senior management in accordance with policies and guidelines established by the Board, includes the following tasks :

- day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met;
- maintaining adequate amount of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- monitoring liquidity ratios against internal and regulatory requirements; and
- managing the concentration and profile of debt maturities.

3 財務風險管理 (續)

3.3 流動資金風險 (續)

監控及匯報以下一天，週及月之分別到期情況預測形式進行，此等為流動資金管理之重要期間。中期資產與負債間之不相配與及未提取借貸承擔，透支額之使用及或然負債各方之水平與類別均以集團一貫穩健策略去監控。

3.3.1 到期分析

下頁之表格以於報告期末至合約到期日之剩餘時間分析集團之資產及負債至其相關之到期組別。

Financial Risk Management (Continued)

3.3 Liquidity risk (Continued)

Monitoring and reporting take the form of maturity profile projections for the next day, week and month respectively, as these are key periods for liquidity management. Mismatches between medium-term assets and liabilities together with the level and type of undrawn lending commitments, overdraft facilities usage and contingent liabilities are also monitored under the usual conservative strategy of the Group.

3.3.1 Maturity analysis

The table on the following page analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at end of the reporting period to the contractual maturity date.

| 集團 | The Group | 即期 | 1個月以內 | 1至3個月 | 3至12 | 1至5 | 超過 | 無到期日 | 總額 |
|--------------------|--|----------------------|--------------------|--------------------|--------------------|-------------------|--------------|--------------------|----------------------|
| | | Repayable on demand | Up to 1 month | 1-3 months | 3-12 months | 1-5 years | Over 5 years | | |
| | | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| 於2016年12月31日 | At 31 December 2016 | | | | | | | | |
| 資產 | Assets | | | | | | | | |
| 庫存現金及存放同業 | Cash and balances with banks | 543,822,540 | 170,000,000 | - | - | - | - | - | 713,822,540 |
| 定期拆放同業款項於1至12個月內到期 | Placements with banks maturing between one and twelve months | - | - | 327,191,024 | 100,000,000 | - | - | - | 427,191,024 |
| 客戶放款及其他賬項 | Loans and advances to customers and other accounts | 93,339,796 | 570,442 | 2,712,215 | 5,470,967 | 65,261,049 | - | 840,625 | 168,195,094 |
| 可出售投資 | Available-for-sale investments | - | - | - | - | - | - | 39,154,685 | 39,154,685 |
| 物業、裝置及設備 | Property, plant and equipment | - | - | - | - | - | - | 72,877,708 | 72,877,708 |
| 投資物業 | Investment properties | - | - | - | - | - | - | 284,700,000 | 284,700,000 |
| 能收回之稅款 | Tax recoverable | - | - | - | 1,898 | - | - | - | 1,898 |
| 資產合計 | Total assets | 637,162,336 | 170,570,442 | 329,903,239 | 105,472,865 | 65,261,049 | - | 397,573,018 | 1,705,942,949 |
| 負債 | Liabilities | | | | | | | | |
| 客戶存款 | Deposits from customers | 849,455,995 | 6,650,329 | 83,924,013 | 76,900,000 | - | - | - | 1,016,930,337 |
| 其他負債及準備 | Other liabilities and provisions | 9,543,091 | 1,462,835 | 2,015,000 | 9,563,983 | 915,453 | - | - | 23,500,362 |
| 本期稅項負債 | Current tax liabilities | - | - | - | 8,729 | - | - | - | 8,729 |
| 遞延稅項負債 | Deferred tax liabilities | - | - | - | - | - | - | 4,998,102 | 4,998,102 |
| 負債合計 | Total liabilities | 858,999,086 | 8,113,164 | 85,939,013 | 86,472,712 | 915,453 | - | 4,998,102 | 1,045,437,530 |
| 淨流動資金差距 | Net liquidity gap | (221,836,750) | 162,457,278 | 243,964,226 | 19,000,153 | 64,345,596 | - | 392,574,916 | 660,505,419 |

3 財務風險管理(續)

Financial Risk Management (Continued)

3.3 流動資金風險(續)

3.3 Liquidity risk (Continued)

3.3.1 到期分析(續)

3.3.1 Maturity profile (Continued)

| 集團 | The Group | 即期 Repayable on demand | 1個月以內 Up to 1 month | 1至3個月 1-3 months | 3至12 個月 3-12 months | 1至5 年 1-5 years | 超過 5年 Over 5 years | 無到期日 Indefinite | 總額 Total |
|--------------------------------|---|------------------------------|---------------------------|------------------------|------------------------------|--------------------------|-----------------------------|--------------------|---------------|
| | | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| 於2015年 12月31日 | At 31 December 2015 | | | | | | | | |
| 資產 | Assets | | | | | | | | |
| 庫存現金 及存放同 業 | Cash and balances with banks | 596,035,407 | 120,775,763 | - | - | - | - | - | 716,811,170 |
| 定期折放 同業款項 於1至12個 月內到期 | Placements with banks maturing between one and twelve months | - | - | 230,198,000 | 150,000,000 | - | - | - | 380,198,000 |
| 客戶放款 及其他賬 項 | Loans and advances to customers and other accounts | 78,077,464 | 775,962 | 2,526,847 | 6,255,218 | 72,001,183 | 7,443,964 | 885,288 | 167,965,926 |
| 可出售投 資 | Available-for- sale investments | - | - | - | - | - | - | 38,894,166 | 38,894,166 |
| 物業、裝 置及設備 | Property, plant and equipment | - | - | - | - | - | - | 73,663,581 | 73,663,581 |
| 投資物業 | Investment properties | - | - | - | - | - | - | 281,800,000 | 281,800,000 |
| 資產合計 | Total assets | 674,112,871 | 121,551,725 | 232,724,847 | 156,255,218 | 72,001,183 | 7,443,964 | 395,243,035 | 1,659,332,843 |
| 負債 | Liabilities | | | | | | | | |
| 客戶存款 | Deposits from customers | 804,741,154 | 7,724,937 | 85,172,622 | 77,900,000 | - | - | - | 975,538,713 |
| 其他負債 及準備 | Other liabilities and provisions | 12,213,533 | 1,153,019 | 1,638,273 | 8,192,017 | 1,989,548 | - | - | 25,186,390 |
| 本期稅項 負債 | Current tax liabilities | - | - | - | 308,659 | - | - | - | 308,659 |
| 遞延稅項 負債 | Deferred tax liabilities | - | - | - | - | - | - | 4,923,264 | 4,923,264 |
| 負債合計 | Total liabilities | 816,954,687 | 8,877,956 | 86,810,895 | 86,400,676 | 1,989,548 | - | 4,923,264 | 1,005,957,026 |
| 淨流動資 金差距 | Net liquidity gap | (142,841,816) | 112,673,769 | 145,913,952 | 69,854,542 | 70,011,635 | 7,443,964 | 390,319,771 | 653,375,817 |

3 財務風險管理(續)

Financial Risk Management (Continued)

3.3 流動資金風險(續)

3.3 Liquidity risk (Continued)

3.3.2 非衍生財務負債及用作管理流動資金風險之資產

3.3.2 Non-derivative financial liabilities and assets held for managing liquidity risk

以下表格按報告期末剩餘合約到期時間列示集團為非衍生財務負債需作支付及用作管理流動資金風險資產之現金流量。於表格內列示之數額乃合約未貼現之現金流量，而集團則按預期未貼現現金流入數額管理其潛在流動資金風險。

The table below presents the cash flows payable by the Group under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities as at the end of the reporting period. 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.

| 集團 | The Group | 1個月以內 Up to 1 month HK\$ | 1至3個月 1-3 months HK\$ | 3至12個月 3-12 months HK\$ | 超過1年 More than 1 year HK\$ | 總額 Total HK\$ |
|----------------------|--|-----------------------------------|--------------------------------|----------------------------------|-------------------------------------|---------------------|
| 於2016年12月31日 | At 31 December 2016 | | | | | |
| 非衍生現金流量 | Non-derivative cash flow | | | | | |
| 負債 | Liabilities | | | | | |
| 客戶存款 | Deposits from customers | 856,106,324 | 83,924,013 | 76,900,000 | - | 1,016,930,337 |
| 其他負債 | Other liabilities | 11,007,252 | 2,079,719 | 7,877,965 | 915,453 | 21,880,389 |
| 負債總額(合約到期日) | Total liabilities (contractual maturity) | 867,113,576 | 86,003,732 | 84,777,965 | 915,453 | 1,038,810,726 |
| 用作管理流動資金風險之資產(合約到期日) | Assets held for managing liquidity risk (contractual maturity) | 714,000,035 | 328,063,117 | 101,224,246 | - | 1,143,287,398 |
| 於2015年12月31日 | At 31 December 2015 | | | | | |
| 非衍生現金流量 | Non-derivative cash flow | | | | | |
| 負債 | Liabilities | | | | | |
| 客戶存款 | Deposits from customers | 812,466,091 | 85,172,622 | 77,900,000 | - | 975,538,713 |
| 其他負債 | Other liabilities | 13,367,778 | 1,677,613 | 6,705,741 | 1,989,548 | 23,740,680 |
| 負債總額(合約到期日) | Total liabilities (contractual maturity) | 825,833,869 | 86,850,235 | 84,605,741 | 1,989,548 | 999,279,393 |
| 用作管理流動資金風險之資產(合約到期日) | Assets held for managing liquidity risk (contractual maturity) | 717,138,582 | 231,057,341 | 151,979,394 | - | 1,100,175,317 |

可用作支付所有負債及兌現未用貸款承擔之資產包括現金，存放同業及中央銀行款項，於收取期間之款項及外匯基金票據及拆放同業款項。於正常業務運作期間，一部分合約還款日為1年以內之客戶放款將被續期。所持有之可出售證券組合則為非預期現金流出數額提供額外儲備。

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, balances with banks and central bank, items in the course of collection and exchange fund bills; and placements with banks. In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. The portfolio of marketable securities held provides further reserves to meet unexpected cash outflows.

3 財務風險管理 (續)

3.3 流動資金風險 (續)

3.3.3 資產負債表外項目

集團

於2016年12月31日

貸款承擔

擔保書，客號見票及其他財務安排

- 客號見票
- 擔保書及備用信用狀
- 跟單及商業信用狀

總額

於2015年12月31日

貸款承擔

擔保書，客號見票及其他財務安排

- 客號見票
- 擔保書及備用信用狀
- 跟單及商業信用狀

總額

(甲) 貸款承擔

集團已承諾貸款予客戶及其他協定安排之資產負債表外金融工具之合約數額日期已概述於以上表格內。

(乙) 財務擔保及其他財務協定安排

財務擔保亦根據於報告日已存在用以確定合約付款額需要之情況列示於以上表格內。

Financial Risk Management (Continued)

3.3 Liquidity risk (Continued)

3.3.3 Off-balance sheet items

The Group

At 31 December 2016

Loan commitments

Guarantees, acceptances and other financial facilities

- Acceptances
- Guarantees and standby letters of credit
- Documentary and commercial letters of credit

Total

At 31 December 2015

Loan commitments

Guarantees, acceptances and other financial facilities

- Acceptances
- Guarantees and standby letters of credit
- Documentary and commercial letters of credit

Total

(a) Loan commitments

The dates of the contractual amounts of the Group's off-balance sheet financial instruments, that commit it to extend credit to customers and other facilities, are summarised in the above table.

(b) Financial guarantees and other financial facilities

Financial guarantees are also included above based on the conditions existed at the reporting date as to what contractual payments are required.

3 財務風險管理 (續)

3.4 財務資產及負債之公平價值

(甲) 非以公平價值入賬之金融工具

於集團財務狀況表內並不以公平價值列示之財務資產及負債，其公平價值估計如下：

(i) 拆放同業款項

隔夜同業拆放之公平價值乃其賬面值。而定期負息拆放於報告期間完結後之1年內到期，而其賬面值大約相等於其公平價值。

(ii) 客戶放款

客戶放款數額已扣除減值準備，並收取浮動利息。其賬面值大約相等於其公平價值。

(iii) 附屬公司及其他客戶存款

無到期日之存款，其中包括無息存款之估計公平價值乃其即期需償還數額。以浮動利率負息之結餘，其公平價值乃其賬面值。附屬公司及其他客戶定期負息存款於報告期間完結後之1年內到期，而其賬面值大約相等於其公平價值。

37 公平價值等級制度

香港財務報告準則第13號相對不同估值方法指明一個根據各估值方法所採用之輸入資料，其可觀察或不可觀察之特質而制定之等級制度。可觀察輸入資料反映自獨立來源取得之市場資料，而不可觀察輸入資料則反映集團對市場之假設。該兩類輸入資料產生以下之公平價值等級制度：

- 第1級 - 於活躍市場上對相同資產或負債之報價（未經調整）。
- 第2級 - 除了第1級所包括之報價以外，其他對資產或負債可直接觀察（即如價格）或可間接觀察（即從價格衍生出來）之輸入資料。
- 第3級 - 對資產或負債不按可觀察市場資料（不可觀察輸入資料）之輸入資料。

此等級制度要求在可觀察市場資料存在時當被採用。集團已盡量考慮相關及可觀察市場價格於其估值內。

Financial Risk Management (Continued)

3.4 Fair values of financial assets and liabilities

(a) Financial instruments not measured at fair value

The fair values of financial assets and liabilities not presented at fair value in the Group's statement of financial position are estimated as follows:

(i) Placements with banks

The fair value of overnight placements to banks is their carrying amount. Fixed interest-bearing placements are maturing within one year from the end of the reporting period and their carrying value approximates fair value.

(ii) Loans and advances to customers

Loans and advances to customers are net of provisions for impairment and bear interest at a floating rate and their carrying value approximates fair value.

(iii) Deposits from subsidiaries and other customers

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The fair value of those balances bearing interest at a floating rate is their carrying value. Fixed interest-bearing deposits from subsidiaries and other customers are maturing within one year from the end of the reporting period and their carrying value approximates fair value.

(b) Fair value hierarchy

HKFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as price) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

3 財務風險管理 (續)

3.4 財務資產及負債之公平價值 (續)

(乙) 公平價值等級制度 (續)

以公平價值估量之資產：

集團

2016年12月31日
循環再現之公平價值量度

可出售投資證券 - 股票

投資物業

2015年12月31日
循環再現之公平價值量度

可出售投資證券 - 股票

投資物業

於公平價值等級制度之第1級及第2級分類之間並無重大之財務資產轉移。

投資物業之估值準則

於2016年12月31日及2015年12月31日，投資物業根據以下由獨立專業物業估值師行，第一太平戴維斯，所作之估價方法而得之公開市場價值基礎作出重估。

- 於估值時期相近之類似物業市場買賣證據；及
- 以買賣交易之分析及由估值師所判斷當時投資者之要求或期望而得出之合適資本化比率將其收入潛力資本化。

以下表格顯示於2016年12月31日之年度內公平價值等級制度第3級內公平價值自年初結餘之對賬表：

於1月1日
投資物業公平價值調整之溢利

於12月31日

Financial Risk Management (Continued)

3.4 Fair values of financial assets and liabilities (Continued)

(b) Fair value hierarchy (Continued)

Assets measured at fair value :

The Group

31 December 2016
Recurring fair value measurement

Available-for sale investment securities - equity

Investment properties

31 December 2015
Recurring fair value measurement

Available-for sale investment securities - equity

Investment properties

There were no significant transfers of financial assets between level 1 and level 2 fair value hierarchy classifications.

Valuation basis of investment properties

The investment properties were revalued as at 31 December 2016 and 31 December 2015 on the basis of its open market value, which was derived by the following valuation methodologies by Savills Valuation and Professional Services Limited, an independent firm of qualified property valuers.

- Sales evidence on the market on comparable properties around the time of valuation; and
- Capitalization of the income potential using appropriate capitalisation rate, which was derived from analysis of sale transactions and the valuer's interpretation of prevailing investor requirements or expectations.

The following table shows a reconciliation from the beginning balances for fair value measurements in Level 3 of the fair value hierarchy for the year ended 31 December 2016:

| | 2016 HK\$ | 2015 HK\$ |
|---|--------------------|--------------------|
| At 1 January | 281,800,000 | 258,900,000 |
| Gain from fair value adjustments on investment properties | 2,900,000 | 22,900,000 |
| At 31 December | <u>284,700,000</u> | <u>281,800,000</u> |

3 財務風險管理 (續)

3.4 財務資產及負債之公平價值 (續)

(丙) 非以公平價值量度之資產及負債之公平價值

集團於2016年12月31日及2015年12月31日以成本或攤分成本法計賬之金融工具之賬面值與公平價值並無重大差異。

因此，於綜合財務報表內不作其公平價值及公平價值等級制度級別之披露。

3.5 資本管理

集團於管理其資本（其概念較綜合財務狀況表之權益更廣）之目標為：

- 遵守銀行業條例內銀行業（資本）規則之資本規定及銀行業條例內對持牌銀行之發牌條件；
- 保護集團以持續營運方法繼續營業之能力，從而繼續為股東提供利潤；
- 為集團之穩定性及其商業發展提供強大之資本基礎；及
- 以高效率及以風險為基礎之方法運用資本，以達到為股東帶來最理想之風險調節回報之目標。

集團之管理層每日均以銀行業（資本）規則內之方法監控資本充裕程度及法定資本之運用。其所需之資料於每季遞交至香港金融管理局。

香港金融管理局規定每一間銀行或銀行集團維持一個不低於銀行業（資本）規則第3A條所訂之最低比率之資本充足比率，其定義為總法定資本對比風險加權資產之比率。於2016年12月31日，資本充足比率乃以香港金融管理局根據銀行業（資本）規則第3C條作監管用途之規定以銀行獨自及綜合之數據計算。此亦符合銀行業（資本）規則。

銀行之資本充足政策經董事局通過及列出為支持其現有及未來活動之管理資本及評估其資本充裕度之目標，政策及程序。銀行定時復檢其資本充足政策以確保所有必要之修改均已反映在政策內。

銀行每日監控資本充足比率，用以確定銀行已遵守所有有關之法例規定及監管銀行業之指引守則。

Financial Risk Management (Continued)

3.4 Fair values of financial assets and liabilities (Continued)

(c) Fair value of assets and liabilities not measured at fair value

The carrying amounts of the Group's financial instruments carried at cost or amortized cost are not materially different from their fair values as at 31 December 2016 and 31 December 2015.

Accordingly, no disclosure on the fair values and the level of the fair value hierarchy are disclosed in the consolidated financial statements.

3.5 Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of consolidated statement of financial position, are:

- to comply with the capital requirements under the Banking (Capital) Rules of the Banking Ordinance and the authorization criteria of licensed bank under the Banking Ordinance;
- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders;
- to maintain a strong capital base to support the Group's stability and its business development; and
- to employ capital in an efficient and risk based approach with an aim to optimize risk adjusted return to the shareholders.

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management, employing techniques based on the Banking (Capital) Rules. The required information is filed with the HKMA on a quarterly basis.

The HKMA requires each bank or banking group to maintain a capital adequacy ratio ("CAR"), defined as the ratio of total regulatory capital (as defined under the Banking (Capital) Rules) to the risk-weighted assets, at or above the minimum as set out in section 3A of the Banking (Capital) Rules. The capital adequacy ratio as at 31 December 2016 are computed on both solo and consolidated basis of the Bank as specified by the HKMA under section 3C of the Banking (Capital) Rules for its regulatory purposes, and are in accordance with the Banking (Capital) Rules.

The Bank's policy on capital adequacy as approved by the Board of Directors sets out the objectives, policies and process for managing capital and assessing the adequacy of capital to support its current and future activities. The Bank reviews its policy on capital adequacy on a regular basis to ensure all necessary changes are reflected in the policies.

CAR is monitored by the Bank on a daily basis to ensure compliance with all relevant statutory requirements and regulatory guidelines governing the banking business.

3 財務風險管理(續)

3.5 資本管理(續)

除法定資本充足比率外，一內部觸發資本充足比率亦被用作監管用途。如實際之資本充足比率低於該觸發比率時，該事實將立即被報告至董事局及香港金融管理局，而改善行動亦會展開。

此外，銀行亦會於其有新產品，新投資或有任何被提議進行之重大交易時評估其對資本之影響。

半年一次之壓力測試亦被進行，從而評估極端商業環境對資本之可能影響及如有需要時展開能減輕有害影響之對策。

以下表格概述集團於2016年12月31日及2015年12月31日之法定資本之比率及成份。於本年度，銀行遵守所有被香港金融管理局所設定之資本規定。

普通權益1級資本比率

1級資本比率

總資本比率

防護緩衝資本比率

以上之資本比率乃根據銀行業(資本)規則計算於2016年12月31日及於2015年12月31日之綜合比率。根據銀行業(資本)規則，銀行採用“基本方法”去計算信貸風險加權資產，用“標準化(市場風險)方法”去計算於2015年12月31日之市場風險及用“基本指標方法”去計算營運風險。於2016年12月31日止之年度內，銀行獲豁免計算市場風險加權資產。

銀行除計算及匯報其根據銀行非綜合數據所得出之獨立資本比率外，亦要計算及匯報其按照法定綜合數據所得出之綜合資本比率。法定綜合賬內只有瑞隆企業有限公司，金智發展有限公司及添金投資有限公司被包括為附屬公司，此乃與會計綜合賬有所不同。

Financial Risk Management (Continued)

3.5 Capital management (Continued)

Other than statutory CAR, an internal trigger CAR is applied for control purposes. If the actual CAR falls below the trigger ratio, the case would immediately be reported to the Board and the HKMA, and remedial action will be taken.

In addition, the Bank will assess the impact on its capital when there are new products, new investments, or any proposed significant transactions.

Semi-annual stress tests are also performed to assess the potential impact of extreme business conditions on capital and to develop strategies to mitigate the adverse effects where necessary.

The table below summarises the ratios and the composition of regulatory capital of the Group as at 31 December 2016 and 31 December 2015. The Bank complied with all of the externally imposed capital requirements by the HKMA throughout the year.

| | 2016 | 2015 |
|------------------------------------|--------|--------|
| Common equity tier 1 capital ratio | 66.19% | 68.06% |
| Tier 1 capital ratio | 66.19% | 68.06% |
| Total capital ratio | 88.60% | 91.10% |
| Capital conservation buffer ratio | 0.625% | 0% |

The above capital ratios represent the consolidated ratios of the Bank computed in accordance with the Banking (Capital) Rules as at 31 December 2016 and 2015. In accordance with the Banking (Capital) Rules, the Bank has adopted the “basic approach” for the calculation of the risk weighted assets for credit risk, the standardized (market risk) approach for the calculation of market risk only for the year ended 31 December 2015 and the “basic indicator approach” for the calculation of operational risk. For the year ended 31 December 2016, the Bank was exempted from the calculation of risk weighted assets for market risk.

The Bank is required to calculate and report its capital ratios on the consolidated position based on the regulatory scope of consolidated figures in addition to the Bank's solo position based on its unconsolidated level figures. The basis of consolidation for accounting purpose differs from the basis of consolidation for regulatory purposes, under which only Success Land Enterprises Limited, Golden Wisdom Development Limited and Team Gold Investment Limited are included as subsidiaries in the consolidated Group for regulatory purposes.

3 財務風險管理(續)

3.5 資本管理(續)

用以計算以上之資本比率及呈報予香港金融管理局之資本基礎總額減扣減項目之分析如下：

| |
|---------------------------|
| 普通權益1級 (CET1)資本 |
| CET1資本票據 |
| 保留溢利 |
| 已披露之儲備 |
| 減：因土地及建築物進行重估而產生的累積公平價值收益 |
| 一般銀行業務風險監管儲備 |
| 扣減後之總CET1資本 |
| 額外1級資本 |
| 扣減後之總1級資本 |
| 2級資本 |
| 由土地及樓宇之重估而引至公平價值溢利之儲備 |
| 一般銀行業務風險監管儲備 |
| 減：2級資本扣減項目 |
| 扣減後之總2級資本 |
| 資本基礎總額 |

Financial Risk Management (Continued)

3.5 Capital management (Continued)

The capital base after deductions used in the calculation of the above capital ratios and reported to the Hong Kong Monetary Authority is analysed as follows :

| | 2016 HK\$'000 | 2015 HK\$'000 |
|---|------------------|------------------|
| Common equity tier 1 (CET1) capital | | |
| CET1 capital instruments | 264,987 | 264,987 |
| Retained earnings | 340,372 | 333,647 |
| Disclosed reserves | 9,882 | 9,576 |
| | <u>615,241</u> | <u>608,210</u> |
| Less : Cumulative fair value gains arising from revaluation of land and buildings | (235,408) | (232,572) |
| Regulatory reserve for general banking risk | (1,800) | (1,700) |
| Total CET1 capital after deductions | <u>378,033</u> | <u>373,938</u> |
| Additional Tier 1 capital | - | - |
| Total Tier 1 capital after deductions | <u>378,033</u> | <u>373,938</u> |
| Tier 2 capital | | |
| Reserve attributable to fair value gains on revaluation of land and buildings | 126,189 | 124,914 |
| Regulatory reserve for general banking risk | 1,800 | 1,700 |
| | <u>127,989</u> | <u>126,614</u> |
| Less : Tier 2 capital deductions | - | - |
| Total Tier 2 capital after deductions | <u>127,989</u> | <u>126,614</u> |
| Total capital base | <u>506,022</u> | <u>500,552</u> |

4 重要會計估計及應用會計政策時之判斷

(甲) 分辨投資物業及自用物業

集團於判斷一項物業是否投資物業時會考慮到該項物業是否能不涉及其所持之其他資產而獨立產生現金流量。自用物業則產生不只以該物業亦因其他用於生產或供應過程中之資產所帶來之現金流量。

某些物業包含一部分為賺取租金或資本增值而持有及另一部分作生產或提供產品或服務又或行政之用。若該等部分可被分別出售（或以財務租賃分開出租），集團將該等部分分開誌賬，然而若該等部分不能被分開出售，該物業只限於只有一微細部分被用作生產或提供產品或服務又或作行政用途時才作投資物業入賬。在決定該等附屬之服務是否重大而引至該項物業不合作投資物業，集團當分別考慮個別之物業而作出適當判斷。

Critical Accounting Estimates, and Judgments in Applying Accounting Policies

(a) Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as investment property by considering whether the property generates cash flows largely independent of its other assets. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

(乙) 投資物業公平價值之估計

投資物業之公平價值按一獨立專業測量師於某一估值日期以公開市場基礎所作出之估值而評估。公平價值乃按照香港測量師學會所發出香港測量師學會物業估值準則(2012年版)而釐定。合約租金收入及預期之未來市場租金收入於撥備支出及保養要求後以觀察所得之市場回報率作資本化。用作估計市場價值之主要假設為：合約租金之收取、預期之未來市場租值、免租期、保養要求及觀察所得之市場回報率。估值所採用之假設之變動當影響投資物業之公平價值。

此外，估值之釐定亦參照於估值日期前後在相似地點及相關市場上所報告之可作比較買賣交易，而被估值物業之價值已為相關之因素作出適當之調整，其中包括地區上之差異，樓齡，交易時間，鋪面，層數及人流等。

(丙) 長期服務金

長期服務金之現值取決於一些根據若干假設而決定之因素。用於釐定長期服務金準備之假設包括貼現率，員工薪酬調整率，及員工享有長期服務金之機會率，而該等假設之任何變動均對長期服務金債務之賬面值構成影響。

集團於每個報告期間完結時根據政府債券息率決定其合適之貼現率。此乃應被用作計算用以支付長期服務金債務所需之估計未來現金流出額之現值所應被採用之利率。

(丁) 可出售投資之減值

集團跟從香港會計準則第39號之指引去決定可出售投資於何時有減值。

當可出售股票投資之公平價值相對其成本有着一重大或長時間之跌價時，集團認為該投資已減值。去決定甚麼構成重大或長時間之時需要判斷。於作出此判斷時，集團評估股價之不穩定性及其他因素。此外，被投資之機構之財政健康程度，其行業及界別表現，科技之改變及運作及融資現金流量之轉差均可能是減值客觀證據。

(戊) 遞延稅項之計算

於決定集團及銀行之遞延稅項狀況時，對計算集團所作交易之稅務影響需用上重大判斷。遞延稅項資產以其可收回程度予以確認，而遞延稅項負債則以全數確認。

管理層審視集團及銀行所進行之所有交易，除却一些因其未來自稅務溢利所產生之稅務得益並不肯定而使其帶往未來之稅損不被確認外，所有遞延稅項資產(至其可收回限度)及遞延稅項負債已於綜合財務報表內確認。

(b) Estimate of fair value of investment properties

The fair values of investment properties are estimated based on the valuation made by an independent professional valuer on an open market basis at a valuation date. The fair values are assessed in accordance with the HKIS Valuation Standards on Properties (2012 Edition) published by the Hong Kong Institute of Surveyors. The contractual rental income and the expected future market rental income after allowing for outgoings and maintenance requirements are capitalised at observed market yields. The principal assumptions underlying the estimation of market value are those related to: the receipt of contractual rentals; expected future market rentals; rent free periods; maintenance requirements; and observed market yields. Changes in the assumptions used in the valuation would affect the fair value of investment properties.

In addition, the values are also assessed by reference to comparable sales transactions around the valuation date as reported in the relevant market at similar locations. Appropriate adjustments have been made on the values of the subject properties for relevant factors, such as location difference, building age, time of transaction, shop frontage, floor levels and pedestrian flow, etc.

(c) Long-service payments

The present value of the long service payments depends on a number of factors that are determined on a number of assumptions. The assumptions used in determining the provision for long-service payments include the discount rate, the rate of staff pay adjustments, and the probability of staff entitlement for long service payments. Any changes in these assumptions will impact the carrying amount of long-service payments obligations.

The Group determines the appropriate discount rate at the end of each reporting period upon referencing the interest rates on government bonds. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the long-service payments obligations.

(d) Impairment of available-for-sale investments

The Group follows the guidance of HKAS 39 to determine when available-for-sale investments are impaired.

The Group determines that available-for-sale equity 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 volatility in share price. In addition, objective evidence of impairment may be deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows.

(e) Determination of deferred taxation

In determining the deferred tax positions of the Group and of the Bank, significant judgment is required in determining the tax implications of the transactions entered by the Group. Deferred tax assets are recognised to the extent that it is probable that it could be recoverable. Deferred tax liabilities are recognised at full.

Management reviewed all the transactions entered by the Group and by the Bank, and all deferred tax assets (to the extent recoverable) and deferred tax liabilities are recognised in the consolidated financial statements except for the certain tax losses carry forwards that the realisation of related tax benefit through future taxable profits is not probable.

5 淨利息收入

利息收入

庫存現金及存放及拆放同業款項
客戶放款

利息支出

客戶存款
其他

以上為非以公平價值經損益入賬之財務資產及財務負債之利息收入及利息支出。

Net Interest Income

Interest income

Cash and balances and placements with banks
Loans and advances to customers

Interest expense

Deposits from customers
Others

The interest income and interest expenses are for financial assets and financial liabilities that are not at fair value through profit or loss.

| | 2016 | 2015 |
|---|------------------|------------------|
| | HK\$ | HK\$ |
| Interest income | | |
| Cash and balances and placements with banks | 3,508,027 | 2,394,342 |
| Loans and advances to customers | 5,833,670 | 5,687,912 |
| | <u>9,341,697</u> | <u>8,082,254</u> |
| Interest expense | | |
| Deposits from customers | 666,028 | 608,626 |
| Others | 1,458 | 609 |
| | <u>667,486</u> | <u>609,235</u> |

6 其他經營收入

費用及佣金收入

- 貸款有關之費用及佣金
- 其他費用
減：費用及佣金支出
 - 其他費用及佣金支出

費用及佣金收入淨額

外匯買賣淨溢利

投資物業之租金收入總額

減：租賃開支

冷氣費與管理費收入

股息收入：

- 上市之可出售投資
- 非上市之可出售投資

保管箱租金

匯兌差額

其他

Other Operating Income

Fees and commission income

- Credit related fees and commissions
- Other fees
Less : Fees and commission expense
 - Other fees and commission paid

Net fees and commission income

Net gain from trading of foreign currency

Gross rental income from investment properties

Less : rental outgoings

Air-conditioning and management fees

Dividend income from:

- listed available-for-sale investments
- unlisted available-for-sale investments

Safe deposit box rental

Exchange differences

Others

Operating Expenses

Staff costs (Note 8)

Depreciation

Auditors' remuneration

Premises and equipment expenses

Other operating expenses

| | 2016 | 2015 |
|--|-------------------|-------------------|
| | HK\$ | HK\$ |
| Fees and commission income | | |
| - Credit related fees and commissions | 45,559 | 32,226 |
| - Other fees | 96,907 | 131,412 |
| Less : Fees and commission expense | | |
| - Other fees and commission paid | (26,146) | (34,695) |
| Net fees and commission income | <u>116,320</u> | <u>128,943</u> |
| Net gain from trading of foreign currency | <u>28,232</u> | <u>18,631</u> |
| Gross rental income from investment properties | 8,830,816 | 8,570,019 |
| Less : rental outgoings | (3,045,355) | (2,751,693) |
| | <u>5,785,461</u> | <u>5,818,326</u> |
| Air-conditioning and management fees | 2,104,958 | 1,828,783 |
| Dividend income from: | | |
| - listed available-for-sale investments | 1,455,231 | 1,461,424 |
| - unlisted available-for-sale investments | 8,160 | 8,160 |
| Safe deposit box rental | 4,763,679 | 3,971,190 |
| Exchange differences | (11,240) | (6,329) |
| Others | 360,425 | 329,788 |
| | <u>8,681,213</u> | <u>7,593,016</u> |
| | <u>14,611,226</u> | <u>13,558,916</u> |

7 經營支出

員工支出（附註8）

折舊

核數師酬金

物業及設備支出

其他經營支出

| | 2016 | 2015 |
|---------------------------------|-------------------|-------------------|
| | HK\$ | HK\$ |
| Staff costs (Note 8) | 13,434,855 | 12,606,321 |
| Depreciation | 822,004 | 928,641 |
| Auditors' remuneration | 748,000 | 726,000 |
| Premises and equipment expenses | 1,443,627 | 1,445,123 |
| Other operating expenses | 3,690,643 | 3,531,259 |
| | <u>20,139,129</u> | <u>19,237,344</u> |

8 員工支出

工資及薪金
年假及長期服務金之準備
退休金支出 - 界定供款計劃 (註)

員工支出包括董事酬金 (附註23)。

註：

集團並無於是年度內使用遭放棄而收回之供款 (2015年：無) 或於年結時有此等供款用作減低將來之供款。

於年結時，未付退休金供款予界定供款計劃為港幣81,069元 (2015年：港幣82,486元)。

9 所得稅支出

香港所得稅乃以本年度預計應課稅溢利按稅率16.5% (2015年：16.5%) 計算。

本期所得稅 - 香港溢利稅
遞延所得稅支出/(撥回) (附註19)
所得稅支出

集團除稅前溢利之稅項與採用香港稅率所計算之理論上數額之差額如下：

除稅前溢利
按16.5%稅率計算 (2015年：16.5%)
無須課稅收入
不可扣減稅項之支出
其他
有關以往年度數額之調整
所得稅支出

Staff Costs

| | 2016 HK\$ | 2015 HK\$ |
|---|-------------------|-------------------|
| Wages and salaries | 12,521,930 | 11,906,943 |
| Accrual for annual leave and long-service payment | 319,418 | 118,271 |
| Pension cost - defined contribution plan (Note) | 593,507 | 581,107 |
| | <u>13,434,855</u> | <u>12,606,321</u> |

Staff costs include directors' emoluments (Note 23).

Note :

There were no forfeited contributions utilized during the year (2015: Nil) nor available at the year-end to reduce future contributions.

Contributions totaling HK\$81,069 (2015: HK\$82,486) were payable to the defined contribution plan at the year end.

Income Tax Expense

Hong Kong income tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year.

| | 2016 HK\$ | 2015 HK\$ |
|--|----------------|---------------|
| Current income tax - Hong Kong profits tax | 100,170 | 185,828 |
| Deferred income tax charge/ (write back) (Note 19) | 74,838 | (170,291) |
| Income tax expense | <u>175,008</u> | <u>15,537</u> |

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows :

| | 2016 HK\$ | 2015 HK\$ |
|---|----------------|---------------|
| Profit before income tax | 7,034,362 | 24,682,024 |
| Tax calculated at tax rate of 16.5% (2015: 16.5%) | 1,160,670 | 4,072,534 |
| Income not subject to tax | (890,888) | (4,020,981) |
| Expenses not deductible for tax purposes | 3,371 | 2,564 |
| Other | (2,505) | (38,580) |
| Adjustment in respect of prior years | (95,640) | - |
| Income tax expense | <u>175,008</u> | <u>15,537</u> |

10 庫存現金及存放同業款項

庫存現金
存放同業及中央銀行款項
拆放同業，於1個月內到期

Cash and Balances with Banks

| | 2016 HK\$ | 2015 HK\$ |
|---|--------------------|--------------------|
| Cash in hand | 2,748,597 | 2,994,672 |
| Balances with banks and central bank | 541,073,943 | 593,040,735 |
| Placements with banks maturing within one month | 170,000,000 | 120,775,763 |
| | <u>713,822,540</u> | <u>716,811,170</u> |

11 定期拆放同業款項於1至12個月內到期

定期拆放同業款項
於1至12個月內到期

Placements with Banks Maturing Between One and Twelve Months

| | 2016 HK\$ | 2015 HK\$ |
|--|--------------------|--------------------|
| Placements with banks maturing between one and twelve months | <u>427,191,024</u> | <u>380,198,000</u> |

12 客戶放款及其他賬項

| |
|-----------|
| 貸予個人之放款 |
| - 透支 |
| - 按揭 |
| 貸予企業之放款 |
| - 投資公司 |
| - 中小企 |
| 客戶放款 |
| 應計利息 |
| 其他賬項 |
| 客戶放款及其他賬項 |

客戶放款內已包括港幣1,454,972元(2015年：港幣1,789,915元)之貿易票據。

於2016年12月31日，並無已減值放款或不履行貸款(2015年：無)。

集團接受公平價值分別為港幣12,967,900元及港幣零元(2015年：港幣9,957,080元及港幣1,000,000元)之上市證券及存款作為貸款之抵押。集團在貸款者不償還借款時有權出售或再抵押該等抵押品，但並無證券被再抵押或貸予第三者(2015年：無)。

Loans and Advances to Customers and Other Accounts

| | 2016 HK\$ | 2015 HK\$ |
|---|--------------------|--------------------|
| Loans and advances to individuals | | |
| - Overdrafts | 2,017,317 | 247,084 |
| - Mortgages | 8,541,722 | 11,184,299 |
| Loans and advances to corporate entities | | |
| - Investment companies | 148,536,977 | 152,792,736 |
| - SMEs | 1,454,972 | 1,789,915 |
| Loans and advances to customers | 160,550,988 | 166,014,034 |
| Accrued interest | 909,028 | 784,313 |
| Other accounts | 6,735,078 | 1,167,579 |
| Loans and advances to customers and other accounts | 168,195,094 | 167,965,926 |

Included in loans and advances to customers are trade bills amounted to HK\$1,454,972 (2015:HK\$1,789,915).

There were no impaired loans or non-performing loans at 31 December 2016 (2015: Nil).

The Group accepted listed securities and deposits at fair value of HK\$12,967,900 and HK\$Nil (2015: HK\$9,957,080 and HK\$1,000,000) respectively as collateral for loans, which it is permitted to sell or re-pledge in the event of default by the borrower, of which no securities (2015: Nil) were re-pledged or lent to third parties.

13 可出售投資

| |
|-----------------|
| 股票 |
| - 在香港上市,市值 |
| - 在香港以外地區上市, 市值 |
| - 非上市,成本值 |

可出售投資之發行機構類別分析如下：

| |
|-------------|
| - 銀行及其他金融機構 |
| - 企業 |
| - 其他 |

可出售投資之變動分析如下：

| |
|-----------------------|
| 於1月1日 |
| 公平價值變動之盈餘/(虧損) (附註21) |
| 購置 |
| 出售 |
| 於12月31日 |

Available-for-Sale Investments

| | 2016 HK\$ | 2015 HK\$ |
|---|-------------------|-------------------|
| Equity securities | | |
| - listed in Hong Kong, at market value | 38,960,219 | 38,693,542 |
| - listed outside Hong Kong, at market value | 58,466 | 64,624 |
| - unlisted, at cost | 136,000 | 136,000 |
| | 39,154,685 | 38,894,166 |

Available-for-sale investments are analysed by categories of issuers as follows :

| | | |
|--|-------------------|-------------------|
| - Banks and other financial institutions | 15,386,769 | 15,379,446 |
| - Corporates | 10,286,916 | 10,033,720 |
| - Others | 13,481,000 | 13,481,000 |
| | 39,154,685 | 38,894,166 |

The movement in available-for-sale investments is summarised as follows :

| | 2016 HK\$ | 2015 HK\$ |
|---|-------------------|-------------------|
| At 1 January | 38,894,166 | 40,750,883 |
| Gain/(deficit) from changes in fair value (Note 21) | 1,275,672 | (2,188,205) |
| Additions | 346,547 | 331,488 |
| Disposals | (1,361,700) | - |
| At 31 December | 39,154,685 | 38,894,166 |

14 附屬公司

於2016年及2015年12月31日由
銀行直接擁有之附屬公司如
下：

Subsidiaries

Details of the subsidiaries at 31 December 2016 and 2015, which are held by the Bank directly, are as follows :

| 名稱 <u>Name</u> | 註冊地點 <u>Place of incorporation</u> | 主要業務 <u>Principal activities</u> | 所持已發行股票資料 <u>Particulars of issued shares held</u> | 應佔股權 <u>Interest held</u> | 2016年12月31日 <u>31 December 2016</u> | | 2015年12月31日 <u>31 December 2015</u> | |
|---|---|---|---|----------------------------------|--|-----------------------------|--|-----------------------------|
| | | | | | 資產總額 <u>Total assets</u> | 權益總額 <u>Total equity</u> | 資產總額 <u>Total assets</u> | 權益總額 <u>Total equity</u> |
| | | | | | HK\$ | HK\$ | HK\$ | HK\$ |
| 大生物業管理有 限公司 TSB Property Management Limited | 香港 Hong Kong | 物業管理 Property management | 10,000股普通股每股 面額港幣1元 10,000 ordinary shares of HK\$1 each | 100% | 624,251 | 261,300 | 405,003 | 162,690 |
| 瑞隆企業有限公 司 Success Land Enterprises Limited | 香港 Hong Kong | 投資持有 Investment holding | 2股普通股每股面額 港幣1元 2 ordinary shares of HK\$1 each | 100% | 2 | 2 | 2 | 2 |
| 金智發展有限公 司 Golden Wisdom Development Limited | 香港 Hong Kong | 投資持有 Investment holding | 22,900,000股普通股 每股面額港幣1元 22,900,000 ordinary shares of HK\$1 each | 100% | 28,789,898 | 28,466,039 | 28,223,411 | 27,747,500 |
| 添金投資有限公 司 Team Gold Investment Limited | 香港 Hong Kong | 投資持有 Investment holding | 19,800,000股普通股 每股面額港幣1元 19,800,000 ordinary shares of HK\$1 each | 100% | 25,005,524 | 24,737,758 | 24,474,134 | 24,051,159 |

15 物業，裝置及設備

Property, Plant and Equipment

| | 行址 | 傢俬，裝置及 設備 Furniture, fixtures and equipment | 總額 |
|---------------|---|---|----------------------|
| | <u>Bank premises</u> HK\$ | <u>HK\$</u> | <u>Total</u> HK\$ |
| 成本或以估值作為之認定成本 | Cost or Deemed cost at valuation | | |
| 於2016年1月1日 | At 1 January 2016 | 117,618,203 | 131,327,603 |
| 添置 | Additions | - | 56,559 |
| 撇銷/出售 | Write-off / disposal | - | (66,685) |
| 於2016年12月31日 | At 31 December 2016 | 117,618,203 | 131,317,477 |
| 於2015年1月1日 | At 1 January 2015 | 117,618,203 | 131,007,144 |
| 添置 | Additions | - | 369,051 |
| 撇銷/出售 | Write-off / disposal | - | (48,592) |
| 於2015年12月31日 | At 31 December 2015 | 117,618,203 | 131,327,603 |
| 累積折舊及減值 | Accumulated depreciation and impairment | | |
| 於2016年1月1日 | At 1 January 2016 | 48,150,432 | 57,664,022 |
| 本年度折舊 | Charge for the year | 388,629 | 822,004 |
| 撇銷/出售 | Write-off / disposal | - | (46,257) |
| 於2016年12月31日 | At 31 December 2016 | 48,539,061 | 58,439,769 |
| 於2015年1月1日 | At 1 January 2015 | 47,761,802 | 56,771,407 |
| 本年度折舊 | Charge for the year | 388,630 | 928,641 |
| 撇銷/出售 | Write-off / disposal | - | (36,026) |
| 於2015年12月31日 | At 31 December 2015 | 48,150,432 | 57,664,022 |
| 賬面淨值 | Net book value | | |
| 於2016年12月31日 | At 31 December 2016 | 69,079,142 | 72,877,708 |
| 於2015年12月31日 | At 31 December 2015 | 69,467,771 | 73,663,581 |

上述資產之成本或以估值作為之認定成本分析如下：

The analysis of cost or deemed cost at directors' or valuer's valuation of the above assets is as follows :

| | 行址 | 傢俬，裝置及 設備 Furniture, fixtures and equipment | 總額 |
|--------------------|--|---|----------------------|
| | <u>Bank premises</u> HK\$ | <u>HK\$</u> | <u>Total</u> HK\$ |
| 於2016年12月31日 | At 31 December 2016 | | |
| 按成本計 | At cost | - | 13,699,274 |
| 按1994年董事估值作為之認定成本計 | At deemed cost at directors' valuation in 1994 | 114,618,203 | 114,618,203 |
| 2012年測量師估值作為之認定成本計 | Deemed cost at valuer's valuation 2012 | 3,000,000 | 3,000,000 |
| | | 117,618,203 | 131,317,477 |
| 於2015年12月31日 | At 31 December 2015 | | |
| 按成本計 | At cost | - | 13,709,400 |
| 按1994年董事估值作為之認定成本計 | At deemed cost at directors' valuation in 1994 | 114,618,203 | 114,618,203 |
| 2012年測量師估值作為之認定成本計 | Deemed cost at valuer's valuation 2012 | 3,000,000 | 3,000,000 |
| | | 117,618,203 | 131,327,603 |

15 物業，裝置及設備 (續)

1994年12月由董事估值之行址乃按當時以公開市場基礎所得之獨立專業估值作出重估。

於2012年轉自投資物業之行址由獨立專業測量師行第一太平戴維斯以公開市場基礎於2012年9月28日所作之估值而入賬。

集團之行址賬面淨值分析如下：

於香港：
超過50年之租賃

Property, Plant and Equipment (Continued)

The 1994 valuation of bank premises refers to directors' revaluation in December 1994 based on independent professional valuations on an open market basis.

Bank premises transferred from investment properties in 2012 were stated based on valuation performed on open market basis as at 28 September 2012 by an independent firm of professionally qualified valuers, Savills Valuation and Professional Services Limited.

The Group's bank premises at their net book values are analysed as follows :

| | 2016 | 2015 |
|-------------------------|------------|------------|
| In Hong Kong, held on : | HK\$ | HK\$ |
| Leases of over 50 years | 69,079,142 | 69,467,771 |

16 投資物業

於年初
公平價值盈餘
於年末

Investment Properties

| | 2016 | 2015 |
|-----------------------|-------------|-------------|
| | HK\$ | HK\$ |
| Beginning of the year | 281,800,000 | 258,900,000 |
| Fair value gains | 2,900,000 | 22,900,000 |
| End of the year | 284,700,000 | 281,800,000 |

於2016年及2015年12月31日，投資物業由獨立專業測量師第一太平戴維斯作出重估，而估值乃按物業當時市價作出。

The investment properties were revalued at 31 December 2016 and 2015 by independent, professionally qualified valuers, Savills Valuation and Professional Services Limited. Valuations were based on the current market prices.

於2016年12月31日，集團並無有關未來維修及保養已簽約但未撥備之負擔（2015年：無）。

At 31 December 2016, the Group had no unprovided contractual obligations for future repairs and maintenance (2015:Nil).

於綜合全面收益表內，與未出租之投資物業直接有關之經營支出為港幣104,540元（2015年：港幣106,441元）。

In the consolidated statement of comprehensive income, direct operating expenses include HK\$104,540 (2015: HK\$106,441) relating to investment properties that were unlet.

集團之投資物業賬面淨值分析如下：

The Group's interests in investment properties at their net book values are analysed as follows :

於香港：
超過50年之租賃

| | 2016 | 2015 |
|-------------------------|-------------|-------------|
| In Hong Kong, held on : | HK\$ | HK\$ |
| Leases of over 50 years | 284,700,000 | 281,800,000 |

17 客戶存款

活期存款及往來賬戶
儲蓄存款
定期及通知存款

Deposits from Customers

| | 2016 | 2015 |
|--------------------------------------|---------------|-------------|
| | HK\$ | HK\$ |
| Demand deposits and current accounts | 82,903,354 | 95,464,294 |
| Savings deposits | 766,552,642 | 709,276,860 |
| Time, call and notice deposits | 167,474,341 | 170,797,559 |
| | 1,016,930,337 | 975,538,713 |

18 其他負債及準備

Other Liabilities and Provisions

| | | 2016 HK\$ | 2015 HK\$ |
|-----------|-----------------------------|-------------------|-------------------|
| 租賃按金 | Rental deposits | 7,641,211 | 7,366,746 |
| 應付利息 | Accrued interest | 154,949 | 127,217 |
| 應付賬項及其他負債 | Accounts and other payables | 15,704,202 | 17,692,427 |
| | | <u>23,500,362</u> | <u>25,186,390</u> |

19 遞延所得稅

Deferred Income Tax

當有合法權利可將本期稅項資產與負債作出抵銷及當被徵收之遞延所得稅與同一財政機關有關時，遞延稅項資產及負債會互相抵銷。抵銷數額如下：

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

| | | 2016 HK\$ | 2015 HK\$ |
|-----------------|---|------------------|------------------|
| 遞延稅項資產： | Deferred tax assets： | | |
| - 於超過12個月後收回之資產 | - Deferred tax assets to be recovered after more than 12 months | (7,501,973) | (7,637,022) |
| 遞延稅項負債 | Deferred tax liabilities： | | |
| - 於超過12個月後支付之負債 | - Deferred tax liabilities to be incurred after more than 12 months | 12,500,075 | 12,560,286 |
| 遞延稅項負債淨額 | Net deferred tax liabilities | <u>4,998,102</u> | <u>4,923,264</u> |

遞延稅項賬戶內之變動如下：

The movement on the deferred tax account is as follows：

| | | 2016 HK\$ | 2015 HK\$ |
|------------------|---|------------------|------------------|
| 於1月1日 | At 1 January | 4,923,264 | 5,093,555 |
| 確認於綜合全面收益表內〔附註9〕 | Recognised in the consolidated statement of comprehensive income (Note 9) | 74,838 | (170,291) |
| 於12月31日 | At 31 December | <u>4,998,102</u> | <u>4,923,264</u> |

於年內未計入於同一稅務機關內結餘抵銷之遞延稅項資產及負債如下：

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows：

19 遞延所得稅(續)

Deferred Income Tax (Continued)

遞延稅項負債

Deferred tax liabilities

| | | 加速稅項折舊 Accelerated tax depreciation HK\$ | 公平價值盈餘 Fair value gains HK\$ | 總額 Total HK\$ |
|--------------|---|---|------------------------------------|---------------------|
| 於2015年1月1日 | At 1 January 2015 | 550,612 | 12,076,018 | 12,626,630 |
| 確認於綜合全面收益表內 | Recognised in the consolidated statement of comprehensive income | (23,980) | (42,364) | (66,344) |
| 於2015年12月31日 | At 31 December 2015 | 526,632 | 12,033,654 | 12,560,286 |
| 確認於綜合全面收益表內 | Recognised in the consolidated statement of comprehensive income | (46,129) | (14,082) | (60,211) |
| 於2016年12月31日 | At 31 December 2016 | 480,503 | 12,019,572 | 12,500,075 |

遞延稅項資產

Deferred tax assets

| | | 稅損 Tax losses HK\$ | 其他 Other HK\$ | 總額 Total HK\$ |
|--------------|---|--------------------------|---------------------|---------------------|
| 於2015年1月1日 | At 1 January 2015 | 7,398,597 | 134,478 | 7,533,075 |
| 確認於綜合全面收益表內 | Recognised in the consolidated statement of comprehensive income | 102,864 | 1,083 | 103,947 |
| 於2015年12月31日 | At 31 December 2015 | 7,501,461 | 135,561 | 7,637,022 |
| 確認於綜合全面收益表內 | Recognised in the consolidated statement of comprehensive income | (133,101) | (1,948) | (135,049) |
| 於2016年12月31日 | At 31 December 2016 | 7,368,360 | 133,613 | 7,501,973 |

遞延稅項資產就所結轉之稅損而
確認，惟只限於相關之稅項利益
有可能透過未來應課稅溢利抵銷
而於現時確認。

Deferred income tax assets are recognised for tax losses carry forwards to the extent that the realisation
of the related tax benefit through future taxable profits is probable.

20 股本

Share Capital

| | | 2016年12月31日 31 December 2016 | 2015年12月31日 31 December 2015 |
|-------------|---|---------------------------------|---------------------------------|
| | 股數 No. of Shares | HK\$ | 股數 No. of Shares HK\$ |
| 發行及實收普通股股本： | Ordinary shares issued and fully paid： | 310,000,000 310,000,000 | 310,000,000 310,000,000 |

21 儲備

2016

Reserves

2016

| | | 集團 Group | | | | | 總額 Total |
|------------------------------------|---|---|--|--|---|--|-------------|
| | | 其他物業 重估儲備 ¹ Other properties revaluation reserve ¹ HK\$ | 投資 重估儲備 ² Investment revaluation reserve ² HK\$ | 普通 儲備 ³ General reserve ³ HK\$ | 法定 儲備 ⁴ Regulatory reserve ⁴ HK\$ | 盈餘 滾存 Retained earnings HK\$ | |
| 於2016年1月1日 | At 1 January 2016 | 2,367,534 | 4,898,596 | 610,257 | 1,700,000 | 333,799,430 | 343,375,817 |
| 可出售投資重估盈餘 | Surplus on revaluation of available-for-sale investments | - | 1,275,672 | - | - | - | 1,275,672 |
| 因行址折舊而自重估儲備 轉入盈餘滾存 ⁵ | Transfer from revaluation reserve to retained earnings on depreciation of bank premises ⁵ | (64,092) | - | - | - | 64,092 | - |
| 轉入法定儲備 | Transfer to regulatory reserve | - | - | - | 100,000 | (100,000) | - |
| 本年度溢利 | Profit for the year | - | - | - | - | 6,859,354 | 6,859,354 |
| 因出售可出售投資而自投 資重估儲備轉入全面收益 表 | Transfer from investment revaluation reserve to statement of comprehensive income on disposal of available-for-sale investments | - | (1,005,424) | - | - | - | (1,005,424) |
| 於2016年12月31日 | At 31 December 2016 | 2,303,442 | 5,168,844 | 610,257 | 1,800,000 | 340,622,876 | 350,505,419 |
| 代表： | Representing : | | | | | | |
| 銀行與附屬公司 | Bank and subsidiaries | 2,303,442 | 5,168,844 | 610,257 | 1,800,000 | 340,622,876 | 350,505,419 |

¹其他物業重估儲備乃根據物業、裝置及設備之會計政策（附註2.11）所作出對行址於1995年9月30日前之重估而產生之賬面值增加。

¹The other properties revaluation reserve represents the increases in the carrying amount arising on revaluation of bank premises prior to 30 September 1995 as stated in the accounting policy for property, plant and equipment (Note 2.11).

²投資重估儲備乃根據財務資產會計政策（附註2.5）所定相對可出售投資於其被不確認或減值前之公平價值之累計淨變動。

²The investment revaluation reserve represents the cumulative net change in the fair value of available-for-sale investments until such financial assets are derecognised or impaired as stated in the accounting policy for financial assets (Note 2.5).

³普通儲備乃往年自盈餘滾存轉入之數額，並為可供派發。

³The general reserve comprises previous years' transfer from retained earnings and is distributable.

⁴法定儲備乃用作符合香港銀行業條例內有關金融監管之條款。儲備之變動直接記入盈餘滾存，並經與香港金融管理局商討。

⁴The 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 HKMA.

⁵此乃扣除物業實際折舊及按物業歷史成本計算之相應折舊兩者差額之遞延稅項港幣12,665元（2015年：港幣12,665元）。

⁵This is net of deferred taxation on the difference between the actual depreciation on premises and depreciation based on the historical cost of the premises of HK\$12,665 (2015 : HK\$12,665).

21 儲備(續)

Reserves (Continued)

| 2015 | 2015 | 集團 Group | | | | | |
|------------------------------------|--|---|--|--|---|--|---------------------|
| | | 其他物業 重估儲備 ¹ Other properties revaluation reserve ¹ HK\$ | 投資 重估儲備 ² Investment revaluation reserve ² HK\$ | 普通 儲備 ³ General reserve ³ HK\$ | 法定 儲備 ⁴ Regulatory reserve ⁴ HK\$ | 盈餘 滾存 Retained earnings HK\$ | 總額 Total HK\$ |
| 於2015年1月1日 | At 1 January 2015 | 2,431,625 | 7,086,801 | 610,257 | 1,500,000 | 309,268,851 | 320,897,534 |
| 可出售投資重估虧損 | Deficit on revaluation of available-for-sale investments | - | (2,188,205) | - | - | - | (2,188,205) |
| 因行址折舊而自重估儲 備轉入盈餘滾存 ⁵ | Transfer from revaluation reserve to retained earnings on depreciation of bank premises ⁵ | (64,091) | - | - | - | 64,091 | - |
| 轉入法定儲備 | Transfer to regulatory reserve | - | - | - | 200,000 | (200,000) | - |
| 本年度溢利 | Profit for the year | - | - | - | - | 24,666,488 | 24,666,488 |
| 於2015年12月31日 | At 31 December 2015 | 2,367,534 | 4,898,596 | 610,257 | 1,700,000 | 333,799,430 | 343,375,817 |
| 代表： | Representing : | | | | | | |
| 銀行與附屬公司 | Bank and subsidiaries | 2,367,534 | 4,898,596 | 610,257 | 1,700,000 | 333,799,430 | 343,375,817 |

¹其他物業重估儲備乃根據物業，裝置及設備之會計政策（附註2.11）所作出對行址於1995年9月30日前之重估而產生之賬面值增加。

¹The other properties revaluation reserve represents the increases in the carrying amount arising on revaluation of bank premises prior to 30 September 1995 as stated in the accounting policy for property, plant and equipment (Note 2.11).

²投資重估儲備乃根據財務資產會計政策（附註2.5）所定相對可出售投資於其被不確認或減值前之公平價值之累計淨變動。

²The investment revaluation reserve represents the cumulative net change in the fair value of available-for-sale investments until such financial assets are derecognised or impaired as stated in the accounting policy for financial assets (Note 2.5).

³普通儲備乃往年自盈餘滾存轉入之數額，並為可供派發。

³The general reserve comprises previous years' transfer from retained earnings and is distributable.

⁴法定儲備乃用作符合香港銀行業條例內有關金融監管之條款。儲備之變動直接記入盈餘滾存，並經與香港金融管理局商討。

⁴The 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 HKMA.

⁵此乃扣除物業實際折舊及按物業歷史成本計算之相應折舊兩者差額之遞延稅項港幣12,665元（2015年：港幣12,665元）。

⁵This is net of deferred taxation on the difference between the actual depreciation on premises and depreciation based on the historical cost of the premises of HK\$12,665 (2015: HK\$12,665).

(甲) 經營溢利與經營業務之現金流入淨額對賬表

(a) Reconciliation of operating profit to net cash inflow from operating activities

| | | 2016 HK\$ | 2015 HK\$ |
|---------------------|--|-------------------|---------------------|
| 經營溢利 | Operating profit | 3,146,308 | 1,794,591 |
| 可出售投資之股息收入 | Dividend income from available-for-sale investments | (1,463,391) | (1,469,584) |
| 折舊 | Depreciation | 822,004 | 928,641 |
| 應計利息及其他賬項之(增加)/減少 | (Increase) / decrease in accrued interest and other accounts | (5,692,214) | 83,100 |
| 其他負債及準備之減少 | Decrease in other liabilities and provisions | (1,686,028) | (11,831,050) |
| 客戶放款之減少/(增加) | Decrease / (increase) in advances to customers | 5,463,046 | (19,112,948) |
| 客戶存款之增加 | Increase in deposits from customers | 41,391,624 | 48,231,672 |
| 原到期日超過3個月之拆放同業款項之增加 | Increase in placements with banks with original maturity over 3 months | (14,813,634) | (100,025,608) |
| 已付所得稅 | Income tax paid | (401,998) | - |
| 經營活動之現金流入/(流出)淨額 | Net cash inflow / (outflow) from operating activities | <u>26,765,717</u> | <u>(81,401,186)</u> |
| 經營活動之現金流量包括:- | Cash flows from operating activities included:- | | |
| - 已收利息 | - Interest received | 9,216,982 | 7,993,075 |
| - 已支利息 | - Interest paid | 639,754 | 641,119 |

(乙) 現金及等同現金項目結餘之分析

(b) Analysis of the balances of cash and cash equivalents

相對於現金流量表，現金及等同現金項目包括以下由開始日起少於3個月內到期之結餘。

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances with less than three months' maturity from the date of acquisition.

| | | 2016 HK\$ | 2015 HK\$ |
|-------------------|--|--------------------|--------------------|
| 庫存現金(附註10) | Cash in hand (Note 10) | 2,748,597 | 2,994,672 |
| 存放同業及中央銀行款項(附註10) | Balances with banks and central bank (Note 10) | 541,073,943 | 593,040,735 |
| 拆放同業，原到期日於3個月內 | Placements with banks with original maturity within 3 months | 304,722,120 | 223,318,493 |
| | | <u>848,544,660</u> | <u>819,353,900</u> |

23 董事之利益及權益(香港公司條例(Cap.622)第383條及公司(有關董事利益資料披露)條例(Cap.622G)所規定之披露)

Benefits and Interests of Directors (Disclosures Required by Section 383 of the Hong Kong Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G)

(甲) 董事酬金及退休福利

(a) Directors' emoluments and retirement benefits

| | | 2016 HK\$ | 2015 HK\$ |
|---|--|--------------|--------------|
| 於是年度內付與銀行董事或其應收取有關其提供董事服務之酬金總額如下： | The aggregate amounts of emoluments paid to or receivable by directors of the Bank during the year in respect of their services as directors were as follows: | | |
| 袍金 | Fees | 384,000 | 384,000 |
| 於是年度內付與銀行董事或其應收取有關其提供銀行或其附屬公司之業務管理服務之酬金及退休福利總額如下： | The aggregate amounts of emoluments and retirement benefits paid to or receivable by directors of the Bank during the year in respect of their services in connection with the management of the affairs of the Bank or its subsidiary undertakings were as follows: | | |
| 薪金 | Salary | 1,462,620 | 1,411,020 |
| 付與退休計劃之僱主供款 | Employer's Contribution to Retirement Scheme | 73,335 | 70,701 |
| | | 1,535,955 | 1,481,721 |
| | | 1,919,955 | 1,865,721 |

(乙) 給與董事及由董事控制企業之貸款

(b) Loans to directors and controlled body corporates by directors

給與董事及由董事控制企業之貸款如下：

Particulars of loans made to directors and controlled body corporates by directors are as follows:

| | | 2016 HK\$ | 2015 HK\$ |
|--------------|--|--------------|--------------|
| 於年末時貸款之總餘額 | Aggregate amount of loans outstanding at the end of the year | 6,702,833 | 4,309,606 |
| 於本年度內貸款之最高總額 | Maximum aggregate amount of loans during the year | 7,941,423 | 8,818,568 |

所有給與董事及由董事控制之企業貸款，其貸款額不會多於及其借貸條件不會較一般有相同財政地位但與銀行沒有關連之貸款人為優厚。

All loans to directors and controlled body corporates by directors are granted on values not greater and on term not more favourable than to borrowers of the same financial standing but unconnected with the Bank.

24 與有關連人士之交易

本銀行於一貫業務運作期間與有關連人士進行銀行業務交易，此包括提供信貸融資及接受存款。該等存款及信貸之利率乃依照一般給予其他同樣等級客戶之細則及情況所釐定。

以下為與有關連人士即重要管理層，其中包括董事、其親人及其控制或附重大影響力之公司所進行之重大交易。此等交易乃於附註23所顯示之交易以外及於集團一貫業務中進行：

貸款

本年度之平均餘額
於年結時之餘額
利息收入

於本年對有關連人士之貸款均有物業，上市公司股票及存款作抵押。於2016年12月31日該等作抵押之物業，上市公司股票及存款之公平價值分別為港幣347,800,000，港幣12,967,900元及港幣0元（2015年：港幣337,900,000元，港幣9,957,080元及港幣1,000,000元）。對於有關連人士之貸款並無撥存準備（2015年：無）。

存款

本年度之平均餘額
於年結時之餘額
利息支出

或有負債及承擔合約數額

直接信貸代替品
與貿易有關之或有負債
其他承擔，原到期日為1年內或可無條件取消者

物業管理費收入（附註（i））

物業租金收入（附註（ii））

附註：

- (i) 物業管理費收入乃按集團所管理之物業並以實際支出方式而收取及向董事所控制之公司出租物業而按市價所收取之管理費。
- (ii) 物業租金收入乃按市價向董事所控制之公司出租物業而收取。

Related-Party Transactions

A number of banking transactions were entered into with related parties in the normal course of business. These include the extension of credit facilities and deposit taking. For deposits taken and credit facilities extended, the interest rates charged are under terms and conditions that would normally apply to customers of comparable standing.

The following is a summary of significant related party transactions entered into with key management which include directors, relatives and companies controlled or significantly influenced by them in addition to those disclosed in note 23, which were carried out in the normal course of the Group's business :

| | 2016 HK\$ | 2015 HK\$ |
|---------------------------------|--------------|--------------|
| Loans | | |
| Average balance during the year | 80,398,334 | 74,553,978 |
| Outstanding as at end of year | 88,958,907 | 79,855,489 |
| Interest income | 4,067,571 | 3,730,681 |

The loans granted to related parties during the year are collateralised by properties, shares in listed companies and deposits. The fair value of these mortgaged properties, shares in listed companies and pledged deposits as at 31 December 2016 were HK\$347,800,000, HK\$12,967,900 and HK\$Nil (2015: HK\$337,900,000, HK\$9,957,080 and HK\$1,000,000) respectively. No provisions have been made in respect of loans advanced to related parties (2015: Nil).

| | 2016 HK\$ | 2015 HK\$ |
|--|--------------|--------------|
| Deposits | | |
| Average balance during the year | 962,891,236 | 888,739,014 |
| Outstanding as at end of year | 977,282,134 | 928,766,852 |
| Interest expense | 666,062 | 608,395 |
| Contingent liabilities and commitments contract amount | | |
| Direct credit substitutes | 4,000,000 | 4,996,000 |
| Trade-related contingencies | 1,143,348 | 2,885,693 |
| Other commitments with an original maturity of under 1 year or which are unconditionally cancellable | 5,628,213 | 10,183,358 |
| Property management fee income (note (i)) | 680,395 | 669,821 |
| Property rental income (note (ii)) | 4,765,530 | 4,969,648 |

Notes :

- (i) Property management fee income included fee income charged on the property managed by the Group on an actual costs incurred basis and management fee charged on an arm's length basis for premises leased to companies controlled by directors.
- (ii) Property rental income was charged on an arm's length basis for premises leased to companies controlled by directors.

25 或有負債及承擔

(甲) 信貸風險

以下為每項重大類別之或有負債及承擔之合約數額及其合計之信貸風險加權數額概要：

合約數額

直接信貸代替品

與貿易有關之或有負債

其他承擔，原到期日為1年內或可無條件取消者

信貸風險加權數額

Contingent Liabilities and Commitments

(a) Credit commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitment, and the aggregate credit risk weighted amount :

| | 2016 HK\$ | 2015 HK\$ |
|--|--------------|--------------|
| Contract amount | | |
| Direct credit substitutes | 4,000,000 | 4,996,000 |
| Trade-related contingencies | 1,143,348 | 2,885,693 |
| Other commitments with an original maturity of under 1 year or which are unconditionally cancellable | 5,641,898 | 10,236,274 |
| | 10,785,246 | 18,117,967 |
| Credit risk weighted amount | 4,228,670 | 5,573,139 |

(乙) 營運租賃承擔 - 集團作為出租者

集團與承租人訂立不能取消之營運租賃合約得以收取以下之未來最低租賃：

土地及樓宇

- 少於1年

- 1年後但少於5年

(b) Operating lease commitments - the Group as lessor

The Group has contracted with tenants for the following future minimum lease receivables under non-cancellable operating leases:

| | 2016 HK\$ | 2015 HK\$ |
|---|--------------|--------------|
| Land and buildings | | |
| - not later than one year | 4,716,362 | 8,810,917 |
| - later than one year but not later than five years | 1,671,145 | 2,509,800 |
| | 6,387,507 | 11,320,717 |

集團以營運租賃安排出租其投資物業(附註16)，而租賃期大致上為1至3年。租賃之條款一般要求承租人支付保障按金並按現行市場情況對租金作出定期調整。此等租賃並無或有租金。

The Group leases out investment properties (Note 16) under operating lease arrangements, with leases typically for a period from one to three years. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions. None of the leases includes contingent rentals.

26 銀行於2016年12月31日結算
之財務狀況表

Statement of Financial Position of the Bank as at 31 December 2016

| | | 附註 Note | 2016年12月31日 31 December 2016 HK\$ | 2015年12月31日 31 December 2015 HK\$ |
|------------------------|--|---|---|---|
| 資產 | Assets | | | |
| 庫存現金及存放同業款項 | Cash and balances with banks | | 713,822,540 | 716,811,170 |
| 定期拆放同業款項於1至12個月內到期 | Placements with banks maturing between one and twelve months | | 427,191,024 | 380,198,000 |
| 客戶放款及其他賬項 | Loans and advances to customers and other accounts | | 168,128,804 | 167,899,666 |
| 可出售投資 | Available-for-sale investments | | 39,154,685 | 38,894,166 |
| 在附屬公司之投資 | Investments in subsidiaries | 14 | 42,710,002 | 42,710,002 |
| 物業，裝置及設備 | Property, plant and equipment | | 72,877,708 | 73,663,581 |
| 投資物業 | Investment properties | | 234,000,000 | 231,500,000 |
| 資產合計 | Total Assets | | 1,697,884,763 | 1,651,676,585 |
| 負債 | Liabilities | | | |
| 存款 | Deposits from | | | |
| -附屬公司 | - Subsidiaries | | 3,651,486 | 2,736,288 |
| -其他客戶 | - Other customers | | 1,016,930,337 | 975,538,713 |
| 其他負債及準備 | Other liabilities and provisions | | 22,554,516 | 24,353,851 |
| 遞延稅項負債 | Deferred tax liabilities | | 4,998,102 | 4,923,264 |
| 負債合計 | Total Liabilities | | 1,048,134,441 | 1,007,552,116 |
| 權益 | Equity | | | |
| 股本 | Share capital | | 310,000,000 | 310,000,000 |
| 儲備 | Reserves | 27 | 339,750,322 | 334,124,469 |
| 權益合計 | Total Equity | | 649,750,322 | 644,124,469 |
| 董事會於2017年3月29日核准及授權發佈。 | | Approved and authorised for issue by the Board of Directors on 29 March 2017. | | |
| 董事 | 馬清煜 | MA CHING YUK |) | Directors |
| | 馬清權 | MA CHING KUEN, ALFRED |) | |
| | 馬清揚 | MA CHING YEUNG, PHILIP |) | |
| 總經理 | 馬清鏗 | MA CHING HANG, PATRICK | General Manager | |
| 權益及負債合計 | Total Equity and Liabilities | | 1,697,884,763 | 1,651,676,585 |

27 銀行之儲備

Reserves of the Bank

2016

2016

| | | 銀行 Bank | | | | | 總額 Total |
|------------------------------------|---|---|--|--|---|--|-------------|
| | | 其他物業 重估儲備 ¹ Other properties revaluation reserve ¹ HK\$ | 投資 重估儲備 ² Investment revaluation reserve ² HK\$ | 普通 儲備 ³ General reserve ³ HK\$ | 法定 儲備 ⁴ Regulatory reserve ⁴ HK\$ | 盈餘 滾存 Retained earnings HK\$ | |
| 於2016年1月1日 | At 1 January 2016 | 2,367,534 | 4,898,596 | 610,257 | 1,700,000 | 324,548,082 | 334,124,469 |
| 可出售投資重估盈餘 | Surplus on revaluation of available-for-sale investments | - | 1,275,672 | - | - | - | 1,275,672 |
| 因行址折舊而自重估儲 備轉入盈餘滾存 ⁵ | Transfer from revaluation reserve to retained earnings on depreciation of bank premises ⁵ | (64,092) | - | - | - | 64,092 | - |
| 轉入法定儲備 | Transfer to regulatory reserve | - | - | - | 100,000 | (100,000) | - |
| 本年度溢利 | Profit for the year | - | - | - | - | 5,355,605 | 5,355,605 |
| 因出售可出售投資而自 投資重估儲備轉入全面 收益表 | Transfer from investment revaluation reserve to statement of comprehensive income on disposal of available-for-sale investments | - | (1,005,424) | - | - | - | (1,005,424) |
| 於2016年12月31日 | At 31 December 2016 | 2,303,442 | 5,168,844 | 610,257 | 1,800,000 | 329,867,779 | 339,750,322 |

¹其他物業重估儲備乃根據物業，裝置及設備之會計政策（附註2.11）所作出對行址於1995年9月30日前之重估而產生之賬面值增加。

¹The other properties revaluation reserve represents the increases in the carrying amount arising on revaluation of bank premises prior to 30 September 1995 as stated in the accounting policy for property, plant and equipment (Note 2.11).

²投資重估儲備乃根據財務資產會計政策（附註2.5）所定相對可出售投資於其被不確認或減值前之公平價值之累計淨變動。

²The investment revaluation reserve represents the cumulative net change in the fair value of available-for-sale investments until such financial assets are derecognised or impaired as stated in the accounting policy for financial assets (Note 2.5).

³普通儲備乃往年自盈餘滾存轉入之數額，並為可供派發。

³The general reserve comprises previous years' transfer from retained earnings and is distributable.

⁴法定儲備乃用作符合香港銀行業條例內有關金融監管之條款。儲備之變動直接記入盈餘滾存，並經與香港金融管理局商討。

⁴The 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 HKMA.

⁵此乃扣除物業實際折舊及按物業歷史成本計算之相應折舊兩者差額之遞延稅項港幣12,665元(2015年：港幣12,665元)。

⁵This is net of deferred taxation on the difference between the actual depreciation on premises and depreciation based on the historical cost of the premises of HK\$12,665 (2015 : HK\$12,665).

27 銀行之儲備(續)

2015

Reserves of the Bank (Continued)

2015

| | | 銀行 Bank | | | | | 總額 Total |
|------------------------------------|--|---|--|--|---|--|-------------|
| | | 其他物業 重估儲備 ¹ Other properties revaluation reserve ¹ HK\$ | 投資 重估儲備 ² Investment revaluation reserve ² HK\$ | 普通 儲備 ³ General reserve ³ HK\$ | 法定 儲備 ⁴ Regulatory reserve ⁴ HK\$ | 盈餘 滾存 Retained earnings HK\$ | |
| 於2015年1月1日 | At 1 January 2015 | 2,431,625 | 7,086,801 | 610,257 | 1,500,000 | 305,098,837 | 316,727,520 |
| 可出售投資重估虧損 | Deficit on revaluation of available-for-sale investments | - | (2,188,205) | - | - | - | (2,188,205) |
| 因行址折舊而自重估儲 備轉入盈餘滾存 ⁵ | Transfer from revaluation reserve to retained earnings on depreciation of bank premises ⁵ | (64,091) | - | - | - | 64,091 | - |
| 轉入法定儲備 | Transfer to regulatory reserve | - | - | - | 200,000 | (200,000) | - |
| 本年度溢利 | Profit for the year | - | - | - | - | 19,585,154 | 19,585,154 |
| 於2015年12月31日 | At 31 December 2015 | 2,367,534 | 4,898,596 | 610,257 | 1,700,000 | 324,548,082 | 334,124,469 |

¹其他物業重估儲備乃根據物業，裝置及設備之會計政策（附註2.11）所作出對行址於1995年9月30日之前之重估而產生之賬面值增加。

¹The other properties revaluation reserve represents the increases in the carrying amount arising on revaluation of bank premises prior to 30 September 1995 as stated in the accounting policy for property, plant and equipment (Note 2.11).

²投資重估儲備乃根據財務資產會計政策（附註2.5）所定相對可出售投資於其被不確認或減值前之公平價值之累計淨變動。

²The investment revaluation reserve represents the cumulative net change in the fair value of available-for-sale investments until such financial assets are derecognised or impaired as stated in the accounting policy for financial assets (Note 2.5).

³普通儲備乃往年自盈餘滾存轉入之數額，並為可供派發。

³The general reserve comprises previous years' transfer from retained earnings and is distributable.

⁴法定儲備乃用作符合香港銀行業條例內有關金融監管之條款。儲備之變動直接記入盈餘滾存，並經與香港金融管理局商討。

⁴The 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 HKMA.

⁵此乃扣除物業實際折舊及按物業歷史成本計算之相應折舊兩者差額之遞延稅項港幣12,665元（2015年：港幣12,665元）。

⁵This is net of deferred taxation on the difference between the actual depreciation on premises and depreciation based on the historical cost of the premises of HK\$12,665 (2015: HK\$12,665).

下列披露資料乃財務報表之附屬資料而不構成財務報表之部份。

The following information is disclosed as part of the accompanying information to the financial statements and does not form part of the financial statements.

1 流動資金比率

Liquidity Ratio

流動資金維持比率

Liquidity maintenance ratio

2016

83.65%

2015

流動資金維持比率

Liquidity maintenance ratio

86.02%

流動資金維持比率乃根據銀行業（披露）規則所運算為本銀行於財政年度內12個月之每月平均流動資金維持比率而計算之簡單平均數。

The liquidity maintenance ratio is calculated as the simple average of each calendar month's average liquidity maintenance ratio for the twelve months of the financial year of the Bank computed in accordance with the Banking (Disclosure) Rules.

2 國內非銀行同業之風險承擔

Non-Bank Mainland Exposures

集團於2016年12月31日並無國內非銀行同業之風險承擔（2015年：無）。

The Group did not have any non-bank Mainland exposures as at 31 December 2016 (2015 : Nil).

3 貨幣風險分佈

Currency Concentrations

美元淨盤與人民幣淨盤分別佔所有外幣淨盤總額超過10%，現報告如下：

The US dollar net position and the RMB net position, each constitutes more than 10% of the total net position in all foreign currencies respectively, are reported as follows :

| | | 銀行 Bank | |
|-------|---------------------------------|------------------|------------------|
| | | 2016 HK\$'000 | 2015 HK\$'000 |
| 美元盤： | US Dollar Position: | | |
| 港元等值 | Equivalent in Hong Kong dollars | | |
| 現貨資產 | Spot assets | 27,423 | 31,208 |
| 現貨負債 | Spot liabilities | (26,450) | (30,468) |
| 長盤淨額 | Net long position | 973 | 740 |
| | | | |
| | | 銀行 Bank | |
| | | 2016 HK\$'000 | 2015 HK\$'000 |
| 人民幣盤： | RMB Position: | | |
| 港元等值 | Equivalent in Hong Kong dollars | | |
| 現貨資產 | Spot assets | 536 | 618 |
| 現貨負債 | Spot liabilities | (243) | (364) |
| 長盤淨額 | Net long position | 293 | 254 |

4 客戶放款

按貸款用途分類之貸款毛額

Loans and Advances to Customers

Gross advances to customers by loan usage

| | | 2016 | | 2015 | |
|--|--|---|---|---|---|
| | | 有抵押/ 其他擔保 之數額 Amount | 有抵押/ 其他擔保 之數額 Amount | 有抵押/ 其他擔保 之數額 Amount | 有抵押/ 其他擔保 之數額 Amount |
| 貸款毛額 | 貸款毛額 | covered by collateral/ other security | covered by collateral/ other security | covered by collateral/ other security | covered by collateral/ other security |
| Gross advances | Gross advances | | | | |
| HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| 在香港使用之貸款 | Loans for use in Hong Kong | | | | |
| 工商金融 | Industrial, commercial and financial | | | | |
| -物業投資 | -property investment | 66,248,799 | 66,248,799 | 77,223,076 | 77,223,076 |
| 股票經紀 | Stockbrokers | 2,588,712 | 2,588,712 | 2,349,361 | 2,349,361 |
| 個人 | Individuals | | | | |
| -購買除「居者有其屋計劃」、 「私人參與興建居屋計劃」 與「租者置其屋計劃」樓宇 以外之住宅物業之貸款 | -loans for the purchase of residential properties other than flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme | 8,541,722 | 8,541,722 | 11,184,299 | 11,184,299 |
| -其他 | -others | 2,017,317 | 2,017,317 | 247,084 | 247,084 |
| 貿易融資 | Trade finance | 1,454,972 | 1,454,972 | 1,789,915 | 1,789,915 |
| 投資公司 | Investment companies | 79,699,466 | 79,699,466 | 73,220,299 | 73,220,299 |
| | | 160,550,988 | 160,550,988 | 166,014,034 | 166,014,034 |

5 分項資料

(i) 商業活動

集團之業務主要於香港經營，主要業務分為兩大類：提供商業銀行服務及物業投資。其商業銀行服務包括存款、放款、商貿貸款、外匯買賣及提供其他信貸融資。物業投資指持有作出用途之各項商用物業之權益。

於2016年12月31日，商業銀行及物業投資業務分別佔港幣1,421,242,949元及港幣284,700,000元之集團運作資產（2015年：港幣1,377,532,843元及港幣281,800,000元）。而於2016年12月31日止年度內，商業銀行及物業投資業務對集團經營收入之貢獻分別為港幣15,036,038元及港幣8,249,399元（2015年：分別為港幣13,065,651元及港幣7,966,284元）。

(ii) 以地域分類之過期及減值貸款

集團於2016年12月31日並無過期或減值貸款（2015年：無）。

Segmental Information

(i) Business activities

The Group operates predominantly in Hong Kong and in two classes of business - commercial banking and property investment. The commercial banking business includes, inter alia, acceptance of deposit from customers and the provision of lending, trade financing, foreign exchange, and other credit facilities to customers. Property investment represents interests in various commercial properties held for rental purposes.

At 31 December 2016, commercial banking and property investment accounted for HK\$1,421,242,949 and HK\$284,700,000 of the Group's operating assets respectively (2015: HK\$1,377,532,843 and HK\$281,800,000). For the year ended 31 December 2016, contributions to the Group's operating income from commercial banking and property investment, were HK\$15,036,038 and HK\$8,249,399 respectively (2015: HK\$13,065,651 and HK\$7,966,284 respectively).

(ii) Overdue and impaired loans by geographical area

As at 31 December 2016, the Group has no overdue or impaired loans (2015: Nil).

5 分項資料(續)

(iii) 國際債權

於12月31日之國際債權資料披露對最終風險所在之外國交易對手之風險承擔，並按計入風險轉移後交易對手之所在地而計算出。

| | |
|----------|-------------------------------------|
| 亞太區，香港除外 | Asia Pacific excluding Hong Kong |
| 歐洲 | Europe |

Segmental Information (Continued)

(iii) International claims

The information as at 31 December 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 transfer of risk.

| 2016 | | 2015 | |
|----------|----------|----------|----------|
| 銀行同業 | 總額 | 銀行同業 | 總額 |
| Banks | Total | Banks | Total |
| HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 377,191 | 377,191 | 345,000 | 345,000 |
| 50,000 | 50,000 | 6,000 | 6,000 |
| 427,191 | 427,191 | 351,000 | 351,000 |

6 企業管治

董事局為監控集團之運作及財政穩健情況，已成立5個用以處理需詳細檢討或深入研究事項之專責委員會：執行委員會、貸款委員會、資產及負債委員會、監核委員會及薪酬委員會。監核委員會與薪酬委員會分別由獨立非執行董事之董事組成，而其他委員會則由董事總經理及由董事局提名之其他董事及高級行政人員所組成。

執行委員會處理從業務及運作方面產生之重大事情。它主要能省卻董事會於對資料及運作活動作出詳細檢查之需要，並協調其他董事委員會之工作。貸款委員會在處理其一貫審批貸款申請及作出貸款決定之工序外，亦擔當起監管集團放款組合質素之重要責任。資產及負債委員會監察集團關於利率風險、匯率風險及流動資金風險之運作，特別是確保集團有足夠資金履行其承擔。監核委員會透過與集團之內部及外部核數師緊密合作，協助董事局對集團財務報告過程及內部監控系統之有效性作出獨立評估。薪酬委員會制定集團給與高級管理層及主要員工薪酬之政策及監控其正確運作。

集團於各重大方面已遵從由香港金融管理局所發出之監管政策手冊「本地註冊認可機構之企業管治」內之規定。

7 資本結構及充足情況

2016年12月31日及2015年12月31日之資本充足比率乃根據自2014年1月1日開始生效之銀行業(資本)規則計算，並代表根據銀行業(資本)規則第3(1)條所計算出銀行之綜合比率。

Corporate Governance

In monitoring the operations and the financial soundness of the Group, the Board has established five specialised committees for handling matters which require detailed review or in-depth consideration, namely, the Executive Committee, Credit Committee, Asset and Liability Committee ("ALCO"), Audit Committee and Remuneration Committee. The Audit Committee and the Remuneration Committee are, respectively, made up of directors who are independent non-executive directors. Other committees are comprised of Director & General Manager and other directors and senior executives of the Bank as appointed by the Board.

The Executive Committee handles major matters arising from business and operational activities. It relieves the full Board from the needs to carry out detailed review of information and operational activities and also co-ordinates the work of other Board committees. The Credit Committee, in addition to its usual role in evaluating credit applications and making credit decisions, also serves the vital role of monitoring the loan portfolio quality of the Group. The ALCO oversees the Group's operations relating to interest rate risk, exchange rate risk and liquidity risk. In particular, ALCO ensures that the Group has adequate funds to meet its obligations. The Audit Committee assists the Board in providing independent review of the effectiveness of the financial reporting process and internal control systems of the Group by working closely with the Group's internal and external auditors. The Remuneration Committee establishes policies on the Group's remuneration paid to senior management and key personnel and monitors their proper implementation.

The Group has complied with the requirements set out in the Supervisory Policy Manual entitled "Corporate Governance of Locally Incorporated Authorized Institutions" issued by the Hong Kong Monetary Authority in all material aspects.

Capital Structure and Adequacy

The calculation of the capital adequacy ratio as at 31 December 2016 and 31 December 2015 is based on the Banking (Capital) Rules ("BCR") effective from 1 January 2014. The capital adequacy ratio represents consolidated ratio of the Bank computed in accordance with section 3(1) of the BCR.

7 資本結構及充足情況(續)

Capital Structure and Adequacy (Continued)

以下之表格分別列示於2016年12月31日以會計綜合方法及以監管報告方法之資產負債表。

The table below presents the balance sheets based on the accounting scope of consolidation and the regulatory reporting scope respectively as at 31 December 2016.

| | | 出版之財務披露表 內之綜合財務狀況表 Consolidated Statement of Financial Position as in published financial disclosure statement | 監管下之綜合方 法-銀行之財務狀 況表 Under regulatory scope of consolidation - Bank's Statement of Financial Position | 至資本組成部 分定義之對照 Cross- referenced to Definition of Capital Components |
|------------------------------|---|---|--|---|
| | | HKS'000 | HKS'000 | |
| 資產 | Assets | | | |
| 庫存現金及存放同業款項 | Cash and balances with banks | 713,822 | 713,822 | |
| 定期拆放同業款項於1至12個月內到期 | Placements with banks maturing between one and twelve months | 427,191 | 427,191 | |
| 客戶放款及其他賬項 | Loans and advances to customers and other accounts | 168,195 | 168,195 | |
| 可出售投資 | Available-for-sale investments | 39,155 | 39,155 | |
| 在附屬公司之投資 | Investments in subsidiaries | - | 10 | |
| 物業，裝置及設備 | Property, plant and equipment | 72,878 | 72,878 | |
| 投資物業 | Investment properties | 284,700 | 284,700 | |
| 能收回之稅款 | Tax recoverable | 2 | - | |
| 資產合計 | Total assets | 1,705,943 | 1,705,951 | |
| 負債 | Liabilities | | | |
| 客戶存款 | Deposits from customers | 1,016,930 | 1,017,553 | |
| 其他負債及準備 | Other liabilities and provisions | 23,501 | 23,137 | |
| 本期稅項負債 | Current tax liabilities | 9 | 9 | |
| 遞延所得稅 | Deferred tax liabilities | 4,998 | 4,998 | |
| 負債合計 | Total liabilities | 1,045,438 | 1,045,697 | |
| 股東權益 | Shareholders' Equity | | | |
| 實收股本 | Paid-in share capital | 310,000 | 310,000 | |
| 其中包括：實收現金或從已確認之物業重估溢利轉為資本之股本 | of which: share capital paid up in cash and capitalized from realized revaluation gains of properties | | 264,987 | (1) |
| 從未確認之物業重估溢利轉為資本之股本 | share capital capitalized from unrealized revaluation gains of properties | | 45,013 | (2) |
| 其他物業重估儲備 | Other properties revaluation reserve | 2,303 | 2,303 | (3) |
| 投資重估儲備 | Investment revaluation reserve | 5,169 | 5,169 | (4) |
| 普通儲備 | General reserve | 610 | 610 | (5) |
| 法定儲備 | Regulatory reserve | 1,800 | 1,800 | (6) |
| 盈餘滾存 | Retained earnings | 340,623 | 340,372 | (7) |
| 其中包括：未出售之投資物業重估溢利 | of which: unrealized revaluation gains of investment properties | | 233,105 | (8) |
| 其他盈餘滾存及溢利 | other retained earnings and profits | | 107,267 | |
| 股東權益合計 | Total shareholders' equity | 660,505 | 660,254 | |
| 負債及股東權益合計 | Total liabilities and shareholders' equity | 1,705,943 | 1,705,951 | |

7 資本結構及充足情況(續)

以下之表格顯示於2016年12月31日自根據監管報告方法所編製之資產負債表內資本組成部分至資本披露模版之對賬表。

Capital Structure and Adequacy (Continued)

The table below shows the reconciliation of the capital components from balance sheet based on regulatory reporting scope to the Capital Disclosure Template as at 31 December 2016.

| | | 銀行已報告之監管資本組成部分 Component of regulatory capital reported by the Bank | 至以上銀行之財務狀況表之對照 Cross-referenced to Bank's Statement of Financial Position above |
|---|---|--|--|
| | | HKS'000 | |
| CET1資本：票據及儲備 | CET1 capital : instruments and reserves | | |
| 直接發行的合資格CET1資本票據加任何相關的股份溢價 | Directly issued qualifying CET1 capital instruments plus any related share premium | 264,987 | (1) |
| 保留溢利 | Retained earnings | 340,372 | (7) |
| 已披露的儲備 | Disclosed reserves | 9,882 | (3)+(4)+(5)+(6) |
| 監管扣減之前的CET1資本 | CET1 capital before regulatory deductions | 615,241 | |
| | | | |
| CET1資本：監管扣減 | CET1 capital : regulatory deductions | | |
| 適用於CET1資本的司法管轄區特定監管調整 | National specific regulatory adjustments applied to CET1 capital | 237,208 | |
| 因土地及建築物(自用及投資用途)進行價值重估而產生的累積公平價值收益 | Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) | 235,408 | (3)+(8) |
| 一般銀行業務風險監管儲備 | Regulatory reserve for general banking risks | 1,800 | (6) |
| 對CET1資本的監管扣減總額 | Total regulatory deductions to CET1 capital | 237,208 | |
| CET1 資本 | CET1 capital | 378,033 | |
| | | | |
| AT1資本：票據 | AT1 capital : instruments | | |
| 監管扣減之前的AT1資本 | AT1 capital before regulatory deductions | - | |
| | | | |
| AT1資本：監管扣減 | AT1 capital : regulatory deductions | | |
| 對AT1資本的監管扣減總額 | Total regulatory deductions to AT1 capital | - | |
| AT1資本 | AT1 capital | - | |
| 一級資本(一級資本 = CET1 + AT1) | Tier 1 capital (Tier 1 = CET1 + AT1) | 378,033 | |
| | | | |
| 二級資本：票據及準備金 | T2 capital : instruments and provisions | | |
| 合資格計入二級資本的集體減值備抵及一般銀行風險監管儲備 | Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital | 1,800 | (6) |
| 監管扣減之前的二級資本 | Tier 2 capital before regulatory deductions | 1,800 | |
| | | | |
| 二級資本：監管扣減 | Tier 2 capital : regulatory deductions | | |
| 適用於二級資本的司法管轄區特定監管調整 | National specific regulatory adjustments applied to Tier 2 capital | (126,189) | |
| 加回合資格計入二級資本的因對土地及建築物(自用及投資用途)進行價值重估而產生的累積公平價值收益 | Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital | (126,189) | [(2)+(3)+(8)]*45% |
| 對二級資本的監管扣減總額 | Total regulatory deductions to Tier 2 capital | (126,189) | |
| 二級資本 | Tier 2 capital | 127,989 | |
| 總資本(總資本 = 一級資本+二級資本) | Total capital (Total capital = Tier 1 + Tier2) | 506,022 | |

7 資本結構及充足情況(續)

Capital Structure and Adequacy (Continued)

銀行已根據銀行業(資本)規則進行全部資本扣減。於2016年12月31日之資本披露模版以港幣千元為單位，列示如下。

The Bank has already applied full capital deductions under the BCR. The Capital Disclosures Template as at 31 December 2016 is shown below, which is presented in HK\$'000.

| 2016年12月31日之資本披露模版 | | Capital Disclosures Template as at 31 December 2016 | |
|--------------------|---|---|--------------------|
| CET1資本：票據及儲備 | | CET1 capital : instruments and reserves | |
| 1 | 直接發行的合資格CET1資本票據加任何相關的股份溢價 | Directly issued qualifying CET1 capital instruments plus any related share premium | 264,987 |
| 2 | 保留溢利 | Retained earnings | 340,372 |
| 3 | 已披露的儲備 | Disclosed reserves | 9,882 |
| 4 | 須從CET1資本逐步遞減的直接發行資本(只適用於非合股公司) | Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies) | 不適用 Not applicable |
| 5 | 由綜合銀行附屬公司發行並由第三方持有的CET1資本票據產生的少數股東權益(可計入綜合集團的CET1資本的數額) | Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group) | - |
| 6 | 監管扣減之前的CET1資本 | CET1 capital before regulatory deductions | 615,241 |
| CET1資本：監管扣減 | | CET1 capital : regulatory deductions | |
| 7 | 估值調整 | Valuation adjustments | - |
| 8 | 商譽(已扣除相聯遞延稅項負債) | Goodwill (net of associated deferred tax liability) | - |
| 9 | 其他無形資產(已扣除相聯遞延稅項負債) | Other intangible assets (net of associated deferred tax liability) | - |
| 10 | 已扣除遞延稅項負債的遞延稅項資產 | Deferred tax assets net of deferred tax liabilities | - |
| 11 | 現金流對沖儲備 | Cash flow hedge reserve | - |
| 12 | 在IRB計算法下EL總額超出合資格準備金總額之數 | Excess of total EL amount over total eligible provisions under the IRB approach | - |
| 13 | 由證券化交易產生的出售收益 | Gain-on-sale arising from securitization transactions | - |
| 14 | 按公平價值估值的負債因本身的信用風險變動所產生的損益 | Gains and losses due to changes in own credit risk on fair valued liabilities | - |
| 15 | 界定利益的退休金基金淨資產(已扣除相聯遞延稅項負債) | Defined benefit pension fund net assets (net of associated deferred tax liabilities) | - |
| 16 | 於機構本身的CET1資本票據的投資(若並未在所報告的資產負債表中從實繳資本中扣除) | Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet) | - |
| 17 | 互相交叉持有的CET1資本票據 | Reciprocal cross-holdings in CET1 capital instruments | - |
| 18 | 於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據的非重大資本投資(超出10%門檻之數) | Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | - |
| 19 | 於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據的重大資本投資(超出10%門檻之數) | Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | - |

| CET1資本：監管扣減 | | CET1 capital : regulatory deductions | |
|-------------|--|---|--------------------|
| 20 | 按揭供款管理權(高於10%門檻之數) | Mortgage servicing rights (amount above 10% threshold) | 不適用 Not applicable |
| 21 | 由暫時性差異產生的遞延稅項資產(高於10%門檻之數，已扣除相聯遞延稅項負債) | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | 不適用 Not applicable |
| 22 | 超出15%門檻之數 | Amount exceeding the 15% threshold | 不適用 Not applicable |
| 23 | 其中：於金融業實體的普通股的重大投資 | of which: significant investments in the common stock of financial sector entities | 不適用 Not applicable |
| 24 | 其中：按揭供款管理權 | of which: mortgage servicing rights | 不適用 Not applicable |
| 25 | 其中：由暫時性差異產生的遞延稅項資產 | of which: deferred tax assets arising from temporary differences | 不適用 Not applicable |
| 26 | 適用於CET1資本的司法管轄區特定監管調整 | National specific regulatory adjustments applied to CET1 capital | 237,208 |
| 26a | 因土地及建築物(自用及投資用途)進行價值重估而產生的累積公平價值收益 | Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) | 235,408 |
| 26b | 一般銀行業務風險監管儲備 | Regulatory reserve for general banking risks | 1,800 |
| 26c | 金融管理專員給予的通知所指明的證券化類別風險承擔 | Securitization exposures specified in a notice given by the Monetary Authority | - |
| 26d | 因機構持有的土地及建築物低於已折舊的成本價值而產生的任何累積虧損 | Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings | - |
| 26e | 受規管非銀行附屬公司的資本短欠 | Capital shortfall of regulated non-bank subsidiaries | - |
| 26f | 在屬商業實體的有連繫公司中的資本投資(超出申報機構的資本基礎的15%之數) | Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) | - |
| 27 | 因沒有充足的AT1資本及二級資本以供扣除而須在CET1資本扣除的監管扣減 | Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions | - |
| 28 | 對CET1資本的監管扣減總額 | Total regulatory deductions to CET1 capital | 237,208 |
| 29 | CET1 資本 | CET1 capital | 378,033 |
| AT1資本：票據 | | AT1 capital : instruments | |
| 30 | 合資格AT1資本票據加任何相關股份溢價 | Qualifying AT1 capital instruments plus any related share premium | - |
| 31 | 其中：根據適用會計準則列為股本類別 | of which: classified as equity under applicable accounting standards | - |
| 32 | 其中：根據適用會計準則列為負債類別 | of which: classified as liabilities under applicable accounting standards | - |
| 33 | 須從AT1資本逐步遞減的資本票據 | Capital instruments subject to phase out arrangements from AT1 capital | - |
| 34 | 由綜合銀行附屬公司發行並由第三方持有的AT1資本票據(可計入綜合集團的AT1資本的數額) | AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group) | - |

| AT1資本：票據(續) | | AT1 capital : instruments (Continued) | |
|-------------|--|---|-----------|
| 35 | 其中：受逐步遞減安排規限的由附屬公司發行的AT1資本票據 | of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements | - |
| 36 | 監管扣減之前的AT1資本 | AT1 capital before regulatory deductions | - |
| AT1資本：監管扣減 | | AT1 capital : regulatory deductions | |
| 37 | 於機構本身的AT1資本票據的投資 | Investments in own AT1 capital instruments | - |
| 38 | 互相交叉持有AT1資本票據 | Reciprocal cross-holdings in AT1 capital instruments | - |
| 39 | 於在監管綜合計算的範圍以外的金融業實體發行的AT1資本票據的非重大資本投資(超出10%門檻之數) | Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | - |
| 40 | 於在監管綜合計算的範圍以外的金融業實體發行的AT1資本票據的重大資本投資 | Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | - |
| 41 | 適用於AT1資本的司法管轄區特定監管調整 | National specific regulatory adjustments applied to AT1 capital | - |
| 42 | 因沒有充足的二級資本以供扣除而須在AT1資本扣除的監管扣減 | Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions | - |
| 43 | 對AT1資本的監管扣減總額 | Total regulatory deductions to AT1 capital | - |
| 44 | AT1資本 | AT1 capital | - |
| 45 | 一級資本(一級資本 = CET1 + AT1) | Tier 1 capital (Tier 1 = CET1 + AT1) | 378,033 |
| 二級資本：票據及準備金 | | Tier 2 capital : instruments and provisions | |
| 46 | 合資格二級資本票據加任何相關股份溢價 | Qualifying Tier 2 capital instruments plus any related share premium | - |
| 47 | 須從二級資本逐步遞減的資本票據 | Capital instruments subject to phase out arrangements from Tier 2 capital | - |
| 48 | 由綜合銀行附屬公司發行並由第三方持有的二級資本票據(可計入綜合集團的二級資本的數額) | Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group) | - |
| 49 | 其中：受逐步遞減安排規限的由附屬公司發行的資本票據 | of which: capital instruments issued by subsidiaries subject to phase out arrangements | - |
| 50 | 合資格計入二級資本的集體減值備抵及一般銀行風險監管儲備 | Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital | 1,800 |
| 51 | 監管扣減之前的二級資本 | Tier 2 capital before regulatory deductions | 1,800 |
| 二級資本：監管扣減 | | Tier 2 capital : regulatory deductions | |
| 52 | 於機構本身的二級資本票據的投資 | Investments in own Tier 2 capital instruments | - |
| 53 | 互相交叉持有的二級資本票據 | Reciprocal cross-holdings in Tier 2 capital instruments | - |
| 54 | 於在監管綜合計算的範圍以外的金融業實體發行的二級資本票據的非重大資本投資(超出10%門檻之數) | Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | - |
| 55 | 於在監管綜合計算的範圍以外的金融業實體發行的二級資本票據的重大資本投資 | Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | - |
| 56 | 適用於二級資本的司法管轄區特定監管調整 | National specific regulatory adjustments applied to Tier 2 capital | (126,189) |

| 二級資本：監管扣減 (續) | | Tier 2 capital : regulatory deductions (Continued) | |
|-----------------------------|---|---|--------------------|
| 56a | 加回合資格計入二級資本的因對土地及建築物(自用及投資用途)進行價值重估而產生的累積公平價值收益 | Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital | (126,189) |
| 57 | 對二級資本的監管扣減總額 | Total regulatory deductions to Tier 2 capital | (126,189) |
| 58 | 二級資本 | Tier 2 capital | 127,989 |
| 59 | 總資本(總資本 = 一級資本 + 二級資本) | Total capital (Total capital = Tier 1 + Tier 2) | 506,022 |
| 60 | 風險加權總資產 | Total risk weighted assets | 571,152 |
| 資本比率(佔風險加權資產的百分比) | | Capital ratios (as a percentage of risk weighted assets) | |
| 61 | CET1 資本比率 | CET1 capital ratio | 66.19% |
| 62 | 一級資本比率 | Tier 1 capital ratio | 66.19% |
| 63 | 總資本比率 | Total capital ratio | 88.60% |
| 64 | 機構特定緩衝資本要求(《資本規則》第3B條指明的最低CET1資本要求加防護緩衝資本加反周期緩衝資本要求加環球系統重要性銀行或本地系統重要性銀行的資本要求) | Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3B of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements) | 5.76% |
| 65 | 其中：防護緩衝資本要求 | of which: capital conservation buffer requirement | 0.63% |
| 66 | 其中：銀行特定反周期緩衝資本要求 | of which: bank specific countercyclical buffer requirement | 0.63% |
| 67 | 其中：環球系統重要性銀行或本地系統重要性銀行的要求 | of which: G-SIB or D-SIB buffer requirement | 0.00% |
| 68 | CET1資本超出在《資本規則》第3B條下的最低CET1要求及用作符合該條下的一級資本及總資本要求的任何CET1資本 | CET1 capital surplus over the minimum CET1 requirement and any CET1 capital used to meet the Tier 1 and Total capital requirement under s.3B of the BCR | 60.43% |
| 司法管轄區最低比率(若與《巴塞爾協定三》最低要求不同) | | National minima (if different from Basel 3 minimum) | |
| 69 | 司法管轄區CET1最低比率 | National CET1 minimum ratio | 不適用 Not applicable |
| 70 | 司法管轄區一級資本最低比率 | National Tier 1 minimum ratio | 不適用 Not applicable |
| 71 | 司法管轄區總資本最低比率 | National Total capital minimum ratio | 不適用 Not applicable |
| 低於扣減門檻的數額(風險加權前) | | Amounts below the thresholds for deduction (before risk weighting) | |
| 72 | 於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據、AT1資本票據及二級資本票據的非重大資本投資 | Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | - |
| 73 | 於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據、AT1資本票據及二級資本票據的重大資本投資 | Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | - |
| 74 | 按揭供款管理權(已扣除相關稅項負債) | Mortgage servicing rights (net of related tax liability) | 不適用 Not applicable |
| 75 | 由暫時性差異產生的遞延稅項資產(已扣除相關遞延稅項負債) | Deferred tax assets arising from temporary differences (net of related tax liability) | 不適用 Not applicable |

| 就計入二級資本的準備金的適用上限 | | Applicable caps on the inclusion of provisions in Tier 2 capital | |
|---|---|---|--------------------|
| 76 | 合資格計入二級資本中有關基本計算法及標準(信用風險)計算法下的準備金(應用上限前) | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap) | 1,800 |
| 77 | 在基本計算法及標準(信用)風險計算法下可計入二級資本中的準備金上限 | Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach | 8,583 |
| 78 | 合資格計入二級資本中有關IRB計算法下的準備金(應用上限前) | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap) | - |
| 79 | 在IRB計算法下可計入二級資本中的準備金上限 | Cap for inclusion of provisions in Tier 2 under the IRB approach | - |
| 受逐步遞減安排規限的資本票據(僅在2018年1月1日至2022年1月1日期間適用) | | Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022) | |
| 80 | 受逐步遞減安排規限的CET1資本票據的現行上限 | Current cap on CET1 capital instruments subject to phase out arrangements | 不適用 Not applicable |
| 81 | 由於實施上限而不計入CET1的數額(在計及贖回及到期期限後超出上限之數) | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | 不適用 Not applicable |
| 82 | 受逐步遞減安排規限的AT1資本票據的現行上限 | Current cap on AT1 capital instruments subject to phase out arrangements | - |
| 83 | 由於實施上限而不可計入AT1資本的數額(在計及贖回及到期期限後超出上限之數) | Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities) | - |
| 84 | 受逐步遞減安排規限的二級資本票據的現行上限 | Current cap on Tier 2 capital instruments subject to phase out arrangements | - |
| 85 | 由於實施上限而不可計入二級資本的數額(在計及贖回及到期期限後超出上限之數) | Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities) | - |

7 資本結構及充足情況(續)

Capital Structure and Adequacy (Continued)

以下之表格分別列示於2015年12月31日以會計綜合方法及以監管報告方法之資產負債表。

The table below presents the balance sheets based on the accounting scope of consolidation and the regulatory reporting scope respectively as at 31 December 2015.

| | | 出版之財務披露表 內之綜合財務狀況表 Consolidated Statement of Financial Position as in published financial disclosure statement | 監管下之綜合方 法-銀行之財務狀 況表 Under regulatory scope of consolidation - Bank's Statement of Financial Position | 至資本組成部 分定義之對照 Cross- referenced to Definition of Capital Components |
|------------------------------|---|---|--|---|
| | | HKS'000 | HKS'000 | |
| 資產 | Assets | | | |
| 庫存現金及存放同業款項 | Cash and balances with banks | 716,811 | 716,811 | |
| 定期拆放同業款項於1至12個月內到期 | Placements with banks maturing between one and twelve months | 380,198 | 380,198 | |
| 客戶放款及其他賬項 | Loans and advances to customers and other accounts | 167,966 | 167,966 | |
| 可出售投資 | Available-for-sale investments | 38,894 | 38,894 | |
| 在附屬公司之投資 | Investments in subsidiaries | - | 10 | |
| 物業、裝置及設備 | Property, plant and equipment | 73,664 | 73,664 | |
| 投資物業 | Investment properties | 281,800 | 281,800 | |
| 資產合計 | Total assets | 1,659,333 | 1,659,343 | |
| 負債 | Liabilities | | | |
| 客戶存款 | Deposits from customers | 975,539 | 975,944 | |
| 其他負債及準備 | Other liabilities and provisions | 25,186 | 24,961 | |
| 本期稅項負債 | Current tax liabilities | 309 | 292 | |
| 遞延所得稅 | Deferred tax liabilities | 4,923 | 4,923 | |
| 負債合計 | Total liabilities | 1,005,957 | 1,006,120 | |
| 股東權益 | Shareholders' Equity | | | |
| 實收股本 | Paid-in share capital | 310,000 | 310,000 | |
| 其中包括：實收現金或從已確認之物業重估溢利轉為資本之股本 | of which: share capital paid up in cash and capitalized from realized revaluation gains of properties | | 264,987 | (1) |
| 從未確認之物業重估溢利轉為資本之股本 | share capital capitalized from unrealized revaluation gains of properties | | 45,013 | (2) |
| 其他物業重估儲備 | Other properties revaluation reserve | 2,367 | 2,367 | (3) |
| 投資重估儲備 | Investment revaluation reserve | 4,899 | 4,899 | (4) |
| 普通儲備 | General reserve | 610 | 610 | (5) |
| 法定儲備 | Regulatory reserve | 1,700 | 1,700 | (6) |
| 盈餘滾存 | Retained earnings | 333,800 | 333,647 | (7) |
| 其中包括：未出售之投資物業重估溢利 | of which: unrealized revaluation gains of investment properties | | 230,205 | (8) |
| 其他盈餘滾存及溢利 | other retained earnings and profits | | 103,442 | |
| 股東權益合計 | Total shareholders' equity | 653,376 | 653,223 | |
| 負債及股東權益合計 | Total liabilities and shareholders' equity | 1,659,333 | 1,659,343 | |

7 資本結構及充足情況(續)

以下之表格顯示於2015年12月31日自根據監管報告方法所編製之資產負債表內資本組成部分至資本披露模版之對賬表。

Capital Structure and Adequacy (Continued)

The table below shows the reconciliation of the capital components from balance sheet based on regulatory reporting scope to the Capital Disclosure Template as at 31 December 2015.

| | | 銀行已報告之監管資本組成部分 Component of regulatory capital reported by the Bank | 至以上銀行之財務狀況表之對照 Cross-referenced to Bank's Statement of Financial Position above |
|---|---|--|--|
| | | HK\$'000 | |
| CET1資本：票據及儲備 | CET1 capital : instruments and reserves | | |
| 直接發行的合資格CET1資本票據加任何相關的股份溢價 | Directly issued qualifying CET1 capital instruments plus any related share premium | 264,987 | (1) |
| 保留溢利 | Retained earnings | 333,647 | (7) |
| 已披露的儲備 | Disclosed reserves | 9,576 | (3)+(4)+(5)+(6) |
| 監管扣減之前的CET1資本 | CET1 capital before regulatory deductions | 608,210 | |
| | | | |
| CET1資本：監管扣減 | CET1 capital : regulatory deductions | | |
| 適用於CET1資本的司法管轄區特定監管調整 | National specific regulatory adjustments applied to CET1 capital | 234,272 | |
| 因土地及建築物(自用及投資用途)進行價值重估而產生的累積公平價值收益 | Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) | 232,572 | (3)+(8) |
| 一般銀行業務風險監管儲備 | Regulatory reserve for general banking risks | 1,700 | (6) |
| 對CET1資本的監管扣減總額 | Total regulatory deductions to CET1 capital | 234,272 | |
| CET1 資本 | CET1 capital | 373,938 | |
| | | | |
| AT1資本：票據 | AT1 capital : instruments | | |
| 監管扣減之前的AT1資本 | AT1 capital before regulatory deductions | - | |
| | | | |
| AT1資本：監管扣減 | AT1 capital : regulatory deductions | | |
| 對AT1資本的監管扣減總額 | Total regulatory deductions to AT1 capital | - | |
| AT1資本 | AT1 capital | - | |
| 一級資本(一級資本 = CET1 + AT1) | Tier 1 capital (Tier 1 = CET1 + AT1) | 373,938 | |
| | | | |
| 二級資本：票據及準備金 | T2 capital : instruments and provisions | | |
| 合資格計入二級資本的集體減值備抵及一般銀行風險監管儲備 | Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital | 1,700 | (6) |
| 監管扣減之前的二級資本 | Tier 2 capital before regulatory deductions | 1,700 | |
| | | | |
| 二級資本：監管扣減 | Tier 2 capital : regulatory deductions | | |
| 適用於二級資本的司法管轄區特定監管調整 | National specific regulatory adjustments applied to Tier 2 capital | (124,914) | |
| 加回合資格計入二級資本的因對土地及建築物(自用及投資用途)進行價值重估而產生的累積公平價值收益 | Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital | (124,914) | [(2)+(3)+(8)]*45% |
| 對二級資本的監管扣減總額 | Total regulatory deductions to Tier 2 capital | (124,914) | |
| 二級資本 | Tier 2 capital | 126,614 | |
| 總資本(總資本 = 一級資本+二級資本) | Total capital (Total capital = Tier 1 + Tier2) | 500,552 | |

7 資本結構及充足情況(續)

銀行已根據銀行業(資本)規則進行全部資本扣減。
於2015年12月31日之資本披露模版以港幣千元為單位，列示如下。

Capital Structure and Adequacy (Continued)

The Bank has already applied full capital deductions under the BCR. The Capital Disclosures Template as at 31 December 2015 is shown below, which is presented in HK\$'000.

| 2015年12月31日之資本披露模版 | | Capital Disclosures Template as at 31 December 2015 | |
|---------------------|---|---|--------------------|
| CET1資本：票據及儲備 | | CET1 capital : instruments and reserves | |
| 1 | 直接發行的合資格CET1資本票據加任何相關的股份溢價 | Directly issued qualifying CET1 capital instruments plus any related share premium | 264,987 |
| 2 | 保留溢利 | Retained earnings | 333,647 |
| 3 | 已披露的儲備 | Disclosed reserves | 9,576 |
| 4 | 須從CET1資本逐步遞減的直接發行資本(只適用於非合股公司) | Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies) | 不適用 Not applicable |
| 5 | 由綜合銀行附屬公司發行並由第三方持有的CET1資本票據產生的少數股東權益(可計入綜合集團的CET1資本的數額) | Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group) | - |
| 6 | 監管扣減之前的CET1資本 | CET1 capital before regulatory deductions | 608,210 |
| CET1資本：監管扣減 | | CET1 capital : regulatory deductions | |
| 7 | 估值調整 | Valuation adjustments | - |
| 8 | 商譽(已扣除相聯遞延稅項負債) | Goodwill (net of associated deferred tax liability) | - |
| 9 | 其他無形資產(已扣除相聯遞延稅項負債) | Other intangible assets (net of associated deferred tax liability) | - |
| 10 | 已扣除遞延稅項負債的遞延稅項資產 | Deferred tax assets net of deferred tax liabilities | - |
| 11 | 現金流對沖儲備 | Cash flow hedge reserve | - |
| 12 | 在IRB計算法下EL總額超出合資格準備金總額之數 | Excess of total EL amount over total eligible provisions under the IRB approach | - |
| 13 | 由證券化交易產生的出售收益 | Gain-on-sale arising from securitization transactions | - |
| 14 | 按公平價值估值的負債因本身的信用風險變動所產生的損益 | Gains and losses due to changes in own credit risk on fair valued liabilities | - |
| 15 | 界定利益的退休金基金淨資產(已扣除相聯遞延稅項負債) | Defined benefit pension fund net assets (net of associated deferred tax liabilities) | - |
| 16 | 於機構本身的CET1資本票據的投資(若並未在所報告的資產負債表中從實繳資本中扣除) | Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet) | - |
| 17 | 互相交叉持有的CET1資本票據 | Reciprocal cross-holdings in CET1 capital instruments | - |
| 18 | 於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據的非重大資本投資(超出10%門檻之數) | Insignificant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | - |
| 19 | 於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據的重大資本投資(超出10%門檻之數) | Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | - |
| 20 | 按揭供款管理權(高於10%門檻之數) | Mortgage servicing rights (amount above 10% threshold) | 不適用 Not applicable |
| 21 | 由暫時性差異產生的遞延稅項資產(高於10%門檻之數，已扣除相聯遞延稅項負債) | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | 不適用 Not applicable |
| 22 | 超出15%門檻之數 | Amount exceeding the 15% threshold | 不適用 Not applicable |

| CET1資本：監管扣減 (續) | | CET1 capital : regulatory deductions (Continued) | |
|-----------------|--|--|--------------------|
| 23 | 其中：於金融業實體的普通股的重大投資 | of which: significant investments in the common stock of financial sector entities | 不適用 Not applicable |
| 24 | 其中：按揭供款管理權 | of which: mortgage servicing rights | 不適用 Not applicable |
| 25 | 其中：由暫時性差異產生的遞延稅項資產 | of which: deferred tax assets arising from temporary differences | 不適用 Not applicable |
| 26 | 適用於CET1資本的司法管轄區特定監管調整 | National specific regulatory adjustments applied to CET1 capital | 234,272 |
| 26a | 因土地及建築物(自用及投資用途)進行價值重估而產生的累積公平價值收益 | Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) | 232,572 |
| 26b | 一般銀行業務風險監管儲備 | Regulatory reserve for general banking risks | 1,700 |
| 26c | 金融管理專員給予的通知所指明的證券化類別風險承擔 | Securitization exposures specified in a notice given by the Monetary Authority | - |
| 26d | 因機構持有的土地及建築物低於已折舊的成本價值而產生的任何累積虧損 | Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings | - |
| 26e | 受規管非銀行附屬公司的資本短欠 | Capital shortfall of regulated non-bank subsidiaries | - |
| 26f | 在屬商業實體的有連繫公司中的資本投資(超出申報機構的資本基礎的15%之數) | Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) | - |
| 27 | 因沒有充足的AT1資本及二級資本以供扣除而須在CET1資本扣除的監管扣減 | Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions | - |
| 28 | 對CET1資本的監管扣減總額 | Total regulatory deductions to CET1 capital | 234,272 |
| 29 | CET1 資本 | CET1 capital | 373,938 |
| AT1資本：票據 | | AT1 capital : instruments | |
| 30 | 合資格AT1資本票據加任何相關股份溢價 | Qualifying AT1 capital instruments plus any related share premium | - |
| 31 | 其中：根據適用會計準則列為股本類別 | of which: classified as equity under applicable accounting standards | - |
| 32 | 其中：根據適用會計準則列為負債類別 | of which: classified as liabilities under applicable accounting standards | - |
| 33 | 須從AT1資本逐步遞減的資本票據 | Capital instruments subject to phase out arrangements from AT1 capital | - |
| 34 | 由綜合銀行附屬公司發行並由第三方持有的AT1資本票據(可計入綜合集團的AT1資本的數額) | AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group) | - |
| 35 | 其中：受逐步遞減安排規限的由附屬公司發行的AT1資本票據 | of which: AT1 capital instruments issued by subsidiaries subject to phase out arrangements | - |
| 36 | 監管扣減之前的AT1資本 | AT1 capital before regulatory deductions | - |
| AT1資本：監管扣減 | | AT1 capital : regulatory deductions | |
| 37 | 於機構本身的AT1資本票據的投資 | Investments in own AT1 capital instruments | - |
| 38 | 互相交叉持有AT1資本票據 | Reciprocal cross-holdings in AT1 capital instruments | - |
| 39 | 於在監管綜合計算的範圍以外的金融業實體發行的AT1資本票據的非重大資本投資(超出10%門檻之數) | Insignificant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | - |

| AT1資本：監管扣減 (續) | | AT1 capital : regulatory deductions (Continued) | |
|-------------------|---|---|-----------|
| 40 | 於在監管綜合計算的範圍以外的金融業實體發行的AT1資本票據的重大資本投資 | Significant capital investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | - |
| 41 | 適用於AT1資本的司法管轄區特定監管調整 | National specific regulatory adjustments applied to AT1 capital | - |
| 42 | 因沒有充足的二級資本以供扣除而須在AT1資本扣除的監管扣減 | Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions | - |
| 43 | 對AT1資本的監管扣減總額 | Total regulatory deductions to AT1 capital | - |
| 44 | AT1資本 | AT1 capital | - |
| 45 | 一級資本(一級資本 = CET1 + AT1) | Tier 1 capital (Tier 1 = CET1 + AT1) | 373,938 |
| 二級資本：票據及準備金 | | Tier 2 capital : instruments and provisions | |
| 46 | 合資格二級資本票據加任何相關股份溢價 | Qualifying Tier 2 capital instruments plus any related share premium | - |
| 47 | 須從二級資本逐步遞減的資本票據 | Capital instruments subject to phase out arrangements from Tier 2 capital | - |
| 48 | 由綜合銀行附屬公司發行並由第三方持有的二級資本票據(可計入綜合集團的二級資本的數額) | Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group) | - |
| 49 | 其中：受逐步遞減安排規限的由附屬公司發行的資本票據 | of which: capital instruments issued by subsidiaries subject to phase out arrangements | - |
| 50 | 合資格計入二級資本的集體減值備抵及一般銀行風險監管儲備 | Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital | 1,700 |
| 51 | 監管扣減之前的二級資本 | Tier 2 capital before regulatory deductions | 1,700 |
| 二級資本：監管扣減 | | Tier 2 capital : regulatory deductions | |
| 52 | 於機構本身的二級資本票據的投資 | Investments in own Tier 2 capital instruments | - |
| 53 | 互相交叉持有的二級資本票據 | Reciprocal cross-holdings in Tier 2 capital instruments | - |
| 54 | 於在監管綜合計算的範圍以外的金融業實體發行的二級資本票據的非重大資本投資(超出10%門檻之數) | Insignificant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | - |
| 55 | 於在監管綜合計算的範圍以外的金融業實體發行的二級資本票據的重大資本投資 | Significant capital investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | - |
| 56 | 適用於二級資本的司法管轄區特定監管調整 | National specific regulatory adjustments applied to Tier 2 capital | (124,914) |
| 56a | 加回合資格計入二級資本的因對土地及建築物(自用及投資用途)進行價值重估而產生的累積公平價值收益 | Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital | (124,914) |
| 57 | 對二級資本的監管扣減總額 | Total regulatory deductions to Tier 2 capital | (124,914) |
| 58 | 二級資本 | Tier 2 capital | 126,614 |
| 59 | 總資本(總資本 = 一級資本 + 二級資本) | Total capital (Total capital = Tier 1 + Tier 2) | 500,552 |
| 60 | 風險加權總資產 | Total risk weighted assets | 549,438 |
| 資本比率(佔風險加權資產的百分比) | | Capital ratios (as a percentage of risk weighted assets) | |
| 61 | CET1 資本比率 | CET1 capital ratio | 68.06% |
| 62 | 一級資本比率 | Tier 1 capital ratio | 68.06% |
| 63 | 總資本比率 | Total capital ratio | 91.10% |

| 資本比率(佔風險加權資產的百分比)(續) | | Capital ratios (as a percentage of risk weighted assets) (Continued) | |
|---|---|---|--------------------|
| 64 | 機構特定緩衝資本要求(《資本規則》第3B條指明的最低CET1資本要求加防護緩衝資本加反周期緩衝資本要求加環球系統重要性銀行或本地系統重要性銀行的資本要求) | Institution specific buffer requirement (minimum CET1 capital requirement as specified in s.3B of the BCR plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB or D-SIB requirements) | 4.50% |
| 65 | 其中：防護緩衝資本要求 | of which: capital conservation buffer requirement | 0.00% |
| 66 | 其中：銀行特定反周期緩衝資本要求 | of which: bank specific countercyclical buffer requirement | 0.00% |
| 67 | 其中：環球系統重要性銀行或本地系統重要性銀行的要求 | of which: G-SIB or D-SIB buffer requirement | 0.00% |
| 68 | CET1資本超出在《資本規則》第3B條下的最低CET1要求及用作符合該條下的一級資本及總資本要求的任何CET1資本 | CET1 capital surplus over the minimum CET1 requirement and any CET1 capital used to meet the Tier 1 and Total capital requirement under s.3B of the BCR | 63.56% |
| 司法管轄區最低比率(若與《巴塞爾協定三》最低要求不同) | | National minima (if different from Basel 3 minimum) | |
| 69 | 司法管轄區CET1最低比率 | National CET1 minimum ratio | 不適用 Not applicable |
| 70 | 司法管轄區一級資本最低比率 | National Tier 1 minimum ratio | 不適用 Not applicable |
| 71 | 司法管轄區總資本最低比率 | National Total capital minimum ratio | 不適用 Not applicable |
| 低於扣減門檻的數額(風險加權前) | | Amounts below the thresholds for deduction (before risk weighting) | |
| 72 | 於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據、AT1資本票據及二級資本票據的非重大資本投資 | Insignificant capital investments in CET1 capital instruments, AT1 capital instruments and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | - |
| 73 | 於在監管綜合計算的範圍以外的金融業實體發行的CET1資本票據、AT1資本票據及二級資本票據的重大資本投資 | Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | - |
| 74 | 按揭供款管理權(已扣除相聯稅項負債) | Mortgage servicing rights (net of related tax liability) | 不適用 Not applicable |
| 75 | 由暫時性差異產生的遞延稅項資產(已扣除相聯遞延稅項負債) | Deferred tax assets arising from temporary differences (net of related tax liability) | 不適用 Not applicable |
| 就計入二級資本的準備金的適用上限 | | Applicable caps on the inclusion of provisions in Tier 2 capital | |
| 76 | 合資格計入二級資本中有關基本計算法及標準(信用風險)計算法下的準備金(應用上限前) | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the basic approach and the standardized (credit risk) approach (prior to application of cap) | 1,700 |
| 77 | 在基本計算法及標準(信用)風險計算法下可計入二級資本中的準備金上限 | Cap on inclusion of provisions in Tier 2 under the basic approach and the standardized (credit risk) approach | 8,326 |
| 78 | 合資格計入二級資本中有關IRB計算法下的準備金(應用上限前) | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the IRB approach (prior to application of cap) | - |
| 79 | 在IRB計算法下可計入二級資本中的準備金上限 | Cap for inclusion of provisions in Tier 2 under the IRB approach | - |
| 受逐步遞減安排規限的資本票據(僅在2018年1月1日至2022年1月1日期間適用) | | Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022) | |
| 80 | 受逐步遞減安排規限的CET1資本票據的現行上限 | Current cap on CET1 capital instruments subject to phase out arrangements | 不適用 Not applicable |

| 受逐步遞減安排規限的資本票據(僅在2018年1月1日至2022年1月1日期間適用)(續) | | Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022) (Continued) | |
|--|--|---|--------------------|
| 81 | 由於實施上限而不計入CET1的數額(在計及贖回及到期期限後超出上限之數) | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | 不適用 Not applicable |
| 82 | 受逐步遞減安排規限的AT1資本票據的現行上限 | Current cap on AT1 capital instruments subject to phase out arrangements | - |
| 83 | 由於實施上限而不可計入AT1資本的數額(在計及贖回及到期期限後超出上限之數) | Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities) | - |
| 84 | 受逐步遞減安排規限的二級資本票據的現行上限 | Current cap on Tier 2 capital instruments subject to phase out arrangements | - |
| 85 | 由於實施上限而不可計入二級資本的數額(在計及贖回及到期期限後超出上限之數) | Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities) | - |

2016年12月31日及2015年12月31日之主要條款表格列如下：

The Main Features Template as at 31 December 2016 and 31 December 2015 is shown below:

| | | | |
|----|---------------------------------------|---|-----------------------------------|
| 1 | 發行人 | Issuer | 大生銀行有限公司 Tai Sang Bank Limited |
| 2 | 獨有識別碼(如CUSIP、ISIN或Bloomberg對私人配售的識別碼) | Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) | 不適用 Not applicable |
| 3 | 票據的管限法律 | Governing law(s) of the instrument | 香港法律 Laws of Hong Kong |
| | 監管處理方法 | Regulatory treatment | |
| 4 | 《巴塞爾協定三》過渡期規則 [#] | Transitional Basel III rules [#] | 不適用 Not applicable |
| 5 | 《巴塞爾協定三》後過渡期規則 ⁺ | Post-transitional Basel III rules ⁺ | CET1資本 Common Equity Tier 1 |
| 6 | 可計入單獨*/集團/集團及單獨基礎 | Eligible at solo*/group/group & solo | 單獨 Solo |
| 7 | 票據類別(由各地區自行指明) | Instrument type (types to be specified by each jurisdiction) | 普通股 Ordinary shares |
| 8 | 在監管資本的確認數額(以有關貨幣百萬計,於最近的申報日期) | Amount recognised in regulatory capital (Currency in million, as of most recent reporting date) | HK\$265 |
| 9 | 票據面值 | Par value of instrument | HK\$1 |
| 10 | 會計分類 | Accounting classification | 股東權益 Shareholders' equity |
| 11 | 最初發行日期 | Original date of issuance | 1954, 1969, 1990, 2001, 2010 |
| 12 | 永久性或設定期限 | Perpetual or dated | 永久性 Perpetual |
| 13 | 原訂到期日 | Original maturity date | 無到期日 No maturity |
| 14 | 須獲監管當局事先批准的發行人贖回權 | Issuer call subject to prior supervisory approval | 無 No |
| 15 | 可選擇可贖回日、或有可贖回日,以及可贖回數額 | Optional call date, contingent call dates and redemption amount | 不適用 Not applicable |
| 16 | 後續可贖回日(如適用) | Subsequent call dates, if applicable | 不適用 Not applicable |

| | 票息 / 股息 | Coupons/dividends | |
|----|-----------------------------|---|-----------------------------|
| 17 | 固定或浮動股息 / 票息 | Fixed or floating dividend/coupon | 浮動股息 Floating dividend |
| 18 | 票息率及任何相關指數 | Coupon rate and any related index | 不適用 Not applicable |
| 19 | 有停止派發股息的機制 | Existence of a dividend stopper | 無 No |
| 20 | 全部酌情、部分酌情，或強制 | Fully discretionary, partially discretionary or mandatory | 全部酌情 Fully discretionary |
| 21 | 設有遞升息率或其他贖回誘因 | Existence of step up or other incentive to redeem | 無 No |
| 22 | 非累計或累計 | Noncumulative or cumulative | 非累計 Non-cumulative |
| 23 | 可轉換或不可轉換 | Convertible or non-convertible | 不可轉換 Non-convertible |
| 24 | 若可轉換，轉換觸發事件 | If convertible, conversion trigger(s) | 不適用 Not applicable |
| 25 | 若可轉換，全部或部分 | If convertible, fully or partially | 不適用 Not applicable |
| 26 | 若可轉換，轉換比率 | If convertible, conversion rate | 不適用 Not applicable |
| 27 | 若可轉換，強制或可選擇性轉換 | If convertible, mandatory or optional conversion | 不適用 Not applicable |
| 28 | 若可轉換，指明轉換後的票據類別 | If convertible, specify instrument type convertible into | 不適用 Not applicable |
| 29 | 若可轉換，指明轉換後的票據發行人 | If convertible, specify issuer of instrument it converts into | 不適用 Not applicable |
| 30 | 減值特點 | Write-down feature | 無 No |
| 31 | 若減值，減值的觸發點 | If write-down, write-down trigger(s) | 不適用 Not applicable |
| 32 | 若減值，全部或部分 | If write-down, full or partial | 不適用 Not applicable |
| 33 | 若減值，永久或臨時性質 | If write-down, permanent or temporary | 不適用 Not applicable |
| 34 | 若屬臨時減值，說明債務回復機制 | If temporary write-down, description of write-up mechanism | 不適用 Not applicable |
| 35 | 清盤時在級別架構中的位置(指明緊接較其優先的票據類別) | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | 不適用 Not applicable |
| 36 | 可過渡的不合規特點 | Non-compliant transitioned features | 無 No |
| 37 | 若是，指明不合規特點 | If yes, specify non-compliant features | 不適用 Not applicable |

註：

資本票據的監管處理方法須依照《銀行業(資本)規則》附表4H所載的過渡安排

+ 資本票據的監管處理方法無須依照《銀行業(資本)規則》附表4H所載的過渡安排

* 包括單獨綜合基礎

銀行之一級普通股本資本工具之全部條款及細則已在銀行之網站內披露。

Footnote:

Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

+ Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

* Include solo-consolidated

Full terms and conditions of the Bank's CET1 capital instruments are disclosed in the website of the Bank.

8 槓桿比率之披露

以下之表格列示於2016年12月31日之對帳摘要比較表以便對比銀行財務報表內所列載之綜合資產總額至用於計算槓桿比率之資產負債表內風險承擔及槓桿比率模版。

Leverage Ratio Disclosures

The tables below represent the summary comparison table for reconciling the total consolidated assets of the Bank as stated in the financial statements to the on-balance sheet exposures used in computing the leverage ratio and the Leverage Ratio Template as at 31 December 2016, presented in HK\$'000.

| 2016年12月31日之對帳摘要比較表 | | Summary Comparison Table as at 31 December 2016 | |
|---|--|---|--|
| 項目 | Item | 槓桿比率框架 等值港幣'000 Leverage ratio framework HK\$'000 equivalent | |
| 1 已發布財務報表所列載的綜合資產總額 | Total consolidated assets as per published financial statements | 1,705,943 | |
| 2 對為會計目的須作綜合計算、但在監管綜合計算範圍以外的金融業實體或商業實體的投資而須作的相關調整 | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | 10 | |
| 3 根據認可機構的適用會計框架於資產負債表內確認、但不包括在槓桿比率風險承擔計量值內的任何受信資產而須作的相關調整 | Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure | - | |
| 4 有關衍生金融工具的調整 | Adjustments for derivative financial instruments | - | |
| 5 有關證券融資交易的調整(即回購交易及其他類似的有抵押借貸) | Adjustment for securities financing transactions (i.e. repos and similar secured lending) | - | |
| 6 有關資產負債表外項目的調整(即資產負債表外風險承擔轉換為信貸等值數額) | Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures) | - | |
| 7 其他調整 | Other adjustments | 7,500 | |
| 8 槓桿比率風險承擔 | Leverage ratio exposure | 1,713,453 | |

| 2016年12月31日之槓桿比率通用披露模版 | | Leverage Ratio Common Disclosure Template as at 31 December 2016 | |
|---|--|---|--|
| 項目 | Item | 槓桿比率框架 等值港幣'000 Leverage ratio framework HK\$'000 equivalent | |
| 資產負債表內風險承擔 | | On-balance sheet exposures | |
| 1 資產負債表內項目(不包括衍生工具及證券融資交易, 但包括抵押品) | On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 1,713,453 | |
| 2 扣減: 斷定《巴塞爾協定三》一級資本時所扣減的資產數額(以負數表示) | Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts) | - | |
| 3 資產負債表內風險承擔總額(不包括衍生工具及證券融資交易)(第1及2行相加之數) | Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2) | 1,713,453 | |
| 衍生工具風險承擔 | | Derivative exposures | |
| 4 所有與衍生工具交易有關的重置成本(即扣除合資格現金變動保證金) | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin) | - | |
| 5 所有與衍生工具交易有關的潛在未來風險承擔的附加數額 | Add-on amounts for PFE associated with all derivatives transactions | - | |

| 2016年12月31日之槓桿比率通用披露模板(續) | | Leverage Ratio Common Disclosure Template as at 31 December 2016 (Continued) | |
|---------------------------|---|---|---|
| | 項目 | Item | 槓桿比率框架 等值港幣'000 Leverage ratio framework HK\$'000 equivalent |
| 6 | 還原因提供予對手方而須從資產負債表中扣減的衍生工具抵押品的數額 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets | - |
| 7 | 扣減：就衍生工具交易提供的現金變動保證金的應收部分 | Less: Deductions of receivables assets for cash variation margin provided in derivatives | - |
| 8 | 扣減：中央交易對手方風險承擔中與客人戶結算交易有關而獲豁免的部分(以負數表示) | Less: Exempted CCP leg of client-cleared trade exposures (reported as negative amounts) | - |
| 9 | 經調整後已出售信用衍生工具的有效名義數額 | Adjusted effective notional amount of written credit derivatives | - |
| 10 | 扣減：就已出售信用衍生工具作出調整的有效名義抵銷及附加數額的扣減(以負數表示) | Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts) | - |
| 11 | 衍生工具風險承擔總額(第4至10行相加之數) | Total derivative exposures (sum of lines 4 to 10) | - |
| 證券融資交易風險承擔 | | Securities financing transaction exposures | |
| 12 | 經銷售會計交易調整後(在不確認淨額計算下)的證券融資交易資產總計 | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting | - |
| 13 | 扣減：證券融資交易資產總計的應付現金相抵後的淨額(以負數表示) | Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts) | - |
| 14 | 證券融資交易資產的對手方信用風險承擔 | CCR exposure for SFT assets | - |
| 15 | 代理交易風險承擔 | Agent transaction exposures | - |
| 16 | 證券融資交易風險承擔總額(第12至15行相加之數) | Total securities financing transaction exposures (sum of lines 12 to 15) | - |
| 其他資產負債表外風險承擔 | | Other off-balance sheet exposures | |
| 17 | 資產負債表外風險承擔名義數額總計 | Off-balance sheet exposure at gross notional amount | 10,786 |
| 18 | 扣減：就轉換為信貸等值數額作出的調整(以負數表示) | Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts) | (5,993) |
| 19 | 資產負債表外項目(第17及18行相加之數) | Off-balance sheet items (sum of lines 17 and 18) | 4,793 |
| 資本及風險承擔總額 | | Capital and total exposures | |
| 20 | 一級資本 | Tier 1 capital | 378,033 |
| 21 | 風險承擔總額(第3、11、16及19行相加之數) | Total exposures (sum of lines 3, 11, 16 and 19) | 1,718,246 |
| 槓桿比率 | | Leverage ratio | |
| 22 | 《巴塞爾協定三》槓桿比率 | Basel III leverage ratio | 22.00% |

8 槓桿比率之披露(續)

以下之表格列示於2015年12月31日之對帳摘要比較表以便對比銀行財務報表內所列載之綜合資產總額至用於計算槓桿比率之資產負債表內風險承擔及槓桿比率模版。

Leverage Ratio Disclosures (Continued)

The tables below represent the summary comparison table for reconciling the total consolidated assets of the Bank as stated in the financial statements to the on-balance sheet exposures used in computing the leverage ratio and the Leverage Ratio Template as at 31 December 2015, presented in HK\$'000

| 2015年12月31日之對帳摘要比較表 | | Summary Comparison Table as at 31 December 2015 | |
|---|--|---|--|
| 項目 | Item | 槓桿比率框架 等值港幣'000 Leverage ratio framework HK\$'000 equivalent | |
| 1 已發布財務報表所列載的綜合資產總額 | Total consolidated assets as per published financial statements | 1,659,333 | |
| 2 對為會計目的須作綜合計算、但在監管綜合計算範圍以外的金融業實體或商業實體的投資而須作的相關調整 | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | 10 | |
| 3 根據認可機構的適用會計框架於資產負債表內確認、但不包括在槓桿比率風險承擔計量值內的任何受信資產而須作的相關調整 | Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure | - | |
| 4 有關衍生金融工具的調整 | Adjustments for derivative financial instruments | - | |
| 5 有關證券融資交易的調整(即回購交易及其他類似的有抵押借貸) | Adjustment for securities financing transactions (i.e. repos and similar secured lending) | - | |
| 6 有關資產負債表外項目的調整(即資產負債表外風險承擔轉換為信貸等值數額) | Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures) | - | |
| 7 其他調整 | Other adjustments | 7,637 | |
| 8 槓桿比率風險承擔 | Leverage ratio exposure | 1,666,980 | |

| 2015年12月31日之槓桿比率通用披露模版 | | Leverage Ratio Common Disclosure Template as at 31 December 2015 | |
|---|--|---|--|
| 項目 | Item | 槓桿比率框架 等值港幣'000 Leverage ratio framework HK\$'000 equivalent | |
| 資產負債表內風險承擔 | On-balance sheet exposures | | |
| 1 資產負債表內項目(不包括衍生工具及證券融資交易, 但包括抵押品) | On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 1,666,980 | |
| 2 扣減: 斷定《巴塞爾協定三》一級資本時所扣減的資產數額(以負數表示) | Less: Asset amounts deducted in determining Basel III Tier 1 capital (reported as negative amounts) | - | |
| 3 資產負債表內風險承擔總額(不包括衍生工具及證券融資交易)(第1及2行相加之數) | Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2) | 1,666,980 | |
| 衍生工具風險承擔 | Derivative exposures | | |
| 4 所有與衍生工具交易有關的重置成本(即扣除合資格現金變動保證金) | Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin) | - | |
| 5 所有與衍生工具交易有關的潛在未來風險承擔的附加數額 | Add-on amounts for PFE associated with all derivatives transactions | - | |

| 2015年12月31日之槓桿比率通用披露模板(續) | | Leverage Ratio Common Disclosure Template as at 31 December 2015 (Continued) | |
|---------------------------|---|---|---|
| | 項目 | Item | 槓桿比率框架 等值港幣'000 Leverage ratio framework HK\$'000 equivalent |
| 6 | 還原因提供予對手方而須從資產負債表中扣減的衍生工具抵押品的數額 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets | - |
| 7 | 扣減：就衍生工具交易提供的現金變動保證金的應收部分 | Less: Deductions of receivables assets for cash variation margin provided in derivatives | - |
| 8 | 扣減：中央交易對手方風險承擔中與客戶結算交易有關而獲豁免的部分(以負數表示) | Less: Exempted CCP leg of client-cleared trade exposures (reported as negative amounts) | - |
| 9 | 經調整後已出售信用衍生工具的有效名義數額 | Adjusted effective notional amount of written credit derivatives | - |
| 10 | 扣減：就已出售信用衍生工具作出調整的有效名義抵銷及附加數額的扣減(以負數表示) | Less: Adjusted effective notional offsets and add-on deductions for written credit derivatives (reported as negative amounts) | - |
| 11 | 衍生工具風險承擔總額(第4至10行相加之數) | Total derivative exposures (sum of lines 4 to 10) | - |
| 證券融資交易風險承擔 | | Securities financing transaction exposures | |
| 12 | 經銷售會計交易調整後(在不確認淨額計算下)的證券融資交易資產總計 | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting | - |
| 13 | 扣減：證券融資交易資產總計的應付現金相抵後的淨額(以負數表示) | Less: Netted amounts of cash payables and cash receivables of gross SFT assets (reported as negative amounts) | - |
| 14 | 證券融資交易資產的對手方信用風險承擔 | CCR exposure for SFT assets | - |
| 15 | 代理交易風險承擔 | Agent transaction exposures | - |
| 16 | 證券融資交易風險承擔總額(第12至15行相加之數) | Total securities financing transaction exposures (sum of lines 12 to 15) | - |
| 其他資產負債表外風險承擔 | | Other off-balance sheet exposures | |
| 17 | 資產負債表外風險承擔名義數額總計 | Off-balance sheet exposure at gross notional amount | 18,118 |
| 18 | 扣減：就轉換為信貸等值數額作出的調整(以負數表示) | Less: Adjustments for conversion to credit equivalent amounts (reported as negative amounts) | (11,521) |
| 19 | 資產負債表外項目(第17及18行相加之數) | Off-balance sheet items (sum of lines 17 and 18) | 6,597 |
| 資本及風險承擔總額 | | Capital and total exposures | |
| 20 | 一級資本 | Tier 1 capital | 373,938 |
| 21 | 風險承擔總額(第3、11、16及19行相加之數) | Total exposures (sum of lines 3, 11, 16 and 19) | 1,673,577 |
| 槓桿比率 | | Leverage ratio | |
| 22 | 《巴塞爾協定三》槓桿比率 | Basel III leverage ratio | 22.34% |

9 信貸，市場及業務操作風險之資本要求額

於附註3.5內所列示之資本比率乃銀行按銀行業（資本）規則以其數據所計算作監管用途於2016年12月31日及2015年12月31日之綜合比率。

每組風險承擔之資本要求概述如下：

(i) 信貸風險之資本要求額

| |
|-------------------|
| 銀行同業風險承擔 |
| 住宅按揭貸款 |
| 其他非過期之風險承擔 |
| 資產負債表內風險承擔之資本要求總額 |
| 直接信貸代替品 |
| 與貿易有關之或有負債 |
| 資產負債表外風險承擔之資本要求總額 |
| 信貸風險之資本要求總額 |

銀行採用基本計算法計算信貸風險。此披露按集團自各相關計算所得之風險加權數額乘以8%，而並非銀行之實際「法定資本」。

(ii) 業務操作風險之資本要求額

業務操作風險之資本要求額

銀行採用基本指標計算法計算業務操作風險。

(iii) 市場風險之資本要求額

市場風險之資本要求額

於2016年3月22日，銀行獲香港金融管理局以符合銀行業（資本）規則第22（1）條之豁免條件被豁免計算市場風險。在該日期後及於2016年12月31日銀行在計算其資本比率時並無計入市場風險。

Capital Charge for Credit, Market and Operational Risks

The capital ratio in note 3.5 to the financial statements represents the consolidated ratio of the position of the Bank for regulatory purposes as at 31 December 2016 and 2015 computed in accordance with the Banking (Capital) Rules.

The capital requirements for each class of exposures are summarised as follows:

(i) Capital charge for credit risk

| | 資本要求 Capital requirement | |
|--|-----------------------------|------------------|
| | 2016 HK\$'000 | 2015 HK\$'000 |
| Bank exposures | 9,605 | 8,077 |
| Residential mortgage loans | 6,941 | 6,880 |
| Other exposures which are not past due exposures | 38,049 | 37,883 |
| Total capital charge for on-balance sheet exposures | 54,595 | 52,840 |
| Direct credit substitutes | 320 | 400 |
| Trade-related contingencies | 18 | 46 |
| Total capital charge for off-balance sheet exposures | 338 | 446 |
| Total capital charge for credit risk | 54,933 | 53,286 |

The Bank uses the Basic Approach for calculating credit risk. This disclosure is made by multiplying the Bank's risk-weighted amount derived from the relevant calculation approach by 8%, not the Bank's actual "regulatory capital".

(ii) Capital charge for operational risk

| | 2016 HK\$'000 | 2015 HK\$'000 |
|-------------------------------------|------------------|------------------|
| Capital charge for operational risk | 3,097 | 2,860 |

The Bank uses the Basic Indicator Approach for calculating operational risk.

(iii) Market risk capital charge

| | 2016 HK\$'000 | 2015 HK\$'000 |
|----------------------------|------------------|------------------|
| Market risk capital charge | - | 23 |

The Bank was granted by the HKMA an exemption from the calculation of market risk under the exemption criteria under section 22(1) of the Banking (Capital) Rules on 22 March 2016 and has excluded market risk in the calculation of capital ratio since then and as at 31 December 2016.

10 逆週期緩衝資本比率之披露

於2016年12月31日，銀行之逆週期緩衝資本比率為0.625%。此乃與香港之2016年逆週期緩衝資本，即0.625%相同，因於計算其逆週期緩衝資本比率而言，銀行只在香港營運並有風險加權數額為港幣156,072,000元之私人市場貸款承擔。

11 風險管理之描述性資料

集團之風險管理事務由董事局委任之董事及經理負責。該等被委任之董事及經理肩負中心點之作用從而識別、審查及計算出集團所面對之個別風險範圍，並向董事局建議及於日後推行適當政策及程序。

(甲) 信貸風險之管理

信貸風險為因客戶未能在其財務及合約責任到期時須履行支付此等責任而帶來之可能風險。集團已製訂出政策和系統用以監察及控制個別客戶及行業類別之風險。貸款委員會之成員獲授權借貸限額，並獲授權批核及定期審理貸款與及週期性評核集團放款組合之整體質素。

集團之政策為只與經理層熟悉其背景及財力之客戶進行交易。貸款申請按其有記錄之證據所提供之資料接受個別評核。銀行在設定能迎合申請人個別需求之借貸條件時提供靈活之同時，於決定是否貸款前會嚴格要求申請人具備財力、還款能力及抵押資產能提供足夠保障。貸款批核程序在貸款委員會之嚴密監控下由中央控制。經理層需經貸款委員會之批准才可推出新產品及進行新活動。

(乙) 流動資金風險之管理

流動資金風險源自於資產負債表內資產與負債所產生之現金流量之不相配合，再加上資產負債表外活動之結算特質。集團之融資活動由董事根據董事局所議訂之政策及指引而密切管理。銀行之一貫穩健策略及流動資金情況之即時匯報均能確保集團能準時地及具成本效益地履行其全部承擔。

(丙) 利率風險之管理

利率風險乃集團因利率之可能變動而引致虧損之風險。集團之利率風險由高級管理層監控，其監控乃透過審理及控制集團之有息資產及付息債務之水平及種類。

(i) 銀行賬內之利率風險

集團承受以下有關其銀行賬之利率風險：

- 重新定價（或到期日不配合）風險：此風險源自固定利率及浮動利率資產，負債及資產負債表外工具於重新定價及到期時出現於利率變動及現金流量之時間差異。
- 回報曲線風險：重新定價之不配合，加上回報曲線之非預期變動會對銀行之收入或經濟價值造成負面影響。

Countercyclical Capital Buffer Ratio Disclosures

As at 31 December 2016, the Bank's countercyclical capital buffer ratio was 0.625%. This was the same as the jurisdiction countercyclical capital buffer of Hong Kong for 2016, at the level of 0.625%, as the Bank only operates and has private sector credit exposures in Hong Kong, with risk weighted amount of HK\$156,072,000, for the purpose of the calculation of its countercyclical capital buffer ratio.

Qualitative Information on Management of Risk

The Group's risk management function rests with directors and managers designated by the Board. They act as the focal point in identifying, reviewing and quantifying the particular risk areas the Group is exposed to, and in recommending to the Board and the subsequent implementation of appropriate policies and procedures.

(a) Credit risk management

Credit risk is the potential risk of financial loss resulting from the failure of a customer to settle its financial and contractual obligations as and when they fall due. The Group has established policies and systems for the monitoring and control of exposures to individual customers and industry segments. Lending limits are delegated to members of the Credit Committee who has the authority in approving and regularly reviewing the credits, and assessing on a periodic basis the overall quality of the Group's loan portfolio.

It is the Group's policy to deal only with customers whose background and financial strength are thoroughly known to management. Loan applications are individually assessed based on information backed up by documentary evidence. While flexibility is provided in structuring the credit terms to meet the applicant's specific needs, applicant's financial strength, repayment ability and adequacy of asset protection are insisted before credits are considered. The credit approval process is centralised and under tight control of the Credit Committee, whose approval is required for management to engage in new products and activities.

(b) Liquidity risk management

Liquidity risk arises from the mismatch in the cash flows emanating from on-balance sheet assets and liabilities, plus the settlement characteristic of off-balance sheet activities. The Group's funding activities are closely managed by the directors in accordance with policies and guidelines established by the Board. The usual conservative strategy and the availability of up-to-date reporting on liquidity position ensure that all obligations of the Group are met in a timely and cost efficient manner.

(c) Interest rate risk management

Interest rate risk is the risk of loss to the Group due to possible changes in the level of interest rates. Interest rate risk of the Group is monitored by ALCO and senior management through their review and control of the Group's level and type of interest earning assets and interest bearing liabilities.

(i) Interest rate exposures in banking book

The Group is exposed to the following interest rate risks in relation to its banking book :

- Repricing (or maturity mismatch) risk : the risk is caused by timing differences in rate changes and cash flows that occur in the repricing and maturity of fixed and floating rate assets, liabilities and off-balance-sheet instruments.
- Yield curve risk : repricing mismatches, coupled with unanticipated changes in the yield curve, will have adverse effects on the Bank's income or economic value.

11 風險管理之描述性資料 (續)

(丙) 利率風險之管理 (續)

(i) 銀行賬內之利率風險 (續)

- 百分點風險：此風險產生自擁有相似重新定價特質之不同工具所賺取及支付之利率變動間之非完美關係。

於量度該等利率風險時，集團假設貸款根據其貸款分期而清還，而沒有固定到期日之存款則繼續存放至可見將來。就所有產品而言，其最早重新定價日期被用作為計算風險於集團之影響。

因應利率改變於收入及經濟價值之影響而作之敏感度分析乃以一假設性200個百分點之利率衝擊進行測試資產負債表兩面之利率曲線，並於每月進行。敏感度限額則被設置用以從收入及經濟價值兩方面去控制集團之利率風險。

以下乃按照呈交至金融管理局之利率風險承擔報表內所採用之方法所計算於12月31日集團所採用之敏感度分析所量度之利率改變相對淨利息收入及經濟價值產生於每一貨幣之潛在影響：

2016年

利率風險衝擊

(加200個百分點)

- 對經濟價值之影響
- 對收入之影響

2015年

利率風險衝擊

(加200個百分點)

- 對經濟價值之影響
- 對收入之影響

Qualitative Information on Management of Risk (Continued)

(c) Interest rate risk management (Continued)

(i) Interest rate exposures in banking book (Continued)

- Basis risk : the risk arises from imperfect correlation between changes in the rates earned and paid on different instruments with otherwise similar repricing characteristics.

In the measurement of such interest rate risk, the Group assumes that loans are repaid according to loan instalments while deposits without a fixed maturity are continued into the foreseeable future. For all products, the earliest repricing date is used to determine the impact of the risk on the Group.

Sensitivity analysis in relation to the impact of changes in interest rates on earnings and economic value is assessed through a hypothetical interest rate shock of 200 basis points across the yield curve on both sides of the balance sheet and is performed on monthly basis. Sensitivity limits are set to control the Group's interest rate risk exposure under both earnings and economic value perspectives.

The Group uses sensitivity analysis to measure the potential effect of changes in interest rates on the net interest income and economic value change which is broken down by currencies in accordance with the method used in the monetary returns relating to interest rate risk exposures submitted to the HKMA as at 31 December are as follows:

| | 貨幣 | | 總額 |
|----------------------------|-------------|------------|-------------|
| | 港幣 | 美元 | |
| | HK Dollars | US Dollars | Total |
| | HK\$ | HK\$ | HK\$ |
| 2016 | | | |
| Interest rate risk shock | | | |
| (+200 basis points) | | | |
| - Impact on economic value | 1,196,961 | 2,569 | 1,199,530 |
| - Impact on earnings | (4,834,904) | 13,534 | (4,821,370) |
| 2015 | | | |
| Interest rate risk shock | | | |
| (+200 basis points) | | | |
| - Impact on economic value | 1,370,633 | 1,780 | 1,372,413 |
| - Impact on earnings | (5,817,831) | 9,560 | (5,808,271) |

(丁) 外匯風險之管理

外匯風險為因匯率變動而可能帶來之財務虧損之風險。集團採取穩健之政策以致非買賣之外匯風險並不重大。在所有情況下，外匯風險由集團之高級管理層密切監察及調控。

(戊) 市場風險之管理

市場風險表示由利率、資產價值、匯率之波動及該等市場上之集中程度與不穩定程度從而對盈利所構成之可能變動。集團視其參與與市場風險有關之財資活動並不重大。此低額豁免地位乃符合香港金融管理局依照銀行業「資本」規則內之豁免準則而獲取。

(d) Foreign exchange risk management

Foreign exchange risk represents the potential risk of financial loss resulting from the fluctuations in foreign exchange rates. The Group's non trading exposure to foreign exchange risk is not material as a result of conservative strategy adopted. In all cases, foreign exchange risk is closely monitored by senior management of the Group.

(e) Market risk management

Market risk recognises the potential change in earnings as a result of movement in interest rates, asset price, foreign exchange rates and the level of concentration and volatility in any or all of these markets. The Group considers its involvement in market risk-related treasury activities has not been significant. This is in accordance with the Group's de minimis exemption status as determined by the exemption criteria set out under the Banking (Capital) Rules.

12 因應香港金融管理局所發出CG-5良好薪酬制度指引所作之薪酬披露

本銀行制定一份用以監管成立一薪酬委員會及規劃其員工之薪酬決定原則之薪酬政策。銀行之薪酬政策促使其制定出一套能配合銀行之商業目標，風險容忍度及風險管理架構之全面性薪酬計劃。

集團薪酬委員會之組成委員及其責任已於附屬財務資料第6項內顯示。於2015年12月31日止年度所舉行之每年一次會議中，薪酬委員會根據本行之薪酬政策及董事會指示檢討及批核銀行高級管理層（此乃任職助理總經理或以上級別）及主要員工（此乃根據銀行條例第14附表所定之主要職務主管）之年度薪酬。委員會亦審批本行薪酬政策之每年例檢，該例檢並無對該政策提出任何改變。董事會所批准按工務員薪酬調整而訂之比較標準被用作決定銀行付與其高級管理層及主要員工之年度薪酬調整。因此，負責風險管理職務之員工所獲得之酬勞與其管理之業務並無關連。銀行之個別董事亦不會決定其自身之酬金。

於2016年12月31日止年度內，支付給薪酬委員會成員之總酬金為港幣288,000元（2015年：港幣317,195元），作為其對董事局整體工作及承擔之報酬。

集團只給予其高級管理層及主要員工現金薪金及津貼之固定薪酬。集團並無付與其高級管理層及主要員工以現金、股票、股票掛鉤工具及其他工具形式發放之可變動薪酬。於2016年12月31日止之年度內集團高級管理層（共3人）及主要員工（共4人）之薪酬分別為港幣3,847,200元及港幣3,146,760元（2015年：分別為港幣3,701,820元及港幣3,023,760元）。於2016年12月31日止之年度內集團並無以員工表現作出調整支付或減少給予高級管理層及主要員工之既得或不既得利益之遞延薪酬（2015年：無）。

於2016年12月31日止年度內集團並無新聘或離職報償或保證花紅付與其高級管理層及主要員工（2015年：無）。

銀行已大致遵守由香港金融管理局所發出之監管政策手冊CG-5“良好薪酬制度指引”內第3部分（薪酬披露）之規定。

Disclosure on Remuneration for CG-5 Guideline on a Sound Remuneration System Issued by the HKMA

The Bank establishes a Remuneration Policy which governs the set up of a Remuneration Committee and formulates the principles of remuneration determination for its staff. The Remuneration Policy of the Bank promotes an overall scheme of remuneration that matches the Bank's business objectives, risk tolerance and risk management framework.

The composition and responsibility of the Group's Remuneration Committee has been set out in note 6 of the Supplementary Financial Information. During its annual meeting held in the year ended 31 December 2016, the Remuneration Committee reviewed and approved the annual remuneration to be paid to the Bank's senior management (being those holding position as Assistant General Manager or above) and key personnel (being heads of key functions as stipulated in Fourteenth Schedule of the Banking Ordinance) in accordance to the Bank's Remuneration Policy and Board instructions. It also approved the annual review of the Bank's Remuneration Policy where no changes were recommended to be made. The basis of determining the annual emolument adjustment payable by the Bank to its senior management and key personnel is by reference to Board approved benchmark based on public sector indicators in this area. Accordingly, employees who are responsible for risk control functions are remunerated independently of the businesses they oversee. No individual director of the Bank will be involved in decisions relating to his/her own remuneration.

The total fees paid to the members of Remuneration Committee during the year ended 31 December 2016 amounted to HK\$288,000 (2015: HK\$317,195) which were paid for their overall workloads and commitment to the Board as a whole.

The Group only provides fixed remuneration to its senior management and key personnel in the form of salary and allowance in cash. No variable remuneration, whether in the form of cash, shares and share-linked instruments and other instruments, has been provided by the Group to its senior management and key personnel. The total remuneration for the Group's senior management (3 persons in total) and key personnel (4 persons in total) for the year ended 31 December 2016 amounted to HK\$3,847,200 and HK\$3,146,760 respectively (2015: HK\$3,701,820 and HK\$3,023,760 respectively). There were no deferred remuneration nor retained remuneration, whether vested or unvested, awarded, in the form of payment or reduction through performance adjustments, to the Group's senior management and key personnel during the year ended 31 December 2016 (2015: Nil).

During the year ended 31 December 2016, the Group did not have any new sign-ons, severance payments or guaranteed bonuses awarded to its senior management and key personnel (2015: Nil).

The Bank has complied with the requirement set out in Part 3 (disclosure on remuneration) of the Supervisory Policy Manual CG-5 entitled "Guideline on a Sound Remuneration System" issued by the Hong Kong Monetary Authority in all material aspects

13 因應香港金融管理局所發出CA-S-10金融工具公平價值之實行制度指引所作之披露

集團持有需要根據香港金融管理局所發出之CA-S-10指引作公平價值量度之可出售上市股票投資。集團對該等可出售上市股票投資所採用之估值方法已刊載於綜合財務報表附註內之附註3.4，而該等投資之敏感度分析亦已詳述於綜合財務報表附註之附註3.2.1內。

集團採用證券交易所為每一可出售上市股票投資所報之價值去定期為該等投資作公平價值重估。此公平價值量度及計算程序由不受風險承擔單位所控制之部門進行，並由集團高級管理層作嚴格之監控。可出售上市股票投資之公平價值由高級管理層及董事局作定期之審查。

Disclosure on Fair Value Practices on Financial Instruments for CA-S-10 Guideline issued by the HKMA

The Group holds available-for-sale listed equity investments which are subject to fair value measurement as stipulated in the CA-S-10 Guideline issued by the HKMA. The valuation technique used by the Group to value the subject available-for-sale listed equity investments has been set out in note 3.4 of the Notes to the Consolidated Financial Statements while the sensitivity analysis of such investments are detailed in note 3.2.1 of the Notes to the Consolidated Financial Statements.

The Group uses prices quoted at the stock exchanges for each of the available-for-sale listed equity investments to mark the investments to their fair values on periodic basis. The fair value measurement and calculation process is performed by a department independent of the risk taking unit and is subject to stringent controls supervised by senior management of the Group. The fair values of the available-for-sale listed equity investments are reviewed regularly by senior management and the Board.

獨立核數師報告

致大生銀行有限公司〔於香港註冊成立之有限公司〕全體股東

意見

我們已審計的內容

大生銀行有限公司(「貴銀行」)及其附屬公司(以下統稱「貴集團」)列載於第 6至59頁之綜合財務報表，包括：

- 於2016年12月31日之綜合財務狀況表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們之意見

我們認為，該等綜合財務報表已根據香港會計師公會頒布之《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日之綜合財務狀況及其截至該日止年度之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。

意見之基礎

我們已根據香港會計師公會頒布之《香港審計準則》進行審計。我們在該等準則下承擔之責任已在本報告「核數師就審計綜合財務報表承擔之責任」部分中作進一步闡述。

我們相信，我們所獲得之審計憑證能充足及適當地為我們之審計意見提供基礎。

獨立性

根據香港會計師公會頒布之《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中之其他專業道德責任。

其他信息

貴銀行董事須對其他信息負責。其他信息包括年報內之所有信息，但不包括綜合財務報表及我們之核數師報告。

我們對綜合財務報表之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之鑒證結論。

結合我們對綜合財務報表之審計，我們之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之情況存在重大抵觸或者似乎存在重大錯誤陳述之情況。

基於我們已執行之工作，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。

董事及監核委員會就綜合財務報表須承擔之責任

貴銀行董事須負責根據香港會計師公會頒布之《香港財務報告準則》及香港《公司條例》擬備真實而中肯之綜合財務報表，並對其認為為使綜合財務報表之擬備不存在由於欺詐或錯誤而導致之重大錯誤陳述所需之內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，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，或別無其他實際之替代方案。

監核委員會須負責監督 貴集團之財務報告過程。

獨立核數師報告

致大生銀行有限公司〔於香港註冊成立之有限公司〕全體股東（續）

核數師就審計綜合財務報表承擔之責任

我們之目標，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之重大錯誤陳述取得合理保證，並出具包括我們意見之核數師報告。我們僅按照香港《公司條例》第405條向閣下（作為整體）報告我們之意見，除此之外本報告別無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。合理保證是高水平之保證，但不能保證按照《香港審計準則》進行之審計，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綜合財務報表所作出之經濟決定，則有關之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之風險，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之審計憑證，作為我們意見之基礎。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之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審計相關之內部控制，以設計適當之審計程序，但目的並非對貴集團內部控制之有效性發表意見。
- 評價董事所採用會計政策之恰當性及作出會計估計和相關披露之合理性。
- 對董事採用持續經營會計基礎之恰當性作出結論。根據所獲取之審計憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對貴集團之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之相關披露。假若有關之披露不足，則我們應當發表非無保留意見。我們之結論是基於核數師報告日止所取得之審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表之整體列報方式、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。
- 就貴集團內實體或業務活動之財務信息獲取充足、適當之審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計之方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與監核委員會溝通了計劃之審計範圍、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之任何重大缺陷。

羅兵咸永道會計師事務所
香港執業會計師

香港，2017年3月29日

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TAI SANG BANK LIMITED
(Incorporated in Hong Kong with limited liability)**

Opinion

What we have audited

The consolidated financial statements of Tai Sang Bank Limited (the "Bank") and its subsidiaries (the "Group") set out on pages 6 to 59, which comprise:

- the consolidated statement of financial position as at 31 December 2016;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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 ("HKSA") 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Other Information

The directors of the Bank are responsible for the other information. The other information comprises all of 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 Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Bank 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 Audit Committee is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TAI SANG BANK LIMITED (CONTINUED)
(Incorporated in Hong Kong with limited liability)

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. We report our opinion 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 HKSAs 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 HKSAs, we exercise professional judgment 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.
- 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 group 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.

PRICEWATERHOUSECOOPERS
Certified Public Accountants

HONG KONG, 29 March 2017