



**BEA 東亞銀行**

(Stock Code 股份代號：23)

Annual Report **2019** 年報



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

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## CORPORATE PROFILE

### 本行簡介

#### Our Vision 願景

To be the trusted and preferred banking partner in Greater China and beyond  
成為大中華及其他地區客戶信任及首選的銀行夥伴。

#### Our Mission 使命

To ensure that every customer experience is positive. We achieve this by providing best in class financial products and services  
提供出類拔萃的金融產品及服務，務求令每位客戶時刻享有稱心的服務體驗。

Incorporated in 1918, The Bank of East Asia, Limited is a leading Hong Kong financial services group with total consolidated assets of HK\$865.2 billion (US\$111.1 billion) as of 31st December, 2019.

BEA provides a comprehensive range of corporate banking, personal banking, wealth management, and investment services to customers throughout Greater China and beyond.

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

In Mainland China, BEA's wholly-owned subsidiary, The Bank of East Asia (China) Limited operates one of the most extensive networks of any foreign bank in China, with outlets in more than 40 cities nationwide.

Overseas, the Bank maintains an active presence in Southeast Asia, the United Kingdom, and the United States. Worldwide, BEA serves customers through nearly 200 outlets and offers rewarding and challenging career opportunities to more than 9,800 employees.

The BEA Group's subsidiaries further broaden the Bank's product offering to meet the increasingly diverse and sophisticated needs of a burgeoning customer base. BEA's wholly-owned subsidiaries, BEA Life Limited and Blue Cross (Asia-Pacific) Insurance Limited, serve as the Bank's life insurance and general insurance arms, respectively, and provide a comprehensive range of insurance solutions for individual and corporate customers.

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

For more information on BEA, please visit your nearest BEA branch or the Bank's homepage at [www.hkbea.com](http://www.hkbea.com).

東亞銀行有限公司成立於1918年，為一家具領導地位的香港金融服務集團。於2019年12月31日，本行的綜合資產總額達港幣8,652億元（1,111億美元）。

本行一直致力服務大中華及其他地區的客戶，提供全面的企業銀行、個人銀行、財富管理和投資服務，以滿足他們的理財所需。

本行為香港擁有最龐大零售網絡的銀行之一，分行提供全面的服務，並設有專為高端客戶而設的顯卓理財中心。此外，本行亦於不同地區設立i-理財中心，為客戶提供更長的營業時間及便捷創新的服務。

本行的全資附屬公司——東亞銀行（中國）有限公司為內地網絡最龐大的外資銀行之一，網點遍布內地逾40個城市。

本行於世界各地共設有近200個網點，業務遍布東南亞、英國和美國。集團現於全球聘用逾9,800名員工。

此外，本行透過集團附屬公司進一步完善業務範圍，為客戶提供全面而適切的方案，以配合日益壯大的客戶群之需要。東亞人壽保險有限公司及藍十字（亞太）保險有限公司為集團拓展保險業務，分別承保人壽保險和一般保險產品，讓個人和企業客戶享有周全的保障。

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

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

# FINANCIAL HIGHLIGHTS

## 財務摘要

|   | 2019<br>HK\$ Million<br>港幣百萬元  | 2018<br>HK\$ Million<br>港幣百萬元        | Change 變動<br>% 百分率 |
|---|--|--------------------------------------|--------------------|
| <b>Profitability 盈利能力</b>   |  |                                      |                    |
| Operating profit before impairment losses<br>未扣除減值損失之經營溢利               | <b>9,793</b>   | 8,509                                | +15.1              |
| Profit attributable to owners of the parent<br>可歸屬於本集團股東溢利              | <b>3,260</b>   | 6,509                                | -49.9              |
| <b>Balance Sheet Strength 資產負債狀況</b>                                    |  |                                      |                    |
| Total loans and advances to customers and trade bills<br>客戶貸款及墊款及貿易票據總額 | <b>521,186</b>   | 515,281                              | +1.1               |
| Total assets<br>資產總額  | <b>865,198</b>   | 839,451                              | +3.1               |
| Total customers' deposits and certificates of deposit issued<br>存款總額    | <b>647,586</b>   | 632,604                              | +2.4               |
| Total equity<br>股東權益總額  | <b>109,638</b>   | 103,575                              | +5.9               |
| <b>Earnings Per Share and Dividends Per Share<br/>每股盈利及每股股息</b>         |  |                                      |                    |
| Basic earnings<br>基本盈利  | <b>HK\$0.89</b>  | HK\$2.07                             | -57.0              |
| Dividends<br>股息   | <b>HK\$0.46</b>  | HK\$1.18                             | -61.0              |
| <b>Key Ratios 主要比率</b>  |  |                                      |                    |
| Return on average assets <sup>1</sup><br>平均資產回報率                        | <b>0.3%</b>  | 0.7%                                 |                    |
| Return on average equity <sup>2</sup><br>平均股東權益回報率                      | <b>2.7%</b>  | 6.3%                                 |                    |
| Cost-to-income ratio <sup>3</sup><br>成本對收入比率                            | <b>50.2%</b>   | 50.2%                                |                    |
| Loan to deposit ratio <sup>4</sup><br>貸款對存款比率                           | <b>78.6%</b>   | 79.1%                                |                    |
| Impaired loan ratio <sup>5</sup><br>減值貸款比率                              | <b>1.2%</b>  | 0.7%                                 |                    |
| Average liquidity coverage ratio<br>平均流動性覆蓋比率                           | -first quarter 第一季度<br>-second quarter 第二季度<br>-third quarter 第三季度<br>-fourth quarter 第四季度 | 137.8%<br>144.8%<br>153.0%<br>180.5% |                    |
| Common Equity Tier 1 capital ratio <sup>6</sup><br>普通股權一級資本比率           | <b>15.6%</b>   | 15.7%                                |                    |
| Tier 1 capital ratio <sup>6</sup><br>一級資本比率                             | <b>18.4%</b>   | 17.8%                                |                    |
| Total capital ratio <sup>6</sup><br>總資本比率                               | <b>20.4%</b>   | 20.8%                                |                    |

## Notes:

- <sup>1</sup> Profits attributable to owners of the parent for the year after deduction of the distributions to Hybrid/Additional Tier 1 issue holders / Monthly average balance of the total assets for the year including last year-end balance.
- <sup>2</sup> Profits attributable to owners of the parent for the year after deduction of the distributions to Hybrid/Additional Tier 1 issue holders / Monthly average balance of the total equity attributable to the owners of the parent for the year including last year-end balance.
- <sup>3</sup> Operating expenses / Operating income.
- <sup>4</sup> Total gross loans and advances to customers / Total deposits from customers and certificates of deposits issued.
- <sup>5</sup> Gross impaired loans and advances to customers / Total gross loans and advances to customers.
- <sup>6</sup> It is computed on a consolidated basis in accordance with Banking (Capital) Rules.

## 附註：

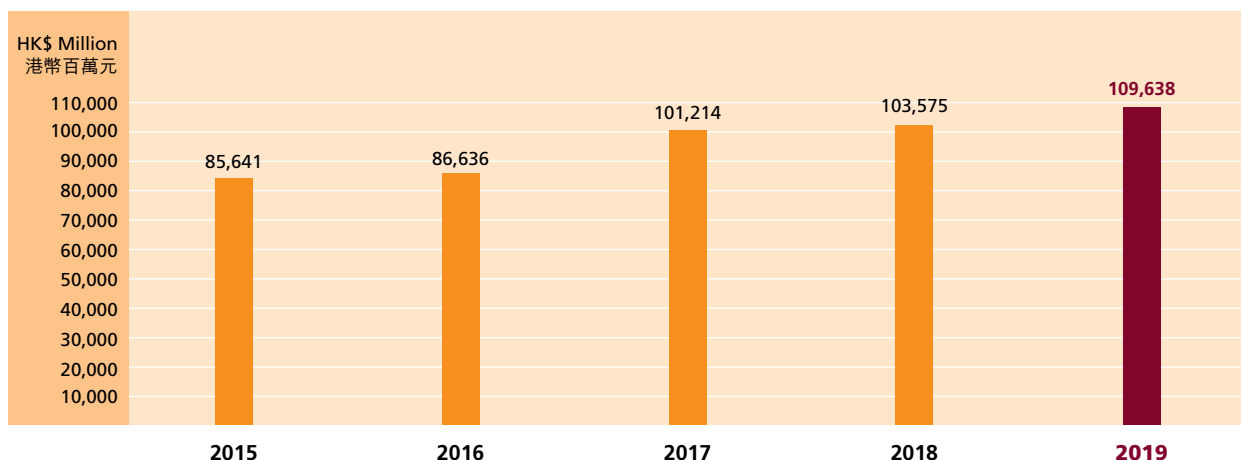
- <sup>1</sup> 已減除分派予混合/額外一級資本工具持有人及後可歸屬於本集團股東之年度溢利/年內(包括去年末的結餘)資產總額之每月平均結餘。
- <sup>2</sup> 已減除分派予混合/額外一級資本工具持有人及後可歸屬於本集團股東之年度溢利/年內(包括去年末的結餘)可歸屬於本集團股東權益總額之每月平均結餘。
- <sup>3</sup> 經營支出/經營收入。
- <sup>4</sup> 客戶貸款及墊款總額/客戶存款及已發行存款證總額。
- <sup>5</sup> 減值貸款及墊款總額/客戶貸款及墊款總額。
- <sup>6</sup> 根據銀行業(資本)規則的綜合基準計算。

## FIVE-YEAR FINANCIAL SUMMARY\*

### 5 年財務概要\*

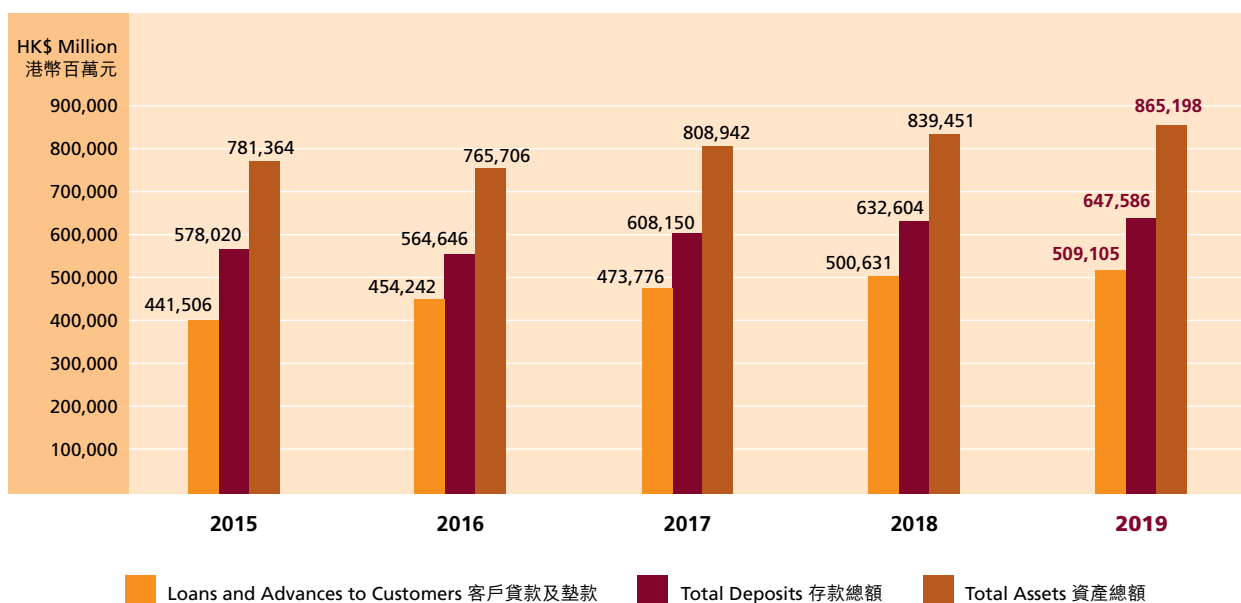
#### TOTAL EQUITY

股東權益總額



#### LOANS AND ADVANCES TO CUSTOMERS / TOTAL DEPOSITS / TOTAL ASSETS

客戶貸款及墊款 / 存款總額 / 資產總額



Loans and Advances to Customers 客戶貸款及墊款    Total Deposits 存款總額    Total Assets 資產總額

\* Due to the Hong Kong Financial Reporting Standards that came into effect during the financial year, the above summary have not been prepared on a consistent basis. Changes in accounting policies are set out in Note 3 of the Notes To The Financial Statements.

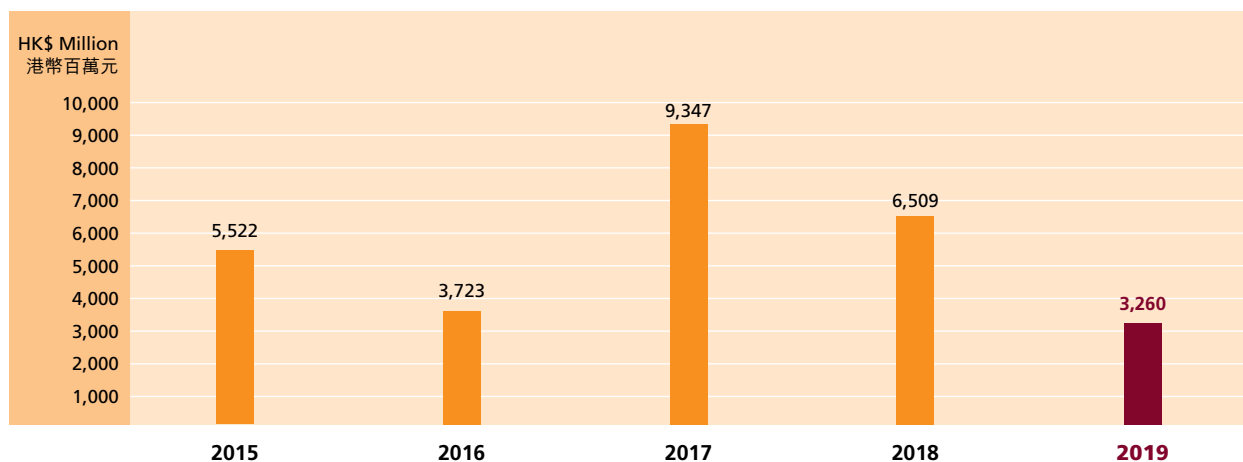
\* 由於本年度生效之《香港財務報告準則》，上述之5年財務概要並非採用統一基制。會計政策之變動已在財務報表附註的附註3內列載。

## FIVE-YEAR FINANCIAL SUMMARY (CONTINUED)

### 5年財務概要(續)

#### PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

可歸屬於本集團股東溢利



#### FIVE-YEAR COMPARISON

5年比較

|   | 2015<br>HK\$ Million<br>港幣百萬元 | 2016<br>HK\$ Million<br>港幣百萬元 | 2017<br>HK\$ Million<br>港幣百萬元 | 2018<br>HK\$ Million<br>港幣百萬元 | 2019<br>HK\$ Million<br>港幣百萬元 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Total equity<br>股東權益總額  | 85,641                        | 86,636                        | 101,214                       | 103,575                       | <b>109,638</b>                |
| Total deposits<br>存款總額  | 578,020                       | 564,646                       | 608,150                       | 632,604                       | <b>647,586</b>                |
| Loans and advances to customers<br>客戶貸款及墊款                    | 441,506                       | 454,242                       | 473,776                       | 500,631                       | <b>509,105</b>                |
| Total assets<br>資產總額  | 781,364                       | 765,706                       | 808,942                       | 839,451                       | <b>865,198</b>                |
| Loan to deposit ratio<br>貸款對存款比率                              | 76%                           | 80%                           | 78%                           | 79%                           | <b>79%</b>                    |
| Profit attributable to<br>owners of the parent<br>可歸屬於本集團股東溢利 | 5,522                         | 3,723                         | 9,347                         | 6,509                         | <b>3,260</b>                  |
| Earnings per share<br>每股盈利                                    | HK\$1.95                      | HK\$1.21                      | HK\$3.21                      | HK\$2.07                      | <b>HK\$0.89</b>               |
| Dividends per share<br>每股股息                                   | HK\$0.88                      | HK\$0.56                      | HK\$1.28                      | HK\$1.18                      | <b>HK\$0.46</b>               |

## EXECUTIVE CHAIRMAN'S STATEMENT

This year is the first time that I report to you in my new position as Executive Chairman of the Bank. It has been my great privilege to serve as Chief Executive for the past 38 years, and I am very pleased that Mr. Adrian Li and Mr. Brian Li will now lead the Bank forward as Co-Chief Executives.

Their appointment, in our centenary year, brings continuity amidst global economic uncertainty and transition in the financial sector.

Increasing competition and accelerating change, a slowing Mainland economy aggravated by the US-China trade dispute, and prolonged social unrest in Hong Kong made 2019 a particularly challenging year.

We continue to believe in the immense potential of our home markets. During our centenary year, BEA took stock, identified opportunities and invested for future growth. We also reaffirmed our medium and long-term strategies, rolling out a series of measures focussing on meeting customer needs, driving sustainable growth and enhancing the efficiency of our business.

### CUSTOMER CENTRICITY

In the 100 years since we first opened our doors, we have grown together with the customers we serve. As we enter our second century, our customers remain our top priority.

Going forward, BEA aims to build even stronger long-term client relationships, as we hone our focus on being a customer-centric financial services provider.

Over the decades, customer expectations with regard to convenience and service quality have evolved considerably, ever more so in the digital era. At BEA, we have long been at the forefront of banking technology, and we will continue to develop innovative and user-friendly services and tools to best serve our customers.



**Dr. the Hon. Sir David LI Kwok-po**  
*Executive Chairman*  
執行主席  
李國寶爵士



## 執行主席報告書

今年是我首次以東亞銀行執行主席的身份，向大家報告銀行的經營情況。在過去38年間，我一直擔任行政總裁一職，對此我感到非常榮幸。我亦十分高興李民橋先生和李民斌先生一同擔任聯席行政總裁，繼續帶領銀行向前發展。

他們兩位的任命適值本行成立一百周年。在當前充滿變數的環球經濟環境，以及金融行業的不斷蛻變下，這任命令銀行的發展更具持續性。

市場競爭加劇，發展瞬息萬變，中美貿易磨擦令內地經濟放緩，加上香港的社會運動，都令2019年充滿挑戰。

我們相信我們所身處的市場具有巨大潛力。在東亞銀行慶祝成立一百周年之際，我們亦審視了目前的經營情況，尋找出當中的機遇，並為未來的增長作出投資。我們亦確認了中期和長期的發展策略，並推出一系列的措施，一方面滿足客戶的需要，同時亦推動業務的可持續增長和提高經營效率。

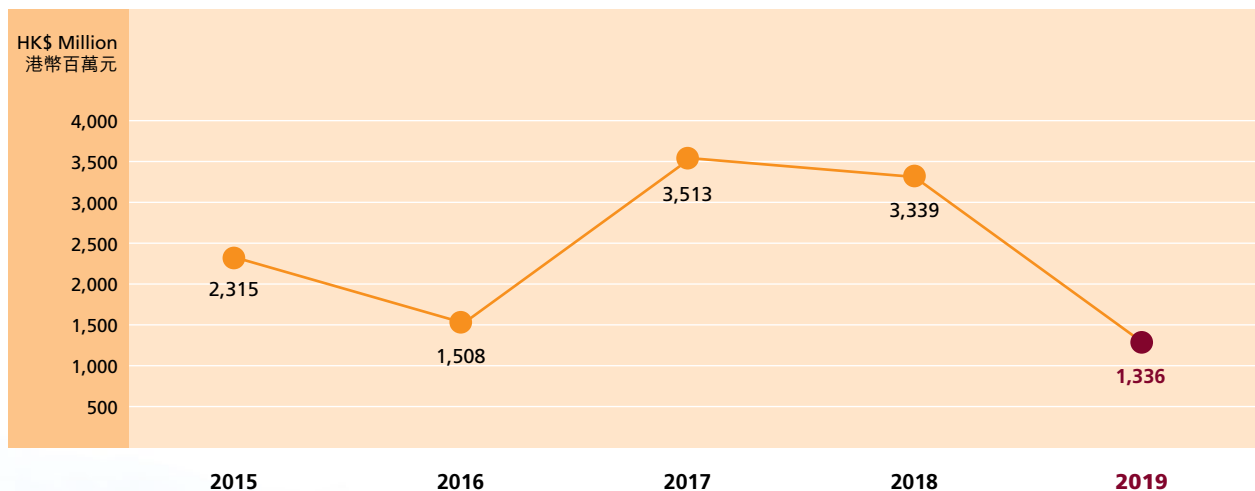
### 以客為尊

開業一百年來，東亞銀行與客戶一起成長。當我們踏入下一個世紀，客戶仍然是我們的重中之重。

展望未來，東亞銀行致力與客戶建立更長遠和穩固的關係，致力成為以客戶為中心的金融服務機構。

過去數十年間，客戶對服務的便利度和質素的期望有很大的轉變，尤其在數碼科技高速發展的今天。東亞銀行一直在銀行科技的發展佔有領先地位，我們會繼續開發創新和方便使用的服務和工具，致力為客戶帶來最佳的服務。

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



## EXECUTIVE CHAIRMAN'S STATEMENT (CONTINUED)

On 1st January, 2020, we established a new Digital & Innovation Office. This office will lead the Group's digital strategy, focussing on enhancing our data analytics capabilities, strengthening our insights into customer behaviour and preferences, and building fintech solutions.

We are also focussing on our partnerships with digital service providers, extending our client base and bringing our customers new experiences and new solutions. At the same time, we are continuously upgrading security, ensuring that we remain at the forefront of best practice in the industry.

### SUSTAINABLE GROWTH

With the low interest rate environment expected to persist, we are seeking to expand fee income.

Moving into 2020, we are enhancing our retail wealth management platform and strengthening cross-border collaboration to capture opportunities arising from the region's increasing affluence.

We aim to provide holistic banking services through our online and offline channels, striving to serve an ever-larger share of our customers' financial needs.

With the strength of our mobile and digital offering, we are well-positioned to compete with new market entrants, including technology firms and virtual banks. At the same time, our branch network gives us a clear advantage in building relationships and providing more complex products and services.

To attract low-cost deposits and drive down funding costs, we will continue to expand our transaction banking, trade finance and cash management businesses. Meanwhile, BEA China will focus on its co-lending, credit card, trade finance, supply-chain financing and cross-border financing businesses.

### EFFICIENCY AND PRODUCTIVITY

We have implemented measures across the Bank to improve productivity and draw greater returns from our assets.

In Hong Kong, we have made changes in various areas to facilitate collaboration between business units, driving improvements in efficiency and value creation. We continue to streamline branch and back-office operations, deploying end-to-end technologies to reduce staff workload and reposition our branches as sales centres.

Similarly, BEA China is reallocating resources to high-potential areas and investing in online infrastructure, in alignment with customer trends. At the same time, key processes such as risk management are being centralised to improve effectiveness and strengthen internal controls.

Recognising that the key to success is our people, we are nurturing a Bank culture that takes pride in delivering best-in-class financial solutions. To this end, we have realigned our appraisal and incentive system to encourage greater collaboration and motivate staff to strive for excellence.

To ensure that capital is deployed efficiently and improve the return on risk-weighted assets, we have set clear goals for our business units. Finally, while investing for productivity growth and efficiency gains, we will remain disciplined regarding expenses to ensure that we operate a sustainable, cost-effective business.

### OUTLOOK

The challenging conditions in 2019 caused difficulties for certain clients on the Mainland. Accordingly, the Bank accelerated the downgrade of a number of loans and made adequate provisions to address the situation. This prudent approach led to a surge in the non-performing loan ratio for 2019. We continue to de-risk and actively manage the problem loan portfolio.

In mid-January 2020, the Central People's Government launched a series of initiatives to control the threat to public health posed by a new coronavirus. While the outbreak has been concentrated on the Mainland, a number of countries have introduced travel restrictions on visitors from China in an attempt to contain the spread of the virus. At the beginning of February, BEA implemented its emergency response protocol for infectious diseases, introducing work-from-home arrangements where practicable and appropriate. A number of branches have been closed temporarily to protect our customers and our staff.

We continue to maintain all services for our clients, and encourage customers to use our online channels wherever possible. We are monitoring the situation, and will adopt a risk-averse posture until the outbreak is brought under control.

我們在2020年1月1日成立了「數碼創新辦公室」，推動集團的數碼發展策略，重點加強數據分析能力，進一步了解客戶的行為和偏好，並開發金融科技解決方案。

我們亦正積極透過與數碼服務供應商建立的夥伴關係擴大客戶基礎，務求為客戶帶來全新的服務體驗和解決方案。同時，我們繼續致力提升服務的安全性，確保本行提供業內安全水平最高的數碼服務。

### 業務可持續增長

由於預期低息環境將會持續，我們正致力增加費用收入。

踏入2020年，我們正提升零售財富管理業務平台，並加強跨境合作，以掌握區內財富持續增長帶來的業務機遇。

我們的目標是通過線上和線下渠道，向客戶提供全面的銀行服務，致力於更廣泛地滿足客戶的理財需要。

憑藉我們在流動和數碼銀行服務的實力，我們已作好準備，應對來自科技公司和虛擬銀行等市場新參與者的競爭。同時，我們擁有完善的分行網絡，令我們在建立客戶關係及提供較複雜的產品方面，有著明顯的優勢。

為吸引低成本的存款和降低資金成本，我們會繼續擴展交易銀行、貿易融資及現金管理業務。同時，東亞中國會集中發展零售聯合貸款、信用卡、貿易融資、供應鏈融資及跨境融資業務。

### 效率與生產力

我們已經於全行上下推行措施，務求提高生產力，並提升我們的資產回報。

香港業務方面，我們已在多方面作出轉變，以促進業務單元之間的協作，提升經營效益和創造價值。我們將會繼續優化分行與後勤部門之間的運作，運用端到端科技來減低員工的工作量，並將分行重新定位為銷售中心。

同樣地，東亞中國正根據客戶需要的趨勢，把資源重新分配到高潛力的範疇，並投資於網絡基礎設施之上。同時，亦會集中處理風險管理等主要工作流程，以提升工作效率及加強內部監控。

員工是我們成功的關鍵，因此我們現正建立正面的銀行文化，矢志提供一流的財務方案。為此，我們修訂了現行的表現評估和獎勵制度，以鼓勵員工之間有更多的協作，並激勵員工精益求精。

我們已為各業務單位訂立了明確目標，以確保資本能有效地配置，且能提高風險加權資產的回報。最後，我們在作出投資以提高生產力和經營效益的同時，亦將繼續嚴控成本開支，以確保我們業務的可持續性，且兼具成本效益。

### 展望

2019年充滿挑戰，內地個別客戶因而面對困難。因此，本行已加快把多筆貸款降級，並作出足夠的撥備以作應對。審慎的措施導致2019年的不良貸款比率上升。我們會繼續降低風險，並積極地管理問題貸款組合。

2020年1月中，中央人民政府推出一系列措施，以控制新型冠狀病毒為公共健康帶來的威脅。儘管疫情主要集中在內地爆發，但不少國家已對來自中國的旅客實施旅遊限制，以遏止有關病毒的傳播。2月初，東亞銀行亦就傳染病啟動應變措施，如在可行及適當情況下，安排員工留於家中工作等。另外，部分分行亦暫停服務，以保障我們客戶和員工的安全。

我們繼續致力為客戶提供一切服務，同時亦鼓勵客戶盡可能使用我們的網上渠道。我們現正密切注意有關情況，並將會採取減低風險的應對措施，直至疫情受到控制為止。

## EXECUTIVE CHAIRMAN'S STATEMENT (CONTINUED)

In the longer term, we see great opportunities to prosper in line with national growth initiatives. With a major branch presence within the Greater Bay Area, BEA is well placed to benefit from policies that aim to transform the region into a global technology and innovation hub. By leveraging our unique China platform and robust fintech solutions, BEA's solid franchise will be further strengthened, assuring the Bank's long-term prospects.

We continue to strengthen ties with our two key strategic partners, namely CaixaBank and Sumitomo Mitsui Banking Corporation, and deepen our relationships with all other partners and affiliates. We believe that these relationships will become even more valuable in the years to come.

We are also investing in our people and in new resources to realise our vision to be the trusted and preferred banking partner in Greater China and beyond. We are confident that this commitment will enable BEA to meet the increasingly sophisticated needs of retail, corporate and private banking customers at all times.

I extend my grateful thanks to our talented and dedicated management team for their commitment to the Bank's long-term goals. The management team and I are very grateful to all our employees for their pursuit of excellence in all that they do.

I extend my personal appreciation to the Bank's Board of Directors and the Directors of our subsidiaries and associated companies for their support and invaluable advice during the past year. I am also very grateful to all our business partners for their significant contributions to our success. And I thank our shareholders for sharing our vision, and for supporting us through every market cycle.

Most importantly, I thank our clients for placing their trust in BEA. We aim to serve you to your complete satisfaction, whichever way you choose to bank with us.

**David LI Kwok-po**

*Executive Chairman*

Hong Kong, 19th February, 2020

## 執行主席報告書（續）

長遠而言，我們從國家的發展計劃中看到龐大的機遇。東亞銀行於大灣區擁有龐大的網絡，因此具備經營優勢，可受惠於將該區轉型為全球技術和創新樞紐的政策。透過我們獨特的內地服務平台，以及完善的金融科技解決方案，東亞銀行的業務將會愈發壯大，令本行能長期持續發展。

我們會繼續與主要策略夥伴 CaixaBank 和三井住友銀行加強聯繫，並深化與其他夥伴的關係。我們相信，有關合作關係未來將變得更具價值。

我們亦投資於員工發展和其他新資源上，以實現我們成為大中華及其他地區客戶信任及首選的銀行夥伴的願景。我們有信心，這承諾將有助東亞銀行於任何時候都能滿足零售、企業和私人銀行客戶日益多樣化的需求。

本人謹此對本行優秀的管理團隊表達由衷謝意，他們致力實現本行的長遠目標。同時，管理團隊和本人亦感謝全體員工過去一年的卓越表現。

本人非常感謝東亞銀行董事會，以及各附屬公司和聯營公司所有董事在過去一年給予的寶貴意見和支持。我亦在此衷心感謝本行的業務夥伴作出的重大貢獻，以及對一直認同我們的願景，並於不同市場周期均給予我們大力支持的股東致謝。

本人十分感謝客戶對東亞銀行的信任，這對我們至為重要。我們定會竭盡所能，為各位提供稱心滿意的銀行服務。

執行主席  
**李國寶**

香港，2020年2月19日

## REPORT OF THE SENIOR MANAGEMENT

### FINANCIAL REVIEW

#### Financial Performance

For the year 2019, the Group earned a profit attributable to owners of the parent of HK\$3,260 million, representing a decrease of HK\$3,249 million or 49.9%, compared with the HK\$6,509 million earned in 2018. Pre-provision operating profit of the Group was strong, growing by 15.1% year-on-year. The drop in attributable profit was mainly due to a significant increase in impairment losses in Mainland China.

Basic earnings per share stood at HK\$0.89 in 2019, compared to HK\$2.07 in 2018.

Return on average assets and return on average equity were 0.3% and 2.7%, respectively, in 2019, compared to 0.7% and 6.3%, respectively, in 2018.

Net interest income for the Group increased by HK\$1,541 million, or 11.9%, to HK\$14,500 million, as net interest margin rose from 1.73% to 1.85% and average interest-bearing assets grew by 4.9%.

Net fee and commission income rose by HK\$288 million, or 10.8%, to HK\$2,941 million. The growth was largely contributed by higher commission income from credit cards and sales of third-party insurance policies, and was partially offset by a decrease in commission income from securities and brokerage.

Taken together, net trading and hedging results and net results from financial instruments designated/mandatory at fair value through profit or loss increased by HK\$281 million to HK\$1,032 million. Overall, non-interest income grew by 26.0% to HK\$5,184 million. Operating income increased by 15.3% to HK\$19,684 million.

Total operating expenses rose by 15.5% to HK\$9,891 million. The rise was mainly due to an increase in internet platform charges incurred for retail co-lending business in Mainland China. Excluding such internet platform charges, total operating expenses rose by 7.1%. The cost-to-income ratio remained flat at 50.2% in 2019.

Pre-provision operating profit stood at HK\$9,793 million, an increase of HK\$1,284 million, or 15.1%, when compared with 2018.

The net charge of impairment losses on financial assets for the Group rose from HK\$1,188 million in 2018 to HK\$7,253 million in 2019, mainly due to higher impairment losses recorded by Mainland China operations, and the Group's impaired loan ratio rose from 0.70% at the end of 2018 to 1.22% at the end of 2019. The impaired loan ratio for Hong Kong operations improved from 0.29% to 0.25%, while that for Mainland China operations rose from 1.73% to 3.80%.

Operating profit after impairment losses amounted to HK\$2,540 million, a decrease of HK\$4,379 million, or 63.3%.

Net profit on the sale of financial assets measured at fair value through other comprehensive income increased by 17.6% to HK\$72 million.

Net profit on sale of assets held for sale in 2019 amounted to HK\$18 million, mainly contributed by a profit of HK\$105 million on the disposal of several properties in Hong Kong, partly offset by a loss of HK\$94 million on the disposal of certain subsidiaries in Mainland China and an associated company in Indonesia.

Valuation on investment properties recorded a net loss of HK\$33 million.

The Group shared after-tax profits from associates and joint ventures of HK\$622 million, an increase of HK\$56 million, or 9.9% compared to 2018.

Owing to a deferred tax credit arising from impairment losses recorded in Mainland operations and a write back of certain overprovision in Hong Kong and Overseas operations, the Group's income tax reversed from a charge of HK\$1,506 million for 2018 to a credit of HK\$138 million for 2019.

After accounting for income taxes, profit after taxation fell to HK\$3,336 million, a decrease of 49.1% compared to the HK\$6,554 million earned in 2018.

# 高層管理人員報告書

## 財務回顧

### 財務表現

2019年，本集團錄得可歸屬於本集團股東溢利達港幣32.60億元，較2018年錄得的港幣65.09億元，下跌港幣32.49億元或49.9%。本集團的撥備前經營溢利表現理想，按年增長15.1%。應佔溢利減少，主要是由於內地的減值損失大幅增加所致。

2019年的每股基本盈利為港幣0.89元，而2018年則為港幣2.07元。

2019年的平均資產回報率及平均股東權益回報率分別為0.3%及2.7%，而2018年則分別為0.7%及6.3%。

本集團的淨利息收入增加港幣15.41億元，或11.9%，至港幣145.00億元。淨息差由1.73%擴闊至1.85%，而平均帶息資產增加4.9%。

服務費及佣金收入淨額增加港幣2.88億元，或10.8%，至港幣29.41億元。有關增長主要來自信用卡及銷售第三者保單的佣金收入上升，然而證券及經紀的佣金收入下跌抵銷了部分升幅。

交易及對沖淨額，以及指定/強制為通過損益以反映公平價值金融工具的淨表現增加港幣2.81億元，至港幣10.32億元。整體而言，非利息收入增加26.0%，至港幣51.84億元，而經營收入上升15.3%，至港幣196.84億元。

經營支出總額上升15.5%，至港幣98.91億元。這主要是由於內地的零售聯合貸款業務所產生的互聯網平台開支增加所致。若不計及該等互聯網平台開支，經營支出總額增加7.1%。成本對收入比率為50.2%，較2019年持平。

撥備前經營溢利達港幣97.93億元，較2018年增加港幣12.84億元，或15.1%。

本集團金融資產之減值損失支銷淨額由2018年的港幣11.88億元增加至2019年的港幣72.53億元，主要是由於內地業務錄得的減值損失增加所致。因此，本集團的減值貸款比率由2018年底的0.70%，上升至2019年底的1.22%。香港業務的減值貸款比率由0.29%改善至0.25%，而內地業務的減值貸款比率則由1.73%上升至3.80%。

扣除減值損失後之經營溢利為港幣25.40億元，減少港幣43.79億元，或63.3%。

出售通過其他全面收益以反映公平價值金融資產之淨溢利增加17.6%，至港幣7,200萬元。

2019年，出售持有作出售資產之淨溢利達港幣1,800萬元，主要是來自出售數項香港物業錄得的溢利港幣1.05億元，然而出售內地若干附屬公司及印尼一間聯營公司產生的虧損港幣9,400萬元抵銷了部分溢利。

投資物業估值錄得淨虧損港幣3,300萬元。

集團應佔聯營公司及合資企業之除稅後溢利總額為港幣6.22億元，較2018年增加港幣5,600萬元，或9.9%。

由於內地減值損失而導致的遞延稅免以及香港和海外業務若干的稅項回撥，本集團之所得稅由2018年的支銷港幣15.06億元，轉為2019年之稅免港幣1.38億元。

經計及所得稅後，除稅後溢利跌至港幣33.36億元，較2018年錄得的港幣65.54億元下跌49.1%。

Over 650 corporate and personal banking customers attended BEA's annual Economic and Market Outlook seminar in January 2019.

2019年1月，逾650位企業及個人客戶出席了東亞銀行舉辦的年度經濟及市場展望研討會。



## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### Financial Position

Total consolidated assets of the Group stood at HK\$865,198 million at the end of 2019, an increase of 3.1% compared to HK\$839,451 million at the end of 2018.

Gross advances to customers rose by 1.7% to HK\$509,105 million, while trade bills negotiated declined by 17.5% to HK\$12,081 million.

Investment securities increased by 13.0% to HK\$163,514 million.

Total equity attributable to owners of the parent increased to HK\$95,307 million, a rise of 3.8%, mainly due to the net profit of HK\$3,260 million earned during 2019.

Additional Tier 1 capital increased to HK\$13,963 million, up 57.0%, while loan capital decreased by 17.2% to HK\$10,238 million.

Debt securities issued increased to HK\$3,181 million, up 464.1%.

Total deposits from customers decreased by 0.1% to HK\$573,527 million. Of the total, demand deposits and current account balances decreased by HK\$5,192 million, or 7.2%; savings deposits increased by HK\$9,265 million, or 7.1%; and time deposits decreased by HK\$4,660 million, or 1.3%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, increased by 2.4% to HK\$647,586 million.

The loan-to-deposit ratio stood at 78.6% at the end of 2019, compared to 79.1% at the end of 2018.

As at 31st December, 2019, the total capital ratio, tier 1 capital ratio, and common equity tier 1 capital ratio were 20.4%, 18.4%, and 15.6%, respectively. The average liquidity coverage ratio for the quarter ended 31st December, 2019 was 175.7%, which was well above the statutory minimum of 100%.

### RATINGS

#### S&P Global Ratings

##### *The Bank of East Asia, Limited*

|  |        |
|--|--------|
| Long-term Counterparty Credit<br>(local and foreign currency)  | A-     |
| Short-term Counterparty Credit<br>(local and foreign currency) | A-2    |
| Outlook  | Stable |

#### Moody's Investor Service

##### *The Bank of East Asia, Limited*

|   |         |
|---|---------|
| Long-term Bank Deposit<br>(local and foreign currency)  | A3      |
| Short-term Bank Deposit<br>(local and foreign currency) | Prime-2 |
| Outlook   | Stable  |



## 高層管理人員報告書(續)

## 財務狀況

於2019年底，本集團綜合資產總額達港幣8,651.98億元，較2018年底的港幣8,394.51億元增加3.1%。

客戶墊款總額上升1.7%，至港幣5,091.05億元，而貿易票據貼現則減少17.5%，至港幣120.81億元。

投資證券上升13.0%，至港幣1,635.14億元。

可歸屬於本集團股東權益總額增加3.8%，至港幣953.07億元，主要是由於在2019年錄得淨溢利達港幣32.60億元。

額外一級資本增加57.0%，至港幣139.63億元，而借貸資本則減少17.2%，至港幣102.38億元。

已發行債務證券增加464.1%，至港幣31.81億元。

客戶存款總額下跌0.1%，至港幣5,735.27億元。其中，活期存款和往來存款賬戶結餘減少港幣51.92億元，降幅為7.2%；儲蓄存款增加港幣92.65億元，增幅為7.1%；而定期存款則下跌港幣46.60億元，降幅為1.3%。包括客戶存款及所有已發行存款證的存款總額增加2.4%，至港幣6,475.86億元。

於2019年底，貸款對存款比率為78.6%，而2018年底則為79.1%。

於2019年12月31日，總資本比率、一級資本比率及普通股權一級資本比率分別為20.4%、18.4%及15.6%。截至2019年12月31日止季度的平均流動性覆蓋比率為175.7%，遠高於100%的法定下限。

## 評級

## 標普全球評級

## 東亞銀行有限公司

|                 |     |
|-----------------|-----|
| 長期交易對手信貸(港元及外幣) | A-  |
| 短期交易對手信貸(港元及外幣) | A-2 |
| 前景              | 穩定  |

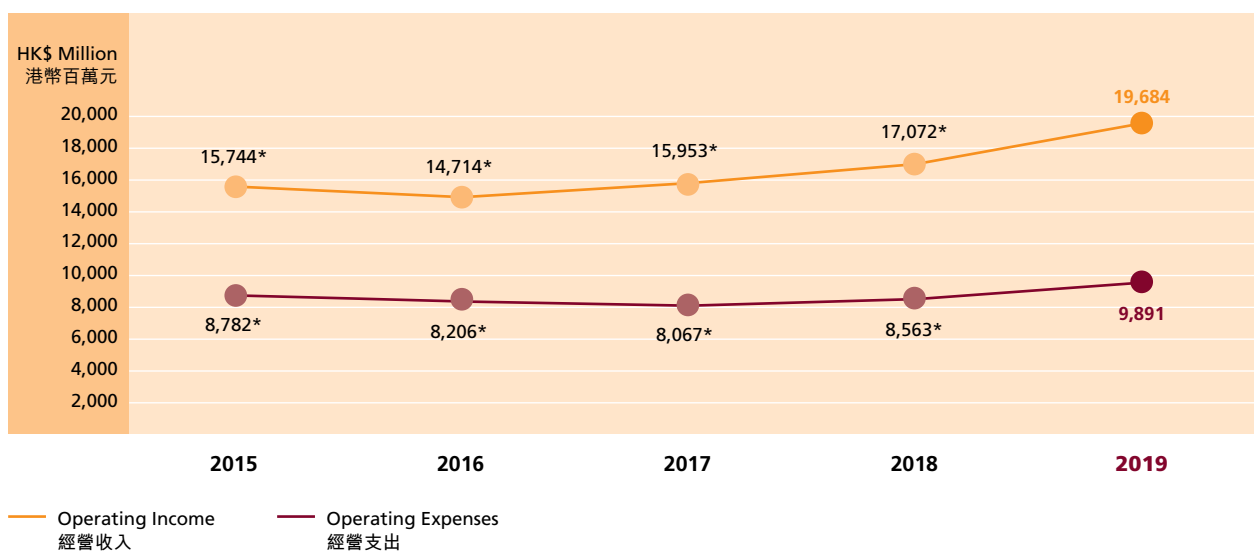
## 穆迪投資服務

## 東亞銀行有限公司

|               |         |
|---------------|---------|
| 長期銀行存款(港元及外幣) | A3      |
| 短期銀行存款(港元及外幣) | Prime-2 |
| 前景            | 穩定      |

## OPERATING INCOME VS OPERATING EXPENSES

## 經營收入及經營支出



\* From continuing operations  
來自持續經營業務

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

## MAJOR RECOGNITION 主要榮譽與獎項

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

- |   |   |
|---|---|
| 1 "2019 Best SME's Partner Gold Award" (for the second consecutive year)<br>- <i>The Hong Kong General Chamber of Small and Medium Business</i>   | 中小企業最佳拍檔金獎2019 (連續第2年獲獎)<br>- 香港中小型企業總商會  |
| 2 "Quamnet Outstanding Enterprise Awards 2018 – Outstanding SME Service Provider (Bank)" (for the sixth consecutive year)<br>- <i>China Tonghai Financial Media Limited</i>   | 華富財經傑出企業大獎2018 – 「傑出中小企業服務機構 (銀行)」 (連續第6年獲獎)<br>- 中國通海金融財經媒體有限公司  |
| 3 "Best Digital Bank, Hong Kong" and "Best Retail Bank, Hong Kong" in the Brand Awards 2018;<br>"Best Private Bank in Greater China" and "Best Wealth Management Partner in North Asia" in the Brand Awards 2019<br>- <i>Global Brands Magazine</i>   | 全球品牌大獎之2018「香港最佳數碼銀行」及「香港最佳零售銀行」；以及<br>2019「大中華區最佳私人銀行」及「北亞太區最佳財富管理合作伙伴」<br>- 《全球品牌》雜誌  |
| 4 "Excellent Brand of Smart Banking" in the Hong Kong Leaders' Choice Awards 2019<br>- <i>Metro Finance</i>   | 香港企業領袖品牌2019之「卓越創新智能銀行服務品牌」<br>- 新城財經台  |
| 5 "Outstanding Intelligent Lifestyle and Financial Management Platform" in the FinTech Awards 2018<br>- <i>ET Net</i>   | 金融科技大獎2018之「傑出智能生活理財平台」<br>- 《經濟通》  |
| 6 Gold Award for "Best App – Banking Services", "Best App – Lifestyle / Entertainment", "Best App – Reform" in the Mob-Ex Awards 2019;<br>Silver Award for "Best User Experience", and "Most Innovative Use of Mobile Technology" in the Mob-Ex Awards 2019<br>- <i>Marketing Magazine</i>                        | 手機市場推廣卓越大獎2019之「最佳手機程式 – 銀行服務」金獎、<br>「最佳手機程式 – 生活/娛樂」金獎、<br>「最佳手機程式 – 革新」金獎；<br>「最佳用戶體驗」銀獎及<br>「最創新手機科技應用」銀獎<br>- 《Marketing》雜誌 |
| 7 "Most Innovative Mobile Banking Application, Hong Kong" in the Triple A Digital Awards 2018<br>- <i>The Asset Magazine</i>  | Triple A數碼服務大獎2018之「香港最創新手機銀行程式」<br>- 《財資》雜誌  |
| 8 "Best Frictionless Omni Channel Integration in Hong Kong" in The Asian Banker Hong Kong Awards;<br>"Payment Merchant Services of the Year in Asia Pacific" in the International Excellence in Retail Financial Services Awards 2019<br>- <i>The Asian Banker</i>  | 香港大獎之「最流暢全渠道整合項目」及年度國際卓越零售金融服務獎項計劃2019之「亞太區年度最佳商戶支付服務」<br>- 《亞洲銀行家》   |
| 9 The Excellence Award in "Digital Innovation", "Branch Innovation", and "Integrated Marketing (Branding Promotion)" in the Financial Institution Awards 2019;<br>Outstanding Performance Award in "Mobile Banking" in the Financial Institution Awards 2019<br>- <i>Bloomberg Businessweek (Chinese Edition)</i> | 金融機構大獎2019之「數碼創新 – 卓越大獎」、「分行創新服務 – 卓越大獎」、「整合營銷策略 (品牌推廣) – 卓越大獎」以及「手機應用銀行服務 – 傑出大獎」<br>- 《彭博商業周刊》(中文版)                           |
| 10 "Hong Kong and Macau Innovative Awards – Issuing Innovative Award (UnionPay APP)"; Gold Award for "Highest UnionPay Online Payment (UPOP) Acquiring Volume 2018"<br>- <i>UnionPay International</i>  | 港澳區創新獎項 – 發卡創新獎 (雲閃付APP) 及商戶UPOP交易量獎2018金獎之「香港區收單獎項」<br>- 銀聯國際  |



高層管理人員報告書(續)

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

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| <p><b>11</b> "2019 The Best Foreign Bank in Brand-building" in the 2019 Golden-shell Award of China Asset Management<br/>- <i>21st Century Business Herald</i></p>   | <p>2019中國資產管理金貝獎之「最佳品牌建設外資銀行」<br/>- 《21世紀經濟報導》</p>                   |
| <p><b>12</b> 2019 Annual Foreign Bank of Excellent Brand<br/>- <i>The Economic Observer</i></p>  | <p>2019中國卓越品牌力外資銀行<br/>- 《經濟觀察報》</p>                                 |
| <p><b>13</b> "2019 Most Innovative Wealth Management Bank" in the 10th Golden Tripod Award<br/>- <i>National Business Daily</i></p>  | <p>第十屆金鼎獎之「年度創新財富管理銀行」<br/>- 《每日經濟新聞》</p>                            |
| <p><b>14</b> "2019 Foreign Bank of Excellent Competitiveness" in the 2019 Financial Institutions of Competitiveness of Excellence, and "New Era Financial Institution Influence Award"<br/>- <i>China Business Journal</i></p> | <p>2019卓越競爭力金融機構評選之「2019卓越競爭力外資商業銀行」及「新時代金融機構影響力獎」<br/>- 《中國經營報》</p> |
| <p><b>15</b> "Most Potential Forward &amp; Swap Transaction Market Maker Award and "Best Comprehensive Member Award"<br/>- <i>China Foreign Exchange Trade System &amp; National Interbank Funding Center</i></p>              | <p>「遠掉最具做市潛力會員獎」及「最佳綜合會員獎」<br/>- 中國外匯交易中心暨全國銀行間同業拆借中心</p>            |
| <p><b>16</b> "2018 China Grand Award"<br/>- <i>JIEMIAN &amp; CaiLianPress</i></p>  | <p>中國好公司金融榜<br/>- 《介面·財聯社》</p>                                       |

**Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司**

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| <p><b>17</b> "Gold Ratings – BEA (MPF) Value Scheme – MPF Ratings' 2019 MPF Scheme Ratings and Awards"<br/>- <i>MPF Ratings Limited</i></p> | <p>金級 — 東亞(強積金)享惠計劃 — 積金評級2019年度強積金計劃評級及獎項<br/>- 積金評級有限公司</p> |
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**Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司**

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| <p><b>18</b> "IFTA Fintech Achievement Award 2018 – Insur-Tech Platinum Award"<br/>- <i>Institute of Financial Technologists of Asia</i></p> | <p>IFTA金融科技成就大獎2018 — 「保險科技白金獎」<br/>- 亞洲金融科技師學會</p>              |
| <p><b>19</b> "Banking &amp; Finance Awards 2019 – Excellence Award for Travel Insurance Product"<br/>- <i>Sky Post</i></p>                   | <p>Banking &amp; Finance Awards 2019 — 「傑出旅遊保險大獎」<br/>- 《晴報》</p> |

**BEA Union Investment Management Limited 東亞聯豐投資管理有限公司**

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| <p><b>20</b> "The Asset Benchmark Research 2019 – One of the Top Investment Houses in Asian G3 Bonds – Hong Kong"<br/>- <i>The Asset</i></p> | <p>2019年度財資基準研究 — 最佳亞洲G3債券投資公司之一(香港)<br/>- 《財資》雜誌</p> |
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**For the BEA Union Investment Asian Bond and Currency Fund 頒予東亞聯豐亞洲債券及貨幣基金**

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| <p><b>21</b> "BENCHMARK Fund of the Year Awards 2019 – Asia Pacific Fixed Income HC within Mutual Funds' Top Funds Awards, Best-In-Class"<br/>- <i>BENCHMARK</i></p> | <p>《指標》基金 2019年度大獎：基金大獎亞太區強勢貨幣債券 — 同級最佳<br/>- 《指標》</p>          |
| <p><b>22</b> "Best Bond Fund, Asia Pacific HC" (for its 5-year performance)<br/>- <i>Refinitiv Lipper Fund Award Programme 2019 Hong Kong</i></p>                    | <p>最佳亞太區債券基金(強勢貨幣)(按其過往5年業績)<br/>- 「Refinitiv 理柏基金香港年獎2019」</p> |



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## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### BUSINESS REVIEW

Global economic growth remained subdued in 2019, clouded by concerns of an escalation in United States-China trade tensions. In response, central banks around the world eased monetary conditions to provide a buffer for their economies in the face of uncertainties. Weak external demand arising from the trade tensions led to a 4.1% year-on-year decline in Hong Kong exports in 2019.

Meanwhile, Hong Kong's domestic economy was affected by escalating social unrest, starting from mid-2019. Retail sales dropped by 11.1% for the whole year. Facing stress on both internal and external fronts, the economy contracted by 1.2% in 2019. By the end of 2019, property prices had slid 4.6% compared to the historic high reached in May. Nevertheless, they were still 5.3% higher than at the start of the year. Unemployment rose to 3.3% in December, the highest level recorded in the past two years.

In the coming year, besides the persisting social unrest, the economy will also have to cope with the threat of the spreading of the coronavirus. Not only will this weigh on consumer confidence, the resultant impediment to business meetings, conferences and cross-border travel will disrupt normal commercial activity. More business closures and downsizing are expected in the coming months, pushing the unemployment rate higher. This in turn will further weigh on consumer spending in 2020.

Meanwhile, despite the first-phase trade deal finalised in January 2020, most of the tariffs imposed by the US on China remain in place. Hence, Hong Kong exports are expected to see only a gradual recovery in 2020. All in all, Hong Kong's gross domestic product is forecast to contract by 1.5%, while the inflation rate will soften to 2.2%.

On the Mainland, exports rose by 0.5% in 2019, as US-China trade friction and escalating tariffs weighed on demand for Mainland products. Business confidence declined, leading to weak job growth. Retail sales growth slowed to 8.0% in 2019.

Pork prices surged in the wake of the swine flu epidemic, pushing overall inflation to 2.9% in 2019. However, non-food inflation averaged only 1.4%, reflecting weakness in consumer demand. In an attempt to stabilise the economy, the Central Government has launched a series of fiscal and monetary stimulus measures, including a half-percentage point reduction in the required reserve ratio and tax cuts for both individuals and corporations.

Looking ahead, the economy will endure the headwinds posed by US trade tariffs and the spreading of the coronavirus. However, following the containment of the disease, we expect the Central Government will introduce measures to stabilise the economy. As of early February this year, we forecast that China's economic growth will decelerate to around 5.4% for 2020. Inflation will average 3.3%.

### Business – Hong Kong

At the end of December 2019, the aggregate value of all customer loans and trade bills of BEA in Hong Kong was 8.0% higher than at the end of 2018. Customer loans were 10.0% higher, debt investments 20.1% higher and customer deposits 6.5% higher.

### Retail Banking

Despite a prolonged period of social unrest, BEA's retail operations posted strong results in 2019. Operating income rose by 11.4% year-on-year. Net interest income increased by 8.4% on higher average deposit balances and a widened deposit spread. Net fee and commission income grew by 30.5%, driven by retail wealth and credit card fee income.

BEA formed a strategic alliance with a series of partners, leveraging the power of API to bring new banking experiences to customers.

東亞銀行與多家合作夥伴建立策略聯盟，利用應用程式界面（API）為客戶提供全新銀行服務體驗。



## 業務回顧

2019年，受中美貿易緊張關係升級的憂慮影響，全球經濟增長持續低迷。在不明朗的經濟形勢下，各國央行紛紛放寬貨幣政策，為經濟提供緩衝。貿易緊張局勢令外圍需求疲弱，導致香港出口按年下跌4.1%。

與此同時，香港本地經濟自2019年中開始亦受到社會運動持續升溫的影響，全年零售銷售下跌11.1%。在內部和外部因素的雙重壓力下，香港經濟於2019年收縮1.2%。截至2019年末，物業價格已較5月創下的歷史高位下滑4.6%，但仍較年初高出5.3%。失業率於12月升至3.3%，為過去兩年錄得的最高水平。

未來一年，本港經濟不但要面對社會持續不穩，更要應付新型冠狀病毒的挑戰。疫症的傳播不但衝擊個人消費信心，更為商務會議、展覽及跨境旅遊帶來不便，影響正常的商業活動。預計商業機構倒閉或縮減規模的情況將會增加，令失業率攀升，進一步影響個人消費。

此外，雖然中美在2020年1月份達成第一階段的貿易協議，但大部分美國向中國實施的貿易關稅仍然維持不變。所以，預計香港出口2020年只會錄得緩慢的復甦。整體而言，預計香港本地生產總值2020年錄得1.5%的收縮，而通脹率將回落至2.2%。

內地方面，中美貿易關係緊張及關稅增加令產品需求受壓，內地出口於2019年上升0.5%。企業信心轉差，導致就業增長轉弱。零售增長於2019年亦放緩至8.0%。

豬肉價格隨豬流感爆發而飆升，將2019年整體通脹率推高至2.9%，但非食品通脹率平均只有1.4%，反映消費需求疲弱。為穩定經濟，中央政府已推出一系列財政及貨幣刺激措施，包括下調最低存款準備金率0.5個百分點，以及推出個人及企業稅務相關的寬減措施。

展望未來，內地經濟需要同時應對美國對中國出口所實施的貿易關稅和新型冠狀病毒所帶來的衝擊。然而，當疫情受到控制之後，預計中央政府將會推出多項措施穩定經濟。於2020年2月初，預測內地經濟增長在年內將回落至5.4%，而通脹率平均為3.3%。

## 香港業務

於2019年12月31日，東亞銀行香港的客戶貸款及貿易票據總額較2018年底增加8.0%。客戶貸款於年內增長10.0%，債券投資增加20.1%，而客戶存款亦上升6.5%。

## 零售銀行

儘管社會持續不穩，零售銀行業務於2019年仍錄得強勁業績。經營收入按年上升11.4%。平均存款額增加及存款息差擴闊，帶動淨利息收入按年增長8.4%。同時，受惠於零售財富管理業務及信用卡服務費收入增加，服務費及佣金收入淨額上升30.5%。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

Targeted segmentation saw a continued improvement in new account intake, contributing to double-digit growth in the bases of both affluent and emerging affluent customers. There was also significant growth in new cross-border clients, following the establishment of dedicated service points across the Bank's Hong Kong network.

Revenue from wealth management services was resilient in the face of weaker market sentiment in the second half of the year. Income from retail investment and insurance products rose by 15.7% year-on-year. In particular, commission from insurance sales saw exceptional growth.

The resilient performance was underpinned by BEA's digital strategy. Even as escalating social unrest led to the temporary suspension of some branch services, customers still had convenient access to a range of services and products via the Bank's mobile app and Cyberbanking portal. Digital customer penetration has reached 50% and close to 80% of financial transactions are made via automated channels.

Following enhancements to the BEA App, mobile adoption picked up pace, with 37% growth in activated mobile banking users over the year. A wide range of retail wealth products were made available via mobile in the second half, including unit trusts, linked deposits and short-term life insurance. In addition, a new app for remote account opening, BEA Flash, was launched with a market-first live chat feature. BEA Flash shortens the account-opening process to just six minutes.

BEA has formed strategic alliances with a number of external service providers, enabling the Bank to integrate with their ecosystems and leverage open APIs to share product information and process applications. BEA will continue to work with digital partners to expand its scope of service and extend its reach to new customers.

### Corporate and Commercial Banking

Corporate Banking's performance was sustained in 2019 despite the challenging operating environment. Operating income increased by 3.2% year-on-year, with solid growth in both net interest income and net fee and commission income.

The division was restructured at the end of 2018 to improve segmentation and focus acquisition on key client groups, with positive results. The corporate loan balance rose by 6.9%, driven by growth in commercial loans, as new teams of relationship managers successfully brought in business from mid-cap companies. Meanwhile, targeted efforts to grow operating accounts also bore fruit. The intake of new accounts rose significantly over the year, particularly among the SME segment, and corporate CASA deposits increased by 83.7%.

As a local bank, BEA supported local SMEs during the economic downturn. Credit facilities approved by BEA to SMEs under the government's loan and financing guarantee schemes more than tripled year-on-year. At the same time, credit risk was closely monitored and the Bank worked proactively to uphold asset quality. As a result, credit costs remained manageable and the impaired loan ratio was kept at a low level.

BEA is improving its digital platform for corporate clients to enrich transaction banking capabilities and increase customer stickiness. Several system enhancements were made during the year. The number of active Corporate Cyberbanking users grew by 45% in 2019, while digital transactions rose by 57%.

To drive business synergies, both internally and with external partners, the Financial Institutions Department has been grouped under Corporate Banking. This will facilitate better resource allocation, grow business through referrals, and enable the Bank to better serve non-bank institutions such as insurance companies, fund houses and NGOs.

Going forward, Corporate Banking remains focussed on managing asset quality, driving balanced growth in deposits and loans, and generating fee income. The Bank will continue to develop its transaction banking, trade finance and corporate wealth management services to attract CASA deposits and bring cross-selling opportunities.

開立新賬戶方面，本行成功吸納目標客戶群，富裕及新興富裕客戶數量均錄得雙位數增長。本行在香港網點設立專屬服務點後，跨境客戶數量亦有顯著升幅。

踏入下半年，在市場情緒轉弱的情況下，財富管理服務仍錄得穩健收入。零售投資及保險產品收入按年上升15.7%，其中保險銷售佣金增長強勁。

上述穩健表現有賴本行的數碼化策略。雖然社會運動升級，導致部分分行暫停服務，但客戶仍可透過本行的手機應用程式及電子網絡銀行服務，便捷地使用一系列服務及產品。數碼客戶滲透率已達50%，而接近80%的財務交易乃透過自動化渠道進行。

自從東亞銀行手機應用程式升級後，流動銀行的使用量迅速增長，已啟用流動銀行的用戶於年內增加37%。於下半年開始，本行的手機應用程式能為客戶提供多項零售財富管理產品，包括單位信託/互惠基金、掛鈎存款及短期壽險等。此外，全新的手機開戶程式 — BEA Flash亦已推出，並配備領先市場的Live Chat即時線上對話功能。BEA Flash將開戶流程縮減至僅六分鐘。

東亞銀行已與多家外部服務供應商建立策略聯盟，讓本行能夠與其商業生態系統連結，利用開放的應用程式介面(API)分享產品資料及處理申請。東亞銀行將繼續與數碼夥伴合作，以擴大服務範圍及與新客戶的接觸點。

## 企業及商業銀行

儘管經營環境充滿挑戰，但企業銀行業務於2019年表現平穩。淨利息收入及服務費及佣金收入淨額錄得穩健增長，帶動經營收入按年上升3.2%。

企業銀行於2018年底進行重組，讓每個部門專注拓展其主要目標客戶群，以加強客戶服務，年內已取得理想成效。新客戶經理團隊成功吸納更多中型企業客戶，有關業務帶動整體企業貸款增長6.9%。同時，本行致力推動往來賬戶數量增長的措施亦見成效。新開立賬戶數目於年內錄得顯著增幅，尤其是中小型企業客戶，而企業客戶的往來及儲蓄存款亦上升83.7%。

作為一間本地銀行，東亞銀行於經濟低迷時為本地中小型企業提供支援。本行透過政府中小企融資擔保計劃向中小型企業批出的信貸額按年增加逾兩倍。與此同時，本行密切監控信貸風險，並積極維持資產質素。因此，信用成本得以保持在可控範圍內，而減值貸款比率亦能處於低水平。

東亞銀行不斷優化為企業客戶服務的數碼平台，於年內作出多項改動，藉以增加交易銀行功能及提升客戶忠誠度。企業電子網絡銀行的活躍用戶數目於2019年增長45%，而通過數碼渠道進行的交易亦增加57%。

為加強業務協同效益，本行已將金融機構業務部納入企業銀行旗下。此舉將有助優化資源分配，並可透過轉介推動業務，讓本行能為保險公司、基金公司及非政府組織等非銀行機構提供更全面的銀行服務。

展望未來，企業銀行仍然會專注管理資產質素、推動存款及貸款的均衡增長，以及提升服務費收入。本行將繼續透過發展交易銀行、貿易融資及企業財富管理服務，以吸納往來及儲蓄存款及帶來交叉銷售機會。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### Wealth Management

Performance held up well for Private Banking during the year under review. Growth in net fee and commission income was offset by a decline in net interest income, as margins were pressured by competition for loans and a rise in funding costs. Overall, operating income was flat year-on-year.

With continued uncertainty in global markets, investors were risk averse throughout 2019, preferring bonds to equity. Despite this, investment momentum picked up compared to the previous year. Private Banking encouraged clients to diversify their portfolios and saw good take-up of mutual funds, particularly bond funds. Revenue from sales of investment products rose by 5.1%.

New business was driven by clients and funds from the Greater Bay Area. Meanwhile, loans to Private Banking customers increased by 14.3% as clients sought leverage for investments. Assets under management rose by 11.0% year-on-year.

BEA has adopted a range of new initiatives to further enhance fee income from its wealth management operations. Private Banking will work more closely with business units across the Bank's global network to better capture cross-selling opportunities, particularly with existing corporate clients.

The Bank is developing a more personalised, comprehensive and user-friendly digital platform to enhance interaction with high-net-worth clients. A client version of the Bank's internal portfolio management application has been added to the BEA App for the exclusive use of Private Banking customers. Further enhancements will be made to provide additional value-added content, as well as useful wealth management functions and services.

### Insurance and MPF Services

Following the adoption of HKFRS 9, changes in the valuation of certain financial assets are included in net insurance profit, making this line more volatile due to market fluctuations. During the period under review, the Bank's net insurance profit more than doubled, mainly arising from revaluation gains in debt investments. Excluding these gains, the core performance of the Bank's insurance business continued to improve, with year-on-year growth of 21.8%.

For BEA Life Limited, the Bank's wholly-owned life insurance arm, new premium income reached a record high in 2019 with growth of 50.8% year-on-year. This drove an increase of 29.1% in the Bank's commission income from sales of BEA Life products. Short-term products with guaranteed returns saw an enthusiastic response from customers, while sales of long-term products also recorded impressive growth.

Blue Cross (Asia-Pacific) Insurance Limited, BEA's wholly-owned general insurance arm, maintained a disciplined balance between growth and profitability. Double-digit growth in underwriting profit was driven by a significant improvement in performance for group medical insurance. However, premium income faced pressure due to the economic downturn in Hong Kong in the second half of 2019.

Blue Cross launched a new mobile application in April, followed by a chatbot service in December. The new mobile app saw more than 53,000 downloads in the first nine months following its launch, with an activation rate of 67%. The app supports sales, renewals and claims for a range of personal insurance products. Premium income from direct customers via online channels recorded 18.0% growth in 2019.

Total membership in BEA's Mandatory Provident Fund schemes grew to more than 825,000 at the end of December 2019, while AUM increased to HK\$27.8 billion. The latest overall weighted average fund expense ratio of the three BEA MPF Schemes was 1.25% at 31st March, 2019, well below the MPF industry average.



My Portfolio, a portfolio management application available exclusively to Private Banking customers, was added to the BEA App.

投資組合管理應用程式 My Portfolio 已增添至東亞手機應用程式，專供私人銀行客戶使用。



In 2019, Blue Cross launched its mobile app, Blue Cross HK, the first in Hong Kong to adopt blockchain technology in medical claim service, integrating InsurTech and medical insurance.

藍十字於2019年推出手機應用程式「Blue Cross HK」，率先應用區塊鏈(Blockchain)技術於醫療索償服務，將保險科技融入醫療保險方案之中。



## 財富管理

私人銀行業務於回顧年內錄得穩健表現。服務費及佣金收入淨額有所增長，但由於業務競爭激烈及資金成本上升令息差受壓，導致淨利息收入減少。整體而言，經營收入按年持平。

面對全球市場種種不明朗因素，2019年避險情緒主導市場，投資者傾向選擇投資債券而非股票。儘管如此，投資氣氛仍較前一年有所好轉。私人銀行鼓勵客戶採取多元化資產投資策略，單位信託/互惠基金的銷售因而錄得良好表現，尤其是債券基金。投資產品銷售收入增長5.1%。

年內新增業務主要來自大灣區的客戶及資金。與此同時，由於客戶尋求槓桿投資，私人銀行客戶貸款增長14.3%。此外，管理資產亦較2018年年底增加11.0%。

本行已採取一系列新措施，以進一步增加財富管理業務的服務費收入。私人銀行業務將與東亞銀行全球網絡中各業務單位開展更緊密的合作，務求更有效地把握交叉銷售機會，尤其著重發展與本行現有企業客戶的業務關係。

本行現正開發一個更個人化、更全面及更方便的數碼平台，以加強與高端客戶的聯動。本行內部的投資組合管理應用程式已增設客戶版，並已增添至東亞手機應用程式，專供私人銀行客戶使用。本行將進一步加強有關服務，為客戶提供更豐富內容，以及更便利的財富管理功能及服務。

## 保險及強積金服務

採納《香港財務報告準則》第9號後，若干金融資產的估值變動已納入保險業務淨溢利，令此項收入較容易受市場波動所影響。回顧期內，本行的保險業務淨溢利增長逾一倍，主要來自債券投資的重估盈利。若撇除此等盈利因素，本行保險業務的核心表現持續改善，按年上升21.8%。

本行旗下全資壽險附屬公司——東亞人壽保險有限公司的新造保單保費收入於2019年錄得紀錄新高，按年增長50.8%，令本行來自銷售東亞人壽產品的佣金收入增加29.1%。客戶對能夠提供保證回報的短期產品反應熱烈，而長期產品的銷售亦有理想增幅。

本行旗下全資一般保險附屬公司——藍十字(亞太)保險有限公司於業務增長與盈利之間保持良好平衡。受團體醫療保險表現顯著提升所帶動，承保利潤錄得雙位數增長。然而，保費收入因2019年下半年香港經濟放緩而受壓。

藍十字於4月成功推出全新手機應用程式，並於12月推出聊天機械人服務。新的手機應用程式於推出後首九個月下載量已超過53,000次，啟用率逾67%。該手機應用程式提供一系列個人保險產品的銷售、續保及索償服務。而來自網上渠道的直接客戶保費收入於2019年上升18.0%。

於2019年底，東亞銀行旗下強積金計劃的成員總數增至超過825,000名，而管理資產則增加至港幣278億元。於2019年3月31日，三個強積金計劃的最新整體加權平均基金開支比率為1.25%，遠低於強積金業界平均水平。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### Business – China

Economic growth on the Mainland slowed to 6.1% in 2019, as the US-China trade dispute continued to weigh on business and consumer sentiment. To stabilise and support the economy, the Central Bank adopted a looser monetary policy, aiming to assist small and medium enterprises and the private sector in particular.

Despite the general economic weakness, BEA's China banking operations generated a strong pre-provision operating profit of HK\$2,220 million for 2019, up 15.6% year-on-year. With the general easing of liquidity conditions, funding costs were lower. The shift in business focus toward consumer lending contributed to a strong rise in net interest income for 2019, up 30.6% year-on-year to HK\$5,353 million. NIM widened by 60 basis points year-on-year.

Meanwhile, legacy lending to commercial properties in non-tier-1 cities has left BEA's China banking operations exposed to the weakening economy, despite ongoing de-risking of BEA's China portfolio in recent years. Four legacy loan assets were downgraded in the first half of 2019, which led to significant one-off post-tax impairment losses. As a result, BEA's China banking operations reported a net loss of HK\$3,550 million for 2019.

At the end of 2019, the impaired loan ratio for BEA China stood at 3.81%, down 108 basis points versus the first half of 2019. The improvement followed the disposal of significant problem loans in the second half of the year. Looking ahead, BEA's China banking operations will continue to improve the monitoring of distressed loans and credit assets, and strengthen the recovery, mitigation and disposal of risky assets.

Advances to customers declined by 12.2% year-on-year as at 31st December, 2019, to HK\$131,371 million, driven by our efforts in tightening credit underwriting. In line with funding needs, customer deposits stood at HK\$146,963 million as of the same date, a 14.0% decrease from a year earlier.

Underlying operating expenses for BEA's China banking operations in 2019 were HK\$4,195 million, up 26.8% year-on-year. The increase was due mainly to platform fees paid to our internet partners. Excluding the aforesaid costs, the adjusted cost-to-income ratio fell to 59.7%, down 2.2 percentage points year-on-year, thanks to effective cost management and higher operating income in 2019.

Supported by partnerships with leading internet platform companies, BEA China's retail banking transformation programme continued to deliver a sound performance in 2019. The retail lending share of BEA China's portfolio grew to 30.6% for 2019, which was ahead of schedule. In the context of 10.5% growth of the retail customer base, BEA China will further strengthen cross-selling and business referrals to enhance its customer conversion rate and its customer wallet share. In addition, BEA China will continue to reinforce the relevant support infrastructure, including internal capabilities in IT, operations, compliance and risk management.

With respect to corporate banking, BEA China focussed on promoting transaction banking, investment banking, cross-border financial solutions and sales of treasury products, in order to optimise its asset portfolio and increase fee income contribution. BEA China collaborates closely with other business units of the Group to support the real economy and capture opportunities arising from national strategies, including the Greater Bay Area Development.

BEA has established a multifaceted presence in the GBA, including banking, securities, asset management and information services. In addition, BEA China operates one of the most extensive networks of any foreign bank with 26 outlets covering all nine Mainland cities in the GBA. To further enhance synergies among its differentiated business segments, BEA is in the process of establishing a GBA Headquarters in Qianhai, Shenzhen.

On the corporate banking front, BEA will focus on growing certain strategic segments in the GBA and providing seamless cross-border solutions by leveraging its on-shore off-shore capabilities. On the retail banking front, in line with various policy propositions, BEA will focus on launching innovative products in the areas of consumer finance, payment and wealth management to better serve the needs of its GBA clientele. It will also leverage its strong strategic partnerships with leading internet platforms to develop specialised GBA offerings.

As at the end of 2019, BEA China operated 98 outlets on the Mainland including its Headquarters, 31 branches and 66 sub-branches.

## 中國業務

由於中美貿易糾紛持續令營商氣氛及消費情緒受壓，2019年內地經濟增長放緩至6.1%。為穩定及支持經濟發展，內地央行採取寬鬆貨幣政策，主要為中小企及私營企業提供支援。

儘管整體經濟疲弱，但東亞銀行的中國業務於2019年的撥備前經營溢利保持強勁，達港幣22.2億元，按年增長15.6%。在流動資金普遍寬鬆的環境下，資金成本亦因而降低。隨著業務重心轉向零售貸款，2019年淨利息收入錄得大幅增長，按年增加30.6%至港幣53.53億元。淨息差按年擴闊60個基點。

與此同時，儘管東亞銀行近年持續降低其中國業務組合的風險水平，但受到早年批出的非一線城市商業房地產貸款拖累，東亞銀行的中國業務承受了經濟疲弱帶來的風險。四筆內地早年批出的貸款，於2019年上半年出現信貸級別下調，導致產生重大的一次性除稅後減值損失。因此，東亞銀行的中國業務於2019年錄得淨虧損港幣35.50億元。

2019年底，東亞中國的減值貸款比率為3.81%，較2019年上半年降低108個基點。隨著個別重大問題貸款於下半年出售，減值貸款比率因而有所改善。展望未來，東亞銀行中國業務將繼續提高對不良貸款及信貸資產的監控，並加強催收、緩減及處置風險資產的措施。

在更為審慎的信貸政策下，於2019年12月31日，客戶貸款按年減少12.2%至港幣1,313.71億元。配合信貸業務發展，客戶存款為港幣1,469.63億元，較去年減少14.0%。

2019年，東亞銀行中國業務的相關經營支出為港幣41.95億元，按年增加26.8%，主要是向互聯網夥伴支付的平台費用所致。若不計及上述成本，經調整的成本對收入比率下降至59.7%，按年下跌2.2個百分點，主要由於成本管理於2019年有效實行，以及經營收入增加所致。

透過與領先互聯網平台公司合作，東亞中國的零售銀行轉型計劃於2019年繼續表現理想。東亞中國業務組合中的零售貸款佔比於2019年增至30.6%，步伐較預期快。隨著零售客戶群錄得10.5%的增長，東亞中國將進一步爭取交叉銷售及業務轉介的機會，以提升客戶轉化率。此外，東亞中國亦將繼續加強相關輔助基礎設施，包括提升內部的資訊科技、營運、合規及風險管理能力。

企業銀行業務方面，東亞中國著力推廣交易銀行服務、投資銀行服務、跨境金融方案及財資產品的銷售等，藉此優化其資產組合及提升非利息收入佔比。東亞中國與本集團其他業務單位緊密合作，致力支持實體經濟發展，並把握大灣區發展等國家策略帶來的機遇。

東亞銀行於大灣區已建立多元化的業務，包括銀行、證券、資產管理及資訊服務。同時，東亞中國為外資銀行中擁有最龐大分行網絡的銀行之一，在大灣區全部9個內地城市擁有26個網點。為進一步提高各項業務之間的協同效應，東亞銀行正著手於深圳前海設立大灣區總部。

在企業銀行方面，東亞銀行將集中開拓大灣區的策略行業，利用在岸和離岸服務能力，提供無縫的跨境方案。在零售銀行方面，配合相關政策和措施，東亞銀行將在消費融資、支付和財富管理方面推出創新的產品，為大灣區的客戶提供優良服務。東亞銀行亦會透過與領先的互聯網平台建立的緊密夥伴關係，開發專為大灣區而設的服務。

於2019年年底，東亞中國於內地共設有98個網點，包括總部、31間分行及66間支行。



The future location of BEA's GBA Headquarters in Qianhai, Shenzhen, which is currently under construction.

東亞銀行將於深圳前海設立的大灣區總部正在興建中。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### Business – International, Macau and Taiwan

The Bank's overseas operations remained stable in 2019, in the face of challenging market conditions stemming from the ongoing US-China trade dispute, unresolved Brexit issues and increasing geopolitical tensions.

During the year under review, BEA's overseas branches adopted a defensive posture, expanding loan books prudently and terminating problematic relationships. Overall, the Bank's overseas operations achieved modest loan growth in 2019.

Pre-provision operating profit decreased by 7.9%, due to the interplay of de-risking strategies, soaring funding costs, implementation of the HKFRS 16 Leases on 1st January, 2019, and depreciation of Pound Sterling against the Hong Kong dollar. The cost-to-income ratio for overseas operations increased from 32.7% in 2018 to 35.2% in 2019. Higher expenses were incurred on risk and compliance, as regulatory requirements become more stringent. Asset quality remained sound, with the impaired loan ratio standing at 0.54%.

In spite of fierce market competition, which led to substantial loan prepayments, the Bank's operations in the US delivered steady operating results. The unit participated in syndicated loans to investment-grade borrowers and large corporates, and provided financing for real estate projects in gateway cities with strong sponsors. In addition, the Bank's US operations strengthened bilateral lending relationships with existing BEA customers who have investments in the US.

Despite Brexit uncertainties, the Bank's UK operations delivered both loan growth and higher profitability in 2019, riding on sustained investment demand from Mainland China, Hong Kong and other Asian countries. In addition, the unit made good progress in diversifying its loan portfolio through syndicated lending to well-established corporates, seeking out opportunities that offered exposure to companies that maintained strong balance sheets and had positive business outlooks.

Singapore Branch achieved high single-digit growth in loans in 2019, even though the local economy remained subdued. The unit continued to de-risk, focussing on syndicated and bilateral facilities involving large corporates, listed companies and government-linked corporations.

Meanwhile, Labuan, Macau and Taiwan branches faced difficult market conditions, including fierce competition, and maintained a prudent stance throughout the year. For 2020, Labuan Branch will work closely with Singapore Branch and our strategic partners to pursue quality bilateral and syndicated loans with large corporates.

Macau Branch will focus on local corporates with strong sponsors in 2020. In addition, Macau Branch will further develop business with companies that qualify for the Macau Government's Small and Medium-Sized Enterprises Credit Guarantee Scheme.

Taiwan Branch continues to bolster its origination capability in the syndicated loan market and will arrange syndication deals for large Asian companies to increase fee income.

Looking ahead, against the backdrop of a challenging macro environment, BEA's overseas branches will continue to prioritise asset quality over loan growth. All branches will further leverage their local expertise and international presence to develop additional cross-border banking business. The overseas branches will also seek to expand business relationships with existing clients, in order to enhance clients' total value to the Bank Group.

Meanwhile, the overseas branches will seek additional opportunities to collaborate with BEA Head Office, BEA China and the Bank's strategic partners in order to serve outbound investment demand from the Greater China region.

Last but not least, the Bank's overseas branches will advance efforts to rationalise their physical networks, streamline operating procedures and automate processes in order to achieve higher efficiency and promote sustainable growth.

### BEA Union Investment Management Limited

Despite lacklustre investor sentiment and challenging market conditions, BEA Union Investment recorded an increase of 29% in AUM year-on-year in 2019. Inflows have remained robust, and the Company has enjoyed a high level of customer asset retention across its retail and institutional businesses.

In response to investors' need for fixed maturity products with a stable income stream, BEA Union Investment launched a new product, Asian Bond Target Maturity Fund 2022, in January 2019. The fund is the first fixed maturity bond fund authorised by the Securities and Futures Commission for Hong Kong retail investors. To build on the success of this innovative product, BEA Union Investment launched the Asian Corporate Target Maturity Fund 2023 in the fourth quarter of 2019.

During 2019, the Company introduced new channels for retail and private banking, as well as for financial institutions on the Mainland. Meanwhile, the institutional business continued to secure new mandates and investment advisory from Hong Kong and overseas, including Thailand and Europe.

## 國際、澳門及台灣業務

儘管中美貿易摩擦持續、加上英國脫歐問題和地緣政治關係日益緊張，導致市況日趨嚴峻，但本行的海外業務於2019年仍能保持穩定。

回顧年內，東亞銀行的海外分行採取防禦性策略，審慎地拓展貸款業務以及收回信貸質素變差的貸款。整體而言，本行的海外業務於2019年錄得溫和的貸款增長。

撥備前經營溢利下跌7.9%，主要是受到採取降低風險策略、資金成本飆升、香港財務報告準則第16號「租賃」於2019年1月1日的實施，以及英鎊兌港幣匯價下跌等多個因素的影響。鑑於監管要求愈趨嚴緊，風險及合規的支出因而上升。海外業務的成本對收入比率由2018年的32.7%升至2019年的35.2%。資產質素保持穩健，減值貸款比率為0.54%。

儘管市場競爭激烈，導致大量貸款提早償還，但本行的美國業務依然錄得穩健的經營業績。美國分行參與擁有投資評級的大型企業之銀團貸款，並為有實力的客戶在主要城市的地產項目提供融資。此外，本行美國業務亦加強與投資於美國的現有客戶的雙邊貸款關係。

英國方面，儘管脫歐帶來不明朗因素，但本行的英國業務於2019年錄得貸款增長，盈利能力亦有所提升，這主要是受惠於內地、香港及亞洲其他地區持續的投資需求。此外，英國分行致力向信譽良好的企業提供銀團貸款，並爭取為財務穩健及業務前景樂觀的公司提供貸款，在貸款組合多元化方面取得良好進展。

2019年，儘管新加坡的經濟持續疲弱，新加坡分行的貸款仍錄得高單位數的增長。新加坡分行繼續致力減低風險，著重發展涉及大型企業、上市公司以及政府關聯企業的銀團及雙邊融資。

與此同時，納閩分行、澳門分行及台灣分行亦面對艱難市況，以及競爭激烈的市場環境，並於年內繼續保持審慎態度。2020年，納閩分行將與新加坡分行及本

行的策略夥伴緊密合作，致力向大型企業提供優質的雙邊及銀團貸款。

2020年，澳門分行將重點與當地具實力之企業合作。此外，澳門分行將與符合澳門政府《中小企業信用保證計劃》資格的公司進一步開展業務。

台灣分行繼續加強籌組銀團貸款的能力，並將向亞洲大型企業安排銀團貸款，以增加服務費收入。

展望未來，在充滿挑戰的宏觀環境下，本行的海外分行將繼續在增長貸款過程中，優先考慮資產質素。各分行將憑藉在當地的專業知識和本行的國際網絡，進一步開展更多跨境銀行業務。各海外分行亦將致力拓展與現有客戶的業務關係，以提升客戶對本集團的總價值。

與此同時，各海外分行亦將物色更多機會，與東亞銀行總行、東亞中國及本行的策略夥伴合作，以滿足大中華地區的境外投資需求。

本行的海外分行將繼續致力優化實體網絡、精簡營運程序及推行流程自動化，藉此提高效率及推動可持續增長。

## 東亞聯豐投資管理有限公司

2019年，投資氣氛低迷，市況亦充滿挑戰，但東亞聯豐投資的管理資產仍錄得29%的按年增長。資金流入保持強勁，而該公司零售及機構業務的客戶資產留存比率亦保持在高水平。

因應投資者對收益穩定，且具有固定投資年期的產品需求殷切，東亞聯豐投資於2019年1月推出一項新產品——亞洲債券目標年期基金2022。該基金為首隻獲證券及期貨事務監察委員會認可向香港零售投資者銷售的定期債券基金。繼該款創新產品取得成功後，東亞聯豐投資再接再厲，於2019年第四季度推出亞洲企業目標年期基金2023。

2019年，該公司於內地推出新的零售及私人銀行業務以及金融機構渠道。同時，其機構業務繼續在本港及境外（包括泰國及歐洲）獲取新投資委託及投資諮詢業務。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

The Company continues to expand its distribution network in Mainland China and Europe for its flagship funds under the Mutual Recognition of Funds (MRF) Schemes. Looking ahead, the Company's wholly-owned subsidiary, BEA Union Investment Management (Shenzhen) Limited, has registered with Mainland authorities for a private fund management company licence, which enables the Company to invest capital onshore and launch private funds catering to professional investors on the Mainland.

### Our People

As of 31st December, 2019, the BEA Group employed 9,846 people:

|                  | As of 31st<br>December, 2019 | As of 31st<br>December, 2018<br>(restated) |
|------------------|------------------------------|--|
| Hong Kong        | 5,564                        | 5,227                                      |
| Mainland China   | 3,681                        | 3,970                                      |
| Macau and Taiwan | 158                          | 164  |
| Overseas         | 443                          | 435  |
| <b>Total</b>     | <b>9,846</b>                 | <b>9,796</b>                               |

\* With effect from 1st July, 2019, Credit Gain group of companies should have been re-classified from Hong Kong Operations to Mainland China Operations. As such, the headcount figures of 31st December, 2018 have been restated for comparison purposes.

In 2019, the Bank continued to build a strong corporate culture based on prudent risk management and a commitment to ensuring a positive experience for every customer. Drawing on feedback gathered through employee and customer surveys, a number of new initiatives were implemented in 2019. The Staff Recognition Scheme was promoted more actively to show appreciation to staff members who demonstrated positive behaviours that reinforce the Bank's core values. Interactive town hall meetings led by members of Senior Management were also conducted to encourage open communication, discuss lessons learnt from real cases and strengthen the Bank's risk culture.

In October 2019, the Bank implemented a new talent development framework to support staff members in their growth. The framework provides a structured and robust approach to identifying employees with strong potential to serve at the senior management and department head level within the Bank, supporting their aspirations for growth and development, and grooming talent to assume future leadership roles. With this framework in place, a new potential identification exercise and a refined succession planning exercise were completed during the year under review. In 2020, the Bank aims to launch a series of new talent and leadership development interventions.

At the same time, BEA continued to groom young talent under existing programmes, including the Management Trainee, Corporate Banking Trainee, Operations Trainee, Relationship Manager Trainee and Branch Operations Trainee programmes.

A new leadership training programme on performance management was conducted for the Senior Management and their senior executives. The training was designed to foster a collaborative mindset when setting strategic goals and to sharpen necessary skills, ensuring that these goals are tied closely with the Bank's core objectives, are well aligned across different business units and functions, and are effectively cascaded down the organisation.

## 高層管理人員報告書(續)

該公司繼續在內地和歐洲為基金互認安排項下的旗艦基金拓展分銷網絡。展望未來，該公司旗下全資附屬公司——東亞聯豐投資管理(深圳)有限公司已向內地當局登記私募基金管理公司牌照，此牌照將讓該公司參與在岸投資，以及推出面向內地專業投資者的私募基金。

### 人力資源

東亞銀行集團於2019年12月31日的僱員人數為9,846人，分布如下：

|       | 於2019年<br>12月31日 | 於2018年<br>12月31日<br>(重報) |
|-------|------------------|--------------------------|
| 香港    | 5,564            | 5,227                    |
| 中國內地  | 3,681            | 3,970                    |
| 澳門及台灣 | 158              | 164                      |
| 海外    | 443              | 435                      |
| 總計    | 9,846            | 9,796                    |

\* 自2019年7月1日起，領達財務及其屬下公司由香港業務歸類為中國內地業務。為此，於2018年12月31日的僱員人數已予重報，以茲比較。

於2019年，本行繼續構建以審慎風險管理為基礎的穩健企業文化，致力為每位客戶提供稱心滿意的服務體驗。基於員工及客戶調查的反饋意見，本行於2019年實施若干新措施，包括加強推廣「員工嘉許計劃」，以表揚員工於實踐本行核心價值方面的優良表現，並舉辦由高級管理層牽頭的互動分享會，通過溝通及彼此交流意見，共同探討真實個案汲取經驗，以加強本行的風險文化。

於2019年10月，本行推行一個全新的人才發展框架，以支持員工發展。該框架透過有系統和全面的方式，為本行高級管理人員及部門主管崗位物色具有潛質的員工，幫助他們發展事業和實踐抱負，為未來培育領導人才。在該框架之下，本行已於2019年內完成識別具備潛質的員工，並優化了繼任計劃。2020年，本行擬推出一系列全新的人才及領導發展方案。

與此同時，東亞銀行亦繼續根據現行計劃培養年輕人才，當中包括見習管理人員計劃、企業銀行見習人員計劃、見習營運人員計劃、見習客戶經理計劃及分行見習營運人員計劃。

本行為高級管理層及其轄下高級行政人員開展一項新的績效管理培訓課程，旨在提升他們在設定策略目標時所需的協作思維及技能，以確保有關目標能緊貼本行的營運方針，且在各業務單位及職能之間配合一致，並有效下達。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### RISK MANAGEMENT

#### Risk Management Framework

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

The Risk Committee stands at the highest level of the Group's risk governance structure under the Board. It consists of five independent non-executive directors (including the Chairman of the Committee) and two non-executive directors. The Risk Committee provides direct oversight over the formulation of the Group's risk appetite, and sets the levels of risk that the Group is willing to undertake with reference to its financial capacity, strategic direction, prevailing market conditions, and regulatory requirements.

The Risk Committee also ensures that the Group's risk appetite is reflected in the policies and procedures that Senior Management adopt to execute their business functions. Through the Group's management committees, including Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee – and with overall co-ordination by the Risk Management Division – the Risk Committee regularly reviews the Group's risk management framework and ensures that all important risk-related tasks are performed according to established policies with appropriate resources.

#### Enterprise Risk Management

The Group has implemented an Enterprise Risk Management framework. The ERM framework is promulgated with the objectives of identifying and managing potential risks in a holistic and effective manner, fulfilling the HKMA's higher expectations with regard to the risk management of the Group as a Domestic Systemically Important Bank, and reinforcing the "Three Lines of Defence" risk management model.

The Group has adopted the "Three Lines of Defence" risk management structure to ensure that roles and responsibilities in regard to risk management within the Group are clearly defined. The "Three Lines of Defence" model is summarised as follows:

- The first line of defence comprises the Risk Owners, who are heads of business units or support units of the Bank Group, together with staff under their management. They are primarily responsible for the day-to-day risk management of their units, including establishing and executing specific risk control mechanisms and detailed procedures.
- The second line of defence consists of the Risk Controllers who are designated staff responsible for setting out a risk management governance framework, monitoring risks independently and supporting the management committees in their oversight of risk management for the Bank Group.
- The third line of defence is the Internal Audit Division, which is responsible for providing assurance as to the effectiveness of the Group's risk management framework, including risk governance arrangements.

The Group Chief Risk Officer co-ordinates all risk management-related matters of the Group, works closely with the Risk Controllers on the formulation of risk management policies and exercises risk oversight at the Group level through a functional working relationship with all Risk Controllers and Risk Owners.

#### Principal Risks

The Group faces a variety of risks that could affect its franchise, operations, and financial conditions. Under the ERM framework, the principal risks include credit risk, interest rate risk, market risk, liquidity risk, operational risk, reputation risk, strategic risk, legal risk, compliance risk, technology risk, business continuity risk, and new product and business risk.

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

Measures have been adopted to manage and mitigate these risks. Moreover, these risk factors are taken into consideration when formulating the Group's risk appetite statement.



## 風險管理

### 風險管理架構

根據香港金融管理局及其他監管機構的規定，本集團已建立風險管治及管理架構。該架構的組成讓董事會及高層管理人員能夠以適當授權和制衡方式履行其風險管理的相關職責。此等職責包括根據本集團的業務策略及目標設定風險偏好、制定風險政策以管理上述策略的執行，並設立風險審批、控制、監控及補救的程序及限制。

風險委員會為本集團僅次於董事會的最高風險管治機構，成員包括五名獨立非執行董事（包括委員會主席）及兩名非執行董事。風險委員會直接監督本集團風險偏好的制定，並設定本集團因應其財務能力、策略性指引、當前市場情況以及監管要求而可承擔的風險水平。

風險委員會亦確保本集團的風險偏好獲反映於政策及程序上，讓高層管理人員加以採用，以行使其業務職能。透過本集團的各個管理委員會，包括危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會及營運風險管理委員會，並在風險管理處的整體協調下，風險委員會定期檢討本集團的風險管理架構，確保根據現有政策及運用適當資源執行所有與風險相關的重要任務。

### 企業風險管理架構

本集團已推行企業風險管理架構。此企業風險管理架構旨在全面而有效地識別及管理潛在風險、實踐金管局對本集團作為一間具本地系統重要性銀行在風險管理方面的更高期望，以及鞏固「三道防線」風險管理模式。

為確保風險管理於本集團內有關的角色與責任能明確分工，本集團已採納「三道防線」風險管理框架。「三道防線」模式概述如下：

- 第一道防線為「風險負責人」，由本銀行集團各業務或後勤單位主管，連同其屬下職員組成，主要負責其業務單位的日常風險管理，包括特定風險管理機制及具體程序的設立及執行。
- 第二道防線為「風險監控人」，由指定的員工組成。風險監控人負責制定風險管理管治架構、獨立監控風險及輔助各管理委員會對本銀行集團風險管理的監督。
- 第三道防線為稽核處。稽核處負責為本集團風險管理架構（包括風險管治安排）的有效性提供保證。

集團風險總監協調本集團所有風險管理相關事務，與各風險監控人就風險管理政策的制定緊密協作，並透過與所有風險監控人及風險負責人的職能工作關係，在集團層面監督風險。

### 主要風險

本集團面臨可能影響其品牌、營運及財務狀況的各類風險。在企業風險管理架構下，主要風險包括信貸風險、利率風險、市場風險、流動性風險、營運風險、信譽風險、策略性風險、法律風險、合規風險、科技風險、持續業務運作風險及新產品及業務風險。

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

本集團已採取措施，以管理及緩減上述風險。此外，本集團在編纂風險偏好報告書時已考慮各類風險因素。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

In addition, the risk profiles for the above-mentioned risk types are reviewed by the Risk Committee and the Board on a regular basis. Deficiencies of risk management and significant regulatory issues are reflected in the risk profiles. Once the profile of a risk type falls into a pre-defined alert status, management actions will be triggered to rectify or control the deficiencies or issues identified.

Listed below are the brief description and management measures for the principal risks. In particular, in 2019, in order to enhance asset quality, a series of strategic

actions have been taken on concerned portfolios which include, but are not limited to, property-related exposure, over-capacity industries, potential high-risk segments and portfolios affected by political uncertainties. The aim of the actions is to closely monitor and contain asset quality. And for 2020, in view of market uncertainties, including the adverse impact arising from the outbreak of a new coronavirus, a prudent approach will be adopted for credit underwriting while additional efforts will be put on further strengthening credit control to guard against further asset quality deterioration.

| Risk          | Description  | Management Measures   |
|---------------|--|---|
| Credit        | Risk of loss arising from a borrower or counterparty failing to meet its obligations   | <ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out credit control limits, delegated lending authorities, credit underwriting criteria, a credit monitoring process, an internal rating structure, credit recovery procedures, and a provisioning policy</li> </ul>  |
| Interest rate | Risk resulting from adverse movements in interest rates that affect the earnings and economic value of the Group's banking book positions  | <ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out control limits</li> <li>- In determining the level of interest rate risk, assessments are made for the gap risk, basis risk and options risk through the monitoring of repricing mismatches and the impact of changes in interest rates on earnings and economic value.</li> </ul> |
| Market        | Risk arising from adverse movements in market factors such as interest rates, foreign exchange, equity prices, debt securities prices and commodity prices, which result in profits or losses for the Group  | <ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out control limits</li> <li>- Measurement and monitoring of potential loss due to adverse price movements and market volatility</li> </ul>   |
| Liquidity     | Risk that the Group may not be able to meet its financial obligations as they come due because of an inability to obtain adequate funding (funding liquidity risk); or that the Group cannot easily liquidate assets quickly without significantly lowering market prices because of inadequate market depth or market disruptions (market liquidity risk) | <ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out control limits and internal liquidity metrics</li> <li>- Conducting cash flow analysis to monitor funding needs</li> <li>- Contingency funding plan to clearly stipulate procedures and mitigating actions required to meet liquidity needs in crisis situations</li> </ul>        |
| Operational   | Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events  | <ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to identify, assess, monitor, and report operational risk of the Group systematically and effectively, such as setting out operational risk incidents reporting, risk assessments, key risk indicators, insurance policies, etc.</li> </ul>   |

## 高層管理人員報告書(續)

此外，風險委員會和董事會會定期檢閱上述各類風險的風險概況，風險管理的缺失和所涉及的重大監管問題會反映於有關的風險概況中。當發現其中一項風險類型被評為預警級別時，便會採取管理措施以更正或處理當中的缺失或問題。

下表載列各項主要風險的簡要說明和所採取的相應管理措施。於2019年，為提高資產質素，我們已就有關的資產組合採取了一系列策略性舉措，包括但不限

於：與房地產相關的貸款、對產能過剩行業的貸款、對潛在高風險範疇的貸款，以及受政治不明朗因素影響的貸款組合等，從而密切注意和控制資產的質素。因應市場愈趨不明朗，包括在新冠狀病毒爆發帶來的不利影響，我們於2020年在信貸審批方面將採取審慎態度，同時亦將會更努力加強對信貸的控制，以防資產質素轉趨惡化。

| 風險  | 說明  | 管理措施  |
|-----|---|---|
| 信貸  | 因借款人或交易對手未能履行其責任而導致損失的風險  | <ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列信貸控制限額、信貸權限授權、授信準則、信貸監控程序、內部評級架構、信貸追收程序及撥備政策</li> </ul>  |
| 利率  | 不利的利率變動對本集團銀行賬冊持倉的盈利及經濟價值造成不利的影響所帶來的風險  | <ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列控制限額</li> <li>- 釐定利率風險水平時，透過監察重訂息率錯配及利率走勢對盈利及經濟價值造成的影響，對差距風險、息率基準風險及期權風險進行評估</li> </ul>        |
| 市場  | 由市場因素，例如利率、外匯、股票價格、債務證券價格及商品價格的不利變動而導致本集團在溢利或虧損的風險  | <ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列控制限額</li> <li>- 衡量及監控價格不利變動及市場波動可能造成的損失</li> </ul>   |
| 流動性 | 本集團因未能獲得充足資金投入而可能無法履行財務責任到期的風險（資金流動性風險）；或因市場深度不足或市場失序，本集團非得大幅降低市場價格的情況下無法輕易迅速變現資產的風險（市場流動性風險） | <ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列控制限額及內部流動性標準</li> <li>- 進行現金流量分析以監控資金需求</li> <li>- 應急資金計劃以清晰制定在危機情況下所需的流動資金的程序及緩減措施</li> </ul> |
| 營運  | 由於內部流程、人員和系統不足或缺陷，或因外部事件而導致損失的風險  | <ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，目的在於有系統及有效地識別、評估、監控及匯報本集團營運風險，例如載列營運風險事件匯報、風險評估、主要風險指標及保險政策等</li> </ul>                          |

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

| Risk       | Description   | Management Measures  |
|------------|---|--|
| Reputation | Risk that the Group's reputation is damaged by one or more events that result in negative publicity about the business practices, conduct, or financial condition of the Group. Such negative publicity, whether true or not, may impair public confidence in the Group and may result in costly litigation or lead to a decline in the Group's customer base, business, and / or revenue | <ul style="list-style-type: none"> <li>- Establishment of various policies, guidelines, manuals and codes to ensure compliance with applicable laws, rules and regulations, and to ensure that the Group maintains a high standard of corporate governance, which in turn helps to safeguard and enhance the Group's reputation</li> <li>- Formulation of, and adherence to, the Reputation Risk Management Manual, which outlines a systematic approach to the management of reputation risk, including a framework for reputation risk identification, assessment, monitoring, mitigation and control, thereby protecting and enhancing the reputation of the Group</li> <li>- Establishment of procedures that facilitate communication in a timely manner with external stakeholders during unexpected incidents according to the Guidelines for Incident Response and Management</li> <li>- Establishment of Media Guidelines to ensure effective and consistent delivery of the Group's key messages to the media</li> </ul> |
| Strategic  | Risk of current or potential impact on the Group's earnings, capital, reputation, or standing arising from changes in the environment the Group operates in, adverse strategic decisions, improper implementation of decisions, or lack of responsiveness to industry, economic, or technological changes   | <ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out the management framework and assessment tools</li> <li>- Adoption of active capital management through projection of the Capital Adequacy Ratio and Internal Capital Adequacy Assessment Process to assess the level and structure of capital resources needed to support the risks that the Group faces</li> </ul>   |
| Legal      | Risk of loss arising from unenforceable contracts, lawsuits, or adverse judgments that may disrupt or otherwise negatively affect the operations or financial condition of the Group  | <ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals</li> <li>- Provision of appropriate training courses conducted by qualified internal personnel and / or external lawyers / professionals and the issue of regular reminders to staff members</li> <li>- Engagement of qualified internal personnel and, when necessary and appropriate, external lawyers with appropriate expertise including counsel and senior counsel for advice</li> </ul>   |

## 高層管理人員報告書(續)

| 風險 | 說明  | 管理措施   |
|----|---|--|
| 信譽 | 因對本集團一項或多項有關營商手法、行為或財務狀況事件的負面報導而損及本集團信譽的風險。此等負面報導，不管真確與否，有可能影響公眾對本集團的信心，並且可能導致高昂的訴訟費用，或令本集團客戶基礎、業務及/或收入減少 | <ul style="list-style-type: none"> <li>- 制定各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的信譽</li> <li>- 制定並遵從信譽風險管理手冊，該手冊載錄對信譽風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制信譽風險的機制，藉此保護及提升本集團的信譽</li> <li>- 根據事件應對及管理指引制定未能預期的事件發生時與外部持份者及時溝通的程序</li> <li>- 制定媒體指引，以確保有效及一致地將本集團的關鍵信息傳達予媒體</li> </ul> |
| 策略 | 因本集團營運環境變動、不良策略決策、決策實施不當或對行業、經濟或技術變動反應遲緩而對本集團盈利、資本、信譽或地位造成當前或潛在影響的風險                                      | <ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列管理架構及評估工具</li> <li>- 透過資本充足比率預計及內部資本充足評估程序積極進行資本管理，評估因支援本集團面臨風險所需的資本資源水平及結構</li> </ul>  |
| 法律 | 因出現合約未能執行、訴訟或判決不利的情况，可能對本集團的營運或財務狀況造成擾亂或負面影響而導致損失的風險  | <ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊</li> <li>- 提供由合資格內部人員及/或外聘律師/專業人士講解的適當培訓課程，並向員工發出定期提示</li> <li>- 諮詢合資格內部人員，並於必要及適當的情況下徵詢具備相應專業知識的外聘律師（包括大律師及資深大律師）的意見</li> </ul>  |

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

| Risk                     | Description   | Management Measures  |
|--------------------------|---|--|
| Compliance               | Risk of potential losses arising from legal or regulatory sanctions, fines and penalties, financial losses or damage to reputation that the Group may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its business activities   | <ul style="list-style-type: none"> <li>- Establishment of various policies, guidelines and manuals to ensure compliance with all applicable legislation, rules, codes of conduct, industry standards and guidelines issued by the relevant regulatory authorities that govern the Group's operations</li> <li>- Formulation of, and adherence to, the Group Compliance Risk Management Manual, which outlines a systematic approach to the management of compliance risk, including a framework for compliance risk identification, assessment, monitoring, mitigation and control, thereby enabling the Group to manage its compliance risk effectively</li> <li>- Conduct independent regulatory compliance reviews on major functions of the Group using a risk-based approach</li> </ul> |
| Technology               | Risk of loss to the Group due to inadequate or failed technical processes, people and / or computing systems, or unauthorised access or disruption to technology resources, in particular relating to cyber security and e-banking  | <ul style="list-style-type: none"> <li>- Development of technology risk related policies and cyber security strategies as well as comprehensive security awareness programmes to strengthen cyber security at all levels</li> <li>- Adoption of adequate control measures relating to the security of internet systems and applications, customer authentication, risk assessment for new products and services, and confidentiality and integrity of information</li> </ul>   |
| Business Continuity      | Risk of loss arising from business disruptions in the event of an incident or crisis. Business disruption could be caused by the loss of staff members, information technology and telecommunication systems, premises, key service providers, vital records, etc.  | <ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines and manuals</li> <li>- Conduct business impact analysis and development of business continuity plans by all individual functional units of the Group</li> <li>- Perform annual drills to test preparedness and effectiveness of business continuity plans</li> </ul>  |
| New Product and Business | Risk of loss due to insufficient pre-assessment of significant potential risks introduced to the Group arising from the launch of new products, the structural change of existing products, and the establishment of new business operations (i.e. through the establishment of a new subsidiary and / or merger and acquisition). The significant potential risks include Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Legal Risk, Technology Risk, Compliance Risk, Strategic Risk, Reputation Risk and Business Continuity Risk | <ul style="list-style-type: none"> <li>- Establishment of a risk governance structure, supported by comprehensive policies, manuals, control guidelines and procedures</li> <li>- A new product / business approval process, which ensures that before initiating a new product or business, the potential significant risks are duly assessed, vetted and documented. The process also facilitates oversight of new products and businesses by Senior Management</li> </ul>   |

## 高層管理人員報告書(續)

| 風險     | 說明   | 管理措施  |
|--------|--|---|
| 合規     | 因未能遵守適用於本集團業務活動的法例、規例、規則、相關自我監管機構所定的標準及行為守則而引致的法律或監管制裁、罰金及罰款、財務損失、或令聲譽受損而導致本集團可能損失的風險  | <ul style="list-style-type: none"> <li>- 制定各項政策、指引及手冊，確保遵守所有適用法例、規則、行為守則、行業標準及有關監管機構發出的規管本集團營運的指引</li> <li>- 制定並遵從集團合規風險管理手冊，該手冊載錄對合規風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制合規風險的機制，藉此令本集團有效地管理合規風險</li> <li>- 採用風險為本的方式對本集團主要職能進行獨立合規監察審查</li> </ul> |
| 科技     | 因技術程序、人員及/或計算系統不足或出現故障；或因未經授權使用或破壞技術資源（尤其在涉及網絡安全及電子銀行時）導致本集團損失的風險  | <ul style="list-style-type: none"> <li>- 制定科技風險相關政策及網絡安全策略，以及全面的安全意識計劃，以加強各個級別的網絡安全</li> <li>- 採納與網絡系統及應用程式安全、客戶身份驗證、新產品及服務風險評估，以及資料保密及完整性相關的充足控制措施</li> </ul>  |
| 持續業務運作 | 因事件或危機發生時業務中斷導致損失的風險。業務中斷可能由員工、資訊科技及電訊系統、行址、主要服務提供者、關鍵紀錄等相關損失而引致   | <ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊</li> <li>- 本集團所有個別職能單位進行業務影響分析及制定業務持續規劃</li> <li>- 每年進行演習以測試業務持續規劃是否備妥及有效</li> </ul>   |
| 新產品及業務 | 本集團在新產品推出、現有產品結構性變動及新業務運作（即透過設立新附屬公司及/或合併及收購）時，未充分預先評估其重大潛在風險，而導致本集團損失的風險。此等重大潛在風險包括信貸風險、市場風險、營運風險、流動性風險、利率風險、法律風險、科技風險、合規風險、策略性風險、信譽風險及持續業務運作風險 | <ul style="list-style-type: none"> <li>- 建立風險管治架構，並以全面的政策、手冊、控制指引及程序確保其妥善實施</li> <li>- 新產品/業務審批程序確保本集團在推出新產品或業務前對潛在重大風險作出適當評估、審查及記錄。該程序亦有助高層管理人員監督新產品及業務</li> </ul>   |

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### Principal Uncertainties

The key uncertainties facing the Group in 2020 and the mitigating measures instituted are set out below:

| Uncertainty                                      | Description   | Mitigating Measures   |
|--|---|---|
| Cyber threats                                    | Cyber threats have become a key area of focus for regulators and the banking industry, as they evolve rapidly. Attackers are constantly looking for more sophisticated and efficient ways to jeopardise the banks' operations and cyber security.   | <ul style="list-style-type: none"> <li>- Develop cyber security strategy and effective control and response frameworks including comprehensive security awareness programmes to protect the Bank's assets and continuously strengthen cyber resilience.</li> <li>- Maintain access to different threat intelligence sources, both local and overseas, to monitor the latest threats prevailing worldwide and ensure adequate protections are in place to address the threats.</li> <li>- Understand the root causes and lessons learned from significant local and overseas cyber incidents for continuous improvement.</li> </ul>  |
| Economic conditions in the Group's major markets | <p>The Group's major markets, Hong Kong and Mainland China, are impacted by the following emerging risks:</p> <p>1) US-China trade tension</p> <p>The 17-month-long trade war has increased the risks of a global recession. With the recent development, especially the imminent signing of "Phase one" agreement that reduces some US tariffs in exchange for increased Chinese purchases of American farm products and other goods and services, the 15% US tariffs expected to take effect in mid-December 2019 on the Chinese imported goods had been suspended.</p> <p>Despite the positive development, uncertainty on smooth and fruitful trade talks still poses key risk to the global economy, and should be under close watch especially considering the fact that both countries have divergent national and commercial interests.</p> <p>2) Brexit</p> <p>The fallout from Brexit remains the largest risk for the UK in 2020, regardless of the outcome of negotiations with the European Union. The majority of boards of listed British businesses expect the UK economy to deteriorate over the next 12 months. The combination of Brexit, trade war and consumer slowdown may also impact BEA Group's operations in Southeast Asia, the UK and the US.</p> | <p>While the business strategies of the Group have taken into consideration changing economic conditions, and economic trends are closely monitored, suitability of the Group's risk management policies and controls are reviewed and updated on an ongoing basis.</p> <p>1) US-China trade tension</p> <p>Though US and China had signed the trade deal on 13th January, 2020, the bulk of US tariffs remains on US\$360 billion worth of Chinese imports. As such, the related impact analysis continues and will still be incorporated in the credit underwriting and review process, with escalated control measures imposed including monthly survey, health check, and close monitoring of customers that may be affected.</p> <p>Besides, the parameter "US-China Trade Dispute" remains as part of the hypothetical analysis under macroeconomic stress-testing to assess the overall impact from a credit risk, market risk and interest rate risk perspective on the Group's profitability and CAR.</p> <p>2) Brexit</p> <p>Despite the relatively low level of the Group's exposure to the UK, given the uncertainties of the new UK-EU trade relation talks during the transition period to end of 2020, the Group will continue to monitor the political and economic conditions closely and assesses the probable impact on the portfolio accordingly.</p> |



## 主要不明朗因素

本集團於2020年將面對的主要不明朗因素及其緩減措施載列如下：

| 不明朗因素          | 說明  | 緩減措施  |
|----------------|---|---|
| 網絡威脅           | 網絡威脅發展迅速，已成為監管機構及銀行的主要關注範疇。攻擊者不斷尋找更複雜、更有效率的方式損害銀行的運作及網絡安全。  | <ul style="list-style-type: none"> <li>- 制定網絡安全策略及有效的控制措施和應對機制，包括全面的安全意識計劃，以保護銀行的資產，並持續加強網絡的恢復能力。</li> <li>- 留意本地及海外各種有關網絡威脅的情報來源，以監察全球面臨的最新威脅，確保制定充足的保護措施應對相關威脅。</li> <li>- 從本港及境外不時發生的相關重大網絡事故中了解根本原因及所汲取的教訓，從而不斷作出改善。</li> </ul>   |
| 本集團主要業務市場的經濟狀況 | <p>本集團的主要業務市場為香港與內地，該等市場受以下新出現的風險影響：</p> <p>1) 中美貿易糾紛</p> <p>長達17個月的貿易戰增加了全球經濟衰退的風險。至於近期的事態發展，重點聚焦在已簽署的中美「第一階段」貿易協議，有關協議可望降低部分美國關稅，以換取中國增加購買美國農產品、其他商品及服務，以及暫緩原定於2019年12月中旬對中國進口商品實施加徵的15%美國關稅。</p> <p>儘管有上述的正面進展，但談判能否繼續順利及有效地進行仍屬未知之數，這會對全球經濟構成重大風險，所以應密切注意有關事態發展，特別是考慮到中美兩國在國家和商業利益方面的分歧。</p> <p>2) 英國脫歐</p> <p>無論英國與歐盟談判的結果如何，英國脫歐帶來的影響仍然是英國2020年最大的風險。多數英國上市企業的董事會均預期英國經濟於未來12個月將會轉差。脫歐、貿易戰及消費放緩，亦可能影響東亞銀行集團在東南亞、英國及美國的業務營運。</p> | <p>本集團業務策略中加入經濟狀況考量，並密切監察經濟趨勢，同時持續檢討及更新風險管理政策及監控的適當性。</p> <p>1) 中美貿易糾紛</p> <p>儘管中美兩國已於2020年1月13日簽署了貿易協定，但美國依然對價值3,600億美元的中國進口貨徵收大量關稅。因此，相關的影響分析將會繼續進行，且於授信和審查程序中予以納入，以及採取進一步的控制措施，包括對可能受影響的客戶進行每月調查、穩健檢查及密切監察其情況。</p> <p>此外，已將「中美貿易糾紛」參數新增至宏觀經濟壓力測試的假設分析中，從信貸風險、市場風險及利率風險角度評估對集團盈利能力及資本充足比率的整體影響。</p> <p>2) 英國脫歐</p> <p>儘管本集團在英國業務相對不多，但鑑於新的英歐貿易關係談判在2020年底前的過渡期內仍存有不明朗因素，本集團會持續密切監察政治及經濟狀況，並評估其可能對投資組合產生的影響。</p> |

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

| Uncertainty | Description  | Mitigating Measures  |
|-------------|--|--|
| 3)          | <p>China corporate bond default</p> <p>In China, the continued upward trend of corporate bond defaults poses a worry, reaching CNY120 billion for nine months in 2019; CNY20 billion was related to state-owned enterprises, nearly double the amount reported for 2018.</p>   | <p>China corporate bond default</p> <p>To mitigate possible corporate default, lending strategies are subject to on-going review with an aim to diversify away from risky segments like property related exposure in non-tier 1 cities, over-capacity industries. The Bank maintains close monitoring on loan usage for existing and newly-acquired customers.</p> <p>To this end, customer due diligence has been intensified to ascertain customers' financial capability in addition to any collateral offered. Furthermore, more effort will be devoted to continually enhancing credit monitoring and assessing collateral realisation risk.</p>  |
| 4)          | <p>Hong Kong social unrest</p> <p>The overall economic environment in Hong Kong deteriorated in 2019, which was mainly attributable to the persistent social unrest. The mass demonstrations in Hong Kong in the second half of the year adversely affected the business volume of hotel, retail and catering operators. A year-on-year decline of 23% was recorded for Hong Kong retail sales in August 2019, which was the worst month on record, and even worse than September 1998 when the Asian Financial Crisis hit. Severe disruptions to inbound tourism and consumption-related activities also contributed to the subdued economic conditions.</p> <p>Persistent civil disorder and social unrest in Hong Kong have already adversely affected local economic growth, with the economy shrinking by 2.9% in the fourth quarter of the year. For 2019, real gross domestic product contracted by 1.2%, showcasing Hong Kong's first annual decline since 2009.</p> | <p>Hong Kong social unrest</p> <p>The Group has escalated the monitoring of borrowers, including continuous health checks through monthly surveys, with the intent to identify any additional customer segments that might be affected for a more comprehensive impact analysis and prompt remedial actions.</p> <p>While HKMA has called for banks to support SMEs as far as credit policies and risk management principles allow, justification and viability of any accommodative approach, including debt rescheduling, remain firm principles of the Bank to prevent deterioration in the health of any account.</p> <p>A new scenario, "Hong Kong Massive Social Unrest", has been added to the stress test programme to assess the impact on the Group's profitability and CAR.</p> |
| 5)          | <p>US Interest rate policies</p> <p>The pace of the US Federal Reserve's action to cut interest rates is still uncertain. The rate movement would highly depend on the performance of the US economy.</p> <p>Changes in the timing, magnitude and frequency of US rate cut may increase uncertainties concerning the pace of global economic growth, reversion of asset prices, foreign exchange markets and liquidity.</p>  | <p>US Interest rate policies</p> <p>Interest rate movement is monitored on a continuous basis to gauge its impact on earnings and economic value.</p> <p>Business strategies have taken into consideration changing interest rate trends.</p>  |

| 不明朗因素       | 說明   | 緩減措施   |
|-------------|--|--|
| 3) 中國企業債券違約 | <p>中國方面，企業債券違約於2019年9個月內達人民幣1,200億元，持續上升趨勢引發憂慮；當中與國有企業相關的債券違約達人民幣200億元，接近2018年的兩倍。</p>   | <p>3) 中國企業債券違約</p> <p>為減輕可能發生的中國企業違約的影響，本集團會持續檢討借貸策略，目標是減少非一線城市物業相關貸款以及產能過剩行業等風險較高的貸款，令組合更多元化，並密切監察現有和新客戶的貸款使用情況。</p> <p>為此，本集團已加強對客戶的盡職審查，以確保他們除了提供除抵押品外，亦保持良好的財務狀況。此外，本集團將進一步持續完善信貸監控及評估抵押品的變現風險。</p>  |
| 4) 香港社會運動   | <p>4) 香港社會運動</p> <p>香港的整體經濟環境於2019年惡化，主因在於持續的社會運動。香港在2019年下半年度的大規模遊行，對酒店、零售及餐飲從業者的業務量產生不利影響。香港於2019年8月的零售銷售額按年下降23%，為有紀錄以來表現最差的月份，甚至遜於1998年9月亞洲金融危機爆發時期的表現。疲弱的經濟狀況，亦反映訪港旅遊及消費相關活動受到嚴重干擾。</p> <p>持續不斷的街頭示威和騷亂預料難以在短期內結束，並會對香港經濟的各方面構成壓力，包括但不限於消費者情緒、勞工市場、物業市場及資本市場。香港的經濟增長已經受到影響，第四季度的本地生產總值初步數字遜於預期，按年下跌2.9%。2019年全年，香港的本地生產總值下跌1.2%，是2009年以來首次錄得全年跌幅。</p> | <p>4) 香港社會運動</p> <p>本集團已加強對借款人的監察，包括透過每月調查進行持續的穩健檢查，以識別任何可能受影響的其他客戶群，從而作出更全面的影響分析並採取及時的補救措施。</p> <p>金管局已呼籲銀行在信貸政策及風險管理原則許可的範圍內為中小企業提供支援，在任何合理可行的基礎上，本行在制訂延期還款等紓緩措施時，依然堅守防止賬戶穩健狀況惡化的原則。</p> <p>壓力測試項目內已加入「香港重大社會運動」這一新情景，以評估對本集團盈利能力及資本充足比率的影響。</p> |
| 5) 美國減息     | <p>5) 美國減息</p> <p>美國聯邦儲備局減息的速度尚未明朗。利率走勢將高度倚賴美國經濟的表現。</p> <p>美國減息的時間、幅度及頻率的變化可能會令全球經濟增長步伐、資產價格逆轉、外匯市場及流動性增添不明朗因素。</p>   | <p>5) 美國減息</p> <p>本集團持續監察利率走勢對盈利及經濟價值的影響。</p> <p>業務策略中加入不斷變化的利率趨勢考量。</p>   |

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

| Uncertainty                    | Description  | Mitigating Measures  |
|--------------------------------|--|--|
| Legal and regulatory changes   | In view of the increasingly complex operating environment, legal and regulatory requirements are becoming more stringent, which may impact the Group's business strategies, operations, funding and capital management.  | <ul style="list-style-type: none"> <li>- The Group keeps abreast of legal and regulatory developments and will seek advice from external lawyers with appropriate expertise so as to comply with the legal and regulatory requirements.</li> <li>- The Group reviews consultation papers on new laws and regulations to assess their impact on the Group. Where appropriate, the Group will provide input to the regulators both directly and through industry groups.</li> </ul>          |
| External fraud                 | External fraud has become more sophisticated and more difficult to prevent in a digital environment. Identity fraud is on the rise in the banking industry.  | <ul style="list-style-type: none"> <li>- Control measures have been formulated to detect and prevent fraud.</li> <li>- The control measures are reviewed and enhanced on an ongoing basis, taking into consideration the causes of external fraud incidents and the changing technological environment.</li> <li>- A dedicated fraud risk management function led by experts has been set up and deployed to mitigate fraud risk.</li> </ul>   |
| Foreign exchange rate movement | <p>One of the major concerns for the Group in 2020 is fluctuations in the value of the US dollar. The pace of interest rate adjustments by the US Federal Reserve may affect the trend and magnitude of the US dollar's value. It is also highly sensitive to developments in the US-China trade war and Brexit. However, any increase in economic uncertainty may drive the dollar higher as investors become more risk averse and switch to assets that are considered to be safe havens.</p> <p>Another major challenge for the Group is increasing fluctuations in the RMB. The risk of such fluctuations has increased along with slowing growth on the Mainland and the uncertain outcome of the US-China trade dispute. Meanwhile, if China is forced to increase imports from the US significantly, China's trade surplus will be reduced, sending foreign exchange reserves lower. This will put depreciation pressure on the RMB.</p> <p>Unexpected fluctuations in foreign exchange rates could affect:</p> <ul style="list-style-type: none"> <li>- the value of the Group's foreign currency and capital positions; and</li> <li>- the wealth of the Group's customers and their repayment ability; it will also affect counterparty credit exposure of derivative transactions.</li> </ul> | <ul style="list-style-type: none"> <li>- The Group closely monitors exchange rate movements and has laid down policies to manage currency risk.</li> <li>- Regular stress tests are conducted to assess the impact of exchange rate movements on profit and loss and capital adequacy.</li> <li>- The Group closely observes market movements. The Group will monitor its businesses in China and regularly review the profile of customers with exposure to China and the RMB.</li> </ul> |

| 不明朗因素      | 說明   | 緩減措施  |
|------------|--|---|
| 法律和監管要求的變化 | 由於營商環境越趨複雜，法律及監管要求也變得更嚴格，因而可能對本集團的業務策略、業務經營、資金籌集及資本管理造成影響。   | <ul style="list-style-type: none"> <li>- 本集團密切留意有關法律和監管的發展情況，並會徵詢具備相應專業知識的外聘律師的意見，以確保遵守法律和監管規定。</li> <li>- 本集團檢視新訂法例及規例的諮詢文件，以評估該等法例及規例對本集團的影響。在適當的情況下，本集團將直接或透過業內組織向監管機構提供意見。</li> </ul> |
| 外部詐騙       | 外部詐騙手段變得更加複雜，在數碼化環境下可能更加難以預防。身份詐騙在銀行業內日漸增多。  | <ul style="list-style-type: none"> <li>- 制定監控措施以偵察並預防詐騙。</li> <li>- 持續檢討及改善監控措施，並會納入外部詐騙事件的原因及科技環境的改變一併考慮。</li> <li>- 已設立一個由專家帶領的專責詐騙風險管理組，以緩減詐騙風險。</li> </ul>                            |
| 匯率變動       | <p>本集團於2020年其中一個主要考慮為美元匯價的波動。美國聯儲局調整息率的步伐可能會影響美元匯價變動的趨勢及幅度。其亦對中美貿易戰及英國脫歐的發展非常敏感。然而，由於投資者一般傾向規避風險，並會轉而投資其認為安全的資產，因此任何經濟不明朗因素增加都可能使美元上升。</p> <p>本集團面臨的另一項主要挑戰是人民幣波幅加大。隨著內地經濟增長放緩及中美貿易戰懸而未決，人民幣波動的風險上升。同時，如果中國被迫大幅增加美國進口量，其貿易盈餘將會下跌，令外匯儲備減少，進一步對人民幣造成貶值的壓力。</p> | <ul style="list-style-type: none"> <li>- 本集團密切監察匯率變動，並已制定政策以管理貨幣風險。</li> <li>- 定期進行壓力測試，以評估匯率變動對損益及對資本充裕程度的影響。</li> <li>- 本集團緊貼市場變動。本集團將密切監察其中國業務，定期檢討具中國及人民幣風險承擔的客戶組合。</li> </ul>        |
|            | <p>不能預期的匯率波動或會影響：</p> <ul style="list-style-type: none"> <li>- 本集團所持外幣及資本的價值；及</li> <li>- 本集團客戶的財富狀況及還款能力；匯率變動亦將影響衍生工具交易中的交易對手的信貸承擔。</li> </ul>  |   |

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### COMPLIANCE

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

The Compliance Division is responsible for overseeing the regulatory compliance framework and monitoring compliance risks for the Group; communicating new regulatory requirements to affected units; delivering compliance advice for the implementation of relevant regulations; conducting regulatory compliance reviews on a risk-based approach; and regularly reporting compliance matters to the Group's management committees. Any significant compliance issues, including those related to anti-money laundering and

counter-financing of terrorism, are also reported to the Risk Committee and the Board of Directors via the Operational Risk Management Committee. Through the support of the Risk and Compliance Function established in the Bank's business, functional, and operations units, which act as the first line of defence against regulatory non-compliance, a comprehensive and efficient compliance risk management framework is maintained within the Group.

In view of the increasing demand on banks to comply with new and tighter regulations – including those related to anti-money laundering and counter-financing of terrorism, international standards and regulatory changes in jurisdictions where the Group has a presence, cross-border business, personal data protection, insurance and investment products sales practices, etc. – BEA expects compliance requirements to remain high in the coming years.

By order of the Board

**Adrian David LI Man-kiu**

*Co-Chief Executive*

**Brian David LI Man-bun**

*Co-Chief Executive*

Hong Kong, 19th February, 2020

## 合規

合規乃本集團企業管治的重要組成元素。東亞銀行確切理解因違反監管要求而引致的潛在合規風險，即可能引致的法律或監管制裁、監管機構作出的監管行動或經濟懲罰、財務損失，及/或對本集團之信譽損害(即合規風險)。

合規處負責監察本集團的合規架構及所面對的合規風險、傳達新監管規定要求至有關部門、為落實各監管要求提供合規建議、以「風險為本」的方針進行合規監察審查，以及定期向本集團管理委員會匯報合規事宜。就任何重要的合規事宜，包括有關打擊洗錢及恐

怖分子資金籌集之事宜，亦會經由營運風險管理委員會向風險委員會及董事會作出匯報。此外，透過本行於各業務、職能及營運部門內設置的風險及合規人員作為確保合規的第一道防線，本集團得以維持一個全面及有效的合規風險管理架構。

鑒於銀行須予遵守的新增和加強規管的監管要求日益增加，包括與打擊洗錢及恐怖分子資金籌集相關的規定、國際標準及本集團業務所在司法管轄區的監管變動，以及跨境業務、個人資料保障、銷售保險及投資產品等相關規定，本行預期未來的合規要求將維持於高水平。

承董事會命  
聯席行政總裁  
**李民橋**  
謹啟

聯席行政總裁  
**李民斌**

香港，2020年2月19日

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高層管理人員的個人資料

#### DIRECTORS



#### Dr. the Hon. Sir David LI Kwok-po

*GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur Executive Chairman and Member of the Nomination Committee*

Sir David, aged 81, joined the Bank in 1969. He was appointed a Director in 1977, Chief Executive in 1981, Deputy Chairman in 1995 and Chairman in 1997. On 1st July, 2019, Sir David stepped down as Chief Executive and was re-designated as Executive Chairman of the Bank. Sir David is also the Chairman of BEA China and The Bank of East Asia Charitable Foundation Limited.

Sir David is an Independent Non-executive Director of Guangdong Investment Limited (listed in Hong Kong), The Hong Kong and China Gas Company Limited (listed in Hong Kong), The Hongkong and Shanghai Hotels, Limited (listed in Hong Kong), San Miguel Brewery Hong Kong Limited (listed in Hong Kong) and Vitasoy International Holdings Limited (listed in Hong Kong). He was an Independent Non-executive Director of PCCW Limited (listed in Hong Kong).

Sir David is a Member of the Council of the Treasury Markets Association. He is Founding Chairman of The Friends of Cambridge University in Hong Kong Limited, Chairman of the Advisory Board of The Salvation Army, Hong Kong and Macau Command, Chairman of the Executive Committee of St. James' Settlement and a Fellow of the Hong Kong Academy of Finance. He was a Member of the Executive Council of Hong Kong from 2005 to 2008 and the Legislative Council of Hong Kong from 1985 to 2012.

Sir David is the brother of Professor Arthur LI Kwok-cheung, the cousin of Mr. Aubrey LI Kwok-sing and Mr. Stephen Charles LI Kwok-sze, and the father of Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun.

#### 董事

#### 李國寶爵士

*GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur*

執行主席及提名委員會委員

李爵士，現年 81 歲，在 1969 年加入本行，1977 年任董事、1981 年任行政總裁、1995 年任副主席、繼而於 1997 年獲委任為主席。於 2019 年 7 月 1 日，李爵士退任本行行政總裁一職，並調任為執行主席。李爵士亦是東亞中國及東亞銀行慈善基金有限公司的主席。

李爵士是粵海投資有限公司（在香港上市）、香港中華煤氣有限公司（在香港上市）、香港上海大酒店有限公司（在香港上市）、香港生力啤酒廠有限公司（在香港上市）及維他奶國際集團有限公司（在香港上市）之獨立非執行董事。他曾出任電訊盈科有限公司（在香港上市）之獨立非執行董事。

李爵士是財資市場公會的議會成員。他是劍橋之友香港有限公司之創立主席、救世軍港澳軍區顧問委員會主席、聖雅各福群會執行委員會主席及金融學院院士。他在 2005 年至 2008 年期間曾出任香港行政會議成員及在 1985 年至 2012 年期間曾出任香港立法會議員。

李爵士是李國章教授之胞兄、李國星先生及李國仕先生之堂兄、李民橋先生及李民斌先生之父親。



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Professor Arthur LI Kwok-cheung

*GBM, GBS, MA, MD, M.B.B.Chir (Cantab), DSc (Hon), DLitt (Hon), Hon DSc (Med), LLD (Hon), Hon Doc (Soka), Hon Doc (KNUA), FRCS (Eng & Edin), FRACS, Hon FACS, Hon FRCS (Glasg & I), Hon FRSM, Hon FPCS, Hon FCSEHK, Hon FRCP (Lond), JP*

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

Professor Li, aged 74, was a Director of the Bank (1995 – 2002) and was re-appointed a Director in 2008 and was appointed a Deputy Chairman in 2009.

Professor Li is a Member of the Executive Council of the Hong Kong Special Administrative Region (“HKSAR”) (he was also a Member from 2002 to June 2007 and from July 2012 to June 2017). He is also the Chairman of the Council for Sustainable Development of the Government of HKSAR and the Chairman of the Council of the University of Hong Kong. Professor Li was a Member of the National Committee of the Chinese People’s Political Consultative Conference (1998 – 2018).

Professor Li is an Independent Non-executive Director of Shangri-La Asia Limited (listed in Hong Kong) and Nature Home Holding Company Limited (listed in Hong Kong), and a Non-executive Director (from May 2010 to December 2014, and was re-appointed on 20th January, 2016) of BioDiem Ltd.

Professor Li was the Secretary for Education and Manpower of the Government of HKSAR (2002 – June 2007). Before these appointments, he was the Vice Chancellor of the Chinese University of Hong Kong (1996 – 2002) and was the Chairman of Department of Surgery and the Dean of Faculty of Medicine of the Chinese University of Hong Kong.

Professor Li had held many important positions in various social service organisations, medical associations, and educational bodies, including the Education Commission, Committee on Science and Technology, the Hospital Authority, the Hong Kong Medical Council, the University Grants Committee, the College of Surgeons of Hong Kong, and the United Christian Medical Services Board. He was a Member of the Board of Directors of the Hong Kong Science and Technology Parks Corporation and the Hong Kong Applied Science and Technology Research Institute, and Vice President of the Association of University Presidents of China. He was a Hong Kong Affairs Adviser to China.

Professor Li is the brother of Dr. the Hon. Sir David LI Kwok-po, the cousin of Mr. Aubrey LI Kwok-sing and Mr. Stephen Charles LI Kwok-sze, and the uncle of Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun.

#### 李國章教授

*GBM, GBS, MA, MD, M.B.B.Chir (Cantab), DSc (Hon), DLitt (Hon), Hon DSc (Med), LLD (Hon), Hon Doc (Soka), Hon Doc (KNUA), FRCS (Eng & Edin), FRACS, Hon FACS, Hon FRCS (Glasg & I), Hon FRSM, Hon FPCS, Hon FCSEHK, Hon FRCP (Lond), JP*

*副主席，非執行董事及薪酬委員會委員*

李教授，現年74歲，曾任本行董事（1995年至2002年）及在2008年再獲委任為本行董事，並於2009年獲委任為副主席。

李教授是香港特別行政區行政會議成員（他在2002年至2007年6月及2012年7月至2017年6月亦曾出任此職）。他亦是香港特別行政區可持續發展委員會主席及香港大學校務委員會主席。李教授曾是中國人民政治協商會議全國委員會委員（1998年至2018年）。

李教授現為香格里拉（亞洲）有限公司（在香港上市）及大自然家居控股有限公司（在香港上市）之獨立非執行董事及BioDiem Ltd.之非執行董事（2010年5月至2014年12月，並於2016年1月20日再獲委任）。

李教授曾任香港特別行政區教育及統籌局局長（2002年至2007年6月）。在此之前，他亦曾出任香港中文大學校長（1996年至2002年），以及香港中文大學醫學院外科學系主任和醫學院院長。

李教授曾於多個社會服務機構、醫務及教育組織擔任重要職位，其中包括教育統籌委員會、科技委員會、香港醫院管理局、香港醫務委員會、大學教育資助委員會、香港外科醫學院，以及基督教聯合醫院醫務協會董事會。他亦曾任香港科技園及香港應用科技研究有限公司董事、中國大學校長聯誼會副會長，以及港事顧問。

李教授是李國寶爵士之胞弟、李國星先生及李國仕先生之堂兄、李民橋先生及李民斌先生之叔父。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Dr. Allan WONG Chi-yun

*GBS, MBE, BSc, MSEE, Hon. DTech, JP*  
*Deputy Chairman, Independent Non-executive Director, Chairman of the Nomination Committee, Member of the Audit Committee, the Remuneration Committee and the Risk Committee*

Dr. Wong, aged 69, was appointed a Director in 1995 and a Deputy Chairman in 2009. He is the Chairman and Group Chief Executive Officer of VTech Holdings Limited (listed in Hong Kong). Dr. Wong is an Independent Non-executive Director of China-Hongkong Photo Products Holdings Ltd. (listed in Hong Kong), Li & Fung Ltd (listed in Hong Kong) and MTR Corporation Limited (listed in Hong Kong).

Dr. Wong holds a Bachelor of Science degree in electrical engineering from the University of Hong Kong, a Master of Science degree in electrical and computer engineering from the University of Wisconsin and an honorary degree of Doctor of Technology from the Hong Kong Polytechnic University.

#### 黃子欣博士

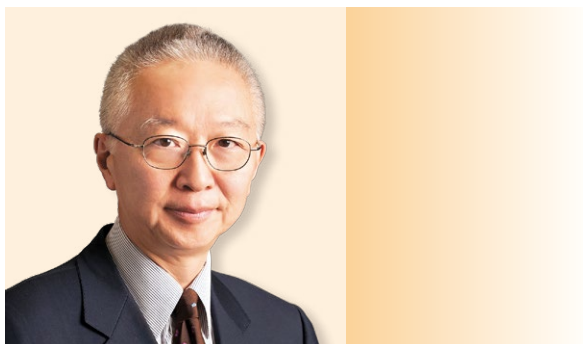
*GBS, MBE, BSc, MSEE, Hon. DTech, JP*  
 副主席，獨立非執行董事，提名委員會主席，審核委員會、薪酬委員會及風險委員會委員

黃博士，現年69歲，在1995年獲委任為本行董事，並於2009年獲委任為副主席。他是偉易達集團（在香港上市）主席兼集團行政總裁。黃博士為中港照相器材集團有限公司（在香港上市）、利豐有限公司（在香港上市）及香港鐵路有限公司（在香港上市）之獨立非執行董事。

黃博士持有香港大學電機工程系理學士學位、美國麥迪遜威斯康辛大學電機及電腦工程科學碩士學位及香港理工大學頒授榮譽科技博士學位。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Mr. Aubrey LI Kwok-sing

ScB, MBA

*Non-executive Director and Member of the Risk Committee*

Mr. Li, aged 70, was appointed a Director in 1995. He is Chairman of IAM Family Office Limited (formerly known as IAM Holdings (Hong Kong) Limited) and Chairman of the Advisory Board of MCL Financial Group Limited, both Hong Kong based investment firms. Mr. Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. He is also an Independent Non-executive Director of Café de Coral Holdings Limited (listed in Hong Kong), Kunlun Energy Company Limited (listed in Hong Kong), Kowloon Development Co. Ltd (listed in Hong Kong), Pokfulam Development Company Limited (listed in Hong Kong) and Tai Ping Carpets International Limited (listed in Hong Kong). He was an Independent Non-executive Director of China Everbright International Limited (listed in Hong Kong).

Mr. Li has an ScB in Civil Engineering from Brown University and a Master of Business Administration from Columbia University.

Mr. Li is the cousin of Dr. the Hon. Sir David LI Kwok-po, Professor Arthur LI Kwok-cheung and Mr. Stephen Charles LI Kwok-sze, and the uncle of Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun.

#### 李國星先生

ScB, MBA

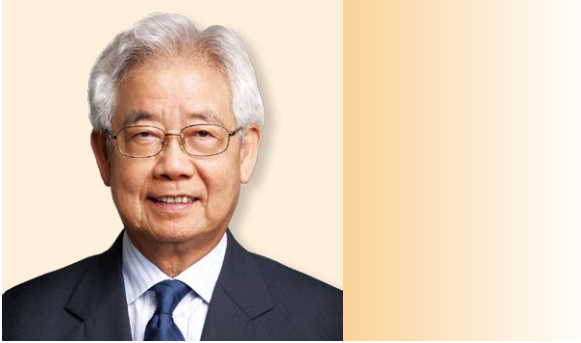
*非執行董事及風險委員會委員*

李先生，現年70歲，在1995年獲委任為本行董事。他是星安家族辦公室有限公司（前稱星安控股有限公司）主席及偉業金融集團有限公司顧問委員會之主席，兩者都是以香港為基地的投資公司。李先生於投資銀行、商人銀行及資本市場界具廣泛經驗。他又為大家樂集團有限公司（在香港上市）、昆侖能源有限公司（在香港上市）、九龍建業有限公司（在香港上市）、博富臨置業有限公司（在香港上市）及太平地氈國際有限公司（在香港上市）之獨立非執行董事。他曾出任中國光大國際有限公司（在香港上市）之獨立非執行董事。

李先生持有布朗大學土木工程學士學位，及哥倫比亞大學工商管理碩士學位。

李先生是李國寶爵士及李國章教授之堂弟、李國仕先生之堂兄、李民橋先生及李民斌先生之堂叔父。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高層管理人員的個人資料(續)



### Mr. Winston LO Yau-lai

*SBS, BSc, MSc*  
*Non-executive Director*

Mr. Lo, aged 78, was appointed a Director in 2000. He is the Executive Chairman of Vitasoy International Holdings Limited (listed in Hong Kong).

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

Mr. Lo is the Chairman of Ping Ping Investment Company Ltd. He is an Honorary Court Member of the Hong Kong University of Science and Technology and a Life Member of Cornell University Council.

### 羅友禮先生

*SBS, BSc, MSc*  
*非執行董事*

羅先生，現年78歲，在2000年獲委任為本行董事。他是維他奶國際集團有限公司（在香港上市）執行主席。

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

羅先生為平平置業有限公司主席。他是香港科技大學顧問委員會榮譽委員及康乃爾大學校董會終身校董。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Mr. Stephen Charles LI Kwok-sze

*BSc (Hons.), ACA*  
*Non-executive Director*

Mr. Li, aged 60, was appointed a Director in 2006. He is a Member of the Institute of Chartered Accountants in England and Wales. Mr. Li holds a Bachelor of Science (Hons.) Degree in Mathematics from King's College, University of London, U.K. He is a Director of Affin Hwang Investment Bank Berhad. He has extensive experience in investment banking, having held senior capital markets positions with international investment banks in London and Hong Kong and board positions with international investment funds.

Mr. Li is a member of the Executive Committee and the Honorary Treasurer of The Keswick Foundation.

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

#### 李國仕先生

*BSc (Hons.), ACA*  
*非執行董事*

李先生，現年60歲，在2006年獲委任為本行董事。他是英國及威爾斯特許會計師公會會員。李先生持有英國倫敦大學King's College數學(榮譽)理學士學位。他為Affin Hwang Investment Bank Berhad之董事。他在投資銀行方面擁有豐富經驗，並曾出任倫敦及香港國際投資銀行資本市場要職，以及國際投資基金的董事職務。

李先生現為凱瑟克基金的執行委員會成員及義務司庫。

李先生是李國寶爵士、李國章教授及李國星先生之堂弟、李民橋先生及李民斌先生之堂叔父。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Dr. Isidro FAINÉ CASAS

*Non-executive Director and Member of the Nomination Committee*

Dr. Fainé, aged 77, was appointed a Director in 2009.

Dr. Fainé is the Chairman of the Board of trustees of the Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation<sup>Note</sup> (hereinafter "la Caixa" Banking Foundation).

Dr. Fainé is the Chairman of Criteria Caixa, S.A. Sociedad Unipersonal<sup>Note</sup> (hereinafter Criteria Caixa). Criteria Caixa is a non-listed holding company fully controlled by the "la Caixa" Banking Foundation, which manages all of the group's shareholdings in strategic sectors, including financial, energy, infrastructure, services, and real estate. Within financial sector, it has a stake in CaixaBank, S.A. (listed in Spain), a leading retail bancassurance franchise in Iberia.

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

- (i) Deputy Chairman of Telefónica, S.A. (integrated operator in the telecommunication sector, listed in Spain)
- (ii) Board Member of Suez, S.A. (an expert group in water and waste management, listed in France and Brussels)

Dr. Fainé was Director and Chairman of the Board of Gas Natural SDG, S.A. (listed in Spain), currently listed as Naturgy Energy Group, S.A., until 6th February, 2018, when he was appointed Honorary Chairman.

<sup>Note</sup> Criteria Caixa, S.A. Sociedad Unipersonal ("Criteria Caixa"), is a wholly-owned subsidiary of "la Caixa" Banking Foundation.

Each of "la Caixa" Banking Foundation and Criteria Caixa is a substantial shareholder of the Bank as defined under the Listing Rules and within the meaning of Part XV of the SFO, the details of which are disclosed in the "Interests of Substantial Shareholders and Other Persons" section of the Report of the Directors. Dr. Isidro FAINÉ CASAS is the Chairman of Criteria Caixa and the Chairman of the Board of trustees of "la Caixa" Banking Foundation.

#### 范禮賢博士

非執行董事及提名委員會委員

范博士，77歲，在2009年獲委任為本行董事。

范博士為Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation<sup>註</sup> (以下稱為「la Caixa」Banking Foundation)的信託委員會之主席。

范博士現時為Criteria Caixa, S.A. Sociedad Unipersonal<sup>註</sup> (以下稱為「Criteria Caixa」)之主席。Criteria Caixa為一家由「la Caixa」Banking Foundation全權控制的非上市控股公司，管理集團內所有策略性業務，包括金融、能源、基建、服務及房地產。在金融業務上，「la Caixa」Banking Foundation持有CaixaBank, S.A. (在西班牙上市)的股權，CaixaBank, S.A.為一家在伊比利亞領先的特許零售銀行保險機構。

范博士目前還在其他上市公司(Criteria Caixa擁有該等公司的權益)擔任主席及董事職務，詳情如下：

- (i) Telefónica, S.A. 副主席，該公司在西班牙上市，為電訊業之一家綜合經營公司
- (ii) Suez, S.A. 董事，該公司在法國及布魯塞爾上市，為主要從事水資源及廢物處理之專業集團

范博士曾擔任Gas Natural SDG, S.A. (在西班牙上市)(現以Naturgy Energy Group, S.A.名稱上市)董事兼董事會主席直至2018年2月6日，並於同日獲委任為名譽主席。

<sup>註</sup> Criteria Caixa, S.A. Sociedad Unipersonal (「Criteria Caixa」)為「la Caixa」Banking Foundation的全資附屬公司。

根據《上市規則》及《證券及期貨條例》第XV部之定義，「la Caixa」Banking Foundation及Criteria Caixa均為本行的主要股東，詳情在董事會報告書內「主要股東及其他人士的權益」項下披露。范禮賢博士是Criteria Caixa的主席及「la Caixa」Banking Foundation的信託委員會之主席。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)

Dr. Fainé is a Member of the Royal Academy of Economics and Finance and of the Royal Academy of Doctorate Holders, Chairman of the Spanish Confederation of Savings Banks (CECA) and was Deputy Chairman of the World Savings Banks Institute (WSBI) until 14th November 2018, when he was appointed as Chairman. From 2015 until June 2018, he was Chairman of the European Savings Banks Group (ESBG) where he currently serves as Deputy Chairman. He is also Chairman of the Spanish Confederation of Directors and Executives (CEDE), the Spanish Chapter of the Club of Rome and the Círculo Financiero. Dr. Fainé is also a Member of the Board of Trustees of the Prado Museum and Carlos Slim Foundation, and has been acknowledged with the 2018 Forbes Philanthropy Award.

Dr. Fainé joined “la Caixa” and was appointed Deputy Executive General Manager in 1982. He was appointed CEO in 1999 and was further appointed Chairman of Caixa d’Estalvis i Pensions de Barcelona “la Caixa” from June 2007 to June 2014. In June 2014, “la Caixa” becomes “la Caixa” Banking Foundation, in compliance with the Savings Banks and Banking Foundations Law of 27th December, 2013. He was a member of the Board of Directors of CaixaBank, S.A. (listed in Spain) since 2011, presiding from 2011 until his resignation in June 2016.

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

范博士是皇家經濟及金融學院 (Royal Academy of Economics and Finance) 及皇家博士學位持有人學院 (Royal Academy of Doctorate Holders) 的成員、西班牙儲蓄銀行聯盟 (CECA) 主席及曾是世界儲蓄銀行協會 (WSBI) 副主席，直至2018年11月14日獲委任為該集團的主席。范博士由2015年開始出任歐洲儲蓄銀行集團 (ESBG) 主席直至2018年6月，現為該集團的副主席。他亦是西班牙董事及行政人員聯合會 (CEDE)、羅馬俱樂部西班牙分會及Círculo Financiero 的主席。范博士亦是普拉多博物館及Carlos Slim Foundation的信託委員會成員，並獲頒發2018福布斯慈善獎項 (2018 Forbes Philanthropy Award)。

范博士於1982年加入西班牙巴塞羅那儲蓄銀行 (“la Caixa”)，並獲委任為副執行總經理。於1999年，他獲委任為該公司行政總裁，並且於2007年6月至2014年6月出任 Caixa d’Estalvis i Pensions de Barcelona “la Caixa” 主席一職。於2014年6月，為符合2013年12月27日儲蓄銀行和銀行基金會法例，“la Caixa” 成為 “la Caixa” Banking Foundation。范博士由2011年開始出任 CaixaBank, S.A. (在西班牙上市) 主席兼董事會成員直至2016年6月。

除其他學術及專業資格外，范博士持有經濟學博士學位、哈佛大學頒發的國際高級經理項目 (工商管理) 文憑資格以及 IESE 商學院頒發的行政管理文憑。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Mr. Adrian David LI Man-kiu

*MA (Cantab), MBA, LPC, JP*  
Co-Chief Executive

Mr. Li, aged 46, was appointed an Executive Director in 2014. He first joined the Bank in 2000 as General Manager & Head of Corporate Banking Division. He was appointed Deputy Chief Executive in April 2009 and Co-Chief Executive in July 2019, and is responsible for overall management and control of the Bank Group with a particular focus on its Hong Kong Business. He serves on the boards of several Bank Group members as Chairman or Member.

Mr. Li is currently an Independent Non-executive Director of two listed companies under the Sino Group (Sino Land Company Limited (listed in Hong Kong) and Tsim Sha Tsui Properties Limited (listed in Hong Kong)), China State Construction International Holdings Limited (listed in Hong Kong) and COSCO SHIPPING Ports Limited (listed in Hong Kong), and is a Non-executive Director of The Berkeley Group Holdings plc (listed in London). He is also a member of Mastercard's Asia Pacific Advisory Board and was previously an Independent Non-executive Director of Sino Hotels (Holdings) Limited (listed in Hong Kong).

#### 李民橋先生

*MA (Cantab), MBA, LPC, JP*  
聯席行政總裁

李先生，現年46歲，於2014年獲委任為執行董事。他在2000年加入本行為總經理兼企業銀行處主管，於2009年4月獲任命為副行政總裁，其後於2019年7月獲委任為聯席行政總裁，負責本集團之整體運作及管理，並專注領導香港業務發展。他同時亦出任本集團內多間公司董事會的主席或成員。

李先生現任信和集團旗下兩間上市公司（信和置業有限公司（在香港上市）及尖沙咀置業集團有限公司（在香港上市））、中國建築國際集團有限公司（在香港上市）及中遠海運港口有限公司（在香港上市）之獨立非執行董事，以及The Berkeley Group Holdings plc（在倫敦上市）之非執行董事。他現為Mastercard亞太區諮詢委員會成員，亦曾出任信和酒店（集團）有限公司（在香港上市）之獨立非執行董事。



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)

Mr. Li is a Member of the Anhui Provincial Committee of the Chinese People's Political Consultative Conference and a Counsellor of the Hong Kong United Youth Association. He is Chairman of The Chinese Banks' Association, Vice President of The Hong Kong Institute of Bankers' Council and a Member of the MPF Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority. He is a Board Member of The Community Chest of Hong Kong and serves on its Executive Committee, a Member of the Advisory Board of The Salvation Army, Hong Kong and Macau Command, and a Trustee of The University of Hong Kong's occupational retirement schemes. Furthermore, he serves as a Member of the Election Committees responsible for electing the Chief Executive of the Hong Kong Special Administrative Region ("HKSAR") and deputies of the HKSAR to the 13th National People's Congress. He also sits on the Judging Panel of the BAI Global Innovation Awards.

Mr. Li holds a Master of Management Degree from Kellogg School of Management, Northwestern University in the US, and a Master of Arts Degree and Bachelor of Arts Degree in Law from the University of Cambridge in Britain. He is a Member of The Law Society of England and Wales, and The Law Society of Hong Kong.

Mr. Li is the son of Dr. the Hon. Sir David Li Kwok-po, the nephew of Professor Arthur Li Kwok-cheung, Mr. Aubrey Li Kwok-sing and Mr. Stephen Charles Li Kwok-sze, and the brother of Mr. Brian David Li Man-bun.

李先生現為中國人民政治協商會議安徽省委員會委員及香港青年聯會參事。他是香港華商銀行公會主席、香港銀行學會議會副會長、香港強制性公積金計劃管理局強制性公積金行業計劃委員會委員。他同時擔任香港公益金董事及其執行委員會成員、救世軍港澳軍區顧問委員會成員，以及香港大學職業退休計劃受託人。此外，他為負責推選香港特別行政區行政長官之選舉委員會委員，及香港特別行政區第十三屆全國人民代表大會代表選舉會議成員。他亦是BAI Global Innovation Awards之評審團成員。

李先生持有美國西北大學凱洛格管理學院工商管理碩士學位、英國劍橋大學法學院碩士及學士學位。他是英國律師會及香港律師會會員。

李先生是李國寶爵士之兒子、李國章教授之姪兒、李國星先生及李國仕先生之堂姪，以及李民斌先生之胞兄。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Mr. Brian David LI Man-bun

*JP, MA (Cantab), MBA, FCA*  
Co-Chief Executive

Mr. Li, aged 45, was appointed an Executive Director in 2014. He first joined the Bank Group in 2002. He was General Manager & Head of Wealth Management Division of the Bank from July 2004 to March 2009. He was appointed Deputy Chief Executive in April 2009 and Co-Chief Executive in July 2019. He is responsible for the overall management and control of the Bank Group with a particular focus on its China and international businesses. He serves on the boards of several Bank Group members as Chairman or as a Member.

Mr. Li is currently an Independent Non-executive Director of Towngas China Company Limited (listed in Hong Kong), Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited) (listed in Hong Kong) and China Overseas Land & Investment Limited (listed in Hong Kong).

Mr. Li holds a number of public and honorary positions, including being a Member of the National Committee of the Chinese People's Political Consultative Conference, a Member of the Chief Executive's Council of Advisers on Innovation & Strategic Development of the Government of the Hong Kong Special Administrative Region, a Council Member of the Hong Kong Trade Development Council, a Director of the Financial Services Development Council, a Member of the Aviation Development and Three-runway System Advisory Committee, and Vice Chairman of the Executive Committee of St. James' Settlement.

He is a Member of the Hong Kong-Europe Business Council and a Member of the Hongkong-Japan Business Co-operation Committee. He is also a Vice Chairman of the Asian Financial Cooperation Association and a Member of the Financial Consulting Committee for the Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen.

Mr. Li is a Fellow of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He is also a Full Member of the Treasury Markets Association. He holds an MBA degree from Stanford University as well as a BA degree from the University of Cambridge.

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

#### 李民斌先生

*JP, MA (Cantab), MBA, FCA*  
聯席行政總裁

李先生，現年45歲，於2014年獲委任為執行董事。他在2002年加入本集團，2004年7月至2009年3月期間出任本行總經理兼財富管理處主管。他於2009年4月獲任命為聯席行政總裁，其後於2019年7月出任聯席行政總裁，負責本集團之整體運作及管理，並主要領導中國及國際業務。他亦是本集團內若干公司董事會的主席或成員。

李先生現為港華燃氣有限公司（在香港上市）、深圳投控灣區發展有限公司（前稱合和公路基建有限公司）（在香港上市）及中國海外發展有限公司（在香港上市）的獨立非執行董事。

李先生現擔任多項公職及榮譽職務，包括：中國人民政治協商會議全國委員會委員、香港特別行政區政府行政長官創新及策略發展顧問團成員、香港貿易發展局理事會成員、香港金融發展局董事、航空發展與機場三跑道系統諮詢委員會成員，以及聖雅各福群會執行委員會副主席。

此外，李先生為香港歐洲商務委員會委員和港日經濟合作委員會委員。他亦為亞洲金融合作協會副理事長，以及深圳市前海深港現代服務業合作區管理局金融專業諮詢委員會委員。

李先生為香港會計師公會資深會員和英格蘭及威爾士特許會計師協會資深會員，亦為財資市場公會專業會員。李先生持有美國斯坦福大學工商管理碩士學位，和英國劍橋大學文學學士學位。

李先生是李國寶爵士之兒子、李國章教授之姪兒、李國星先生及李國仕先生之堂姪，以及李民橋先生之胞弟。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Dr. Daryl NG Win-kong

*BA, MSc, DHL, JP*

*Non-executive Director and Member of the Risk Committee*

Dr. Ng, aged 41, was appointed a Director in 2015. He is currently an Executive Director and Deputy Chairman of Sino Land Company Limited (listed in Hong Kong), Tsim Sha Tsui Properties Limited (listed in Hong Kong) and Sino Hotels (Holdings) Limited (listed in Hong Kong). He is also the Chairman, Non-independent & Non-executive Director of Yeo Hiap Seng Limited (listed in Singapore).

Dr. Ng holds a Bachelor of Arts Degree in Economics, a Master Degree of Science in Real Estate Development from Columbia University in New York and an Honorary Doctor of Humane Letters Degree from Savannah College of Art and Design. He was awarded an Honorary University Fellowship by The Open University of Hong Kong in 2016.

Dr. Ng is a member of the Global Leadership Council of Columbia University in the City of New York, a member of the 10th Sichuan Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a member of the 12th and 13th Beijing Municipal Committee of the CPPCC, a member of the 10th and 11th Committees of the All-China Youth Federation and the Deputy Chairman of the Chongqing Youth Federation. He is the Vice Chairman of Hong Kong United Youth Association, a Council Member of the Hong Kong Committee for UNICEF, a Council Member of The Hong Kong Management Association, a Council Member of Hong Kong Chronicles Institute Limited, a co-opted member of the Community Care Fund Task Force of Commission on Poverty of the Government of Hong Kong Special Administrative Region ("HKSAR"), a member of the Estate Agents Authority of HKSAR, a member of the Council of the University of Hong Kong, a member of the Court of the Hong Kong University of Science and Technology, a member of NUS Medicine International Council at the Yong Loo Lin School of Medicine of National University of Singapore, a member of International Advisory Council of Singapore Management University, a member of the Board of M Plus Museum Limited, a Board Member of National Heritage Board, Singapore, a member of Hong Kong Trade Development Council Mainland Business Advisory Committee, a Director of The Real Estate Developers Association of Hong Kong, a Director of The Community Chest of Hong Kong and an Advisor of Our Hong Kong Foundation.

#### 黃永光博士

*BA, MSc, DHL, JP*

*非執行董事及風險委員會委員*

黃博士，41歲，於2015年獲委任為董事。他現時為信和置業有限公司（在香港上市）、尖沙咀置業集團有限公司（在香港上市）及信和酒店（集團）有限公司（在香港上市）之執行董事兼副主席。他亦是楊協成有限公司（在新加坡上市）之主席及非獨立非執行董事。

黃博士持有紐約哥倫比亞大學經濟學文學學士學位、房地產發展理學碩士學位及薩凡納藝術設計學院榮譽人文科學博士學位。他於2016年獲香港公開大學頒授榮譽院士學位。

黃博士是紐約哥倫比亞大學 Global Leadership Council 會員、第十屆中國人民政治協商會議四川省委員會委員、第十二屆及第十三屆中國人民政治協商會議北京市委員會委員、中華全國青年聯合會第十屆及第十一屆委員會委員及重慶市青年聯合會港區特邀副主席。他亦是香港青年聯會副主席、聯合國兒童基金香港委員會委員、香港管理專業協會理事會委員、香港地方志中心有限公司理事、香港特別行政區政府（「香港特區政府」）扶貧委員會關愛基金專責小組增補委員、香港特區政府地產代理監管局成員、香港大學校務委員、香港科技大學顧問委員會成員、新加坡國立大學楊潞齡醫學院 NUS Medicine International Council 成員、新加坡管理大學之 International Advisory Council 成員、M Plus Museum Limited 之董事局成員、新加坡國家文物局董事局成員、香港貿易發展局內地商貿諮詢委員會委員、香港地產建設商會董事、香港公益金董事及團結香港基金顧問。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Mr. Masayuki OKU

*LL.B, LL.M, the Order of Industrial Service Merit Silver Tower  
Non-executive Director and Member of the Nomination Committee*

Mr. Oku, aged 75, was appointed a Director in 2015. He is an Independent Non-executive Director of Komatsu Ltd., Chugai Pharmaceutical Co., Ltd., Rengo Co., Ltd. and The Royal Hotel, Limited, all of which are companies listed in Japan. Mr. Oku is also the Honorary Advisor of Sumitomo Mitsui Financial Group, Inc. ("SMFG")<sup>Note</sup> (listed in Japan and USA) and an Auditor of Nankai Electric Railway Co. Ltd. (listed in Japan). He was an Independent Non-executive Director of Kao Corporation and Panasonic Corporation (both listed in Japan).

Mr. Oku began his career in 1968 at The Sumitomo Bank, Limited. After engaging in the bank's key acquisitions and investments in the 1980's, he was transferred to New York and appointed General Manager of Chicago Branch in 1991. He returned to Tokyo in 1992, assumed the position of General Manager of the Corporate Planning Department, and was elected as a member of the Board of Directors of the bank in 1994. In 1999, Mr. Oku was appointed Secretary General of the Integration Strategy Committee of the bank, leading its merger process with The Sakura Bank, Limited, which culminated in the formation of Sumitomo Mitsui Banking Corporation ("SMBC")<sup>Note</sup> in 2001. In 2003, he became Deputy President of SMBC, heading Corporate Banking and International Banking Units. In 2005, he was appointed President and CEO of SMBC and Chairman of the Board of SMFG, the holding company of SMBC. During his tenure as President and CEO of SMBC, he also served as Chairman of Japanese Bankers Association in 2007 and 2010. In April 2011, he resigned as President and CEO of SMBC to devote himself to his duties as Chairman of the Board of SMFG. Mr. Oku also served as Vice Chairman of Keidanren (Japan Business Federation) from 2011 to 2015. In April 2017, Mr. Oku stepped down as Chairman of the Board of SMFG and remained as a Director until 28th June, 2017.

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

<sup>Note</sup> SMFG owns a 100% interest in SMBC. Both SMFG and SMBC are substantial shareholders of the Bank as defined under the Listing Rules and within the meaning of Part XV of the SFO, the details of which are disclosed in the "Interest of Substantial Shareholders and Other Persons" section of the Report of the Directors.

#### 奧正之先生

*LL.B, LL.M, 產業勳章銀塔獎  
非執行董事及提名委員會委員*

奧正之先生，現年75歲，於2015年獲委任為董事。他是小松製作所 (Komatsu Ltd.)、中外製藥株式會社 (Chugai Pharmaceutical Co., Ltd.)、Rengo Co., Ltd. 及麗嘉皇室酒店 (The Royal Hotel, Limited) 的獨立非執行董事，該等公司均在日本上市。奧正之先生亦為三井住友金融集團<sup>註</sup> (在日本及美國上市) 的名譽顧問及南海鐵道株式會社 (Nankai Electric Railway Co. Ltd.) (在日本上市) 的核數師。他曾任花王株式會社 (Kao Corporation) 及松下電器產業株式會社 (Panasonic Corporation) (兩間公司均在日本上市) 的獨立非執行董事。

奧正之先生於1968年加入住友銀行股份有限公司 (The Sumitomo Bank, Limited) 開展其事業，在1980年代負責該銀行的主要收購和投資，其後他被調任至紐約，並於1991年獲任命為芝加哥分行總經理。他於1992年返回東京擔任企業策劃部總經理，並於1994年獲委任為該銀行董事會成員。於1999年，奧正之先生獲委任為該銀行合併策劃委員會的秘書長，帶領該銀行與日本櫻花銀行 (The Sakura Bank, Limited) 進行合併，最終達成三井住友銀行<sup>註</sup> 於2001年成立。於2003年，他成為三井住友銀行的副行長，主管企業銀行及國際銀行業務。繼而於2005年，獲委任為三井住友銀行的行長兼最高執行官，以及其母公司——三井住友金融集團的董事長。在出任三井住友銀行行長兼最高執行官期間，他於2007年及2010年出任日本銀行家協會的主席。他於2011年4月辭任三井住友銀行行長兼最高執行官一職，以便全力處理其作為三井住友金融集團董事長的職務。奧正之先生曾於2011年至2015年期間出任日本經濟團體聯合會副會長。於2017年4月，奧正之先生退任三井住友金融集團董事長一職，並留任為董事直至2017年6月28日。

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

<sup>註</sup> 三井住友金融集團全資擁有三井住友銀行。根據《上市規則》及《證券及期貨條例》第XV部之定義，三井住友金融集團及三井住友銀行均為本行的主要股東，詳情在董事會報告書內「主要股東及其他人士的權益」項下披露。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Dr. the Hon. Rita FAN HSU Lai-tai

*GBM, GBS, DSocSc, JP*

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

Dr. Fan, aged 74, was appointed a Director in 2016. She is currently an Independent Non-executive Director of China Overseas Land & Investment Limited (listed in Hong Kong) and COSCO SHIPPING Ports Limited (listed in Hong Kong). She was an Independent Non-executive Director of COSCO SHIPPING Holdings Co., Ltd. (listed in Hong Kong) and China Shenhua Energy Company Limited (listed in Hong Kong).

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

In the lead-up to Hong Kong's reunification with China, Dr. Fan played a valuable role as a Member of the Preliminary Working Committee for the Preparatory Committee for the HKSAR from 1993 to 1995 and of the Preparatory Committee for the HKSAR from 1995 to 1997. She was elected as a Hong Kong Deputy to the 9th, 10th, 11th, and 12th sessions of the National People's Congress ("NPC") during 1998 to 2018, and was concurrently a Member of the Standing Committee of the 11th and 12th sessions of the NPC from 2008 to 2018. Dr. Fan is now serving as the Chairman of Board of Management of the Endeavour Education Centre Limited and the Endeavour Education Trust.

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

#### 范徐麗泰博士

*GBM, GBS, DSocSc, JP*

*獨立非執行董事，薪酬委員會主席及提名委員會委員*

范博士，現年74歲，於2016年獲委任為本行董事。她現時為中國海外發展有限公司（在香港上市）及中遠海運港口有限公司（在香港上市）的獨立非執行董事。她曾出任中遠海運控股股份有限公司（在香港上市）及中國神華能源股份有限公司（在香港上市）的獨立非執行董事。

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

在香港回歸祖國的事務上，范博士擔當著重要角色。范博士於1993年至1995年出任香港特別行政區籌備委員會預備工作委員會委員，並於1995年至1997年出任香港特別行政區籌備委員會委員。此外，范博士於1998年至2018年期間當選為中華人民共和國第九屆至第十二屆全國人民代表大會香港區代表，並於2008年至2018年期間出任第十一屆和第十二屆全國人民代表大會常務委員會委員。范博士現任勵進教育中心有限公司理事會及勵進教育信託基金主席。

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

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Mr. Meocre LI Kwok-wing

*BCom, CPA*

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

Mr. Li, aged 64, was appointed a Director in 2016. He is the Chief Executive of Alpha Alliance Finance Holdings Limited.

Mr. Li was the Managing Partner of Arthur Andersen, one of the major international accounting firms, taking charge of its Hong Kong and China operations from September 1993 to February 1995. He was the Managing Director and Head of Corporate Finance of NatWest Securities Asia from March 1995 to March 1998. He was the Chief Executive of ICEA Finance Holdings Limited (from March 1998 to March 2002), an investment banking joint venture between The Industrial and Commercial Bank of China and the Bank, prior to the company's becoming a wholly-owned subsidiary of the Bank, which was subsequently renamed as Tung Shing Holdings Company Limited and disposed to SinoPac Securities (Cayman) Holdings Limited on 6th April, 2016.

Mr. Li received a Bachelor of Commerce degree, with distinction, from University of Alberta, Canada. Upon graduation, he was awarded the Financial Executives Institute Silver Medal for "Highest Standing in Finance". He also earned a Postgraduate Management Diploma from the Harvard Business School, and is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Li is an Independent Non-executive Director of BEA China. He is also the chairman of its audit committee, the acting chairman of its connected transactions control committee and a member of its risk management committee.

#### 李國榮先生

*BCom, CPA*

*獨立非執行董事，審核委員會主席及風險委員會委員*

李先生，現年64歲，於2016年獲委任為本行董事。現時為冠聯金融控股有限公司的行政總裁。

李先生曾是國際主要會計師行之一，安達信會計事務所，的主管合夥人（1993年9月至1995年2月），主管其香港及中國業務。他曾出任西敏證券亞洲有限公司的董事總經理兼企業融資總裁（1995年3月至1998年3月）。在工商東亞金融控股有限公司（「工商東亞」）成為本行的全資附屬公司之前，他曾經出任該公司的行政總裁（1998年3月至2002年3月）。工商東亞曾是中國工商銀行股份有限公司與本行的聯營公司。本行於2016年4月6日將該公司（更名為東盛控股有限公司）出售予永豐金證券（開曼）控股有限公司。

李先生以優異成績獲加拿大阿爾伯塔大學（University of Alberta）商科學士學位，畢業時獲頒發財務管理高級銀獎。他持有哈佛商學院頒發的深造管理文憑，亦為香港會計師公會會員。

李先生為東亞中國之獨立非執行董事，同時出任其審核委員會主席、關聯交易控制委員會代理主席及風險管理委員會委員。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Dr. the Hon. Henry TANG Ying-yen

*GBM, GBS, JP*

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

Dr. Tang, aged 67, was appointed a Director in 2017. He was the Chief Secretary for Administration of the Hong Kong Special Administrative Region ("HKSAR") Government from 2007 to 2011 and the Financial Secretary of HKSAR Government from 2003 to 2007. He served as a member of the Executive Council of Hong Kong from 1997 to 2011 and was a member of the Legislative Council of Hong Kong from 1991 to 1998.

Dr. Tang is a Standing Committee Member of the Chinese People's Political Consultative Conference, Chairman of the West Kowloon Cultural District Authority Board, Chairman of Friends of Hong Kong Association, Chairman of Federation of HK Jiangsu Community Organisations Limited and the Chairman of Shanghai Tang Junyuan Education Foundation.

Dr. Tang received a Bachelor of Arts degree from the University of Michigan. In 1993, Dr. Tang was named Global Leader for Tomorrow by the World Economic Forum. In 1989, he won the Young Industrialist of Hong Kong award.

Dr. Tang is an Independent Non-executive Director of BEA China. He is also chairman of its risk management committee and a member of its audit committee and remuneration & nomination committee<sup>Note</sup>.

<sup>Note</sup> Dr. Tang will retire as a Director of BEA China with effect from 3rd April, 2020 and will also cease as Chairman of its risk management committee and a member of its audit committee and remuneration & nomination committee on the same date.

#### 唐英年博士

*GBM, GBS, JP*

*獨立非執行董事，風險委員會主席，審核委員會、提名委員會及薪酬委員會委員*

唐博士，現年67歲，於2017年獲委任為董事。他曾出任香港特別行政區政府（「香港特區政府」）政務司司長（2007年至2011年）及香港特區政府財政司司長（2003年至2007年）。他曾為香港行政會議成員（1997年至2011年）及香港立法會議員（1991年至1998年）。

唐博士是中國人民政治協商會議全國委員會常務委員、西九文化區管理局董事局主席、香港友好協進會會長、香港江蘇社團總會有限公司會長及上海唐君遠教育基金會理事長。

唐博士獲密西根大學（University of Michigan）文學學士學位。他於1993年獲選為世界經濟論壇之「全球明日領袖」。在1989年，他榮獲「香港青年工業家」獎項。

唐博士為東亞中國之獨立非執行董事。同時出任其風險管理委員會主席及審核委員會和薪酬與提名委員會委員<sup>註</sup>。

<sup>註</sup> 唐博士將退任東亞中國董事一職，於2020年4月3日起生效。他將於同日終止擔任其風險管理委員會主席及審核委員會和薪酬與提名委員會委員。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Dr. Delman LEE

*BEng, DPhil*

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

Dr. Lee, aged 52, was appointed a Director in 2017. He is currently the President and Chief Technology Officer of TAL Apparel Limited. He is also a non-executive director of Tradelink Electronic Commerce Limited (listed in Hong Kong) and Dairy Farm International Holdings Limited (listed in London, Bermuda and Singapore). He was a non-executive director of Luckytex (Thailand) Public Co. Ltd. (listed in Thailand).

Dr. Lee is a Council Member of The Hong Kong Management Association. Dr. Lee possesses extensive experience in information technology and management in global operations. He also has a strong background in research.

Dr. Lee holds a doctorate from the University of Oxford and a Bachelor's degree in Electrical and Electronic Engineering from the Imperial College, London.

#### 李國本博士

*BEng, DPhil*

*獨立非執行董事，審核委員會、提名委員會及風險委員會委員*

李博士，現年 52 歲，於 2017 年獲委任為董事。他現為聯業製衣有限公司的總裁及科技總監。他亦是貿易通電子貿易有限公司（在香港上市）及牛奶國際控股有限公司（在倫敦、百慕達及新加坡上市）的非執行董事。他曾出任 Luckytex (Thailand) Public Co. Ltd.（在泰國上市）的非執行董事。

李博士為香港管理專業協會理事會成員。李博士在資訊科技與及環球營運管理方面具廣泛經驗，他亦擁有豐富的研究經驗。

李博士擁有牛津大學博士學位及倫敦帝國學院電機工程學士學位。



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Mr. William Junior Guilherme DOO

*BA, MA (Oxon), JP*

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

Mr. Doo, aged 46, was appointed a Director in November 2019. He is currently the Chief Executive Officer and Director of Fungseong Prosperity Holdings Limited, the Deputy Chief Executive Officer and Executive Director of FSE Holdings Limited, an Executive Director of FSE Services Group Limited (listed in Hong Kong) and a Non-executive Director of NWS Holdings Limited (listed in Hong Kong).

Mr. Doo is a solicitor admitted in Hong Kong and is currently a non-practising solicitor in England and Wales. He had legal practice experience in one of the largest global law firms specializing in finance and corporate transactions. He is a member of the Standing Committee of the 13th Chinese People's Political Consultative Conference in Beijing of the People's Republic of China. He serves in different committees of the Government of Hong Kong Special Administrative Region, including a member of the Immigration Department Users' Committee, a member of the Standing Committee on Young Offenders and a committee member of the Disciplinary Panel of The Hong Kong Institute of Certified Public Accountants.

Mr. Doo graduated from University of Oxford with B.A. and M.A. degrees in Jurisprudence. He was appointed as Justice of the Peace in 2018, and was awarded the honour of Chevalier de l'Ordre National du Mérite by the President of the French Republic.

Mr. Doo is an Independent Non-executive Director of BEA China. He is also a member of its audit committee and remuneration & nomination committee.

#### 杜家駒先生

*BA, MA (Oxon), JP*

*獨立非執行董事，審核委員會及風險委員會委員*

杜先生，現年46歲，於2019年11月獲委任為董事。他現為豐盛企業集團有限公司行政總裁兼董事、豐盛創建控股有限公司副行政總裁兼執行董事、豐盛服務集團有限公司（在香港上市）之執行董事，以及新創建集團有限公司（在香港上市）之非執行董事。

杜先生取得香港律師資格，現為英格蘭及威爾斯的非執業律師。他曾在其中一家全球最大的律師事務所工作，擁有金融及企業交易法律實務經驗。他為中華人民共和國中國人民政治協商會議北京市第十三屆委員會常務委員。他亦熱心參與香港特別行政區政府公職事務，包括入境事務處使用服務人士委員會委員、青少年罪犯問題常務委員會委員及香港會計師公會調查小組委員。

杜先生於英國牛津大學法律系畢業並獲得學士學位及碩士研究生學位。他於2018年獲委任為香港太平紳士，並獲法國總統頒授「法國國家榮譽騎士勳章」。

杜先生為東亞中國之獨立非執行董事。同時出任其審核委員會和薪酬與提名委員會委員。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高層管理人員的個人資料(續)

### SENIOR MANAGEMENT

#### Mr. Adrian David LI Man-kiu

*MA (Cantab), MBA, LPC, JP*  
Co-Chief Executive

(Biographical details are set out on pages 54 and 55)

### 高層管理人員

#### 李民橋先生

*MA (Cantab), MBA, LPC, JP*  
聯席行政總裁

(個人資料載列於第54頁及第55頁)

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#### Mr. Brian David LI Man-bun

*JP, MA (Cantab), MBA, FCA*  
Co-Chief Executive

(Biographical details are set out on page 56)

#### 李民斌先生

*JP, MA (Cantab), MBA, FCA*  
聯席行政總裁

(個人資料載列於第56頁)

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## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料(續)



#### Mr. Samson LI Kai-cheong

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

Mr. Li, aged 59, joined the Bank in 1987 as Chief Internal Auditor. He was promoted to Deputy Chief Executive & Chief Investment Officer in April 2009.

Mr. Li is primarily responsible for the Bank's investment activities and treasury & broking operations including treasury markets. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board.

Mr. Li is a Fellow of The Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries & Administrators, and The Association of Chartered Certified Accountants. In addition, he is an Associate of the Hong Kong Institute of Certified Public Accountants and a Member of the Hong Kong Securities and Investment Institute. Mr. Samson Li received his Professional Diploma in Accountancy from The Hong Kong Polytechnic University.

#### 李繼昌先生

*FCCA, CPA, FCIS, FCS, HKSI*  
副行政總裁兼投資總監

李先生，現年59歲，在1987年加入本行為總內部稽核，於2009年4月獲擢升為副行政總裁兼投資總監。李先生主要負責本行的投資活動、資金及經紀業務的運作，包括資金市場。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。

李先生為香港特許秘書公會、英國特許秘書及行政人員公會和英國特許公認會計師公會資深會士、香港會計師公會會士和香港證券及投資學會會員，並獲香港理工大學會計學專業文憑。



#### Mr. TONG Hon-shing

*BSc, ACIB, FCIS, FCS, Fellow CB*  
Deputy Chief Executive & Chief Operating Officer

Mr. Tong, aged 60, joined the Bank in 1975. He was promoted to Assistant General Manager in 1995 and to General Manager in 2000. He was General Manager & Head of Personal Banking Division

from 2001 to March 2009. He was further promoted to Deputy Chief Executive and Chief Operating Officer in April 2009. Mr. Tong is primarily responsible for operations support, compliance, human resources, and corporate communications of the Bank. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board.

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

#### 唐漢城先生

*BSc, ACIB, FCIS, FCS, Fellow CB*  
副行政總裁兼營運總監

唐先生，現年60歲，在1975年加入本行。於1995年獲擢升為助理總經理及2000年獲擢升為總經理，2001年至2009年3月期間出任總經理兼個人銀行處主管，並於2009年4月獲擢升為副行政總裁兼營運總監。唐先生主要負責本行的策劃及調控、營運支援、合規監管、人力資源，以及企業傳訊。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。

唐先生為香港銀行學會資深銀行專業會士，香港特許秘書公會和英國特許秘書及行政人員公會資深會士，及英國特許銀行學會會士，並獲英國曼徹斯特大學理學士學位。

# CORPORATE INFORMATION

## 公司資料

### BOARD

#### Executive Directors

Dr. the Hon. Sir David LI Kwok-po<sup>1</sup>  
(Executive Chairman)

Mr. Adrian David LI Man-kiu<sup>2</sup>  
(Co-Chief Executive)

Mr. Brian David LI Man-bun<sup>2</sup>  
(Co-Chief Executive)

#### Non-executive Directors

Professor Arthur LI Kwok-cheung  
(Deputy Chairman)

Mr. Aubrey LI Kwok-sing

Mr. Winston LO Yau-lai

Mr. Stephen Charles LI Kwok-sze

Dr. Isidro FAINÉ CASAS

Dr. Daryl NG Win-kong

Mr. Masayuki OKU

#### Independent Non-executive Directors

Dr. Allan WONG Chi-yun  
(Deputy Chairman)

Dr. the Hon. Rita FAN HSU Lai-tai

Mr. Meocre LI Kwok-wing

Dr. the Hon. Henry TANG Ying-yen

Dr. Delman LEE

Mr. William Junior Guilherme DOO<sup>3</sup>

### 董事會

#### 執行董事

李國寶爵士<sup>1</sup>  
(執行主席)

李民橋先生<sup>2</sup>  
(聯席行政總裁)

李民斌先生<sup>2</sup>  
(聯席行政總裁)

#### 非執行董事

李國章教授  
(副主席)

李國星先生

羅友禮先生

李國仕先生

范禮賢博士

黃永光博士

奧正之先生

#### 獨立非執行董事

黃子欣博士  
(副主席)

范徐麗泰博士

李國榮先生

唐英年博士

李國本博士

杜家駒先生<sup>3</sup>

<sup>1</sup> Stepped down from Chief Executive and re-designated as Executive Chairman on 1st July, 2019

<sup>2</sup> Appointed as Co-Chief Executive on 1st July, 2019

<sup>3</sup> Appointed as Director on 1st November, 2019

<sup>1</sup> 於2019年7月1日退任行政總裁，並調任為執行主席

<sup>2</sup> 於2019年7月1日獲委任為聯席行政總裁

<sup>3</sup> 於2019年11月1日獲委任為董事

## CORPORATE INFORMATION (CONTINUED)

### 公司資料(續)

#### BOARD COMMITTEES

##### Audit Committee

Mr. Meocre LI Kwok-wing\* (*Chairman*)  
 Dr. Allan WONG Chi-yun\*  
 Dr. the Hon. Henry TANG Ying-yen\*  
 Dr. Delman LEE\*  
 Mr. William Junior Guilherme DOO\*<sup>1</sup>

##### Nomination Committee

Dr. Allan WONG Chi-yun\* (*Chairman*)  
 Dr. the Hon. Sir David LI Kwok-po  
 Dr. Isidro FAINÉ CASAS  
 Mr. Masayuki OKU  
 Dr. the Hon. Henry TANG Ying-yen\*  
 Dr. the Hon. Rita FAN HSU Lai-tai\*  
 Dr. Delman LEE\*

##### Remuneration Committee

Dr. the Hon. Rita FAN HSU Lai-tai\* (*Chairman*)  
 Dr. Allan WONG Chi-yun\*  
 Dr. the Hon. Henry TANG Ying-yen\*  
 Professor Arthur LI Kwok-cheung

##### Risk Committee

Dr. the Hon. Henry TANG Ying-yen\*<sup>2</sup> (*Chairman*)  
 Dr. Allan WONG Chi-yun\*  
 Mr. Aubrey LI Kwok-sing  
 Dr. Daryl NG Win-kong  
 Mr. Meocre LI Kwok-wing\*  
 Dr. Delman LEE\*  
 Mr. William Junior Guilherme DOO\*<sup>1</sup>

#### 董事會轄下委員會

##### 審核委員會

李國榮先生\* (*主席*)  
 黃子欣博士\*  
 唐英年博士\*  
 李國本博士\*  
 杜家駒先生\*<sup>1</sup>

##### 提名委員會

黃子欣博士\* (*主席*)  
 李國寶爵士  
 范禮賢博士  
 奧正之先生  
 唐英年博士\*  
 范徐麗泰博士\*  
 李國本博士\*

##### 薪酬委員會

范徐麗泰博士\* (*主席*)  
 黃子欣博士\*  
 唐英年博士\*  
 李國章教授

##### 風險委員會

唐英年博士\*<sup>2</sup> (*主席*)  
 黃子欣博士\*  
 李國星先生  
 黃永光博士  
 李國榮先生\*  
 李國本博士\*  
 杜家駒先生\*<sup>1</sup>

\* Independent Non-executive Director

<sup>1</sup> Appointed as Member of AC and RIC on 1st November, 2019

<sup>2</sup> Appointed as Chairman of RIC on 1st June, 2019

\* 獨立非執行董事

<sup>1</sup> 於2019年11月1日獲委任為審核委員會及風險委員會委員

<sup>2</sup> 於2019年6月1日獲委任為風險委員會主席

**CORPORATE INFORMATION (CONTINUED)****公司資料 (續)****EXECUTIVE CHAIRMAN****Dr. the Hon. Sir David LI Kwok-po**

*GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur*

**SENIOR ADVISORS****Mr. CHAN Tze-ching***BBS, JP***SENIOR MANAGEMENT****Co-Chief Executives****Mr. Adrian David LI Man-kiu***MA (Cantab), MBA, LPC, JP***Mr. Brian David LI Man-bun***JP, MA (Cantab), MBA, FCA***Deputy Chief Executive & Chief Investment Officer****Mr. Samson LI Kai-cheong***FCCA, CPA, FCIS, FCS, HKSI***Deputy Chief Executive & Chief Operating Officer****Mr. TONG Hon-shing***BSc, ACIB, FCIS, FCS, Fellow CB***COMPANY SECRETARY****Mr. Alson LAW Chun-tak***FCCA, FCPA, FCIS, FCS***AUDITORS****KPMG***Certified Public Accountants*

*Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance*

**執行主席****李國寶爵士**

*GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur*

**高級顧問****陳子政先生***BBS, JP***高層管理人員****聯席行政總裁****李民橋先生***MA (Cantab), MBA, LPC, JP***李民斌先生***JP, MA (Cantab), MBA, FCA***副行政總裁兼投資總監****李繼昌先生***FCCA, CPA, FCIS, FCS, HKSI***副行政總裁兼營運總監****唐漢城先生***BSc, ACIB, FCIS, FCS, Fellow CB***公司秘書****羅春德先生***FCCA, FCPA, FCIS, FCS***核數師****畢馬威會計師事務所***執業會計師*

*於《財務匯報局條例》下的註冊公眾利益實體核數師*

CORPORATE INFORMATION (CONTINUED)  
公司資料(續)



**EXECUTIVE CHAIRMAN AND SENIOR MANAGEMENT**  
執行主席及高層管理人員

Mr. Samson LI  
Kai-cheong  
李繼昌先生

Mr. Adrian David LI  
Man-kiu  
李民橋先生

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

Mr. Brian David LI  
Man-bun  
李民斌先生

Mr. TONG Hon-shing  
唐漢城先生

# LIST OF OUTLETS

## 網絡一覽



### 1 Head Office – Hong Kong 香港 — 總行

#### Greater China (ex-Hong Kong) 大中華地區 (香港除外)

|                |      |              |    |              |    |
|----------------|------|--------------|----|--------------|----|
| 2 Shanghai     | 上海   | 17 Ningbo    | 寧波 | 32 Jiangmen  | 江門 |
| 3 Beijing      | 北京   | 18 Xi'an     | 西安 | 33 Qingyuan  | 清遠 |
| 4 Urumqi       | 烏魯木齊 | 19 Zhengzhou | 鄭州 | 34 Guangzhou | 廣州 |
| 5 Harbin       | 哈爾濱  | 20 Wuhan     | 武漢 | 35 Foshan    | 佛山 |
| 6 Shenyang     | 瀋陽   | 21 Hefei     | 合肥 | 36 Shaoguan  | 韶關 |
| 7 Dalian       | 大連   | 22 Nanjing   | 南京 | 37 Zhuhai    | 珠海 |
| 8 Tianjin      | 天津   | 23 Nanchang  | 南昌 | 38 Jieyang   | 揭陽 |
| 9 Shijiazhuang | 石家莊  | 24 Chengdu   | 成都 | 39 Dongguan  | 東莞 |
| 10 Jinan       | 濟南   | 25 Chongqing | 重慶 | 40 Shenzhen  | 深圳 |
| 11 Qingdao     | 青島   | 26 Changsha  | 長沙 | 41 Zhongshan | 中山 |
| 12 Wuxi        | 無錫   | 27 Fuzhou    | 福州 | 42 Zhanjiang | 湛江 |
| 13 Kunshan     | 昆山   | 28 Xiamen    | 廈門 | 43 Huizhou   | 惠州 |
| 14 Changshu    | 常熟   | 29 Kunming   | 昆明 | 44 Shantou   | 汕頭 |
| 15 Suzhou      | 蘇州   | 30 Nanning   | 南寧 | 45 Macau     | 澳門 |
| 16 Hangzhou    | 杭州   | 31 Zhaoqing  | 肇慶 | 46 Taipei    | 台北 |

#### Overseas 海外

##### Singapore 新加坡

Singapore 新加坡

##### Malaysia 馬來西亞

Labuan 納閩  
Kuala Lumpur 吉隆坡

##### United Kingdom 英國

London 倫敦  
Birmingham 伯明翰  
Manchester 曼徹斯特

##### United States 美國

New York 紐約  
Los Angeles 洛杉磯



## LIST OF OUTLETS (CONTINUED)

### 網絡一覽 (續)

With nearly 200 outlets worldwide, BEA operates an extensive international network covering Hong Kong and the rest of Greater China, Southeast Asia, the United Kingdom, and the United States.

東亞銀行現於全球設有近 200 個網點，龐大的國際網絡覆蓋香港、大中華其他地區、東南亞、英國和美國。

### HONG KONG BRANCH NETWORK 香港分行網絡

| S B Main Branch 總行                  | Kowloon Branches 九龍分行                          | New Territories Branches 新界分行                             |
|-------------------------------------|--|---|
| <b>Hong Kong Branches 香港分行</b>      |  |   |
| S Aberdeen 香港仔                      | S Castle Peak Road 青山道                         | S East Point City 東港城                                     |
| S Admiralty 金鐘                      | S B Cheung Sha Wan Plaza 長沙灣廣場                 | S i Fanling 粉嶺  |
| S BEA Harbour View Centre 東亞銀行 港灣中心 | Festival Walk 又一城                              | S Kwai Fong 葵芳  |
| S Bonham Road 般含道                   | S Hoi Yuen Road 開源道                            | S Ma On Shan Plaza 馬鞍山廣場                                  |
| S Causeway Bay 銅鑼灣                  | S iSQUARE 國際廣場                                 | S Maritime Square 青衣城                                     |
| S B Causeway Bay The Sharp 銅鑼灣 雲東   | S Jordan 佐敦                                    | S Metro City Plaza 新都城中心                                  |
| Chai Wan 柴灣                         | S Kowloon City 九龍城                             | S Park Central 將軍澳中心                                      |
| S Happy Valley 跑馬地                  | S Kowloon Station Elements 九龍站圓方               | S B Shatin Plaza 沙田廣場                                     |
| S Hennessy Road 軒尼詩道                | S B 133 Wai Yip Street 偉業街 133 號               | S Sheung Shui 上水  |
| S North Point 北角                    | S Laguna City 麗港城                              | S Tai Po 大埔   |
| S Quarry Bay 鰂魚涌                    | S Lok Fu 樂富                                    | S Tai Wai 大圍  |
| S Queen's Road East 皇后大道東           | S i Ma Tau Wei Road 馬頭圍道                       | The Chinese University of Hong Kong 香港中文 大學               |
| S Shaukiwan 筲箕灣                     | S Mei Foo Sun Chuen 美孚新邨                       | Tin Shui Wai 天水圍  |
| S Shek Tong Tsui 石塘咀                | S Millennium City 5 創紀之城五期                     | The Education University of Hong Kong 香港教育大學              |
| S Queen's Road Central 皇后大道中        | S B Mongkok 旺角                                 | The Hong Kong University of Science and Technology 香港科技大學 |
| S Shun Tak Centre 信德中心              | S Mongkok North 旺角北                            | S i Tsuen Wan Fou Wah Centre 荃灣富華 中心                      |
| S Taikoo Shing 太古城                  | S Olympian City 奧海城                            | S Tsuen Wan Sha Tsui Road 荃灣沙咀道                           |
| S The University of Hong Kong 香港大學  | S Plaza Hollywood 荷里活廣場                        | S Tsuen Wan Town Plaza 屯門市廣場                              |
| S Wanchai 灣仔                        | S San Po Kong 新蒲崗                              | S Yuen Long 元朗  |
| Wanchai Convention Plaza 灣仔會展廣場     | S Tai Hang Tung 大坑東                            | Yuen Long YOHO MALL 元朗形點                                  |
|                                     | S Telford Plaza 德福廣場                           |   |
|                                     | S The Hong Kong Polytechnic University 香港理工 大學 |   |
|                                     | S B Tsim Sha Tsui 尖沙咀                          |   |
|                                     | S Waterloo Road 窩打老道                           |   |
|                                     | S Whampoa Garden 黃埔花園                          |   |
| S With SupremeGold Centre 設有顯卓理財中心  |  |   |
| i With i-Financial Centre 設有 i-理財中心 |  |   |
| B With Business Centre 設有商務理財中心     |  |   |
|                                     |  | <b>Outlying Islands Branches 離島分行</b>                     |
|                                     |  | Tung Chung 東涌   |

### FINANCIAL CENTRES 理財中心

| Hong Kong Region 香港區  | Kowloon Region 九龍區  |
|---|---|
| Pacific Place i-Financial Centre 太古廣場 i-理財中心                | Hong Kong Baptist University i-Financial Centre 香港浸會大學 i-理財中心 |
| Quarry Bay SupremeGold Centre 鰂魚涌顯卓理財中心                     | Millennium City 5 SupremeGold Centre 創紀之城五期 顯卓理財中心            |
|   | Whampoa Garden i-Financial Centre 黃埔花園 i-理財中心                 |
| New Territories Region 新界區                                  | Outlying Islands Region 離島區                                   |
| Lingnan University i-Financial Centre 嶺南大學 i-理財中心           | Silvermine Bay i-Financial Centre 梅窩 i-理財中心                   |
| Tin Shui Wai One Sky Mall i-Financial Centre 天水圍天一商城 i-理財中心 | Tai O i-Financial Centre 大澳 i-理財中心                            |
| Sheung Shui Landmark North Business Centre 上水廣場 商務理財中心      |   |

## CORPORATE GOVERNANCE REPORT

The Group is committed to maintaining high standards of corporate governance and considers such commitment essential in balancing the interests of shareholders, customers, employees and other relevant stakeholders; and in upholding accountability and transparency.

The Bank has in place a Corporate Governance framework which identifies all the key participants of the Group and the ways which they relate to each other and their roles in the application of effective governance policies

and processes. A *Corporate Governance Policy* has also been established which sets out a range of governance principles and practices to direct and guide the business conducts and affairs of the Group.

This report highlights key corporate governance practices and activities of the Group during the year ended 31st December, 2019.

### 2019 Governance Overview

#### Board Composition

- One INED was appointed
- One INED and one NED resigned
- The Chairman and Chief Executive was re-designated as Executive Chairman
- Two Co-Chief Executives were appointed

#### Board Practices and Activities at a Glance

- 6 Board and 11 Board committee meetings in 2019
- 94% attendance rate of Board meetings
- 39 training activities for Directors
- Review of Strategic Plan and Risk Appetite
- Annual Review of Corporate Governance Framework
- Evaluation of Board performance
- Periodic review of Bank Culture Reform
- Review of the Environmental, Social and Governance Report

# 企業管治報告

本集團致力維持良好的企業管治標準，並認為此承諾對於平衡股東、客戶、員工及其相關持分者的利益，以及保持問責及透明度，至為重要。

本行已制定企業管治架構以確認集團內所有企業管治的主要人士，他們相互之間的關係，以及他們在應用有效企業管治政策和程序方面的角色。本行並制定一

套企業管治政策訂明一系列管治原則及實務，為本集團的商業行為及事務提供指引。

本報告著重介紹本集團在截至2019年12月31日止的財政年度期間內主要的企業管治實務和活動。

## 2019年管治總覽

### 董事會組成

- 委任一位獨立非執行董事
- 一位獨立非執行董事及一位非執行董事辭任董事職務
- 主席兼行政總裁調任為執行主席
- 委任兩位聯席行政總裁

### 董事會的實務及活動概覽

- 於2019年內舉行6次董事會會議及11次董事會轄下委員會會議
- 董事會會議出席率達94%
- 為董事安排39項培訓活動
- 審閱策略計劃及風險偏好
- 年度檢討企業管治架構
- 評估董事會的表現
- 定期檢討本行企業文化改革
- 審閱環境、社會及管治報告

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Statement of Compliance

During the financial year ended 31st December, 2019, the Bank has complied with all the Code Provisions set out in the CG Code, except for Code Provision A.2.1 which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, during the period from 1st January, 2019 to 30th June, 2019. With the re-designation of Dr. the Hon. Sir David LI Kwok-po as the Executive Chairman of the Bank and the appointment of Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun as Co-Chief Executives of the Bank on 1st July, 2019, the Bank has complied with all the Code Provisions set out in the CG Code.

The Bank has also followed the modules on CG-1, CG-5, Guidance on Empowerment of INEDs, and circular on Bank Culture Reform issued by the HKMA. In supporting prudent risk management and upholding the high ethical standards in the banking industry, the Bank has published, among others, the *Anti-Bribery and Corruption Policy Statement*; the *Slavery and Human Trafficking Statement*; the *Whistleblowing Statement*; and the *Statement on Anti-Money Laundering and Counter-Financing of Terrorism* on the website of the Bank.

During the year, the number of INEDs once fell below the minimum number prescribed by Rule 3.10A of the Listing Rules after the resignation of The Hon. CHAN Kin-por as an INED on 1st June, 2019. Following the resignation of Dr. Peter LEE Ka-kit as a Non-executive Director on 23rd August, 2019, the Bank is in compliance with the requirement of Rule 3.10A of the Listing Rules. The independence element of the Board has been further strengthened after the appointment of Mr. William Junior Guilherme DOO as an INED on 1st November, 2019.

The Bank has established its own code of securities transactions to be observed by Directors and Chief Executive, i.e. *Policy on Insider Dealing – Directors and Chief Executive* (“Bank’s Policy”) on terms no less exacting than the required standard set out in Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) of the Listing Rules. Specific enquiries have been made on all Directors of the Bank. All Directors (including those resigned during the year 2019) confirmed that they had complied with the required standard set out in the Model Code and the Bank’s Policy at all the applicable times during the year ended 31st December, 2019.

### A. BOARD OF DIRECTORS

#### The Board

The Bank is headed by an effective Board which assumes responsibility for leadership and control of the Bank and is collectively responsible for promoting the success of the Bank by directing and supervising the Bank’s affairs. The Board takes into account the legitimate interests of shareholders, customers, employees and other relevant stakeholders and ensures that the Bank operates in a reliable, safe manner and meets its obligations on an ongoing basis.

The Board is responsible for providing strategic direction and overseeing effective implementation of pre-determined objectives by the Senior Management. It delegates the day-to-day operation and administration of the Bank’s business to the Co-Chief Executives and Deputy Chief Executives.

#### Board composition

The Board currently has 16 Directors, including 3 EDs, 7 NEDs and 6 INEDs. Over one-third of the Directors are INEDs. The majority of NEDs and INEDs ensure the independence and objectivity of the decisions of the Board, as well as the thoroughness and impartiality of the Board’s oversight of the affairs of the Bank. They bring a wide range of professional expertise as well as business and financial experience to the Board. An updated list of Directors, identifying their roles and functions at the Bank, is available on the HKEx’s and the Bank’s websites. The biographical details and list of other directorships of each Director are available on the Bank’s website.

The compositions of the Board and Board Committees are shown on pages 66 and 67 under the Corporate Information. All Directors of the Bank are expressly identified by categories of EDs, NEDs and INEDs in all corporate communications that disclose the names of the Directors.

The biographies of Directors, including relationships with members of the Board, Senior Management and substantial shareholders (as defined in the Listing Rules) of the Bank, are shown from pages 46 to 65 under the Biographical Details of Directors and Senior Management.

## 合規聲明

在截至2019年12月31日止的財政年度期間內，本行已遵守《企業管治守則》的全部守則條文。惟在2019年1月1日至2019年6月30日的期間偏離守則條文A.2.1，該條文規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。隨著李國寶爵士於2019年7月1日被調任為本行執行主席及於同日委任李民橋先生及李民斌先生為本行聯席行政總裁，本行已遵守《企業管治守則》的全部守則條文。

本行亦已遵循金管局發出的CG-1、CG-5、提升獨立非執行董事的專業能力指引及銀行企業文化改革內各項要求。為支持審慎的風險管理及恪守銀行業高度的道德標準，本行已在網站刊登(其中包括)反賄賂及貪污政策聲明、奴役和人口販賣聲明、上告聲明及打擊洗錢及恐怖分子資金籌集政策聲明。

年內，繼陳健波議員在2019年6月1日辭任本行獨立非執行董事一職後，本行獨立非執行董事的數目曾一度低於《上市規則》第3.10A條所定的最低要求。隨著李家傑博士在2019年8月23日辭任本行非執行董事一職後，本行已符合《上市規則》第3.10A條的要求。董事會的獨立元素，亦因委任杜家駒先生為獨立非執行董事於2019年11月1日生效後而進一步加強。

本行已自行訂立一套與《上市規則》附錄10「上市發行人董事進行證券交易的標準守則」(「標準守則」)所訂標準同樣嚴格的董事及行政總裁證券交易政策，即內幕交易政策—董事及行政總裁(「本行政策」)。本行已經向所有董事(包括在2019年內辭任的董事)明確查詢，所有董事已確認於截至2019年12月31日止年度內之所有適用期，均已遵守標準守則及本行政策中所要求的標準。

## A. 董事會

### 董事會

本行以一個行之有效的董事會為首；董事會負有領導及監控本行的責任，並集體負責統管並監督本行事務以促使本行成功。董事會顧及股東、客戶、員工及其他相關持份者的合法權益，確保本行以可靠及安全的方式營運，以及持續履行其責任。

董事會負責提供策略性指引，並進行監督以確保高層管理人員有效落實預先訂定的目標。董事會授權聯席行政總裁和副行政總裁負責本行業務的日常營運及管理。

### 董事會組成

董事會現有董事16人，包括3位執行董事、7位非執行董事及6位獨立非執行董事。超過三分之一的董事為獨立非執行董事。董事會以非執行董事及獨立非執行董事佔大多數，確保能作出獨立客觀之決策，並能全面及不偏不倚地監控本行業務。他們為董事會帶來廣泛的專業知識及業務和財務經驗。本行最新的董事會成員名單(當中訂明其在本行的角色和職能)已載於香港交易所及本行網站。各董事的個人資料及其在其他公司出任董事職位的公司名單登載於本行網站。

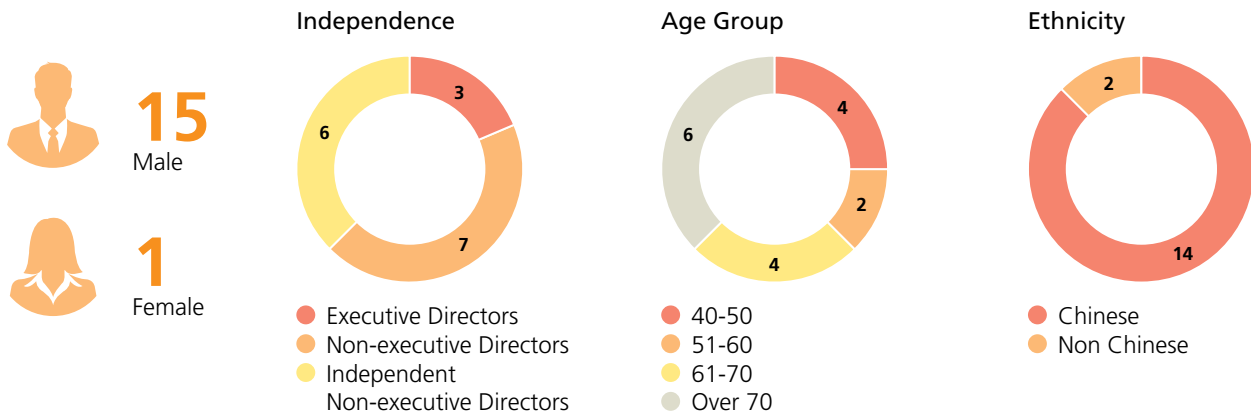
董事會及董事會轄下委員會的成員名單刊載於第66及67頁公司資料內。所有載有董事姓名的公司通訊中，已按董事類別，包括執行董事、非執行董事及獨立非執行董事，明確說明本行各董事身份。

各董事的簡介，包括其與其他董事會成員、高層管理人員和主要股東(根據《上市規則》之定義)的關係，刊載於第46至65頁董事及高層管理人員的個人資料項下。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

An analysis of the Board composition and skill matrix during the year is set out below:

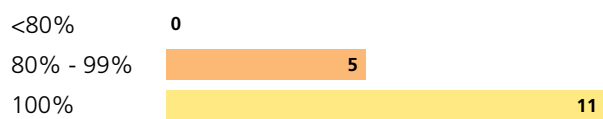
### Board Composition



### Tenure of office



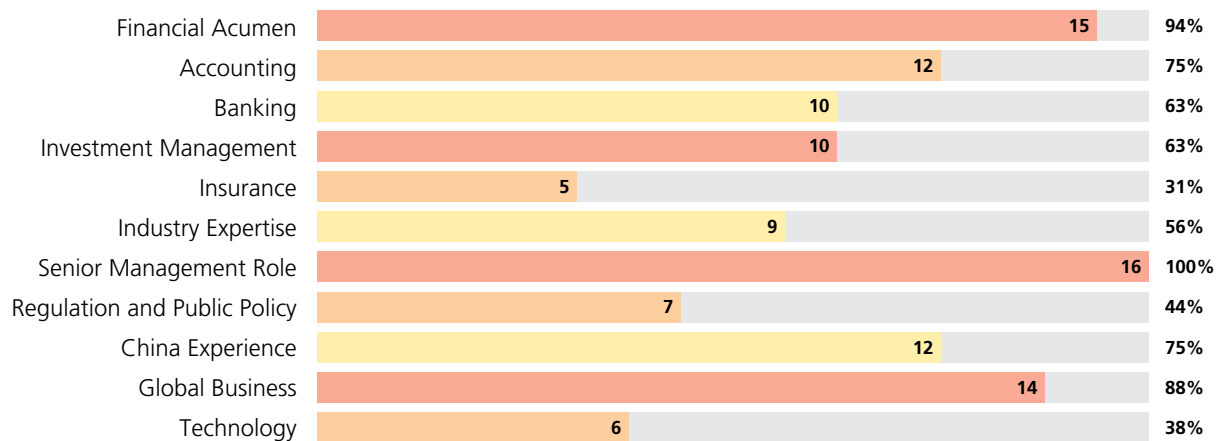
### Attendance of Board Meeting



### Directorship in other listed companies



### Board Expertise and Skills



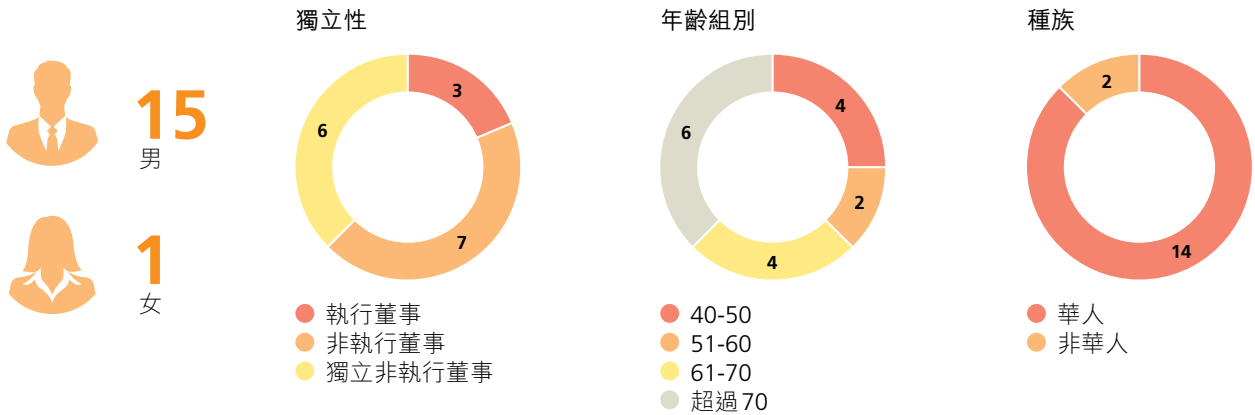
**Notes:**

- Financial Acumen – Understanding of financial market, reporting, and management strategies
- Accounting – Accounting expertise or working experience related to overseeing the integrity of financial reporting
- Banking – Management experience in retail, corporate, and investment banking
- Investment Management – Working experience in asset management and portfolio management
- Insurance – Working experience in and understanding of the insurance industry
- Industry Expertise – Expertise in various industries such as real estate, technology, consumer goods etc.
- Senior Management Role – Current or past roles as top or senior executives
- Regulation and Public Policy – Former government officials, or the undertaking of consultative roles for government
- China Experience – Exposure to China in the private or public sectors
- Global Business – Professional experience dealing with international business operations
- Technology – Management or consulting experience in the technology industry

企業管治報告(續)

年內對董事會組成及技能矩陣的分析載列如下：

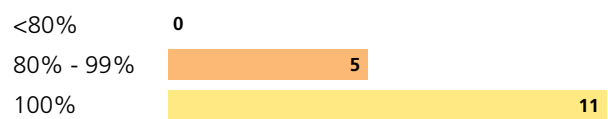
董事會組成



擔任本行董事年期



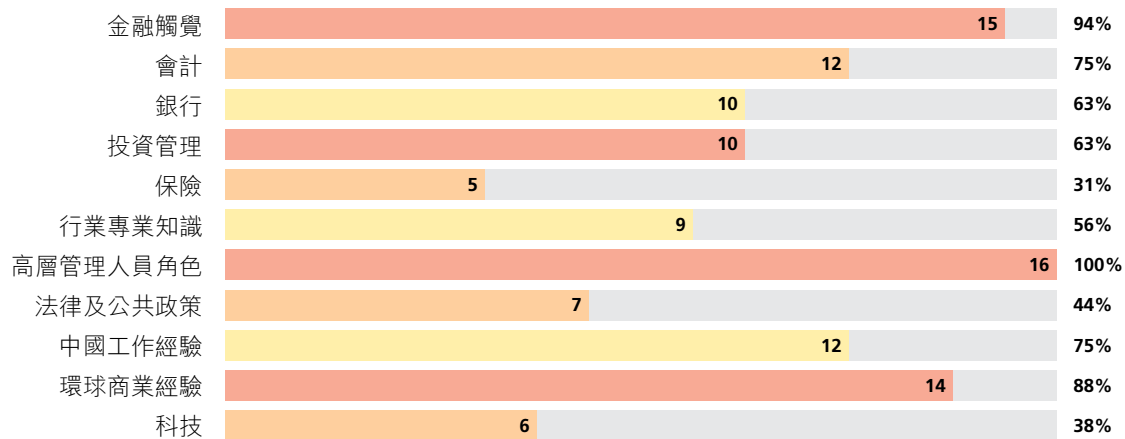
董事會會議出席率



出任其他上市公司董事



董事會成員專業背景及技能



註：

- 金融觸覺 — 了解金融市場、匯報及管理策略
- 會計 — 具備會計專業知識或有關監督財務匯報完整性的工作經驗
- 銀行 — 具備零售、企業及投資銀行的管理經驗
- 投資管理 — 具備資產管理及投資組合管理的工作經驗
- 保險 — 具備保險工作經驗並了解保險業
- 行業專業知識 — 具備房地產、科技、消費品等各行業的專業知識
- 高層管理人員角色 — 目前及過去擔任最高級或高級行政人員
- 法律及公共政策 — 前政府官員或擔任政府顧問工作
- 中國工作經驗 — 曾於中國公營或私營部門工作
- 環球商業經驗 — 擁有國際業務運作的專業經驗
- 科技 — 具備科技業的管理或諮詢經驗

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Schedule of Matters Reserved to the Board for Decision

The Bank has established a *Schedule of Matters Reserved to the Board for Decision* ("Schedule") to formalise the matters reserved for the Board's approval and delegation of power to the Board, the Senior Management, General Managers, and specialised committees. The Schedule will be reviewed periodically to ensure that it remains appropriate to the Bank's needs and regulatory requirements.

Specific matters reserved for the Board's consideration and decision include, but are not limited to:

- Capital plans and management
- Financial Reports
- Business Plans
- Strategic plan and objectives
- Matters in relation to corporate governance functions
- Setting corporate values and standards
- Risk Management and Internal Controls
- Appointments, Removal and Succession Planning of Directors, Co-Chief Executives, Deputy Chief Executives, Division Heads, Group Chief Compliance Officer, Group Chief Financial Officer, Group Chief Risk Officer and Group Chief Auditor of the Bank
- Substantial investment or disposal of Group's assets, notifiable transactions and / or connected transactions according to the disclosure requirements of the Listing Rules
- Public Announcements according to the requirements of the Listing Rules

While the Board is responsible for formulating overall strategy to guide and monitor the performance of the Group, the management of day-to-day operation of the Group's businesses and implementation of the strategy and direction set by the Board has been delegated to the Senior Management and General Managers.

### Board Meetings

Board meetings are held at least 5 times a year. In addition, special Board meetings are held when necessary. Dates of regular Board and Board Committee meetings are scheduled in the prior year to provide sufficient notice to give all Directors an opportunity to attend. For special Board meetings, reasonable notice is given. Board agenda is approved by the Executive Chairman following consultation with Directors and the Senior Management. All Board meetings involve the active participation, either in person or through other electronic means of communication, of Directors.

Minutes of the meetings of the Board and Board Committees record in sufficient detail the matters considered by the Board and the Board Committees, the decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes of the meetings of the Board, the AC, the RC, the NC and the RIC are sent to all Directors or respective Board Committee members for their comment and record within a reasonable period after the meetings are held.

Minutes of the meetings of the Board, the AC, the RC, the NC and the RIC are kept by the Company Secretary whereas minutes of the meetings of other Management Committees (as listed under the Management Committees in section B on page 104) are kept by the appointed secretary of each Committee.

The Board also meets with senior executives of the Bank, including the Group Chief Auditor, Group Chief Risk Officer and Group Chief Compliance Officer, who are responsible for internal audit, risk management and compliance matters of the Bank respectively, at least once a year to review policies and controls in order to identify areas that need improvement and address significant risks and issues.



### 保留予董事會決定的事項表

本行已訂立一份保留予董事會決定的事項表(「事項表」)，以界定保留予董事會決定及授權董事會和高層管理人員和專責委員會權力的事項，並定期檢討該事項表以確保符合本行的需要及監管規定。

由董事會考慮及決策之特定事項包括(但不限於)：

- 資本計劃及管理
- 財務報告
- 業務計劃
- 策略計劃及目標
- 有關企業管治功能的事項
- 確立企業價值觀及標準
- 風險管理及內部監控
- 本行董事、聯席行政總裁、副行政總裁、分處主管、集團合規總監、集團財務總監、集團風險總監及集團總稽核的委任，撤職及繼任安排
- 根據《上市規則》必須公告的重大投資或出售集團資產，須予公佈的交易及/或關連交易
- 根據《上市規則》所發出之公告

董事會的職責在於制訂整體策略來指導及監察集團的表現，至於集團業務日常營運管理，以及實施董事會制定的策略和方向等職能則授權高層管理人員及各總經理進行。

### 董事會會議

董事會會議每年召開最少5次。此外，在有需要時會召開董事會特別會議。董事會及委員會定期會議的日期在前一年已安排，以便所有董事有機會騰空出席。至於召開董事會特別會議，則會發出合理通知。會議議程內容均在事前諮詢董事及高層管理人員意見後，經執行主席確認而制定。董事會會議均有大部分董事親身出席，或透過其他電子通訊方法積極參與。

董事會及其轄下委員會的會議記錄，對會議上各董事所考慮事項及達致的決定(其中包括董事提出的任何疑慮或表達的反對意見)都作出足夠的記錄。董事會、審核委員會、薪酬委員會、提名委員會及風險委員會的會議記錄的初稿及最終定稿會在會議後的合理期間內發送全體董事或相關董事會轄下委員會成員。初稿供其表達意見，最後定稿則作其記錄之用。

董事會、審核委員會、薪酬委員會、提名委員會及風險委員會的會議記錄由公司秘書備存，而其他管理層委員會(列於第105頁B段管理層委員會項下)的會議記錄則由各個委員會委任的秘書備存。

董事會亦與負責內部審計、風險管理及合規事務的高級行政人員，包括集團總稽核、集團風險總監和集團合規總監，每年最少開會一次檢討政策及管控措施，以識別需要改進的地方及如何處理重大的風險問題。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Executive Chairman and Co-Chief Executives

Dr. the Hon. Sir David LI Kwok-po stepped down as Chief Executive of the Bank and was re-designated as Executive Chairman on 1st July, 2019. Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun have assumed the role of Co-Chief Executives of the Bank with effect from 1st July, 2019. The separation of the roles of the chairman and the chief executive enhances accountability and responsibility of each position. Their roles and responsibilities are clearly set out in the job mandates of the Executive Chairman and the respective Co-Chief Executives.

The key responsibilities of the Executive Chairman are to provide leadership to the Board and manage relationships with stakeholders, in particular, regulators, strategic partners and key customers. He is responsible for the overall effective functioning of the Board. The Co-Chief Executives are jointly responsible for the overall management and control of the Bank Group and setting strategic direction and vision as well as reviewing key risk issues, major branding and marketing campaigns, human resources situation and financial performance of the Group. Mr. Adrian David LI Man-kiu particularly focuses on the Bank Group's Hong Kong Business while Mr. Brian David LI Man-bun particularly focuses on the Bank Group's China and international businesses.

The Executive Chairman ensures that all Directors are properly briefed on issues arising at Board meetings. He promotes a culture of openness and debate and encourages all Directors to make a full and active contribution to the Board's affairs. He also takes the lead in ensuring that the Board acts in the best interests of the Bank.

The Executive Chairman also ensures that Directors receive, in a timely manner, adequate information, which is accurate, clear, complete and reliable, of the Bank.

Apart from the regular Board meetings held, the Executive Chairman also met with the INEDs in January 2020 in the absence of the other EDs, NEDs and the Senior Management.

### 執行主席及聯席行政總裁

於2019年7月1日，李國寶爵士退任本行行政總裁之職，並調任為執行主席。李民橋先生及李民斌先生接任為本行聯席行政總裁，於2019年7月1日起生效。主席與行政總裁角色的區分加強該兩個職位的問責及責任。執行主席及聯席行政總裁各自的角色與職責已清楚訂明在其職責範圍文件內。

執行主席的主要職責為領導董事會及處理本行與持分者（尤其是監管機構、策略夥伴及主要顧客）的關係。他負責董事會整體的有效運作。而聯席行政總裁則共同負責本集團整體的管理及監控，以及設定本集團的策略方向與願景，並檢討其主要風險事項、主要品牌及推廣活動，人力資源情況及財務表現。李民橋先生專責管理本集團的香港業務，而李民斌先生則專責管理本集團的中國及國際業務。

執行主席確保董事會會議上所有董事均適當知悉當前的事項。執行主席提倡公開、積極討論的文化，並鼓勵所有董事全力投入董事會事務。他亦以身作則，確保董事會行事符合本行的最佳利益。

執行主席亦確保董事適時收到充分的本行資訊，而有關資訊為準確、清晰及完備可靠。

除舉行常規董事會會議外，於2020年1月，執行主席在沒有執行董事、非執行董事及高層管理人員在場的情況下，與獨立非執行董事舉行了一次會議。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

## Directors' attendance records

In 2019, 6 Board meetings (including a meeting attended by the HKMA) were held with an average attendance rate of 94%.

Attendance records of Directors at BMs, ACMs, NCM, RCMs, RICMs and AGM held in 2019 are as follows:

| Directors                                       | Number of meetings attended/held in 2019 |      |      |     |      |      |
|---|--|------|------|-----|------|------|
|   | BM                                       | ACM  | NCM  | RCM | RICM | AGM  |
| <b>Executive Directors:</b>                     |  |      |      |     |      |      |
| David LI Kwok-po<br>(Executive Chairman)        | 6/6                                      | -    | 1/1  | -   | -    | 1/1  |
| Adrian David LI Man-kiu<br>(Co-Chief Executive) | 6/6                                      | -    | -    | -   | -    | 1/1  |
| Brian David LI Man-bun<br>(Co-Chief Executive)  | 6/6                                      | -    | -    | -   | -    | 1/1  |
| <b>Non-executive Directors:</b>                 |  |      |      |     |      |      |
| Arthur LI Kwok-cheung<br>(Deputy Chairman)      | 6/6                                      | -    | -    | 2/2 | -    | 1/1  |
| Aubrey LI Kwok-sing                             | 6/6                                      | -    | -    | -   | 4/4  | 1/1  |
| Winston LO Yau-lai*                             | 5/6                                      | -    | -    | -   | -    | 1/1  |
| Stephen Charles LI Kwok-sze*                    | 5/6                                      | -    | -    | -   | -    | 1/1  |
| Isidro FAINÉ CASAS*                             | 5/6                                      | -    | 1/1  | -   | -    | 1/1  |
| Peter LEE Ka-kit**                              | 4/5                                      | -    | -    | 1/2 | -    | 1/1  |
| Daryl NG Win-kong*                              | 5/6                                      | -    | -    | -   | 3/4  | 1/1  |
| Masayuki OKU                                    | 6/6                                      | -    | 1/1  | -   | -    | 1/1  |
| <b>Independent Non-executive Directors:</b>     |  |      |      |     |      |      |
| Allan WONG Chi-yun<br>(Deputy Chairman)         | 6/6                                      | 4/4  | 1/1  | 1/2 | 4/4  | 1/1  |
| Rita FAN HSU Lai-tai                            | 6/6                                      | -    | 1/1  | 2/2 | -    | 1/1  |
| Meocre LI Kwok-wing*                            | 5/6                                      | 4/4  | -    | -   | 4/4  | 1/1  |
| Henry TANG Ying-yen                             | 6/6                                      | 4/4  | 1/1  | 2/2 | 2/2  | 1/1  |
| CHAN Kin-por###                                 | 3/3                                      | 2/2  | -    | -   | 2/2  | 1/1  |
| Delman LEE                                      | 6/6                                      | 4/4  | 1/1  | -   | 4/4  | 1/1  |
| William Junior Guilherme DOO###                 | 1/1                                      | 1/1  | -    | -   | 1/1  | -    |
| Average attendance rate                         | 94%                                      | 100% | 100% | 80% | 96%  | 100% |

\* Mr. Winston Lo, Mr. Stephen Li, Dr. Peter Lee, Dr. Isidro Fainé, Dr. Daryl Ng and Mr. Meocre Li were unable to attend scheduled Board meetings due to prior commitment.

# Dr. Peter Lee resigned as a Director and ceased as a member of the RC on 23rd August, 2019.

## The Hon. Chan Kin-por resigned as a Director and ceased as the Chairman of the RIC and a member of the AC on 1st June, 2019.

### Mr. William Doo Jr was appointed as a Director and a member of the AC and RIC on 1st November, 2019.

**董事會議出席記錄**

於2019年舉行的6次董事會會議(包括金管局參與的一次會議)，董事之平均出席率為94%。

各董事於2019年內舉行的董事會會議、審核委員會會議、提名委員會會議、薪酬委員會會議、風險委員會會議及股東周年常會的出席記錄如下：

| 董事              | 於2019年會議出席次數/舉行次數 |         |         |         |         |        |
|-----------------|-------------------|---------|---------|---------|---------|--------|
|                 | 董事會會議             | 審核委員會會議 | 提名委員會會議 | 薪酬委員會會議 | 風險委員會會議 | 股東周年常會 |
| <b>執行董事：</b>    |                   |         |         |         |         |        |
| 李國寶<br>(執行主席)   | 6/6               | -       | 1/1     | -       | -       | 1/1    |
| 李民橋<br>(聯席行政總裁) | 6/6               | -       | -       | -       | -       | 1/1    |
| 李民斌<br>(聯席行政總裁) | 6/6               | -       | -       | -       | -       | 1/1    |
| <b>非執行董事：</b>   |                   |         |         |         |         |        |
| 李國章<br>(副主席)    | 6/6               | -       | -       | 2/2     | -       | 1/1    |
| 李國星             | 6/6               | -       | -       | -       | 4/4     | 1/1    |
| 羅友禮*            | 5/6               | -       | -       | -       | -       | 1/1    |
| 李國仕*            | 5/6               | -       | -       | -       | -       | 1/1    |
| 范禮賢*            | 5/6               | -       | 1/1     | -       | -       | 1/1    |
| 李家傑**           | 4/5               | -       | -       | 1/2     | -       | 1/1    |
| 黃永光*            | 5/6               | -       | -       | -       | 3/4     | 1/1    |
| 奧正之             | 6/6               | -       | 1/1     | -       | -       | 1/1    |
| <b>獨立非執行董事：</b> |                   |         |         |         |         |        |
| 黃子欣<br>(副主席)    | 6/6               | 4/4     | 1/1     | 1/2     | 4/4     | 1/1    |
| 范徐麗泰            | 6/6               | -       | 1/1     | 2/2     | -       | 1/1    |
| 李國榮*            | 5/6               | 4/4     | -       | -       | 4/4     | 1/1    |
| 唐英年             | 6/6               | 4/4     | 1/1     | 2/2     | 2/2     | 1/1    |
| 陳健波**           | 3/3               | 2/2     | -       | -       | 2/2     | 1/1    |
| 李國本             | 6/6               | 4/4     | 1/1     | -       | 4/4     | 1/1    |
| 杜家駒***          | 1/1               | 1/1     | -       | -       | 1/1     | -      |
| 平均出席率           | 94%               | 100%    | 100%    | 80%     | 96%     | 100%   |

\* 羅友禮先生、李國仕先生、李家傑博士、范禮賢博士、黃永光博士及李國榮先生因約定事務未能出席預定會議。

# 李家傑博士於2019年8月23日辭任董事，並終止成為薪酬委員會委員。

\*\* 陳健波議員於2019年6月1日辭任董事，並終止成為風險委員會主席及審核委員會委員。

\*\*\* 杜家駒先生於2019年11月1日獲委任為董事，以及審核委員會及風險委員會委員。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Board of Directors

Directors, both collectively and individually, are required to fulfill fiduciary duties and duties of skill, care and diligence to a standard commensurate with the standard established by the Laws of Hong Kong. Every Director is required to know his/her responsibilities as a Director of the Bank and of the conduct, business activities and development of the Bank. The *Terms of Reference* of the Board mandate the responsibilities of the Directors of the Bank and also include the functions of the NEDs (including INEDs) as specifically required under Code Provision A.6.2 of the CG Code and other relevant regulations and guidelines.

INEDs and other NEDs shall make a positive contribution to the development of the Bank's strategies and policies through independent, constructive and informed comments.

### Time Commitment

The Board regularly reviews the contributions required from a Director to perform his/her responsibilities to the Bank, and whether he/she is spending sufficient time performing them. It also considers whether Directors, who have multiple board representations, are able to and have been devoting sufficient time to discharge their responsibilities as Directors of the Bank.

The Bank has received confirmation from each Director that he/she has spent sufficient time and attention to the affairs of the Bank during the year 2019. Directors have also disclosed to the Bank the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies or organisations and an indication of the time involved. Directors are reminded to notify the Company Secretary in a timely manner any change of such information.

Directors are encouraged to submit written views on items to be discussed ahead of the meeting in case they are not able to attend the meeting via any means.

### Conflict of Interest

The Bank has adopted the *Directors' Code of Conduct and Policy on Conflict of Interests* (the "Policy") which provides guidance to Directors to help them recognise and deal with ethical issues including the handling of conflict of interests and fair dealing, and help foster a culture of honesty and accountability in the best interests of the Group as well as the shareholders of the Bank. The Policy also contains a compliance process which requires declaration by a Director in respect of any (existing or

proposed) contract, arrangement, transaction or other proposal in which the Director and/or his/her connected entity (as defined in section 486 of the Companies Ordinance), is/are directly/indirectly materially interested. A Director shall not vote on any resolution approving any contract, arrangement or transaction in which he/she and/or his/her connected entity has any material interest.

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall not be dealt with by way of circulation or by a Committee (except for an appropriate Board Committee set up for that purpose pursuant to a resolution passed in a Board meeting) and a Board meeting shall be held to deal with the specific matter. INEDs who, and whose associates, have no material interest in the transaction shall be present at such Board meeting.

### Handling and Dissemination of Inside Information

The Bank has in place a *Policy on Handling and Dissemination of Inside Information* ("Policy") which sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to price the listed securities of the Bank with the latest available information.

This Policy also provides guidelines to staff of the Bank to ensure proper safeguards exist to prevent the Bank from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Dissemination of inside information of the Bank shall be conducted by publishing the relevant information on the websites of HKEx and the Bank, according to the requirements of the Listing Rules.

Moreover, the Bank has established a *Policy on Insider Dealing – Group Personnel* to be observed by the employees of the Bank or directors or employees of the Bank's subsidiaries, in respect of their dealings in the securities of the Bank.

### Obtaining Independent Professional Advice by Directors

In order to assist the Directors to discharge their duties to the Group, the Bank's *Policy on Obtaining Independent Professional Advice by Directors* sets out the procedures to enable the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Bank's expense.

## 董事會成員

董事須共同及個別地履行誠信責任及應有技能、謹慎和勤勉行事的責任，而履行上述責任時，至少須符合香港法例所確立的標準。每名董事須瞭解其作為本行董事的職責，以及本行的經營方式、業務活動及發展。董事會的職權範圍訂明本行董事的責任，其中包括《企業管治守則》守則條文第A.6.2條所要求的非執行董事（包括獨立非執行董事）及其他有關法規和指引所訂的職能。

獨立非執行董事及其他非執行董事透過提供獨立、富建設性及根據全面資訊的意見，對本行制訂策略及政策作出正面貢獻。

## 付出時間

董事會定期檢討各董事須就履行本行董事職責所需的貢獻，並檢討其是否付出足夠的時間履行其職務。對於身兼多個董事會職務的董事，董事會亦會考慮其是否能夠並已經付出足夠時間，充分履行身為本行董事的職責。

本行已接獲每名董事確認於2019年內付出足夠的時間及充分關注本行事務的聲明。董事亦已向本行披露他們於香港或海外上市的公眾公司或組織擔任職位的數目和性質，以及其他重大承擔，並提供了公眾公司或組織的名稱和擔任有關職務所涉及的時間。董事會已提醒各董事，如相關資料有任何變動，須及時通知公司秘書。

本行鼓勵各董事，若無法以任何方式參與會議，事先就議程提交書面意見。

## 利益衝突

本行已採納董事行為守則及利益衝突政策（「政策」），為董事提供指引，協助他們瞭解及處理有關道德操守等事宜（包括處理利益衝突及公平交易），並協助培養誠信及問責的文化，確保符合本集團及本行股東的最佳利益。該政策包括一套合規程序，訂定董事在獲悉其本人及/或其聯繫人（根據《公司條例》第486條的

定義）在本公司訂定或擬定的合約、安排、交易或其他計劃項目中擁有任何直接或間接的重大權益，必須作出申報。董事不能就任何通過其本人及/或其聯繫人擁有重大權益的合約、安排或交易的董事決議案進行投票。

若有董事在董事會將予考慮的事項中存有董事會認為重大的利益衝突，有關事項不會以書面決議方式或交由董事會轄下委員會處理（根據董事會會議上通過的決議而特別就此事項成立的委員會除外），而董事會會就該事項舉行董事會會議。在交易中本身及其聯繫人均沒有重大權益的獨立非執行董事會出席有關的董事會會議。

## 處理及發布內幕消息

本行已訂立處理及發布內幕消息政策（「政策」）列出處理及發布內幕消息的程序及內部監控，使內幕消息得以適時處理及發布，而不會導致任何人士在證券交易上處於佔優的地位，亦讓市場有時間定出能反映現有實況的本行上市證券價格。

該政策亦為本行員工提供指引，確保設有適當的措施，以預防本行違反法定披露規定。該政策亦載有適當的內部監控及匯報制度，識別及評估潛在的內幕消息。

根據《上市規則》規定，本行發布內幕消息，會透過香港交易所及本行網站刊登相關消息。

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

## 董事諮詢獨立專業意見

為協助董事履行其對本集團的責任，本行的董事諮詢獨立專業意見政策設定有關程序，讓董事按合理要求，可在適當的情況下尋求獨立專業意見，費用由本行支付。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Directors & Officers Liability and Company Reimbursement Insurance

The Bank has arranged a Directors & Officers Liability and Company Reimbursement Insurance to indemnify the directors and officers of the Group against claims made against them jointly and severally for any wrongful act committed or alleged to have been committed in their capacity as directors or officers of the Group. The Bank reviews the scope of insurance annually to ensure that coverage matches the scale and type of the Bank's businesses and associated risks.

### Induction and continuous professional development

The Bank strives to ensure that the Directors continue to develop and enhance their skills to better serve its stakeholders and has established a *Policy on Induction and Professional Development* specifying guidelines on Directors' induction training and continuous development.

The newly appointed Director receives an Information Package from the Company Secretary on the first occasion of his/her appointment. This Information Package is a comprehensive, formal and tailored induction on the responsibilities and on-going obligations to be observed by a Director. In addition, the Information Package includes materials on the operations and business of the Bank. The Senior Management and the Company Secretary will subsequently conduct such briefing as is necessary, to ensure that the Directors have a proper understanding of the operations and business of the Bank and that they are aware of their responsibilities under the laws and applicable regulations.

During the year, all Directors of the Bank participated in continuous professional development to develop and refresh their knowledge and skills. The Bank will keep Directors updated on areas, including directors' duties and responsibilities, operations and business of the Bank, corporate governance and changes in regulatory requirements, to enable them to properly discharge their duties. The Bank is responsible for arranging and funding suitable training for Directors.

During the year, Directors received briefings and trainings on the following topics at the Bank's expense (where appropriate). All current Directors provided to the Bank a record of training they received in 2019.

- Annual Corporate and Regulatory Update 2019
- Managing Fraud Risks in Your Organization
- The Latest Global Crypto Trends
- Fintech trends and application in China
- Impact of Virtual Banks
- Climate Risk and Climate Finance - Challenges and Opportunities
- The Development of Basel I to IV
- Future People – Managing Talent Risk
- HKMA Seminar for INEDs
- INEDs Forum held by a professional firm
- Getting Ready for the HKMA Cultural Dialogue



### 董事和職員責任及公司償還保險

本行已購買董事和職員責任及公司償還保險，以保障本集團的董事及員工，因其以本集團董事或職員身份觸犯或被指控觸犯行為失當，以集體或個別形式被索償。本行每年檢討保險涵蓋範圍從而確保能配合本行的業務規模和類別及相關風險。

### 就職培訓及持續發展

本行致力確保董事持續提升其技能俾使其向本行持份者提供更佳服務，並制定**就職培訓及持續發展政策**，列明董事入職培訓及持續發展的安排。

每名新任的董事會在首次接受委任時獲得由公司秘書準備的一份資料套件。此資料套件為一份全面、正式兼特別為董事而設的董事責任及持續職責須知。此外，該套件亦包括本行的運作及業務資料。其後，高層管理人員及公司秘書會在有需要時向董事作出簡介，以確保各董事對本行的運作及業務均有適當的理解，以及知道本身在法律及適用的規定下的職責。

在年內，本行所有董事均參與持續專業發展以發展並更新其知識及技能。本行會向董事提供有關其職責事項（包括董事職責、本行的業務和運作、企業管治及監管規定變動）的最新資訊，使董事能夠適當履行職責。本行負責為董事安排合適的培訓並承擔有關費用。

於本年度內，董事已接受下列議題的簡介及培訓，相關費用由本行承擔（如適用）。所有現任董事均已向本行提供其於2019年內所接受培訓的記錄。

- 2019年度企業及監管資料更新
- 管理詐騙風險
- 全球最新加密貨幣的走勢
- 金融科技的走勢及其於中國的應用
- 虛擬銀行的影響
- 氣候風險及氣候融資－挑戰與機遇
- 巴塞爾 (Basel) I至IV的發展
- 未來人事管理－管理人才風險
- 由金管局為獨立非執行董事舉辦的研討會
- 由專業機構舉辦的獨立非執行董事論壇
- 「為金管局主辦的企業文化對話做好準備」講座

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The following summarises key areas of trainings<sup>Note</sup> received by current Directors of the Bank during 2019:

| Directors                                       | Corporate Governance and Risk Management | Regulatory Update | Bank's business and management | Seminar / Directors Development Programme Series arranged by regulator | Bank Culture | AML and CFT | Fintech/ Cyber Security |
|---|--|-------------------|--------------------------------|--|--------------|-------------|-------------------------|
| <b>Executive Directors:</b>                     |  |                   |                                |  |              |             |                         |
| David LI Kwok-po<br>(Executive Chairman)        | ✓  | ✓                 | ✓                              | ✓  |              | ✓           | ✓                       |
| Adrian David LI Man-kiu<br>(Co-Chief Executive) | ✓  | ✓                 | ✓                              | ✓  | ✓            | ✓           | ✓                       |
| Brian David LI Man-bun<br>(Co-Chief Executive)  | ✓  | ✓                 | ✓                              | ✓  |              | ✓           | ✓                       |
| <b>Non-executive Directors:</b>                 |  |                   |                                |  |              |             |                         |
| Arthur LI Kwok-cheung<br>(Deputy Chairman)      | ✓  | ✓                 | ✓                              | ✓  |              | ✓           | ✓                       |
| Aubrey LI Kwok-sing                             | ✓  | ✓                 | ✓                              | ✓  | ✓            | ✓           | ✓                       |
| Winston LO Yau-lai                              | ✓  | ✓                 | ✓                              |  |              | ✓           | ✓                       |
| Stephen Charles LI Kwok-sze                     | ✓  | ✓                 | ✓                              |  |              | ✓           | ✓                       |
| Isidro FAINÉ CASAS                              | ✓  | ✓                 | ✓                              |  |              | ✓           | ✓                       |
| Daryl NG Win-kong                               | ✓  | ✓                 | ✓                              |  |              | ✓           | ✓                       |
| Masayuki OKU                                    | ✓  | ✓                 | ✓                              |  |              | ✓           | ✓                       |
| <b>Independent Non-executive Directors:</b>     |  |                   |                                |  |              |             |                         |
| Allan WONG Chi-yun<br>(Deputy Chairman)         | ✓  | ✓                 | ✓                              |  |              | ✓           | ✓                       |
| Rita FAN HSU Lai-tai                            | ✓  | ✓                 | ✓                              | ✓  |              | ✓           | ✓                       |
| Meocre LI Kwok-wing                             | ✓  | ✓                 | ✓                              | ✓  | ✓            | ✓           | ✓                       |
| Henry TANG Ying-yen                             | ✓  | ✓                 | ✓                              | ✓  |              | ✓           | ✓                       |
| Delman LEE                                      | ✓  | ✓                 | ✓                              |  |              | ✓           | ✓                       |
| William Junior Guilherme DOO                    | ✓  | ✓                 | ✓                              | ✓  |              | ✓           | ✓                       |

Note: Attending seminars/conferences; giving speeches; reading articles; and/or reviewing information are considered as part of the Directors' training.

### Supply of and access to information

Directors are provided in a timely manner with appropriate information that enables them to make an informed decision and to discharge their duties and responsibilities as Directors of the Bank. To ensure that the Board is well supported by accurate, complete and timely information, Directors have unrestricted access to Board papers, minutes and related materials.

The management is aware that it has an obligation to supply the Board and Board Committees with adequate information in a timely manner to enable them to make

informed decisions. The information supplied must be complete and reliable. The Board and each Director have separate and independent access to the Senior Management.

In respect of regular BMs and Board Committee meetings, notice of meetings will be given to all Directors or respective Committee members about 1 month before the date of the scheduled meetings; and so far as practicable, an agenda and accompanying meeting papers are sent to the Directors or respective Committee members one week in advance.

## 企業管治報告(續)

下表概列現任董事於2019年接受持續專業發展<sup>#</sup>的主要類別：

| 董事              | 企業管治及<br>風險管理 | 監管資料<br>更新 | 本行業務<br>及管理 | 監管機構<br>安排的董事<br>發展課程<br>系列/研討會 | 銀行企業<br>文化 | 打擊洗錢及<br>恐怖分子<br>資金籌集 | 金融科技/<br>保安 |
|-----------------|---------------|------------|-------------|---------------------------------|------------|-----------------------|-------------|
| <b>執行董事：</b>    |               |            |             |                                 |            |                       |             |
| 李國寶<br>(執行主席)   | ✓             | ✓          | ✓           | ✓                               |            | ✓                     | ✓           |
| 李民橋<br>(聯席行政總裁) | ✓             | ✓          | ✓           | ✓                               | ✓          | ✓                     | ✓           |
| 李民斌<br>(聯席行政總裁) | ✓             | ✓          | ✓           | ✓                               |            | ✓                     | ✓           |
| <b>非執行董事：</b>   |               |            |             |                                 |            |                       |             |
| 李國章<br>(副主席)    | ✓             | ✓          | ✓           | ✓                               |            | ✓                     | ✓           |
| 李國星             | ✓             | ✓          | ✓           | ✓                               | ✓          | ✓                     | ✓           |
| 羅友禮             | ✓             | ✓          | ✓           |                                 |            | ✓                     | ✓           |
| 李國仕             | ✓             | ✓          | ✓           |                                 |            | ✓                     | ✓           |
| 范禮賢             | ✓             | ✓          | ✓           |                                 |            | ✓                     | ✓           |
| 黃永光             | ✓             | ✓          | ✓           |                                 |            | ✓                     | ✓           |
| 奧正之             | ✓             | ✓          | ✓           |                                 |            | ✓                     | ✓           |
| <b>獨立非執行董事：</b> |               |            |             |                                 |            |                       |             |
| 黃子欣<br>(副主席)    | ✓             | ✓          | ✓           |                                 |            | ✓                     | ✓           |
| 范徐麗泰            | ✓             | ✓          | ✓           | ✓                               |            | ✓                     | ✓           |
| 李國榮             | ✓             | ✓          | ✓           | ✓                               | ✓          | ✓                     | ✓           |
| 唐英年             | ✓             | ✓          | ✓           | ✓                               |            | ✓                     | ✓           |
| 李國本             | ✓             | ✓          | ✓           |                                 |            | ✓                     | ✓           |
| 杜家駒             | ✓             | ✓          | ✓           | ✓                               |            | ✓                     | ✓           |

註：出席研討會/會議、論壇致辭、閱覽文章及/或審閱資料亦視為董事培訓。

### 資料提供及使用

董事獲提供適時的適當資料，使其能夠在掌握有關資料的情況下作出決定，並能履行其作為本行董事的職務及責任。為確保董事會能夠獲得準確、完整和適時資料，董事可不受限制地查閱董事會的會議文件、會議記錄及相關資料。

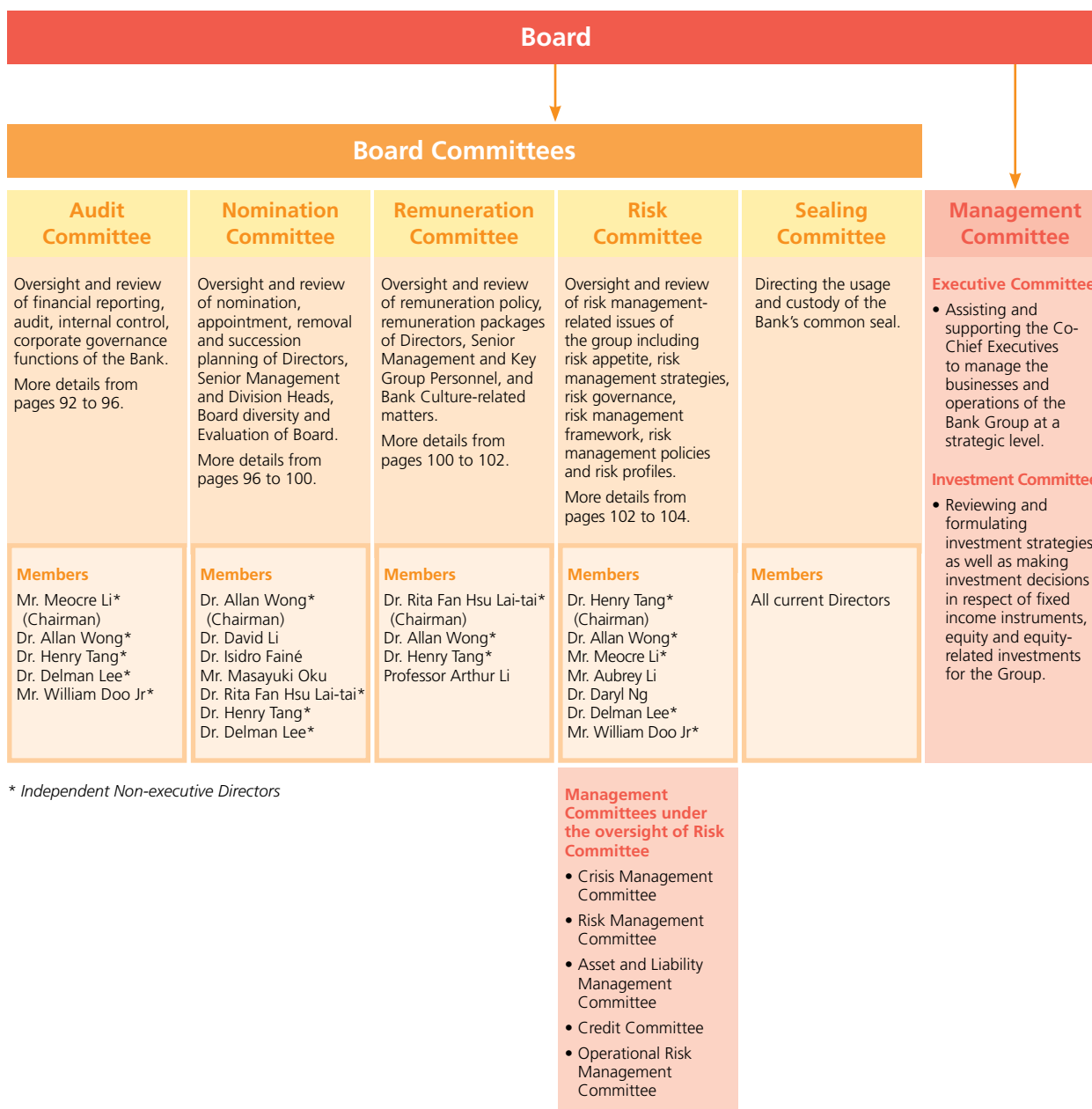
管理層知悉其有責任向董事會及董事會轄下委員會適時提供足夠資料，以使董事能夠在掌握有關資料的情

況下作出決定。管理層所提供的資料均屬完整可靠。董事會及每名董事有自行接觸高層管理人員的獨立途徑。

董事會及董事會轄下委員會常規會議的通知大概在有關會議日期1個月前發送予全體董事或個別委員會成員，議程及相關會議文件(在切實可行的情況下)會於1星期前送交董事或個別委員會成員。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

## B. BOARD DELEGATION



\* Independent Non-executive Directors

The Board is collectively responsible for the long-term success of the Group and assumes responsibility for its leadership within a framework of effective controls.

Under the framework, the Board has set up 5 Board Committees and 7 Management Committees to assist it in carrying out its responsibilities. Board Committees include AC, NC, RC, RIC and Sealing Committee. Management Committees include Executive Committee, Investment Committee, Crisis Management Committee, Risk Management Committee, Asset and Liability

Management Committee, Credit Committee and Operational Risk Management Committee.

The Board has delegated authority to various Committees to deal with specific matters under defined terms of reference. The composition and terms of reference of these Committees are reviewed and updated regularly to ensure that they remain appropriate and in line with the regulatory requirements, the Group's business and changes in governance practices.

## B. 董事會授權



\* 獨立非執行董事

董事會須共同負責本集團的長期成功及在有效的監控架構下擔當領導角色。

在架構下，董事會設立5個董事會轄下委員會及7個管理層委員會以協助董事會履行其職責。董事會轄下委員會包括審核委員會、提名委員會、薪酬委員會、風險委員會及印章委員會。管理層委員會包括執行委員會、投資委員會、危機管理委員會、風險管理委員

會、資產負債管理委員會、信貸委員會及營運風險管理委員會。

董事會授權多個委員會按照明確的職權範圍處理特定事宜。董事會定期檢討及更新各委員會的組成及職權範圍，確保有關安排仍屬妥善恰當及符合監管規定，以及配合集團業務及管治常規的發展。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

All Board Committees adopt the same governance processes as the Board as far as practicable and report to the Board on their decisions or recommendations after each meeting.

A joint meeting of the Chairmen of the AC and RIC is held annually or on a need basis to facilitate the exchange of information and effective coverage of all risks, including emerging risks, and any needed adjustments to the risk governance arrangements of the Bank. The Group Chief Auditor and Group Chief Risk Officer are invited to attend the meeting.

To ensure that remuneration is appropriate and consistent with the Bank's culture, long-term business and risk appetite, performance and control environment as well as any legal and regulatory requirements, a joint meeting of the Chairmen of the AC, RC and RIC was held in February 2019 to discuss the alignment of risk and remuneration, and Bank culture reform of the Bank. The Group Chief Auditor, Group Chief Risk Officer, Group Chief Compliance Officer and Head of Human Resources Division were invited to attend the meeting.

### Board Committees

#### B1. Audit Committee

It is the responsibility of the Board to establish formal and transparent arrangements for considering how it will apply the financial reporting, risk management and internal control principles and for maintaining an appropriate relationship with the Bank's auditors. The Bank has established an AC with specific written Terms of Reference which deal clearly with its authorities and duties included in CG Code.

The Board has delegated its corporate governance functions as set out in Code Provision D.3.1 of the CG Code to the AC.

As laid down in the Terms of Reference, the AC is responsible for reviewing corporate governance functions, financial controls, risk management and internal control systems, annual report and accounts, and half-year interim report.

The AC comprises 5 members and all the members are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2019 Annual Report. No former partners of the Bank's external auditors is acting as a member of the AC before expiry of a period of two years commencing on the date of his/her ceasing to be a partner of the firm or to have any financial interest in the firm whichever is later.

AC meetings are held at least 4 times a year. The Executive Chairman, Co-Chief Executives, Deputy Chief Executives, other senior executives, and the external auditors are invited to attend these meetings. During the year, the external auditors held meetings with the AC members, without the presence of the Executive Chairman, Co-Chief Executives, Deputy Chief Executives and the other senior executives.

The AC is accountable to the Board and the minutes of the ACM are kept by the Company Secretary. Draft and final versions of minutes of the ACM will be sent to all Directors for their comment and record respectively, in both cases within a reasonable period after the meetings.

The number of meetings held by the AC and attendance of individual members at ACM in 2019 is recorded on page 82.

各董事會轄下委員會在可行的情況下採納與董事會相同的管治程序，並在每次會議後向董事會匯報其決策或向董事會提出建議。

每年或視乎需要舉行審核委員會及風險委員會主席聯席會議，以促進資訊交流及有效管理所有風險，包括各種新的風險及本行任何所需調整的風險管治安排。集團總稽核及集團風險總監均獲邀出席。

為確保薪酬合理並與本行的文化、長期業務和風險偏好、表現及監控環境，以及任何法律和監管規定一致，本行於2019年2月舉行審核委員會、薪酬委員會及風險委員會主席聯席會議，討論風險與薪酬的一致性，以及本行的銀行企業文化改革。集團總稽核、集團風險總監、集團合規總監及人力資源分處主管均獲邀出席。

## 董事會轄下委員會

### B1. 審核委員會

董事會負責就如何應用財務匯報、風險管理及內部監控原則，及如何維持與本行核數師適當的關係，作出正規及具透明度的安排。本行已設立一個審核委員會，並以書面訂明具體的職權範圍，清楚說明委員會在《企業管治守則》守則條文所載的職權及責任。

審核委員會獲董事會授權執行其企業管治職能，有關職能載於《企業管治守則》守則條文第D.3.1條。

根據其職權範圍，審核委員會負責檢討企業管治職能、財務監控、風險管理及內部監控系統，並負責審閱年度報告、賬目和半年中期報告。

審核委員會由5名委員組成，所有成員均為獨立非執行董事。成員名單及履歷載於《2019年報》「公司資料」及「董事及高層管理人員的個人資料」內。本行外聘核數師並無前任合夥人在其終止成為該核數師事務所合夥人當日或其享有該核數師事務所財務利益當日起計兩年內（以日期較後者為準）的情況下，成為審核委員會成員。

審核委員會會議每年召開最少4次。執行主席、聯席行政總裁、副行政總裁、其他高級行政人員及外聘核數師均獲邀出席會議。年內，在執行主席、聯席行政總裁、副行政總裁及其他高級行政人員避席的情況下，外聘核數師與審核委員會成員舉行會議。

審核委員會須向董事會負責，而審核委員會的會議記錄由公司秘書保存。審核委員會會議記錄的初稿及最後定稿通常在會議後合理期間內先後發送予所有董事，初稿供成員表達意見，最後定稿作記錄之用。

審核委員會於2019年舉行的會議次數及個別成員的出席記錄載於第83頁。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### The following is a summary of the work performed by the AC for the year 2019 and up to 19th February, 2020:

- Reviewed and endorsed the policies and practices under the Bank's CG Framework, including the *Corporate Governance Policy* and made recommendations to the Board, where appropriate;
- Reviewed the training and continuous professional development of Directors and Senior Management;
- Reviewed the policies and practices on compliance with legal and regulatory requirements;
- Reviewed the code of conduct and compliance manual applicable to employees and Directors;
- Reviewed the status of compliance with the CG Code and disclosure in the Corporate Governance Report;
- Met with the external auditors to discuss their audit work on the Group;
- Reviewed external auditors' 2019 annual audit plan, management letter and management's response;
- Reviewed and approved the appointment of external auditors for providing non-audit services to the Group;
- Reviewed the Auditors' Independent Assurance Reports in respect of the Bank's financial disclosures under the Banking (Disclosure) Rules for 2018 and six months ended 30th June, 2019;
- Reviewed and recommended to the Board for approval of the audit fee proposal for the Group for 2019;
- Recommended to the Board to re-appoint KPMG as the Group's external auditors for 2019 and 2020;
- Reviewed the internal audit reports covering the evaluation of risk management and internal control systems of various operations of the Group;
- Reviewed the adequacies of resources, qualifications and experience of the staff of the Bank's accounting, internal audit and financial reporting functions, and their training programmes and budget; effectiveness of the Group's internal audit function;
- Reviewed the Auditor's Report regarding the internal control systems for 2018 prepared under section 63(3A) of the Banking Ordinance;
- Reviewed the on-site examination reports of the HKMA issued in 2019;
- Reviewed the Interim Report and the interim results announcement for the six months ended 30th June, 2019;
- Reviewed the audited financial statements and final results announcement for 2019; and
- Reviewed and approved Group internal audit plan for 2020.



審核委員會在2019年度及截至2020年2月19日止所做的工作，摘要如下：

- 檢討及批准本行企業管治架構下的政策及常規，包括企業管治政策，並於適當情況下向董事會提出建議；
- 檢討董事及高層管理人員的培訓及持續專業發展；
- 檢討在遵守法律及監管規定方面的政策及實務；
- 檢討僱員及董事的操守準則及合規手冊；
- 檢討遵守《企業管治守則》的情況及在企業管治報告內的披露；
- 會見外聘核數師以商討其在集團的核數工作；
- 審閱外聘核數師的2019年度稽核計劃，致管理層的審核情況說明函件及管理層的回應；
- 審閱及批准聘用外聘核數師向本集團提供非核數服務；
- 審閱外聘核數師就本行根據《銀行業（披露規則）》作出有關2018年度及2019年6月30日止6個月的財務披露的獨立確認報告；
- 審閱及向董事會推薦批准2019年集團的核數費用建議；
- 向董事會建議續聘畢馬威會計師事務所為本集團2019年度及2020年度的外聘核數師；
- 審閱涵蓋本集團風險管理和各項運作內部監控評估的內部稽核報告；
- 審閱本行會計、稽核及財務匯報職能員工的資源、資歷和經驗，以及有關的培訓計劃和預算是否充裕；本集團稽核職能是否有效；
- 審閱《銀行業條例》63(3A)條下2018年度內部監控系統核數師報告；
- 審閱金管局2019年內發出的現場審查報告；
- 審閱截至2019年6月30日止6個月的中期報告及中期業績公告；
- 審閱2019年度經審核財務報表及全年業績公告；及
- 審閱及批准2020年度集團的內部稽核計劃。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

All matters raised by the AC have been addressed by the Senior Management and the other senior executives. The work and findings of the AC have been reported to the Board.

The Board agreed with the AC's proposal for the re-appointment of KPMG as the Group's external auditors for 2020. The recommendation will be presented for the approval of shareholders at the 2020 AGM.

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

The AC is provided with sufficient resources, including the advice of external auditors and Internal Audit Division, to discharge its duties.

The Bank has established the *Policy on Appointment of External Auditor for Provision of Non-Audit Services*, setting out the principles by which an external auditor may be appointed to provide non-audit services, with a view to ensuring the independence of the external auditor.

### B2. Nomination Committee

The Bank has established an NC with specific written Terms of Reference which deal clearly with its authorities and duties. The Terms of Reference of the NC have included the specific duties set out in Code provision A.5.2 of the CG Code, with appropriate modifications where necessary.

The NC is responsible for recommending to the Board on relevant matters relating to appointment, re-appointment, removal and succession planning of Directors, Chief Executive, Deputy Chief Executives, Division Heads, Group Chief Compliance Officer, Group Chief Auditor, Group Chief Financial Officer and Group Chief Risk Officer; defining succession planning and diversity of the Board and performing evaluation of the Board performance and Directors' contribution to the effectiveness of the Board.

The NC comprises 7 members and 4 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2019 Annual Report.

The number of meetings held by the NC and the attendance of individual members at NCM in 2019 is recorded on page 82.

#### The following is a summary of the work performed by the NC for the year 2019 and up to 19th February, 2020:

- Reviewed the size, structure, composition and diversity of the Board;
- Reviewed the *Procedures for Nomination of Directors*;
- Reviewed the Terms of Reference of the NC;
- Reviewed the *Management Succession Policy*;
- Reviewed the Management Succession Plans;
- Reviewed the *Board Succession and Diversity Policy* (the "Policy") including measurable objectives for implementing the Policy;
- Reviewed and assessed the evaluation of the Board performance and Directors' contribution to the effectiveness of the Board;
- Assessed the independence status of current INEDs, in particular that of Dr. Allan WONG Chi-yun who has served the Board for more than 9 years;
- Considered and recommended to the Board for re-election of Prof. Arthur LI Kwok-cheung, Mr. Meocre LI Kwok-wing, Dr. the Hon. Henry TANG Ying-yen, Dr. Delman LEE and Mr. William Junior Guilherme DOO as Directors of the Bank to be proposed for shareholders' approval at the 2020 AGM; and
- Reviewed the composition of the Board and Board Committees.

審核委員會所提出的事項已交回高層管理人員及其他高級行政人員處理。審核委員會的工作情況及審閱結果已向董事會報告。

董事會同意審核委員會續聘畢馬威會計師事務所為本集團2020年度外聘核數師的建議。推薦建議將在2020股東周年常會上提呈予股東批准。

審核委員會的職權範圍登載於香港交易所及本行的網站上，解釋其角色，以及董事會所授予的權力。

審核委員會獲供給充足的資源，包括外聘核數師及稽核處的意見，以履行其職責。

本行已訂立委任外聘核數師提供非核數服務政策，訂明委任外聘核數師提供非核數服務的原則，以確保外聘核數師的獨立性。

## B2. 提名委員會

本行已設立一個提名委員會，並以書面訂明具體的職權範圍，清楚說明委員會的職權和責任。提名委員會的職權範圍已包括載於《企業管治守則》守則條文第A.5.2條所指明的特定責任，惟因應需要而作出適當修改。

提名委員會負責就本行董事、行政總裁、副行政總裁、分處主管、集團合規總監、集團總稽核、集團財務總監及集團風險總監的委任、重選、撤職及繼任安排，向董事會提出建議；訂定董事會成員接任及董事會多元化計劃；評估董事會表現及董事對達致董事會有效運作的貢獻。

提名委員會由7名委員組成，其中4名（包括主席）為獨立非執行董事，成員名單及履歷載於《2019年報》「公司資料」及「董事及高層管理人員的個人資料」內。

提名委員會於2019年舉行的會議次數及個別成員的出席記錄載於第83頁。

### 提名委員會在2019年度及截至2020年2月19日止所做的工作，摘要如下：

- 檢討董事會的人數、架構、組合及多元化；
- 檢討提名董事的程序；
- 檢討提名委員會的職權範圍；
- 檢討管理層繼任政策；
- 檢討管理層繼任安排；
- 檢討董事會繼任及多元化政策（「政策」）包括推行政策的可計量目標；
- 檢討及評估董事會的表現及董事對達致董事會有效運作的貢獻；
- 評核現任獨立非執行董事的獨立性，尤其是已擔任董事超過9年的黃子欣博士；
- 審議並向董事會推薦在2020股東周年常會上向股東提呈批准重選李國章教授、李國榮先生、唐英年博士、李國本博士及杜家駒先生為本行董事的建議；及
- 檢討董事及董事會轄下委員會的組合。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

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

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

### *Nomination Policy*

The Bank has in place *Procedures for Nomination of Directors* which set out the procedures for nomination of potential candidate as Director of the Bank. The NC shall review the curriculum vitae to assess whether the potential candidate is 'fit and proper' for the appointment and can meet the requirements of relevant rules and regulations before recommendation is made to the Board.

Shareholders are allowed to propose a person other than a retiring Director of the Bank to be elected as a Director at a general meeting. A notice in writing shall be given to the Company Secretary of the Bank by the shareholder (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also notice in writing signed by the person to be proposed of his/her willingness to be elected. Such notice must be sent to the Company Secretary of the Bank within 7 days after the day of despatch of the notice of the general meeting (or such other period, being a period of not less than 7 days, commencing no earlier than the day after the despatch of the notice of such meeting and ending no later than 7 days prior to the date appointed for such meeting). The *Procedures for Nomination of Directors by Shareholders* are published on the website of the Bank.

### *Diversity Policy*

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

The NC reviews the structure, size, composition and diversity (including the skills, knowledge and experience) of the Board annually and determines if the Board discharges its responsibilities effectively and to identify steps for improvement and; make recommendations on any proposed changes to the Board composition to complement the Bank's corporate strategy. Under the current Board membership, the Board has a balance of skills and experience appropriate for the requirements

of the Bank's business. Directors, who come from a variety of different backgrounds, have a diverse range of business, banking and professional expertise and bring valuable insight in particular areas that support the development and growth of the Bank.

### *Appointment and re-election of Directors*

The Bank uses a formal, considered and transparent procedure for the appointment of new Directors and adopts a nomination procedure in the selection of new Directors and for the succession of appointments to the Board. The proposed appointment will first be reviewed by the NC, taking into account the balance of skills, knowledge, experience and diversity on the Board. Candidates to be selected and recommended shall meet the relevant standards set out in the Listing Rules and CG-1.

A candidate who is to be appointed as an INED should also meet the independence criteria set out in Rule 3.13 of the Listing Rules and the requirements of the Guidance on Empowerment of INEDs. Upon recommendation of the NC, the proposed appointment will be reviewed and, if thought fit, approved by the Board. According to the requirement of the Banking Ordinance, prior approval from the HKMA will also be obtained for appointment of Directors.

A formal letter of appointment, setting out the terms and conditions of the appointment, and including the Director's scope of duties and obligations, is provided to every new Director of the Bank and will be updated whenever there are changes to the Director's role and responsibilities.

Pursuant to the Articles of Association, Directors (including NEDs and INEDs) are appointed for a term of not more than approximately 3 years and on expiration of his/her term he/she shall be deemed a retiring Director and eligible for re-election. All new Directors appointed by the Board are subject to re-election by shareholders of the Bank at the first general meeting after their appointments have become effective.

The NC conducts annual review of the independence of INEDs before confirming their independence status to the Board. The relevant INEDs will abstain from participating in the assessments of their own independence. Particular consideration will also be paid in assessing the independence of those INEDs who have been serving on the Board for more than 9 years and seeking re-election in the AGM. Reasons will be given in the AGM Circular to explain why the Board believes those INEDs are still independent and should be re-elected. If the INED will be holding his/her seventh (or more) listed company directorship, the Board will explain why he/she will still be able to devote sufficient time to the Board.

提名委員會的職權範圍登載於香港交易所及本行的網站上，解釋其角色，以及董事會所授予的權力。

提名委員會獲提供充足資源，包括獨立專業公司的意見(如需要)，以履行其職責。

### 提名董事的政策

本行制訂提名董事的程序，載列提名準候選人擔任本行董事的程序。提名委員會應審查候選人簡歷，評估其是否為董事職務的適當人選，並審視相關規則和規例的要求，再向董事會推薦。

股東可於股東大會上推薦某位人士(本行即將退任董事除外)參選董事。該股東應向本行公司秘書發出一份由該名有權出席並可於會上投票的股東(不得為被推舉者)書面通知書，表明有意推舉某人為董事，並提供該人士簽署同意被推舉的書面通知。該通知書必須於發送股東會議通告後7天內(或其他期限，該期限不少於7天，由發送股東會議通告之後開始計算及不得遲於該股東會議訂定舉行日期之前7天結束)寄發予本行公司秘書。股東提名董事的程序刊載於本行網站。

### 多元化政策

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

提名委員會每年檢討董事會的架構、人數、組成及多元化(包括其技能、知識及經驗方面)，及確定董事會能有效履行其職責，並且設法改進，並就任何為配合本行的策略而擬對董事會作出的變動提出建議。目前董事會成員中，董事會具備符合本行業務所需的技能

和經驗。各董事來自不同背景，擁有廣泛的商業、銀行及專業等各領域之專長，為本行的發展提出精闢見解。

### 委任及重選董事

本行按正式制訂、經審慎考慮並具透明度的程序委任新董事及就甄選新董事及董事繼任採納一套提名董事程序。提名委員會在審議有關委任事宜時將先行考慮董事會之技能、知識、經驗和多元化組合。獲甄選及獲推薦的候選人必須符合《上市規則》及CG-1所載相關的標準。

如候選人會獲委任為獨立非執行董事，亦須符合《上市規則》第3.13條所列的獨立性準則，以及提升獨立非執行董事的專業能力指引的規定。根據提名委員會之建議，董事會考慮有關委任，如認為合適者，將批准有關委任建議。依據《銀行業條例》規定，委任董事須取得金管局的預先批准。

本行所有新委任的董事均獲發一份正式委任函，載列任期及委任條款包括董事的職務及職責範圍，並因應其角色和職責其後的變更而更新。

根據組織章程細則規定，董事(包括非執行董事及獨立非執行董事)的任期為不超過約3年，在其任期屆滿時，將被視為一位卸任董事而有資格重選。而新任董事須於獲委任後首次股東大會退任，由本行股東重選。

提名委員會就獨立非執行董事的獨立性進行年度檢討，並向董事會確認其獨立性。有關獨立非執行董事不會參與評估本身的獨立性。對於已擔任董事超過9年並將會在股東周年常會上膺選連任的獨立非執行董事，將另作評估，並在股東周年常會通函內載列董事會為何認為該名獨立非執行董事仍屬獨立人士及應獲重選連任的原因。如果候任獨立非執行董事將出任第七家(或以上)上市公司的董事，通函內會載列董事會為何認為該名人士仍可投入足夠時間履行董事責任的原因。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### *Evaluation of the Board and Directors*

During the year, the Bank had conducted an evaluation of the effectiveness of the Board as a whole and the contributions made by each Director to the effectiveness of the Board in the form of a questionnaire to all Directors individually. The evaluation covered Board and Board Committee structure and composition; Board process and effectiveness; responsibilities of the Board; and duties and responsibilities of Directors. The evaluation report revealed that Board process is effective during the year 2019. All Directors continue to perform effectively and demonstrate commitment to their roles. The Board Committees were highly regarded in the feedback and viewed as effective in fulfilling their duties. The result of the evaluation had been reviewed by the NC and submitted to the Board.

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

### **B3. Remuneration Committee**

The Bank has established an RC with specific written Terms of Reference which deal clearly with its authority and duties. The Terms of Reference of the RC have included the specific duties set out in Code Provision B.1.2 of the CG Code, with appropriate modifications where necessary.

The RC is responsible for making recommendations to the Board regarding the Bank's Remuneration Policy, and for the formulation and review of the remuneration

packages of the Directors, Executive Chairman, Co-Chief Executives, Deputy Chief Executives, General Managers and Key Personnel of the Group.

In determining the Remuneration Policy, the RC will take into account the Bank's business objective, people strategy, short-term and long-term performance, business and economic conditions, market practices, conduct, compliance and risk control, to ensure that the remuneration aligns with business and individual performance, promotes effective risk management, facilitates retention of quality personnel and is competitive in the market.

The emoluments payable by the Bank to its Directors and senior executives are determined taking into account their roles and responsibilities so as to ensure a fair and competitive remuneration package. The Bank will also ensure that no Director, Executive Chairman, Co-Chief Executives or any of their associates will be involved in deciding his/her own remuneration.

The RC comprises 4 members and 3 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2019 Annual Report.

The number of meetings held by the RC and the attendance of individual members at RCM in 2019 is recorded on page 82.

### **The following is a summary of work performed by the RC during and for the year 2019:**

- Reviewed the 2018 Variable Remuneration for members of Senior Management and Key Personnel;
- Reviewed the vesting of Deferred Variable Remuneration for the Awards of the Year 2015 to 2017;
- Considered the Third Offer and Grant of Options under the Staff Share Options Scheme 2016;
- Reviewed the Classifications of Material Risk Takers, the list of Senior Management and Key Personnel for 2019 and considered the Salary Review for Senior Management and Key Personnel for 2019;
- Considered the General Staff Annual Salary Review 2019;
- Reviewed the 2019 Annual Salary Review for Staff of Mainland China, Overseas Branches and Subsidiaries;
- Reviewed the Usage of Salary Increment Budget for 2018;
- Reviewed the Total Variable Pay Pool for 2018;
- Reviewed the Audit Result on the Bank's Remuneration System for 2018;
- Reviewed the BEA's Performance Scorecard for 2019;
- Reviewed the Performance & Behavioural Goals Worksheets of the Executive Chairman, Chief Executive, Co-Chief Executives and Deputy Chief Executives for 2019;
- Reviewed the Long Term Incentive Scheme for Members of Senior Management;
- Reviewed the Remuneration and Pay Structure for Executive Chairman and Co-Chief Executives;
- Revised 2019 Performance Assessment and Variable Bonus for Members of Senior Management and other Hong Kong Staff Members;
- Reviewed the Terms of Reference of the RC;
- Reviewed the *Remuneration Policy*; and
- Reviewed the progress of Bank Culture Reform.

### 評估董事會及董事

年內，本行向每位董事發出問卷就董事會整體工作成效及每位董事對達致董事會有效運作的貢獻進行評估。評估範圍涵蓋董事會及董事會轄下委員會的架構及組成、董事會程序及成效、董事會的責任，以及董事的職務及責任。評估報告顯示董事會程序於2019年內行之有效。所有董事繼續有效履行責任及對職務的承擔。各董事會轄下委員會獲得高度評價，並視為有效履行其職責。提名委員會已檢閱該評估報告並已提交董事會參考。

本行將繼續每年就董事會及董事的工作成效進行評估。

### B3. 薪酬委員會

本行已設立一個薪酬委員會，並以書面訂明具體的職權範圍，清楚說明委員會的職權和責任。薪酬委員會的權責範圍已包括《企業管治守則》守則條文第B.1.2條所載的特定職責，惟因應需要而作出適當修改。

薪酬委員會負責就本行的薪酬政策，以及就訂立及審議集團董事、執行主席、聯席行政總裁、副行政總

裁、總經理及主要管理人員的薪酬組合，向董事會提出建議。

於制訂本行之薪酬政策時，薪酬委員會會考慮本行之業務目標、人事策略、短期及長期業務表現、營商環境及經濟情況、市場慣例、行為、合規性及風險控制，以確保有關薪酬能與業務及個人表現掛鈎、促進有效之風險管理、保留優秀員工及具市場競爭力。

本行於釐定董事及高級行政人員的酬金時，會考慮其職務及職責，以確保能提供既公平又具競爭力的薪酬予有關人士。本行亦確保任何董事、執行主席、聯席行政總裁或任何彼等聯繫人不能自行釐定薪酬。

薪酬委員會由4名委員組成，其中3名（包括主席）為獨立非執行董事，成員名單及履歷載於《2019年報》「公司資料」及「董事及高層管理人員的個人資料」內。

薪酬委員會於2019年舉行的會議次數及個別委員的出席記錄載於第83頁。

#### 薪酬委員會在年內及為2019年度所做的工作，摘要如下：

- 檢討2018年度高層管理人員及主要管理人員的浮動薪酬；
- 檢討2015至2017年度遞延浮動薪酬獎勵的歸屬；
- 考慮根據僱員認股計劃2016，給予及授出第三批認股權；
- 檢討重大風險承受人員的定義、2019年度高層管理人員及主要管理人員名單及考慮有關人員2019年度的薪酬；
- 考慮2019年度員工的薪酬；
- 檢討2019年度中國內地、海外分行及附屬公司當地員工的薪酬；
- 檢討2018年度薪酬加幅預算的使用狀況；
- 檢討2018年度總浮動薪酬金額；
- 檢討2018年度本行的薪酬制度審核結果；
- 檢討2019年度本行的績效計分卡；
- 檢討執行主席、行政總裁、聯席行政總裁及副行政總裁2019年度的績效評核表；
- 檢討高層管理人員的長期獎勵計劃；
- 檢討執行主席及聯席行政總裁的薪酬和薪資結構；
- 修訂2019年度高層管理人員及其他香港員工的績效考核與浮動薪酬的相關準則；
- 檢討薪酬委員會的職權範圍；
- 檢討薪酬政策；及
- 檢討有關推行銀行企業文化改革的進程。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

In view of HKMA requirements in relation to Bank Culture Reform, the RC has been designated to advise and assist the Board in discharging its responsibilities for the Bank's culture-related matters. The Bank reported to RC the Culture Dashboard which included the key culture activities taken by the Bank and results pertaining to culture metrics which cover internal feedback, staff conduct management, staff training and engagement, compliance and risk management and customer feedback.

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

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

### B4. Risk Committee

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

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

The RIC comprises 7 members and 5 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2019 Annual Report.

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

The number of meetings held by the RIC and the attendance of individual members at RICM in 2019 is recorded on page 82.

### The following is a summary of the work performed by the RIC during and for the year 2019:

- Reviewed the Group's Risk Appetite Statement;
- Reviewed the Group's risk management strategies;
- Reviewed and monitored the Group's risk profiles, including the emerging risks faced by the Group;
- Reviewed the Group's enterprise risk management framework;
- Oversaw the implementation status of the Group's Risk Data Aggregation Project for compliance with the requirements of the "Principles for effective risk data aggregation and risk reporting" published by the Basel Committee on Banking Supervision;
- Reviewed the Internal Capital Adequacy Assessment Process and the continuing enhancements of the framework;
- Reviewed the stress-testing results for major risks;
- Reviewed the Group Recovery Plan;
- Reviewed regulatory updates on risk management related issues and considered their probable material implications to the Group;
- Reviewed critical regulatory comments on the Group's risk management-related issues;
- Reviewed the Terms of Reference of the RIC, Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee;
- Reviewed the Risk Committee Report; and
- Reviewed the Group's risk management policies, oversaw their implementation and compliance with respective statutory rules and regulations.



鑑於金管局對銀行企業文化改革的要求，董事會委任薪酬委員會負責就本行在促進良好企業文化的相關事宜，向董事會提供意見及協助。本行向薪酬委員會匯報了《文化指標儀表板》其中涵蓋所推行的主要文化活動及關於文化指標的成果，包括收集內部和客戶意見、員工的操守管理、員工培訓和投入度及合規和風險管理。

薪酬委員會職權範圍登載於香港交易所及本行的網站上，當中解釋其角色及董事會所授予的權力。

薪酬委員會獲供給充足資源，包括獨立專業公司的意見(如需要)，以履行其職責。

#### B4. 風險委員會

本行已設立風險委員會，並以書面訂明具體的職權範圍，清楚說明委員會的職權及責任。風險委員會負責處理本行的風險管理相關事宜，尤其是本集團的策略事宜。

風險委員會由管理層委員會包括風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會協助，負責處理風險相關事項的日常管理事宜，並且由危機管理委員會協助處理危機管理事宜。

風險委員會由7名委員組成，其中5名(包括主席)為獨立非執行董事，成員名單及履歷載於《2019年報》「公司資料」及「董事及高層管理人員的個人資料」內。

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

風險委員會於2019年舉行的會議次數及個別成員的出席記錄載於第83頁。

#### 風險委員會在年內及為2019年度所做的工作摘要如下：

- 審閱本集團的風險偏好報告書；
- 審閱本集團的風險管理策略；
- 審閱及監察本集團的風險狀況，包括本集團面臨的新增風險；
- 審閱本集團的企業風險管理架構；
- 監督本集團遵守巴塞爾銀行監管委員會《有效的風險數據匯集及風險匯報的原則》風險數據匯集項目的執行情況；
- 審閱內部資本充足評估程序及其持續優化的架構；
- 審閱主要風險的壓力測試結果；
- 審閱集團恢復計劃；
- 審閱與風險管理相關的新監管規定，並考慮其對本集團可能造成的重大影響；
- 審閱與本集團風險管理相關的重要監管意見；
- 審閱風險委員會、危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會的職權範圍；
- 審閱風險委員會報告；及
- 審閱本集團的風險管理政策，監督其執行及遵守相關法例及法規。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The Terms of Reference of RIC require it to report back to the Board on its decisions or recommendations.

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

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

### B5. Sealing Committee

Sealing Committee comprises all Directors of the Bank as appointed from time to time. It is responsible for directing the usage and custody of the Bank's common seal.

### Management Committees

Management Committees are established to deal with matters as sufficiently prescribed in respective terms of reference, each of which has specific roles and responsibilities delegated by the Board or Board Committees:

1. Executive Committee is responsible for assisting and supporting the Co-Chief Executives to manage the businesses and operations of the Bank Group at a strategic level.
2. Risk Management Committee is responsible for assisting the RIC in the daily management of issues related to all major risks (in particular strategic and

new product and business risks) faced by the Group including risk appetites, risk profiles, regulatory updates and stress-testing.

3. Credit Committee is responsible for dealing with all credit risk-related issues of the Group.
4. Operational Risk Management Committee is responsible for dealing with issues related to operational, legal, reputation, compliance, technology and business continuity risks of the Group.
5. Asset and Liability Management Committee is responsible for dealing with all issues related to market, interest rate and liquidity risks of the Group.
6. Crisis Management Committee is responsible for dealing with the Group's management of crisis scenarios which jeopardise or have the potential to jeopardise the Group in its reputation, liquidity/ financial position and business continuity.
7. Investment Committee is responsible for reviewing and formulating investment strategies as well as making investment decisions in respect of fixed income instruments, equity and equity related investments for the Bank, and The Bank of East Asia, Limited Employees' Provident Fund.

Material matters will be reported to the Board/Board Committees by the Management Committees according to their respective Terms of Reference.

## C. REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

The scales of Director's fees, and fees for membership of the AC, NC, RC and RIC are outlined below:

|                                | Amount per annum<br>2019 |
|--------------------------------|--------------------------|
| <b>Board of Directors:</b>     |                          |
| Chairman                       | HK\$550,000              |
| Deputy Chairman                | HK\$425,000              |
| Other Directors                | HK\$400,000              |
| <b>Audit Committee:</b>        |                          |
| Chairman                       | HK\$250,000              |
| Other members                  | HK\$140,000              |
| <b>Nomination Committee:</b>   |                          |
| Chairman                       | HK\$90,000               |
| Other members                  | HK\$60,000               |
| <b>Remuneration Committee:</b> |                          |
| Chairman                       | HK\$90,000               |
| Other members                  | HK\$60,000               |
| <b>Risk Committee:</b>         |                          |
| Chairman                       | HK\$250,000              |
| Other members                  | HK\$140,000              |

Information relating to the remuneration of each Director for 2019 is set out in Note 22 on the accounts on page 221.

風險委員會的職權範圍規定該委員會要向董事會匯報其決定或建議。

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

風險委員會獲提供充足資源，以履行其職責，包括獨立專業公司的意見(如需要)。

#### B5. 印章委員會

印章委員會由所有本行不時委任的董事組成，負責監督本行之法定印章的使用及保管。

#### 管理層委員會

每個管理層委員會均獲董事會或董事會轄下委員會授予特定的角色及職責，並以書面訂明具體的職權範圍：

1. 執行委員會協助及支援聯席行政總裁在策略層面上管理本集團的業務及運作。
2. 風險管理委員會負責協助風險委員會處理與本集團所有主要風險(尤其是策略性及新產品及業務風險)相關的日常管理事宜，包括風險偏好、風險狀況、新監管規定及壓力測試。

3. 信貸委員會負責處理集團所有與信貸風險有關的事宜。
4. 營運風險管理委員會負責處理集團與營運、法律、信譽、合規、科技及持續業務運作風險有關的事宜。
5. 資產負債管理委員會負責處理集團所有與市場、利率及流動性風險有關的事宜。
6. 危機管理委員會在發生或有可能發生危害集團信譽、流動性/財政狀況及持續業務運作的事故時負責處理集團的危機事故管理事宜。
7. 投資委員會負責審閱及制訂本行及東亞銀行有限公司僱員公積金就有關定息債券工具、股票及其他股票相關投資工具的投資策略。

管理層委員會根據其職權範圍向董事會/董事會轄下委員會匯報重要事項。

### C. 董事及高級行政人員的薪酬

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

|               | 年度金額<br>2019 |
|---------------|--------------|
| <b>董事會：</b>   |              |
| 主席            | 港幣 55 萬元     |
| 副主席           | 港幣 42 萬 5 千元 |
| 其他董事          | 港幣 40 萬元     |
| <b>審核委員會：</b> |              |
| 主席            | 港幣 25 萬元     |
| 其他董事          | 港幣 14 萬元     |
| <b>提名委員會：</b> |              |
| 主席            | 港幣 9 萬元      |
| 其他董事          | 港幣 6 萬元      |
| <b>薪酬委員會：</b> |              |
| 主席            | 港幣 9 萬元      |
| 其他董事          | 港幣 6 萬元      |
| <b>風險委員會：</b> |              |
| 主席            | 港幣 25 萬元     |
| 其他董事          | 港幣 14 萬元     |

有關各董事 2019 年度的薪酬資料載於第 221 頁的賬項附註 22。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Disclosure of Remuneration Policy

In accordance with the “Guideline on a Sound Remuneration System” (the “Guideline”) issued by the HKMA in March 2010 and its revision effective March 2015, the Bank has reviewed and revised its Remuneration Policy for employees of the Group, including its overseas branches and subsidiaries. The Remuneration Policy covers all categories of employees, including the 4 described in paragraph 2.1.1 of the Guideline. The RC, Group Chief Risk Officer and Group Chief Compliance Officer annually reviews the Bank’s Remuneration Policy, including a reassessment of the principles applied in determining remuneration packages, as well as the structure and amount of compensation ultimately awarded.

The Remuneration Policy was reviewed and endorsed by RC in 2019. The major changes were to include the review of other Material Risk Takers (“MRTs”), in addition to individual and collective MRTs; elaborate the consideration factors in determining remuneration adjustment in case of misconduct; extend the use of remuneration adjustment to employee beyond those directly responsible for misconduct; set out the roles and responsibilities of the risk control functions in the design and implementation of the Bank’s Remuneration Policy in order to meet HKMA’s expectation; strengthen the governance on variable remuneration with active involvement of risk control functions; and specify the role of Remuneration Committee in reviewing the appropriateness of the deferral threshold.

### General Principles

The Remuneration Policy of the Group promotes effective risk management, and is designed to encourage employee behaviour that supports the Group’s business objectives, long-term financial soundness, risk tolerance, risk management framework and corporate values.

### Remuneration Structure

Employee remuneration packages may consist of a combination of fixed and variable remuneration. The appropriate proportion of fixed and variable remuneration shall vary according to an employee’s seniority, role, responsibilities, and activities within the Group, among other things.

Fixed remuneration refers to an employee’s annual salary (including year-end pay), while variable remuneration – comprising cash bonus payments and/or share options – is awarded based on the employee’s performance with a view to better aligning incentives with risk and longer-term value creation. Variable remuneration, which is awarded in the form of cash bonus payments and/

or share options, is determined taking into account an employee’s seniority, role and responsibilities, and the actual or potential risks that the employee’s activities may create for the Group and the extent to which they may affect its overall performance. In general, share options will be granted to staff at General Manager grade or above only.

Separate bonus schemes apply to risk control personnel, whose awards are not linked to the performances of the business units that they oversee.

### Employees’ Performance Measurements and the Award of Variable Remuneration

The RC determines the measures and the corresponding target levels of the Group’s performance with reference to corporate goals and objectives at the beginning of each financial year and when necessary.

The performance of business units will be assessed by a combination of financial and non-financial factors (including compliance and risk management) which are determined by senior management with reference to the relevant corporate goals and the functional responsibilities of the business units.

The award of variable remuneration is determined by taking into account a combination of corporate and/or business results as well as the assessment of individual employee’s performance against the pre-set financial/quantitative measures and non-financial/qualitative measures for the year which include adherence to risk management policies, compliance with legal, regulatory and ethical standards, results of internal audit reviews as well as adherence to corporate values.

To ensure that there is balance between financial factors and non-financial factors in the assessment of performance of both business units and individual employees, the overall weighting on financial factors is limited to avoid over reliance on financial measures and to align with HKMA’s expectation on Bank Culture Reform. Performance is therefore judged, not only on what is achieved over the short and long-term, but also on how it is achieved. Performance in relation to non-financial factors, including risk, compliance and adherence to corporate values, forms a significant part of the employee performance appraisal exercise, given that poor performance in these areas can be indicative of significant risks to the Group. Adverse performance in non-financial/ qualitative factors will override outstanding financial/quantitative achievements and be reflected by a reduction to, or elimination of, any variable remuneration.

## 薪酬政策的披露

按照金管局於2010年3月發出的《穩健的薪酬制度指引》(「《指引》」)及其2015年3月修訂本，本行已檢討並修訂對本集團(包括其海外分行及附屬公司)僱員的薪酬政策。薪酬政策適用於所有僱員，並包括依據《指引》第2.1.1段所述而劃分的四類員工。薪酬委員會、集團風險總監及集團合規總監於每個年度檢討本行的薪酬政策，當中包括重新評估應用於薪酬組合，以及薪酬的架構及最終所發放金額的釐定原則。

薪酬委員會於2019年檢討並修訂薪酬政策。主要修訂包括檢討職責或活動涉及承擔重大風險的個別僱員及活動整體而言可能令機構承擔重大風險的僱員組別外，亦加入檢討其他相關的僱員組別；闡述因不當行為而引致薪酬調整的相關考慮因素；將薪酬調整的使用範圍擴大至間接涉及不當行為的相關僱員；載列風險控制職能在薪酬政策的設計及實施中所擔當的職務和職責以符合金管局的相關要求；加強風險控制職能對浮動薪酬的管控；及闡述薪酬委員會在檢討遞延門檻之合理性的職務。

### 一般原則

本集團的薪酬政策以促進有效的風險管理為原則，旨在鼓勵僱員支持本集團達成業務目標，維持長期財政穩健，以及本集團在風險承擔、風險管理架構及企業價值觀等方面的工作。

### 薪酬架構

僱員的薪酬組合包含固定薪酬和浮動薪酬，兩者之間的合適比例因應僱員的職級、職務、職責，以及其在本集團內所進行的業務等而有所不同。

固定薪酬乃指僱員的年薪(包括雙糧)，而浮動薪酬(包含現金花紅及/或認股權)則根據僱員的工作表現而發放，使其所獲得的報酬更能配合風險和較長期的價值創造。浮動薪酬(發放的形式包括現金花紅及/或

認股權)的釐定準則，主要是考慮到僱員的職級、職務、職責和他們所進行的業務對本集團可能帶來的實質或潛在風險，以及該等風險對本集團整體表現的影響程度。一般而言，認股權只會授予總經理級或以上的僱員。

本集團亦設有獨立賞金計劃予風險控制人員，而發放的獎金並非與其所監管的業務部門表現掛鈎。

### 僱員表現的衡量和浮動薪酬的發放

薪酬委員會於各個財政年度開始時及必要時，參考公司的目的和目標以釐定本集團表現的有關措施及相應目標水平。

高級管理層每年將根據公司的相關目標及業務部門的主要職責範圍而釐定一套評核業務部門工作表現的準則。這些評核的準則包括財務及非財務(含合規和風險管理)因素。

浮動薪酬會綜合考慮企業及/或業務部門之表現，以及根據當年的預設財務/數量措施和非財務/質量措施對個別僱員的績效評估而釐定，其中包括遵守風險管理政策，遵守法律、法規和道德標準，內部稽核報告的結果以及遵守企業價值觀。

為了確保業務部門和個別僱員的績效評估，能在財務和非財務因素之間取得平衡，故限制財務因素的評核佔比以避免過度依據財務因素，並確保符合金管局對銀行企業文化改革的要求。因此，不僅根據短期和長期取得的成就，還要根據如何取得該成就來評估績效。於非財務因素(包括風險、合規及遵守企業價值觀)相關的表現未如理想時，可能顯示對本集團帶來重大風險，因此該表現將視作為評核僱員表現的重要考量因素。再者，非財務/質量措施方面表現欠佳將凌駕於其財務/數量措施方面的傑出表現，其浮動薪酬會有所下調甚至撤銷。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

To help ensure a balanced evaluation, a series of compliance and risk management ratings are also taken into account. The major types of risks covered are market, credit, interest rate, liquidity and operational risks. Other risks including legal, reputation, technology, strategic, compliance, business continuity, and new product and business risks are closely monitored at Bank level by various Management Committees and adjustment will be made to an individual's variable remuneration when appropriate.

The Bank Group also carries out regular review to assess instances of non-compliance with risk control procedures and/or regulatory requirements. Instances of non-compliance are escalated for consideration in remuneration decision, including adjustment of variable remuneration within the year, adjustment of unvested awards granted in prior year(s) and clawback of vested awards.

In 2019, a joint meeting of the Chairmen of the AC, RC and RIC was held to review and deliberate the alignment of risk and remuneration in the determination of variable remuneration, with an aim to supporting sound risk management and long-term financial soundness of the Bank.

## Senior Executive Compensation

The RC annually reviews the remuneration packages of the Senior Management (including the Executive Chairman, Co-Chief Executives and Deputy Chief Executives of the Bank), and Key Personnel (including 16 General Managers, the Executive Director & Chief Executive of BEA China, the Head of Capital Markets & Liquidity Management Department and the Head of Fixed Income Capital Markets Department). In determining the remuneration packages of the Senior Management and Key Personnel, the RC takes into account individual performances, performances of respective divisions and departments, and the Group's overall business goals and objectives. In 2019, the Bank engaged an external consultant, Ernst & Young, to review BEA's performance framework of variable bonus scheme, long-term incentive scheme, and executive remuneration and pay structure.

The aggregate payouts for these senior executives for 2019 are shown in the table below in accordance with the disclosure requirement 3.3 of the Guideline.

## Total value of remuneration in 2019

| Total value of remuneration awards for the current financial year | 2019                |                   | 2018 (Restated)     |                   |
|---|---------------------|-------------------|---------------------|-------------------|
|   | Non-deferred (HK\$) | Deferred (HK\$)   | Non-deferred (HK\$) | Deferred (HK\$)   |
| <b>(i) Senior Management</b>                                      |                     |                   |                     |                   |
| Number of employees   | 5                   |                   | 5                   |                   |
| <b>Fixed remuneration</b>   |                     |                   |                     |                   |
| • Cash-based  | 32,054,590          | 0                 | 27,594,730          | 0                 |
| <b>Variable remuneration</b>                                      |                     |                   |                     |                   |
| • Cash-based  | 10,341,860          | 4,453,435         | 24,671,494          | 17,742,521        |
| • Share Options   | 0                   | 9,287,068         | 0                   | 12,761,654        |
| <b>(ii) Key Personnel</b>   |                     |                   |                     |                   |
| Number of employees   | 21                  |                   | 20                  |                   |
| <b>Fixed remuneration</b>   |                     |                   |                     |                   |
| • Cash-based  | 57,633,282          | 0                 | 54,156,659          | 0                 |
| <b>Variable remuneration</b>                                      |                     |                   |                     |                   |
| • Cash-based  | 22,717,002          | 11,414,932        | 27,363,815          | 12,484,987        |
| • Share Options   | 0                   | 3,729,737         | 0                   | 6,138,670         |
| <b>Total Remuneration</b>   | <b>122,746,734</b>  | <b>28,885,172</b> | <b>133,786,698</b>  | <b>49,127,832</b> |

## Remarks:

- (i) The values of share options for 2019 and 2018 are calculated based on the fair values of the Bank's shares on 17th January, 2020 for the 2019 Award and 18th January, 2019 for the 2018 Award respectively. The values are for indicative purpose only.
- (ii) The remuneration of Key Personnel for 2019 included the remuneration of two Key Personnel who retired from the Group on 1st August, 2019 and 1st September, 2019 respectively and two Key Personnel who joined the Group on 27th May, 2019 and 23rd August, 2019 respectively. The remuneration of Key Personnel for 2018 included the remuneration of one Key Personnel who retired from the Group on 1st May, 2018 and two Key Personnel who joined the Group on 5th March, 2018 and 20th April, 2018 respectively.
- (iii) The Share Options to one member of Senior Management and one Key Personnel under the 2018 Award were withheld in May 2019 and the deferred and non-deferred portion of cash-based variable remuneration for the related members were adjusted to meet the deferral requirement of the Bank accordingly. As such, the non-deferred variable cash, deferred variable cash and deferred Share Options for 2018 were restated. A certain number of Share Options for the 2018 Award to the member of Senior Management will be granted together with the Share Options under the 2019 Award in 2020, while the related Share Options for the Key Personnel will not be granted.
- (iv) In 2019, no guaranteed bonuses, sign-on, or severance payments were made to the Senior Management and Key Personnel of the Group. In 2018, an aggregate amount of HK\$1,600,000 sign-on payment was made to two Key Personnel while no guaranteed bonuses or severance payments were made.

本集團使用計分卡來評核個別僱員的工作表現時，已包含一系列合規及風險管理評級的準則在內，以確保僱員的工作表現獲平衡考量。主要風險的種類涵蓋市場、信貸、利率、流動資金及營運風險。其他風險包括法律、信譽、科技、策略性、合規、持續業務運作、新產品及業務風險則由不同的管理層委員會在銀行層面上作出緊密監察，並於適當時調整個別僱員的浮動薪酬。

本集團還會定期進行檢討，以評估風險控制程序及/或監管要求的違規情況。相關的違規情況將會上告並影響薪酬之決定，包括調整當年的浮動薪酬、調整尚未歸屬的遞延薪酬及收回已歸屬的遞延薪酬。

本集團於2019年舉行審核委員會、薪酬委員會及風險委員會主席之聯席會議，以檢討及商議在制定浮動薪酬時風險與薪酬的一致性，以配合集團的風險管理和維持長期財務穩健。

## 高級行政人員的薪酬

薪酬委員會於每個年度檢討高層管理人員(包括本行執行主席、聯席行政總裁及副行政總裁)及主要管理人員(包括16名總經理、東亞中國執行董事兼行長、資本市場及流動資金管理部門主管，以及固定收益業務部門主管)的薪酬組合。薪酬委員會在釐定高層管理人員及主要管理人員的薪酬組合時所考慮的因素，包括個人工作表現、相關分處及部門的表現，以及本集團的整體業務目的和目標。本行於2019年委任外部顧問公司—安永檢討銀行浮動獎金計劃的績效考核架構、長期獎勵計劃、高級行政人員的薪酬和薪酬結構。

根據《指引》第3.3項的披露規定，此等高級行政人員於2019年度獲得的薪酬總額載於下表。

## 2019年度薪酬總值

| 本財政年度發放的薪酬總值       | 2019               |                   | 2018 (重報)          |                   |
|--------------------|--------------------|-------------------|--------------------|-------------------|
|                    | 非遞延 (港幣)           | 遞延 (港幣)           | 非遞延 (港幣)           | 遞延 (港幣)           |
| <b>(i) 高層管理人員</b>  |                    |                   |                    |                   |
| 僱員人數               | 5                  |                   | 5                  |                   |
| <b>固定薪酬</b>        |                    |                   |                    |                   |
| • 薪金               | 32,054,590         | 0                 | 27,594,730         | 0                 |
| <b>浮動薪酬</b>        |                    |                   |                    |                   |
| • 現金花紅             | 10,341,860         | 4,453,435         | 24,671,494         | 17,742,521        |
| • 認股權              | 0                  | 9,287,068         | 0                  | 12,761,654        |
| <b>(ii) 主要管理人員</b> |                    |                   |                    |                   |
| 僱員人數               | 21                 |                   | 20                 |                   |
| <b>固定薪酬</b>        |                    |                   |                    |                   |
| • 薪金               | 57,633,282         | 0                 | 54,156,659         | 0                 |
| <b>浮動薪酬</b>        |                    |                   |                    |                   |
| • 現金花紅             | 22,717,002         | 11,414,932        | 27,363,815         | 12,484,987        |
| • 認股權              | 0                  | 3,729,737         | 0                  | 6,138,670         |
| <b>薪酬總值</b>        | <b>122,746,734</b> | <b>28,885,172</b> | <b>133,786,698</b> | <b>49,127,832</b> |

註：

- 2019年認股權價值乃參照本行股份於2020年1月17日的公平價值計算，而2018年認股權價值則參照2019年1月18日的公平價值計算。認股權價值僅供參考用途。
- 2019年度之主要管理人員的薪酬包括2名分別於2019年8月1日及2019年9月1日退休和2名分別於2019年5月27日及2019年8月23日加入本集團的主要管理人員。2018年度之主要管理人員的薪酬包括1名於2018年5月1日退休及2名分別於2018年3月5日及2018年4月20日加入本集團的主要管理人員。
- 於2019年5月，本集團暫緩向1名高層管理人員及1名主要管理人員授予2018年認股權，而有關人員浮動薪酬之遞延及非遞延的現金花紅部份須因應本集團遞延規定作出相應調整。因此，2018年度有關浮動薪酬之非遞延及遞延的現金花紅，以及遞延浮動薪酬之認股權價值之披露須予重報。相關高層管理人員之2018年認股權的若干部份將會連同其2019年認股權於2020年一併授予，而該主要管理人員之認股權將不獲授予。
- 而2019年度，集團並無向高層管理人員及主要管理人員支付保證花紅、簽約受聘酬金或遣散費。集團於2018年度向2名主要管理人員共支付了港幣1,600,000元的簽約受聘酬金，但並沒有支付保證花紅或遣散費。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

## Total outstanding deferred remuneration in 2019

| Outstanding deferred remuneration | Vested portion during the year 2019 (HK\$) | Unvested portion as at the end of 2019 (HK\$) | Performance adjustments to Vested portion during the year 2019 (HK\$) | Performance adjustments to Unvested portion as at the end of 2019 (HK\$) |
|-----------------------------------|--|---|---|--|
| <b>(i) Senior Management</b>      |  |   |   |  |
| • Cash-based                      | 4,351,024                                  | 27,272,253                                    | 0   | 0  |
| • Share Options                   | 27,369,154                                 | 34,363,626                                    | 0   | 0  |
| <b>(ii) Key Personnel</b>         |  |   |   |  |
| • Cash-based                      | 6,048,441                                  | 20,623,751                                    | 0   | 0  |
| • Share Options                   | 10,813,838                                 | 15,416,594                                    | 0   | 0  |

## Remarks:

- (i) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (ii) The vested cash bonuses and share options relate to the 2015 variable remuneration award granted in 2016 and vested in 2019, the 2016 variable remuneration award granted in 2017 and vested in 2019 and the 2017 variable remuneration award granted in 2018 and vested in 2019. The total number of share options granted in 2016, 2017 and 2018 are 6,262,500 shares, 6,400,000 shares and 5,850,000 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2016, 2017 and 2018 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2019 included the vested and unvested cash bonuses and share options of three Key Personnel who retired from the Group on 1st May, 2018, 1st August, 2019 and 1st September, 2019 respectively.

## Total outstanding deferred remuneration in 2018

| Outstanding deferred remuneration | Vested portion during the year 2018 (HK\$) | Unvested portion as at the end of 2018 (HK\$) | Performance adjustments to Vested portion during the year 2018 (HK\$) | Performance adjustments to Unvested portion as at the end of 2018 (HK\$) |
|-----------------------------------|--|---|---|--|
| <b>(i) Senior Management</b>      |  |   |   |  |
| • Cash-based                      | 2,662,886                                  | 13,053,081                                    | 0   | 0  |
| • Share Options                   | 23,334,819                                 | 50,812,963                                    | 0   | 0  |
| <b>(ii) Key Personnel</b>         |  |   |   |  |
| • Cash-based                      | 4,423,492                                  | 13,655,744                                    | 865,243   | 0  |
| • Share Options                   | 8,192,641                                  | 20,977,531                                    | 296,665   | 0  |

## Remarks:

- (i) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (ii) The vested cash bonuses and share options relate to the 2014 variable remuneration award granted in 2015 and vested in 2018, the 2015 variable remuneration award granted in 2016 and vested in 2018 and the 2016 variable remuneration award granted in 2017 and vested in 2018. The total number of share options granted in 2015, 2016 and 2017 are 6,100,000 shares, 6,262,500 shares and 6,400,000 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2015, 2016 and 2017 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2018 included the vested and unvested cash bonuses and share options of one Key Personnel who retired from the Group on 1st May, 2018.

Other relevant remuneration disclosures are set out in Notes 22, 23 and 51 on the accounts on pages 221, 223 and 347.

The Bank has fully complied with HKMA's disclosure requirements set out in Part 3 of the Guideline.



## 2019年度未發放的遞延薪酬總額

| 未發放的遞延薪酬           | 於2019年度<br>已歸屬部分<br>(港幣) | 於2019年底<br>未歸屬部分<br>(港幣) | 於2019年度<br>因工作表現而取消<br>的已歸屬部分<br>(港幣) | 於2019年度<br>因工作表現而取消<br>的未歸屬部分<br>(港幣) |
|--------------------|--------------------------|--------------------------|---------------------------------------|---------------------------------------|
| <b>(i) 高層管理人員</b>  |                          |                          |                                       |                                       |
| • 現金花紅             | 4,351,024                | 27,272,253               | 0                                     | 0                                     |
| • 認股權              | 27,369,154               | 34,363,626               | 0                                     | 0                                     |
| <b>(ii) 主要管理人員</b> |                          |                          |                                       |                                       |
| • 現金花紅             | 6,048,441                | 20,623,751               | 0                                     | 0                                     |
| • 認股權              | 10,813,838               | 15,416,594               | 0                                     | 0                                     |

註：

- (i) 認股權價值乃根據各授予日的公平價值計算。
- (ii) 已歸屬現金花紅及認股權為2016年授予並於2019年歸屬的2015年浮動薪酬、2017年授予並於2019年歸屬的2016年浮動薪酬和2018年授予並於2019年歸屬的2017年浮動薪酬。於2016、2017及2018年授予的認股權總額分別為6,262,500股、6,400,000股及5,850,000股。
- (iii) 未歸屬現金花紅及認股權為2016、2017及2018年浮動薪酬。
- (iv) 2019年度之主要管理人員未發放的遞延薪酬含3名已分別於2018年5月1日、2019年8月1日及2019年9月1日退休之主要管理人員的已歸屬及未歸屬的現金花紅及認股權。

## 2018年度未發放的遞延薪酬總額

| 未發放的遞延薪酬           | 於2018年度<br>已歸屬部分<br>(港幣) | 於2018年底<br>未歸屬部分<br>(港幣) | 於2018年度<br>因工作表現而取消<br>的已歸屬部分<br>(港幣) | 於2018年底<br>因工作表現而取消<br>的未歸屬部分<br>(港幣) |
|--------------------|--------------------------|--------------------------|---------------------------------------|---------------------------------------|
| <b>(i) 高層管理人員</b>  |                          |                          |                                       |                                       |
| • 現金花紅             | 2,662,886                | 13,053,081               | 0                                     | 0                                     |
| • 認股權              | 23,334,819               | 50,812,963               | 0                                     | 0                                     |
| <b>(ii) 主要管理人員</b> |                          |                          |                                       |                                       |
| • 現金花紅             | 4,423,492                | 13,655,744               | 865,243                               | 0                                     |
| • 認股權              | 8,192,641                | 20,977,531               | 296,665                               | 0                                     |

註：

- (i) 認股權價值乃根據各授予日的公平價值計算。
- (ii) 已歸屬現金花紅及認股權為2015年授予並於2018年歸屬的2014年浮動薪酬、2016年授予並於2018年歸屬的2015年浮動薪酬和2017年授予並於2018年歸屬的2016年浮動薪酬。於2015、2016及2017年授予的認股權總額分別為6,100,000股、6,262,500股及6,400,000股。
- (iii) 未歸屬現金花紅及認股權為2015、2016及2017年浮動薪酬。
- (iv) 2018年度之主要管理人員未發放的遞延薪酬含1名已於2018年5月1日退休之主要管理人員的已歸屬及未歸屬的現金花紅及認股權。

其他相關薪酬披露項目載於第221、223及347頁的賬項附註22、23及51內。

本行已遵循《指引》第3部分有關金管局薪酬披露之要求。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Deferral Arrangements

The award of variable remuneration to the Senior Management and Key Personnel is subject to deferment in such a manner as determined by the RC. In general, the proportion of variable remuneration which is subject to deferment will increase progressively in line with the seniority, scope of responsibilities, and other relevant factors pertinent to the Senior Management and Key Personnel.

The award of deferred remuneration is subject to a minimum vesting period and pre-defined vesting conditions as determined by the RC and communicated to all relevant employees. Deferred remuneration is awarded in such a manner so as to align employees' incentive awards with long-term value creation and the time horizons of risk. The future performance (both financial and non-financial) of the Group, relevant business units, and individual employees, as well as the creation of value for our shareholders, are taken into consideration when determining vesting conditions. Vesting and payment of deferred remuneration will be made gradually over a period of 3 years and no faster than on a pro-rata basis.

In circumstances where it is later established that decisions or actions made by an employee and/or business unit in a particular year had a severe negative impact on the Bank Group's overall profitability, any unvested portions (i.e. both cash bonus and/or share option tranche(s) which have yet to be vested) of deferred variable remuneration (relating to that particular year) should be forgone, either in part or in whole, as determined by the RC.

In circumstances where it is later established that any performance measurement for a particular year was based on data that is later proven to have been manifestly misstated, or it is later established that the relevant employee has committed fraud, malfeasance, or a violation of internal control policies, any unvested portions (i.e. both cash bonuses and/or share option tranches that have yet to be vested) of deferred variable remuneration (relating to that particular year in question) should be forgone, either in part or in whole, as determined by the RC. In certain circumstances, clawback of vested portion of the deferred variable remuneration of that particular year may apply.

### Future Review

As a major financial institution in Hong Kong, the Group not only takes extensive measures to ensure that it complies with all the relevant guidelines, rules, and regulations, but also adopts positive steps to ensure that ethical, social, and environmental aspects are taken into account when determining remuneration policies and packages.

The Group will keep abreast of the latest development in the labour market, especially in the financial services sector, and will review and refine its compensation and remuneration policies whenever necessary to enable the provision of competitive remuneration packages to ensure the retention of talent.

## D. ACCOUNTABILITY AND AUDIT

### Financial Reporting

The Board is responsible for presenting a balanced, clear and comprehensible assessment of the Bank's performance, position and prospects.

Management comprising Co-Chief Executives, Deputy Chief Executives and General Managers shall provide sufficient explanation and information to the Board as will enable the Board to make an informed assessment of the financial and other information presented before the Board for approval. It provides the Board with monthly updates giving a balanced and understandable assessment of the Bank's performance, position and prospects to assist the Board as a whole and each Director to discharge their duties.

The Directors are responsible for ensuring maintenance of proper accounting records and preparing accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st December, 2019, the Directors have:

- consistently applied appropriate accounting policies;
- made judgements and estimates that are prudent and reasonable; and
- prepared the accounts on the going concern basis.

The Bank has announced its annual and interim results within 2 months after the end of the relevant periods, which is earlier than the limit of 3 months (for annual results) and within the limit of 2 months (for interim results) as required by the Listing Rules.

A statement by the auditors about their reporting responsibilities is included in the Independent Auditor's Report from pages 150 to 162.

The Board will present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

## 遞延安排

高層管理人員及主要管理人員的浮動薪酬依照薪酬委員會所定的遞延安排發放。一般而言，高層管理人員及主要管理人員可予遞延的浮動薪酬比例，會按其本身的職級、職責範圍和其他相關因素而增加。

遞延薪酬的發放受限於薪酬委員會所定並通知各有關僱員的最短歸屬期限和預設的歸屬條件。遞延薪酬的發放應能確保僱員所獲的報酬與長期的價值創造和風險的存在時間相配合。在釐定歸屬條件時，會考慮到集團、相關業務部門和僱員日後在財務及非財務方面的表現，以及為股東所創造的價值。遞延薪酬的歸屬和支付將會在3個年度內分階段及按比例進行。

若日後確定僱員及/或業務部門在某年度作出的決策或措施，對集團的整體盈利有嚴重的負面影響時，其於該年度內遞延浮動薪酬中的全部或部分未歸屬現金花紅及/或認股權將會按照薪酬委員會的決定予以取消。

若日後確定用以衡量某年度工作表現的數據被證實為明顯地錯誤陳述，或有關僱員曾作欺詐、違法或違反內部管控政策等行為，其於該年度內遞延浮動薪酬中的全部或部分未歸屬現金花紅及/或認股權將會按照薪酬委員會的決定予以取消。在若干情況下，該特定年度的已歸屬遞延浮動薪酬可予以收回。

## 未來檢討

本集團作為香港主要的金融機構，在釐定薪酬政策和組合時不但採取廣泛措施確保符合所有相關原則、規則和規例，並採取積極的措施以確保顧及道德、社會和環境各方面。

本集團將會密切留意勞工市場，尤其是金融服務界別的最新發展，並在必要時檢討及改善薪酬及報酬政策，藉此提供具競爭力的薪酬組合以留住人才。

## D. 問責及稽核

### 財務匯報

董事會有責任對本行的表現、狀況及前景作出一個平衡、清晰及全面的評核。

管理層包括聯席行政總裁、副行政總裁及總經理須向董事會提供足夠解釋及資料，讓董事會可以就提交予他們批核的財務及其他資料，作出有根據的評審。管理層每月向董事會提供更新資料，就有關本行的表現、財務狀況及前景的公正且易於理解的評估，以協助董事會及各董事履行彼等的職責。

董事負責確保保存適當的會計記錄及編製每個財政期間的賬項，使這些賬項能真實和公平地反映本集團在該段期間的財政狀況、業績及現金流量表現。在編製截至2019年12月31日止年度的賬項時，董事已：

- 貫徹地應用適當的會計政策；
- 作出審慎及合理的判斷及估計；及
- 按持續經營基準編製賬項。

本行一向在有關財政期間結束後2個月內公布年度及中期業績，較《上市規則》所規定3個月（年度業績）的期限為早，亦符合《上市規則》所規定2個月（中期業績）的期限。

核數師的申報責任聲明載於由第151至163頁的獨立核數師報告內。

董事會在各方面將作出平衡、清晰及可理解的評審，包括：年度報告及中期報告、其他涉及股價敏感資料的公告及根據《上市規則》規定須予披露的其他財務資料，以及向監管者提交的報告書，以至根據法例規定須予披露的資料。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Risk Management and Internal Controls

The Directors acknowledged that they are responsible for the Group's risk management and internal control systems and reviewing their effectiveness. All employees are responsible for identifying and managing risk within the scope of their roles as part of the three lines of defence model. The second line of defence sets the policy and guidelines for managing specific risk areas, provides advice and guidance in relation to the risk, and challenges the first line of defence, the Risk Owners, on effectiveness of risk management. The third line of defence provides an independent assurance on effectiveness of the Group's risk management and internal control systems. The Internal Audit Division and Risk Management Division assume the responsibilities of internal audit and risk management functions of the Bank, respectively. During the financial year ended 31st December, 2019, the Board reviewed the adequacy and effectiveness of the risk management and internal control systems.

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

The risk management and internal control systems of the Bank are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Such systems comprise comprehensive policies and standards under a well-established organisational structure. Areas of responsibilities of each business and operational unit are clearly defined to ensure effective checks and balances. Please refer to the Sections "Principal Risk Management" from pages 267 to 317 and "Capital Adequacy" from pages 359 to 363 of Annual Report 2019 for further details on the processes that the Group uses to identify, evaluate and manage principal risks.

The key procedures that the Board established to provide effective internal controls are as follows:

- A distinct organisation structure exists with defined lines of authority and control responsibilities.
- A comprehensive management accounting system is in place to provide financial and operational performance indicators to the Senior Management and the relevant financial information for reporting and disclosure purpose.
- Policies and procedures are designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information used within the business or for publication. The procedures provide reasonable but not absolute assurance against material errors, losses or fraud.
- An enterprise risk management framework is in place for the Group to identify, evaluate, manage, control and report principal risks including credit, market, operational, liquidity, interest rate, strategic, legal, reputation, compliance, technology, business continuity, and new product and business risks. To identify and manage all potential risks in a more holistic and effective manner, a "Three Lines of Defence" risk management model is adopted, with Risk Owners, Risk Controllers and Internal Audit Division acting as the 1st, 2nd and 3rd lines of defence respectively, along with the overall coordination of the Group Chief Risk Officer. Oversight of risk management is provided by the RIC, which is assisted by the Management Committees including the Risk Management Committee, Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee. Policies and procedures are in place to ensure compliance with applicable laws, rules and regulations.
- The AC reviews reports (including management letter) submitted by external auditors in connection with the annual audit and internal audit reports submitted by the Group Chief Auditor.
- A *Policy on Handling and Dissemination of Inside Information* is in place, setting out the guiding principles, procedures and internal controls for the handling and dissemination of inside information in a timely manner.
- *Whistle-blowing Statement* and *Whistle-blowing Policy and Procedure* are in place, which encourage stakeholders and employees to raise concerns, in confidence, about possible improprieties in any matter related to the Bank. The Bank treats all information received confidentially and protects the identity and the interests of all whistle-blowers.

## 風險管理及內部監控

董事會承認其須對集團的風險管理及內部監控系統負責，並有責任檢討其效能。所有員工作為三道防線模式的一部分，都有其角色範圍內識別和管理風險的責任。第二道防線設定政策和指引管理特定的風險領域，就風險提供意見和指導，並對風險負責人作為風險管理第一道防線的有效性提出挑戰。第三道防線就本集團風險管理及內部監控系統的有效性提供獨立保證。本行的稽核處及風險管理處分別負責內部稽核及風險管理功能。在截至2019年12月31日止的財政年度期間內，董事會審閱風險管理及內部監控系統是否足夠及有效。

董事會負責評估及釐定本行達成策略目標時所願意承受的風險性質及程度，並確保本行設立及維持合適及有效的風險管理及內部監控系統。董事會並負責監督高層管理人員及其他高級行政人員對風險管理及內部監控系統的設計、實施及監察。

本行的風險管理及內部監控系統旨在管理而不是消除未能達成業務目標的風險，並只能對不會有重大的失實陳述或損失作出合理而非絕對的保證。這系統包含一個完善的公司架構，以及全面的政策及標準。各業務及營運單位的職責範圍清晰劃分，以確保有效制衡。關於本集團用於辨認、評估及管理主要風險的程序，詳情請參閱《2019年報》的「主要風險管理」(第267至317頁)及「資本充足」(第359至363頁)的部分。

以下為董事會為提供有效的內部監控而建立的主要程序：

- 組織架構權責清晰，監控層次分明。
- 設有一個全面的管理會計系統，為高層管理人員提供財務及營運表現的指標，以及用作匯報和披露的財務資料。
- 政策及程序的設計是為保障資產不致被非授權挪用或處置；保存恰當的會計記錄；以及確保用作業務及公告上的財務資料的可靠性。有關程序提供合理而非絕對的保證，以防出現嚴重的錯誤、損失或舞弊。
- 設有企業風險管理架構以識別、評估、管理、控制及匯報本集團的主要風險，包括信貸、市場、營運、流動性、利率、策略性、法律、信譽、合規、科技、持續業務運作和新產品及業務風險。為全面有效地識別及管理潛在風險，本集團已採納「三道防線」風險管理模式，以「風險負責人」、「風險監控人」及稽核處分別作為第一、第二及第三道防線，及由集團風險總監作整體協調。風險委員會由各管理層委員會包括風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會協助，負責監督風險管理。設有政策及程序確保遵守適用法例、規則及規例。
- 審核委員會審閱由外聘核數師提交涉及年度核數的報告(包括致管理層的審核情況說明函件)，及由集團總稽核呈交的內部稽核報告。
- 設有一套處理及發布內幕消息的政策，列出指導性原則、程序及內部監控，使內幕消息得以適時處理及發布。
- 設有上告聲明及上告政策與程序，鼓勵持份者及僱員在保密情況下舉報有關本行任何可能發生不當行為的事宜。本行會對接獲的所有資料保密，並保護舉報人的身份及權益。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

Pursuant to a risk-based approach, the Group's Internal Audit Division conducts independent reviews of control mechanisms over various operations and activities to assess the effectiveness of the Group's risk management and internal control systems which cover all material controls, including financial, operational and compliance controls.

During the year, the Board reviewed the adequacy and effectiveness of the risk management and internal control systems of the Group. As a result, the Board concurred with the Senior Management's confirmation that the Group's risk management and internal control systems are considered effective and adequate.

### Auditor's Remuneration

The fee paid or payable to KPMG, the Bank's external auditors, for providing audit service of the Group is HK\$19 million.

During 2019, the fees paid or payable to KPMG and its associates for providing non-audit services amounted to approximately HK\$19 million, which included the following items:

- Review and consultancy services: HK\$11 million;
- Services made at the request of regulators: HK\$5 million;
- Taxation services: HK\$2 million; and
- Other services: HK\$1 million.

The AC was satisfied that the non-audit services in 2019 did not affect the independence of KPMG.

### E. COMPANY SECRETARY

The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed, and that the Bank's Articles of Association, relevant rules and regulations including, requirements of the Listing Rules and the HKMA, Companies Ordinance and Disclosures of Interests under the SFO, are complied with. The Company Secretary assists the Executive Chairman and the Board in implementing and strengthening corporate governance practices and processes of the Bank. All Directors have access to the advice and services of the Company Secretary.

The Company Secretary assists the Executive Chairman in ensuring efficient information flow within the Board and Board Committees and between Directors and Senior Management. The Company Secretary is responsible for facilitating induction programme of new Directors and the continuous professional development of existing Directors. The Company Secretary assists the Executive Chairman of the Board and Chairmen of the Board Committees in the development of the agendas for the Board and Board Committee meetings. He also attends and prepares minutes for Board and Board Committee meetings.

The Company Secretary is an employee of the Bank and reports directly to the Executive Chairman. The Board approves the selection, appointment or dismissal of the Company Secretary. During the year, the Company Secretary undertook over 15 hours of professional training.

## F. SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

### Communication with Shareholders

The Bank recognises the importance of maintaining continuous communication with shareholders and constantly looks for ways to ensure that the Bank maintains an open and ongoing dialogue with the investment community. The Bank has in place a *Shareholders Communication Policy* which sets out the practices in relation to communication with the shareholders and the investment community. Such Policy which is published on the website of the Bank, shall be reviewed by the AC and the Board on a regular basis to ensure its effectiveness.

In order to ensure shareholders and investors have fair, timely and simultaneous access to the Bank's information, the Bank through various channels, including its website ([www.hkbea.com](http://www.hkbea.com)), provide shareholders and investors timely access and continuous disclosure of the Bank's announcements, financial results, and press release. The Bank also holds press and investor conferences to present half-year and full-year financial results to the media and analysts.

The Bank welcomes shareholders' views and concerns relating to the Group's management and governance. Shareholders may at any time send their enquiries to the Board by addressing to the Bank's Company Secretary at the Bank's registered address or email at [info@hkbea.com](mailto:info@hkbea.com).

本集團稽核處採用風險為本的評估方法，針對與各項運作和活動的監控機制進行獨立審閱，以評核本集團風險管理及內部監控系統的效能，該系統涵蓋所有重要監控，包括財務、營運及遵守法規的監控。

在年內，董事會審閱本行內部監控及風險管理是否足夠和有效。董事會同意高層管理人員確認本集團的風險管理及內部監控系統有效運作及足夠。

### 核數師酬金

為本集團提供核數服務的已支付或須支付予本行的外聘核數師——畢馬威會計師事務所的費用為港幣1,900萬元。

2019年內支付或需支付予畢馬威會計師事務所及其聯營公司提供非核數服務的費用約為港幣1,900萬元，其中包括以下事項：

- 審查及顧問服務：港幣1,100萬元；
- 按監管機構要求所作的服務：港幣500萬元；
- 稅務服務：港幣200萬元；及
- 其他服務：港幣100萬元。

審核委員會對於2019年度的非核數服務並無影響畢馬威會計師事務所的獨立性感到滿意。

### E. 公司秘書

公司秘書的責任為(其中包括)確保本行遵守董事會程序、本行的組織章程細則及相關規則及規例(包括《上市規則》及金管局的規定、《公司條例》及《證券及期貨條例》下披露權益的規定)。公司秘書須協助執行主席及董事會執行及加強本行的企業管治實務及程序。所有董事均可取得公司秘書的意見和享用其服務。

公司秘書協助執行主席確保董事會及董事會轄下委員會之間，以及董事與高層管理人員之間的資訊有效率地交流。公司秘書負責安排新任董事就職培訓及現任董事的持續專業發展。公司秘書協助董事會執行主席及各董事會轄下委員會主席制訂會議的議程。公司秘書亦出席所有董事會及其轄下委員會會議，並負責編寫會議記錄。

公司秘書為本行僱員，直接向執行主席匯報。公司秘書的遴選、委任或解僱由董事會批准。年內，公司秘書已接受超過15個小時的專業培訓。

### F. 股東權利及投資者關係

#### 與股東的溝通

本行深明與股東保持持續溝通的重要性及致力尋求新平台以保持與投資者進行公開和持續的溝通，並已制訂股東通訊政策(登載於本行網站)，訂明有關與股東及投資人士溝通的政策，並由審核委員會及董事會定期檢討，以確保其成效。

為確保股東及投資者能夠公平、適時及同步地獲取本行最新資訊，本行利用不同渠道，包括本行網站(www.hkbea.com)，適時及持續地向股東及投資者提供本行的公告、財務業績及新聞稿。本行亦舉行新聞發布會及投資者會議，向傳媒及分析員公布半年及全年業績表現。

本行歡迎股東提出有關本集團管理及企業管治的意見及關注事項。股東如有查詢，可隨時郵寄至本行註冊地址，或電郵至本行郵箱info@hkbea.com，並註明公司秘書收。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### General Meetings

The Board endeavours to maintain an ongoing dialogue with shareholders and, in particular, uses the AGMs or other general meetings as a useful forum for shareholders to exchange views with the Board. The Chairman of each of the AC, NC, RC and RIC, external auditors, Senior Management and legal advisors, are also present to answer shareholders' questions.

Shareholders are informed of details about the AGM through published notices or circulars sent to all shareholders and are requested to participate and openly communicate their views on matters relating to the Bank. Separate resolutions are proposed at general meetings for each substantial issue, including the election and re-election (as the case may be) of individual Directors. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the AGM, to ensure that shareholders are familiar with such procedures.

The Bank has provided detailed information on the Bank's 2019 AGM in a circular to shareholders which included Notice of the AGM, information on the retiring Directors who were eligible for re-election at the 2019 AGM, and explanatory statement on buy-back of shares. All the resolutions were proposed on each substantially separate issue and were voted on by poll and approved by the shareholders of the Bank. The Bank has engaged KPMG to act as the scrutineer for the poll voting. The results of the poll voting were posted on the websites of HKEx and the Bank on the same day of the 2019 AGM.

The Bank's 2020 AGM will be held on Friday, 24th April, 2020 at 11:30 a.m., the notice of which will be sent to shareholders at least 20 clear business days before the meeting. Please refer to the Circular for the details of the 2020 AGM.

### Convening of general meeting on requisition

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

the meeting. The Bank will take appropriate actions and make necessary arrangements in accordance with the requirements of the Companies Ordinance once a valid request is received.

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

### Putting Forward Proposals at General Meeting

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

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

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

### Investors Relations

In accordance with the *Shareholders Communication Policy*, the Bank maintains an open and regular dialogue with institutional and individual shareholders, fund managers, analysts and the media through an effective corporate communication system which provides transparent, regular and timely public disclosures on the Group's latest developments and strategies through different means. Apart from the AGMs, other communication channels include:

- the Group's website at [www.hkbea.com](http://www.hkbea.com);
- annual and interim reports, and press releases;
- announcements, notices and circulars;
- press conferences after the announcement of interim and final results for media and analysts;
- meetings with analysts; and
- roadshows.

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



## 股東常會

董事會致力與股東保持對話，尤其藉股東周年常會或其他股東大會作為一個有效平台與股東直接溝通。審核委員會、提名委員會、薪酬委員會及風險委員會的主席、外聘核數師、高層管理人員及法律顧問須出席並回答股東提問。

股東可透過寄發予全體股東的通告或通函了解股東周年常會的詳情，並參與股東大會表達其對有關本行事務的意見。每項重要之議題包括選舉及重選（視乎情況而定）個別董事，會以獨立決議案形式提呈股東批准。本行亦會於股東周年常會上，向各股東講解有關按點算股數形式進行投票表決之程序，以確保各股東明白有關安排。

有關本行2019股東周年常會詳情的通函已向股東發出，當中載有股東周年常會通告、於2019股東周年常會退任而有資格重選的董事的資料及回購股份授權建議的說明函件。各重要議題均以獨立決議案提呈各股東及以投票方式表決，並獲本行股東批准通過。本行已聘請畢馬威會計師事務所擔任監票員。投票結果已於2019股東周年常會同日在香港交易所及本行網站刊登。

本行2020股東周年常會將於2020年4月24日（星期五）上午11時30分舉行，其通告將於會議前最少足20個營業日寄出。詳情請參閱2020股東周年常會通函。

## 要求召開股東大會

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

議的文本。一旦接獲有效的請求，本行將根據《公司條例》的規定採取適當措施及作出必要安排。

股東欲了解詳情，可參閱《公司條例》所載的規定。

## 於股東大會提出動議

持有本行總表決權不少於2.5%之股東，或最少50位有表決權利之股東，可：

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

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

## 投資者關係

根據股東通訊政策，本行透過一個有效的企業傳訊系統與機構及個人股東、基金經理、分析員及傳媒維持開放及定期對話；利用不同渠道提供透明、定期及適時的集團最新發展及策略的公開披露。除股東周年常會外，其他傳訊渠道包括：

- 本集團網址 [www.hkbea.com](http://www.hkbea.com)；
- 年報及中期報告，以及新聞稿；
- 公告、通告及通函；
- 在中期及年度業績公告後舉行傳媒及分析員新聞發布會；
- 與分析員會面；及
- 巡迴推介。

高層管理人員定期向傳媒及分析員發布關於本行的中期及年度業績，業務策略及前瞻。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Dividend Policy

The *Dividend Policy* is to formulate the dividend payments of the Bank in a complete and comprehensive manner and to fulfil the corporate governance requirement. It forms part of the Bank's Corporate Governance Framework. The AC annually reviews and endorses the *Dividend Policy* and recommend to the Board for approval.

#### General guidelines

Pursuant to the Articles of Association, the Board may from time to time pay to the shareholders interim dividends, subject to its discretion. The Board shall take into account prevailing legal and regulatory requirements and the best market practices when considering the payment of dividends.

The following factors will be considered for determining the payment of dividends:

- Statutory and regulatory restrictions;
- The Group's financial results;
- Shareholders' expectation and interests;
- Market conditions and long term business growth and strategies;
- The capital adequacy ratios, leverage ratios, liquidity coverage ratios and net stable funding ratios after distribution; and
- Any other factors the Board may deem relevant.

#### Dividend pay-out ratio

To strike a balance between the long-term growth of the Bank Group and the interests of shareholders, the total dividends (other than special dividend, if any) to be distributed yearly to shareholders are to be within the range of 30% to 70% of the net attributable profits for the year, after deduction of any distribution to holders of Hybrid/Additional Tier 1 capital instruments.

### Frequency and form of dividend

Interim dividend may be declared half-yearly for the half-year period ending 30th June and the half-year period ending 31st December.

Scrip in lieu of cash dividend may be offered to shareholders at a discount, subject to the approval of the Board.

Special dividend may be considered by the Board.

## G. RELATED PARTY TRANSACTIONS

Details of the significant related party transactions are provided under Note 51 on the accounts. These transactions were entered into by the Bank in the ordinary and usual course of business and on normal commercial terms and, in relation to the constituted connected transaction under the Listing Rules, it also complied with applicable requirements under the Listing Rules. Details of the said connected transaction are provided in the Report of the Directors on page 148. For the other related party transactions, if constituted connected transactions or continuing connected transactions, they are exempt from the relevant disclosure requirements under the Listing Rules.

## H. RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Bank acknowledged that they are responsible for the preparation of the consolidated financial statements of the Bank. During the year, in strict compliance with relevant provisions, the Bank published the 2018 Annual Report and the 2019 Interim Report as scheduled.

## 派息政策

派息政策旨在以完整的方式制定本行的股息派發，履行企業管治的規定。派息政策為本行企業管治架構的一部分。審核委員會每年檢討及批核派息政策，並向董事會推薦批准相關建議。

### 一般指引

根據組織章程細則規定，董事會有權自行決定可不時向股東支付中期股息。董事會考慮支付股息時，應按照目前法律及監管規定，以及參考最合宜的市場常規。

本行將考慮以下因素以決定派發股息：

- 法定及監管限制；
- 本集團的財務業績；
- 股東的期望及權益；
- 市場情況及長期業務增長和策略；
- 派發後的資本充足比率、槓桿比率、流動性覆蓋比率及穩定資金淨額比率；及
- 任何其他董事會視為相關的因素。

### 派息比率

為了在本集團長期增長及股東權益之間取得平衡，每年可派發給股東的總股息（除特別股息外）範圍預計為扣除任何分派予混合/額外一級資本工具持有人之後的年度應佔溢利淨額的30%至70%。

## 派息頻率及形式

本行每半年可宣布派發中期股息截至6月30日止半年期及12月31日止半年期。

本行經董事會核准可以折讓價格向股東提供以股份代替現金股息。

董事會可考慮派發特別股息。

## G. 關聯人士交易

關聯人士的重大交易列於賬項附註51。該等交易為本行於一般及日常業務過程中按正常商業條款訂立，至於構成《上市規則》下的一項關連交易，已遵守《上市規則》所適用的規定。該項關連交易的詳情請參閱董事會報告書（第149頁）。而其他關聯人士交易如構成關連交易或持續關連交易時，則獲豁免《上市規則》的相關披露規定。

## H. 董事就綜合財務報表須承擔的責任

本行董事承認有編製本行的綜合財務報表的責任。本行嚴格遵守有關規定，在年內本行已按時刊發2018年報及2019中期報告。

## CORPORATE SOCIAL RESPONSIBILITY

The Bank of East Asia Group is committed to integrating environmental, social, and governance (“ESG”) goals into its business and operations. The following report highlights BEA’s major achievements in corporate social responsibility (“CSR”) during the year under review. A more comprehensive review of BEA’s performance will be provided in the Group’s 2019 ESG Report, which will be issued in the first half of 2020. All ESG reports are available via BEA’s homepage at [www.hkbea.com](http://www.hkbea.com).

### EMPLOYEES

We strive to provide a positive and inclusive working environment for our staff, and to ensure that our staff members enjoy a healthy work-life balance. Only by providing a fulfilling and supportive work environment for our staff are we able to serve our customers and other stakeholders effectively.

To promote good health, the Bank enhanced staff medical benefits during the year under review. To help build staff relations and encourage a healthy work-life balance, the Bank’s Staff Sports and Recreation Club (“SSRC”) organised a series of recreational activities. Throughout the year, the SSRC organised 65 such activities, which were attended by nearly 6,700 staff and their family members. The SSRC also facilitated staff participation in charitable events, including “The Community Chest of Hong Kong 50th Anniversary Walk for Millions” and “Dress Casual Day”. In addition, to alleviate stress arising from the ongoing social unrest in Hong Kong, the Bank organised special wellness classes for staff members.

### CUSTOMERS

For the fourth consecutive year, in October, the Bank conducted a survey to gauge customer satisfaction levels. Findings from more than 1,000 customers and non-customers who took part in BEA’s online survey revealed an increase in customer satisfaction. Results were

encouraging, with about 90% of all types of customers indicating satisfaction with the services provided by our relationship managers. In June, Blue Care surveyed over 460 people at its two medical centres in Hong Kong. Feedback was positive, with 90% of respondents indicating that they were satisfied with the overall services provided.

### SUPPLIERS

In February, BEA strengthened its commitment to responsible procurement by implementing the Procure-to-Pay guidelines across the divisions of the Bank. The guidelines support BEA’s sustainable supply chain efforts by requiring prospective suppliers to comply with the Supplier Code of Conduct as a condition of business. Other members of the Group have adopted or reference these guidelines in their supplier selection. In November, training was provided to ensure that staff members have a solid grasp of responsible procurement principles and the types of ESG risk that may exist in the Group’s supply chain.

BEA’s commitment to working with suppliers that showcase best practice and operate according to responsible and ethical practices is reflected in the Bank’s Slavery and Human Trafficking Statement, which can be found under the CSR section of the Bank’s corporate website.

### COMMUNITY INVESTMENT

BEA’s community investment programme is built on three pillars, namely education, social welfare, and environmental protection. As part of its centenary celebrations, BEA joined hands with local non-governmental organisations to host a community luncheon for approximately 1,200 elderly people from across Hong Kong. Around 200 representatives of the Bank, including members of senior management and staff volunteers, attended the luncheon to greet and entertain the elderly guests.



BEA hosted a community luncheon for the elderly as part of its centenary celebrations.

作為百周年慶祝活動之一，東亞銀行為長者舉辦社區午宴。

## 企業社會責任

東亞銀行集團致力將環境、社會及管治目標融入其業務及營運中。以下報告概述東亞銀行於回顧年內主要的企業社會責任工作成果。東亞銀行將於2020年上半年刊發2019年環境、社會及管治報告，更全面地闡述我們的表現。本集團歷年來的環境、社會及管治報告可於東亞銀行網頁(www.hkbea.com)瀏覽。

### 僱員

我們致力為員工締造積極共融的工作環境，並確保員工在工作與生活方面達致平衡。員工在充實有滿足感及互相支持的工作環境中，方能有效地服務客戶及其他持份者。

回顧年內，本行提升了員工醫療福利，以推廣健康生活。另為加強員工關係及鼓勵他們在工作與生活之間取得平衡，本行的員工康體會舉辦了一系列康樂活動。員工康體會於年內舉辦了65項相關活動，吸引接近6,700名員工及其家屬參與，其中包括「香港公益金五十週年百萬行」及「便服日」等慈善活動。此外，本行亦為員工提供特別的健康講座，以協助紓解員工因香港社會運動帶來的職場壓力。

### 客戶

本行於10月連續第4年向客戶進行意見調查，以了解他們對本行服務的滿意程度。超過1,000名客戶和非客戶參加了東亞銀行的網上問卷調查，結果顯示客戶滿意度上升，各類客戶有大約九成對本行客戶經理服

務感到滿意，成績令人鼓舞。於6月，寶康醫療亦在旗下本港兩所醫療中心向超過460名人士進行意見調查，結果反應良好，90%的受訪者對所提供的整體服務表示滿意。

### 供應商

2月，東亞銀行透過於各分處推行「採購及付款指引」，以加強本行有關負責任採購的承諾。該指引要求潛在供應商以遵守「供應商行為守則」作為業務往來的條件，藉以促進東亞銀行供應鏈可持續發展的工作。其他集團成員於甄選供應商時亦已採納或參照該等指引。我們已於11月安排有關培訓，以確保員工充分了解負責任採購原則，以及本集團供應鏈中可能存在的各類環境、社會及管治風險。

東亞銀行承諾，與能夠落實最佳做法、經營手法盡責及合乎道德的供應商合作，有關詳情可參閱已上載至東亞銀行網頁企業社會責任部分內的《奴役和人口販賣聲明》。

### 社區投資

東亞銀行的社區投資計劃由教育、社會福利及環境保護三大支柱組成。作為百周年慶祝活動之一，東亞銀行與本港多間非政府機構攜手舉辦社區午宴，款待約1,200名來自香港多個地區的長者。約有200名東亞銀行代表，包括東亞銀行的高級管理層及員工義工參與活動，與長者們一同享用午宴。



## CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

In 2019, BEA organised or joined a number of financial education programmes to support higher financial literacy in Hong Kong. These included workshops for primary and secondary school students, the underprivileged, and the elderly, which were organised together with Christian Action, Hong Kong Christian Service, The Hong Kong Chinese Christian Churches Union Kwong Yum Care Home, and The Salvation Army Hong Kong and Macau Command. In recognition of its contributions to the enhancement of financial education in Hong Kong, BEA was named a Financial Education Champion 2020 by the Investor and Financial Education Council.

BEA actively engages with the community through programmes managed by The Bank of East Asia Charitable Foundation (“BEA Foundation”). In July, the first “Maker Day” of the BEA Youth Makerspace Programme was successfully held at the Aberdeen Promenade. Organised by The Warehouse Teenage Club, Maker Day provided youths in the programme with the opportunity to display their work in public. In 2019, 12 secondary schools joined the BEA Foundation’s newest flagship programme, the Teen Café Youth Mental Health Promotion Project, which is designed to identify and treat young people exhibiting mild forms of mental illness.

## ENVIRONMENT

During the past year, BEA took additional action to reduce the impact of its operations on the environment. To reduce energy consumption, energy-efficient LED

light tubes were installed in all BEA Tower offices. At the Bank’s Head Office Building, the air-conditioning system was upgraded with the adoption of an anti-scale water treatment system for the water-cooled chiller. BEA’s efforts to reduce its reliance on energy at its offices in Central and Kwun Tong in 2019 resulted in a 1.4% decrease in electricity consumption, year-on-year, which exceeded its target of 1.1%.

To reduce waste, BEA stepped up recycling at its Head Office Building. In September, a set of recycling bins was installed on each floor, making the bins more accessible to staff. Following the introduction of the bins, 9.2% and 7.8% increases in the recycling of plastics and metals, respectively, were observed, compared to the amounts recorded at the end of December 2018.

Staff members are also contributing to environmental protection in their spare time. In June, members of the BEA Volunteer Team planted saplings on the slopes of Tai Mo Shan to help prevent soil erosion and, in November, volunteers visited the Mai Po Nature Reserve to remove invasive Mikania vines from the wetland habitat.

In March, BEA became a signatory to the Green Investment Principles (“GIP”) for the Belt and Road Initiative. By establishing and adhering to GIP’s green finance guidelines, signatories aim to incorporate low-carbon and sustainable development into projects in Belt and Road countries, which represent approximately 40% of the earth’s total land area and 55% of total CO<sub>2</sub> emissions.



In March, 47 teams competed for the BEA Centenary Charity Cup in The Community Chest BEA Charity Golf Day 2019. More than HK\$2.3 million was raised to support mental health services provided by member agencies of The Community Chest of Hong Kong.

3月，47支隊伍競逐公益金東亞慈善高爾夫球賽2019—東亞百周年慈善盃賽，共籌得超過港幣230萬元，所得善款全數撥捐予香港公益金資助的社福機構，以助他們提供精神健康服務。

2019年，東亞銀行主辦或合辦多項理財教育計劃，以提升香港大眾的理財知識，當中包括聯同基督教勵行會、香港基督教服務處、香港華人基督教聯會廣蔭頤養院及救世軍港澳軍區為中小學生、弱勢社群及長者舉辦工作坊。就此，東亞銀行榮獲投資者及理財教育委員會頒發的「理財教育獎2020」，本行推動理財教育的工作備受肯定。

透過東亞銀行慈善基金旗下的計劃，東亞銀行與社區積極互動。7月，東亞青年創客空間計劃的首個「Maker Day」假香港仔海濱公園順利舉行。活動由蒲窩青少年中心主辦，讓參與計劃的青年向公眾展示他們的動手造創作。2019年，12所中學參與東亞銀行慈善基金的最新旗艦計劃「Teen Café青少年身心健康推廣計劃」，該計劃旨在幫助青少年及早辨識和處理精神健康問題。

Staff members of London Branch held a financial talk for students and elderly members of the city's Chinese community.

倫敦分行員工為該市華人社區的學生及長者舉辦金融講座。



In 2019, 16 teachers were recruited for the Long-term Volunteer Teaching Programme organised by the Shanghai Soong Ching Ling Foundation – BEA Charity Fund. The teachers each committed to a one-year teaching programme in rural schools.

2019年，由上海宋慶齡基金會—東亞銀行公益基金創辦的長期支教專案招募了16名教師。義工教師均承諾於農村學校任教，為期一年。

## 環境保護

2019年，東亞銀行採取進一步措施，務求減低其業務營運對環境的影響。東亞銀行的所有辦公大樓均已安裝節能LED光管，以減少能源消耗。至於本行的總行大廈，空調系統的水冷式製冷機於升級後已採用防垢水處理系統。2019年，東亞銀行致力減少中環及觀塘辦公大樓的能源消耗，並成功按年減少1.4%的耗電量，超越原本訂定的1.1%的目標。

東亞銀行在其總行大廈加強回收工作，以助減廢。9月，本行於總行各樓層設置回收箱，以方便員工進行分類回收。增設回收箱後，塑膠及金屬回收的數量較2018年12月底分別增加9.2%及7.8%。

員工亦於閒餘時間為環保出一分力。6月，東亞銀行義工隊成員在大帽山上栽種樹苗，以防止土壤流失；11月，義工亦前往米埔自然保護區清除濕地生境上的入侵性薇甘菊。

3月，東亞銀行成為《「一帶一路」綠色投資原則》的簽約成員之一。透過制定及遵守綠色投資原則的綠色金融指引，簽約成員的目標是將低碳及可持續發展納入「一帶一路」國家的項目，而該等國家的總土地面積及二氧化碳總排放量分別約佔全球的40%及55%。



Blue Cross sponsored the Happy TEEN Full of FUN programme, organised by the Hong Kong PHAB Association to help teenagers with and without disabilities understand their abilities, manage their emotions, and cultivate positive thinking through performing arts.

藍十字贊助香港傷健協會舉辦的樂TEEN滿FUN計劃，透過正向演藝幫助傷健青年啟發潛能、管理情緒及培養正向思維。

## CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

### MAJOR RECOGNITION

During the year under review, the Group received the following awards in recognition of its achievements. These included:

#### BEA

1. "President's Award" (for the 20th consecutive year), "Diamond Award" in the Corporate & Employee Contribution Programme 2018/2019 (for the 25th consecutive year), "5th Top Fund-raiser Award" and the "Highest Donation Increment Award (Companies and Organisations Category) in the Dress Casual Day 2018 Programme, and the "Top Fund-raiser Award – 6th Runner-up" in The Community Chest 50th Anniversary Walk for Millions from The Community Chest of Hong Kong
2. Named "Caring Company" by The Hong Kong Council of Social Service (16th consecutive year for BEA, 11th consecutive year for Blue Cross, and 2nd year for BEA Life Limited)
3. Named "Financial Education Champion 2020" by the Investor and Financial Education Council
4. "Award of 10,000 Hours for Volunteer Service" by the Steering Committee of the Social Welfare Department
5. The 8th Hong Kong Volunteer Award – Corporate Award by the Agency for Volunteer Service

#### BEA China

6. "2018 Best Practice of Social Responsibility Award" and "2019 Award for Best Contribution to Poverty Alleviation" by the China Banking Association
7. "Best Corporate Social Responsibility Performance – Bank" in the 2019 China Financial Value Ranking by YI CAI



The Bank teamed up with Hong Kong Science Park to organise the BEA 100 FinTech Challenge to inspire young people to translate their ideas into innovative products and services, and to join the financial technology and banking industries upon graduation.

本行與香港科學園合辦「東亞銀行 100 周年金融科技挑戰賽」，鼓勵年青人把他們的創意想法轉化為創新的產品和服務，以及於畢業後投身金融科技及銀行業。



## 主要榮譽與獎項

本集團於回顧年內表現卓越，先後獲頒發多個獎項。

### 東亞銀行

1. 香港公益金頒發「公益榮譽獎」(連續第20年)、2018/2019年度商業及僱員募捐計劃「鑽石獎」(連續第25年)、2018公益金便服日「10大最高籌款機構第5名」及「最高籌款躍進獎(機構及團體組別)」，以及公益金五十週年百萬行「10大最高籌款機構第6名」
2. 榮獲香港社會服務聯會嘉許為「商界展關懷」機構(東亞銀行、藍十字及東亞人壽保險有限公司分別連續第16年、第11年及第2年榮獲該項嘉許)
3. 榮獲投資者及理財教育委員會頒發「理財教育獎2020」
4. 榮獲社會福利署推廣義工服務督導委員會頒發「一萬小時義工服務獎」
5. 義務工作發展局頒發第八屆「香港傑出義工獎」—企業獎

### 東亞中國

6. 中國銀行業協會頒發「2018年中國銀行業最佳社會責任實踐案例獎」及「2019年最佳扶貧貢獻獎」
7. 第一財經頒發「2019第一財經金融價值榜」之「最佳企業社會責任銀行」



In December, BEA won the 8th Hong Kong Volunteer Award – Corporate Award.

12月，東亞銀行榮獲第八屆「香港傑出義工獎」—企業獎。

## REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report together with the audited financial statements for the year ended 31st December, 2019 (“Annual Report”).

### PRINCIPAL PLACE OF BUSINESS

The Bank of East Asia, Limited is a licensed bank incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 10 Des Voeux Road Central, Hong Kong.

### PRINCIPAL ACTIVITIES

The Bank and its subsidiaries are engaged in the provision of banking and related financial services.

### BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the performance for the year ended 31st December, 2019 and an indication of likely future development in the business of the Group are provided in the Executive Chairman’s Statement and the Report of the Senior Management of the Annual Report. Description of the principal risks and uncertainties facing the Group can be found throughout the Annual Report, in particular the Risk Management section. Particulars of important events affecting the Bank that have occurred (if any) can be found in the Annual Report and the Notes to the Financial Statements. An analysis using financial key performance indicators is provided in the Financial Highlights and the Report of the Senior Management. Compliance with relevant laws and regulations which have significant impact on the Group can be found throughout the Annual Report, in particular, the Corporate Governance Report.

In addition, discussions on the Group’s environmental policies and relationships with the key stakeholders that have a significant impact on the Group are discussed in the Corporate Social Responsibility section of the Annual Report as well as in the Group’s 2019 Environmental, Social and Governance Report which will be available on the Bank’s website at [www.hkbea.com](http://www.hkbea.com) (About BEA – Corporate Social Responsibility) in the first half of 2020.

### MAJOR CUSTOMERS

The Directors believe that the five largest customers of the Group accounted for less than 30% of the total of interest income and other operating income of the Group for the year.

### ACCOUNTS

The profit attributable to equity holders of the Group for the year ended 31st December, 2019 and the state of the Bank’s and the Group’s affairs as at that date are set out in the accounts from pages 164 to 358.

### FIXED ASSETS

Details of the movements in fixed assets are set out in Note 34 on the accounts.

### TRANSFER TO RESERVES

Profit attributable to equity holders of the Group, before dividends, of HK\$3,260 million (2018: HK\$6,509 million) has been transferred to reserves. Other movements in reserves are set out in Note 43 on the accounts.

### DIVIDENDS

An interim dividend of HK\$0.11 per Share (2018: HK\$0.51 per Share) was paid on 4th October, 2019. The Directors have declared the payment of a second interim dividend of HK\$0.35 per Share (2018: a second interim dividend of HK\$0.32 per Share and a 100th anniversary special dividend of HK\$0.35 per Share, totaling HK\$0.67 per Share) in respect of the financial year ended 31st December, 2019.

### FIVE-YEAR FINANCIAL SUMMARY

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

### ISSUE OF SHARES

During the year, the Bank issued 51,215,955 Shares at HK\$24.7665 each and 9,740,885 Shares at HK\$19.0019 each to Shareholders who had elected to receive new Shares in lieu of cash dividend in respect of the 2018 second interim dividend together with the 100th anniversary special dividend and the 2019 interim dividend respectively.

Details about the issue of Shares are also set out in Note 41 on the accounts.

### PURCHASE, SALE OR REDEMPTION OF THE BANK’S LISTED SECURITIES

On 5th November, 2019, the Bank completed the early redemption of a face value of US\$318.345 million of Hybrid Tier 1 Capital Securities (comprising 8.5% step-up subordinated notes due 2059 issued by the Bank (the “2059 Notes”) stapled with perpetual non-cumulative step-up preference shares issued by Innovate Holdings Limited, a wholly-owned subsidiary of the Bank, (the “Innovate Preference Shares”). The 2059 Notes and the Innovate Preference Shares were issued in 2009 and listed as stapled units on the Singapore Exchange.

On 20th November, 2019, the Bank completed the early redemption of a face value of US\$500 million of 4.25% Tier 2 Capital Dated Subordinated Notes due 2024 (the “2024 Subordinated Notes”). The 2024 Subordinated Notes were issued in 2014 under the Bank’s Medium Term Note Programme and listed on the Stock Exchange.

Save for the redemption of the Hybrid Tier 1 Capital Securities and the 2024 Subordinated Notes as disclosed herein, there was no purchase, sale or redemption by the Bank or any of its subsidiaries, of listed securities of the Bank during the year ended 31st December, 2019.

# 董事會報告書

董事會全寅現謹向各股東發表截至2019年12月31日止年度的報告書及已審核財務報表（「年報」）。

## 主要營業地點

東亞銀行有限公司乃一間在香港成立及註冊的持牌銀行，其註冊辦事處和主要營業地點為香港德輔道中10號。

## 主要業務

本行及其附屬公司的主要業務為提供銀行及有關的金融服務。

## 業務審視

有關對本集團截至2019年12月31日止年度業務的中肯審視及該年度表現的討論及分析，以及業務上相當有可能的未來發展的揭示，載於年報的執行主席報告書及高層管理人員報告書內。對本集團面對的主要風險及不明朗因素的描述，於本年報各部分（尤其在風險管理項下）已作披露。對本集團有影響的重大事件（如有）的詳情，在本年報各部分及財務報表各附註作出披露。運用財務關鍵表現指標進行的分析，見於本年報的財務摘要及高層管理人員報告書。而本集團遵守對本集團有重大影響的有關法律及規例的情況，則已在本年報各部分（尤其在企業管治報告內）作出披露。

此外，本集團的環境政策及其與對本集團有重大影響的主要持分者的關係的討論，披露於本年報的企業社會責任項下及本集團之2019環境、社會及管治報告內，該報告在2020年上半年登載於本行網站www.hkbea.com（「關於東亞銀行—企業社會責任」）。

## 主要客戶

董事會認為，本集團5位最大客戶所佔是年度本集團總利息收入及其他經營收入少於30%。

## 賬項

本集團截至2019年12月31日止年度的股東應佔溢利，以及本行和本集團於當日的財政狀況，載列由第164頁至第358頁的賬項內。

## 固定資產

固定資產的變動詳情載於賬項附註34。

## 撥入儲備

本集團除股息前的股東應佔溢利中的港幣32.6億元（2018年：港幣65.09億元）已予撥入儲備。至於儲備的其他變動，則載於賬項附註43。

## 股息

中期股息每股港幣0.11元（2018年：每股港幣0.51元）已於2019年10月4日派發。董事會現宣布派發截至2019年12月31日止年度第二次中期股息每股港幣0.35元（2018年：第二次中期股息每股港幣0.32元及一百周年特別股息每股港幣0.35元，合共每股港幣0.67元）。

## 5年財務概要

本集團過去5年的業績、資產及負債的摘要載列於本年報。

## 發行股份

年內，本行發行分別以每股港幣24.7665元發行51,215,955股股份及以每股港幣19.0019元發行9,740,885股股份，派發予選擇以新股代替現金收取2018年度第二次中期股息連同一百周年特別股息及2019年度中期股息的股東。

有關發行股份的詳情，亦載於賬項附註41。

## 購入、出售或贖回本行的上市證券

本行於2019年11月5日完成提早贖回面值318,345,000美元的混合一級資本證券（包括由本行發行並於2059年到期的步升後償票據（票據息率為年利率8.5%）（「2059票據」）及由本行全資附屬公司Innovate Holdings Limited發行之永久非累積步升優先股（「Innovate優先股」）。2059票據及Innovate優先股在2009年發行並以不可分拆單位形式於新加坡交易所上市。

本行於2019年11月20日完成提早贖回面值5億美元，孳息率為4.25%於2024年到期的次級資本後償票據（「2024後償票據」）。2024後償票據在2014年根據本行的中期票據計劃發行並於聯交所上市。

除上述所披露贖回混合一級資本證券及2024後償票據外，在截至2019年12月31日止年度內，本行或其任何附屬公司並無購入、出售或贖回本行的上市證券。

## REPORT OF THE DIRECTORS (CONTINUED)

### ISSUE OF DEBENTURES

During the year ended 31st December, 2019, the following capital securities and notes were issued by the Bank under its US\$6,000,000,000 Medium Term Note Programme to raise funds for general corporate purposes:

| Class  | Amount Issued<br>(HK\$ equivalent)     | Consideration received<br>(HK\$ equivalent) |
|--|--|---|
| Additional Tier 1 Undated Capital Securities | US\$650,000,000<br>(HK\$5,083,000,000) | US\$650,000,000<br>(HK\$5,083,000,000)      |
| Senior Notes                                 | US\$30,000,000<br>(HK\$234,716,000)    | US\$29,982,000<br>(HK\$233,482,000)         |
| Total (HK\$ equivalent)                      | HK\$5,317,716,000                      | HK\$5,316,482,000                           |

### DIRECTORS

The present Directors of the Bank are shown on page 66.

In accordance with the Articles of Association, the terms of office of Professor Arthur LI Kwok-cheung, Mr. Meocre LI Kwok-wing, Dr. the Hon. Henry TANG Ying-yen and Dr. Delman LEE, will expire at the 2020 AGM. They, being eligible, offer themselves for re-election at the 2020 AGM.

The following changes in the Board occurred during the year 2019 up to 19th February, 2020 (being the date of this Report):

- The Hon. CHAN Kin-por resigned as an INED with effect from 1st June, 2019.
- Dr. the Hon. Sir David LI Kwok-po was re-designated as Executive Chairman with effect from 1st July, 2019.
- Dr. Peter LEE Ka-kit resigned as an NED with effect from 23rd August, 2019.
- Mr. William Junior Guilherme DOO (an INED) was appointed a Director of the Bank on 1st November, 2019. He will retire under the provisions of the Articles of Association and, being eligible, offers himself for re-election at the 2020 AGM.

On 1st July, 2019, Dr. the Hon. Sir David LI Kwok-po stepped down as Chief Executive of the Bank, and Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun assumed the roles of Co-Chief Executives of the Bank.

Details of the Directors to be re-elected at the 2020 AGM are set out in the Circular sent to the shareholders.

No Director proposed for re-election at the 2020 AGM has a service contract that is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

The Bank has received an annual confirmation of independence for the year ended 31st December, 2019 pursuant to Rule 3.13 of the Listing Rules and the Guidance on Empowerment of INEDs from each of the INEDs, namely: Dr. Allan WONG Chi-yun, Dr. the Hon. Rita FAN HSU Lai-tai, Mr. Meocre LI Kwok-wing, Dr. the Hon. Henry TANG Ying-yen, The Hon. CHAN Kin-por<sup>1</sup>, Dr. Delman LEE and Mr. William Junior Guilherme DOO<sup>2</sup> and considers them to be independent throughout the applicable period.

### DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Bank (included in the annual consolidated financial statements for the year ended 31st December, 2019) during the year up to 19th February, 2020 (being the date of approval of the Bank's 2019 Annual Report) are available on the Bank's website at [www.hkbea.com](http://www.hkbea.com) under "About BEA – Corporate Governance" section on the home page.

### DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Bank on a named basis are disclosed in Note 22 to the Financial Statements for the year ended 31st December, 2019.

The fees to the Directors who resigned and who was appointed during 2019 were paid in accordance with their length of service.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

There was no transaction, arrangement or contracts of significance in relation to the Group's business to which the Bank or any of its subsidiaries was a party and in which a Director of the Bank and/or any of his connected entities (as defined under section 486 of the Ordinance) had, directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

<sup>1</sup> For the period from 1st January, 2019 to 31st May, 2019.

<sup>2</sup> For the period from 1st November, 2019 to 31st December, 2019.

## 發行債權證

在截至2019年12月31日止年度內，本行根據其6,000,000,000美元中期票據計劃發行以下資本證券及票據，藉以籌集資金用作一般企業用途：

| 類別           | 發行款額 (港元等值)                            | 收取的代價 (港元等值)                           |
|--------------|--|--|
| 無到期日額外一級資本證券 | 650,000,000 美元<br>(港幣 5,083,000,000 元) | 650,000,000 美元<br>(港幣 5,083,000,000 元) |
| 高級票據         | 30,000,000 美元<br>(港幣 234,716,000 元)    | 29,982,000 美元<br>(港幣 233,482,000 元)    |
| 合共 (港元等值)    | 港幣 5,317,716,000 元                     | 港幣 5,316,482,000 元                     |

## 董事會

本行現任董事的名單載於第66頁。

根據組織章程細則規定，李國章教授、李國榮先生、唐英年博士及李國本博士將於2020股東周年常會上卸任，並願膺選連任。

於2019年內及直至2020年2月19日(為本報告日期)期間，董事會成員的變動如下：

- 陳建波議員辭任獨立非執行董事，由2019年6月1日起生效。
- 李國寶爵士調任為執行主席，由2019年7月1日起生效。
- 李家傑博士辭任非執行董事，由2019年8月23日起生效。
- 杜家駒先生(獨立非執行董事)於2019年11月1日獲委任為本行董事。根據組織章程細則規定，他將於2020股東周年常會上卸任，並願膺選連任。

於2019年7月1日，李國寶爵士退任本行行政總裁之職，而李民橋先生及李民斌先生接任為本行聯席行政總裁。

所有在2020股東周年常會重選的董事的資料，載於寄發予股東的通函內。

所有擬在2020股東周年常會上膺選連任的董事，並沒有本行或其附屬公司在1年內不可在不予賠償(法定賠償除外)的情況下終止的服務合約。

本行已收到每位獨立非執行董事：黃子欣博士、范徐麗泰博士、李國榮先生、唐英年博士、陳建波議員<sup>1</sup>、李國本博士及杜家駒先生<sup>2</sup>，根據《上市規則》第3.13條及提升獨立非執行董事的專業能力指引而作出的截至2019年12月31日止年度獨立性確認函。本行對他們在整個適用期間的獨立性表示認同。

## 附屬公司董事

於年度內及直至2020年2月19日(為通過本行2019年報當天)止之期間，出任本行(包括在截至2019年12月31日止年度的綜合財務報表內)附屬公司董事會的董事姓名名單，已登載於本行網站www.hkbea.com主頁內的「關於東亞銀行 — 企業管治」項下以供閱覽。

## 董事薪酬

具名列載董事薪酬在截至2019年12月31日止年度的財務報表附註22披露。

在年內辭任或獲委任的董事的酬金按其服務期支付。

## 董事在交易、安排或合約中之權益

於年度結束時或年內任何時間，凡與本集團業務有關而本行或其任何附屬公司有份參與之重要交易、安排或合約，本行各董事及/或與其有關連的實體(根據《條例》第486條之定義)均無直接或間接擁有重大權益。

<sup>1</sup> 由2019年1月1日至2019年5月31日期內。

<sup>2</sup> 由2019年11月1日至2019年12月31日期內。

## REPORT OF THE DIRECTORS (CONTINUED)

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors of the Bank is interested in any business that competes or is likely to compete, either directly or indirectly, with the Bank's business.

### MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Bank were entered into or subsisted during the year.

Dr. the Hon. Sir David LI Kwok-po is employed as the Executive Chairman of the Bank. His existing three-year term service contract commenced on 1st July, 2019 and will expire on 30th June, 2022.

### PERMITTED INDEMNITY

Pursuant to the Articles of Association, every Director, Secretary and officer of the Bank shall be indemnified out of the funds of the Bank against all liabilities (to the extent permitted by the Ordinance) incurred by such Director, Secretary or officer in the execution of his duties or otherwise in relation thereto. Directors & Officers Liability and Company Reimbursement Insurance has been arranged to indemnify the Directors and officers of the Group.

### DIRECTORS' AND CO-CHIEF EXECUTIVES' INTERESTS

As at 31st December, 2019, the interests and short positions of the Directors and Co-Chief Executives of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations as recorded in the register required to be kept under section 352 of the SFO (the "Register") were as follows:

#### I. Long positions in ordinary shares of the Bank:

| Name                         | Capacity and nature                            | No. of shares | Total                    | % of issued voting Shares |
|------------------------------|--|---------------|--------------------------|---------------------------|
| David LI Kwok-po             | Beneficial owner                               | 86,208,360    | 100,102,091 <sup>1</sup> | 3.44                      |
|                              | Interest of spouse                             | 2,215,755     |                          |                           |
|                              | Interest of corporation                        | 458,594       |                          |                           |
|                              | Executor of estate                             | 11,219,382    |                          |                           |
| Arthur LI Kwok-cheung        | Beneficial owner                               | 13,085,663    | 41,742,338 <sup>2</sup>  | 1.44                      |
|                              | Interest of corporation                        | 17,437,293    |                          |                           |
|                              | Executor of estate                             | 11,219,382    |                          |                           |
| Allan WONG Chi-yun           | Beneficial owner                               | 464,393       | 17,879,763 <sup>3</sup>  | 0.62                      |
|                              | Interest of spouse                             | 136           |                          |                           |
|                              | Founder and beneficiary of discretionary trust | 17,415,234    |                          |                           |
| Aubrey LI Kwok-sing          | Beneficial owner                               | 1,226,599     | 18,482,570 <sup>4</sup>  | 0.64                      |
|                              | Interest of spouse                             | 24,437        |                          |                           |
|                              | Interest of corporation                        | 17,231,534    |                          |                           |
| Winston LO Yau-lai           | -  | -             | Nil                      | Nil                       |
| Stephen Charles LI Kwok-sze  | Beneficial owner                               | 11,752,581    | 13,575,104 <sup>5</sup>  | 0.47                      |
|                              | Administrator of estates                       | 1,822,523     |                          |                           |
| Isidro FAINÉ CASAS           | -  | -             | Nil                      | Nil                       |
| Adrian David LI Man-kiu      | Beneficial owner                               | 1,085,277     | 3,177,361 <sup>6</sup>   | 0.11                      |
|                              | Interest of child                              | 7,758         |                          |                           |
|                              | Settlor/Founder of discretionary trust         | 2,084,326     |                          |                           |
| Brian David LI Man-bun       | Beneficial owner                               | 2,479,902     | 3,300,184 <sup>7</sup>   | 0.11                      |
|                              | Interest of corporation                        | 820,282       |                          |                           |
| Daryl NG Win-kong            | -  | -             | Nil                      | Nil                       |
| Masayuki OKU                 | -  | -             | Nil                      | Nil                       |
| Rita FAN HSU Lai-tai         | -  | -             | Nil                      | Nil                       |
| Meocre LI Kwok-wing          | -  | -             | Nil                      | Nil                       |
| Henry TANG Ying-yen          | -  | -             | Nil                      | Nil                       |
| Delman LEE                   | -  | -             | Nil                      | Nil                       |
| William Junior Guilherme DOO | -  | -             | Nil                      | Nil                       |

## 董事會報告書(續)

## 董事在競爭業務之權益

本行各董事並無在其他直接或間接與本行的業務構成競爭或可能構成競爭的業務中佔有權益。

## 管理合約

年內，除僱傭合約外，並無訂立或存在與本行業務全部或任何重大部分有關的管理及/或行政合約。

李國寶爵士受聘為本行的執行主席。他現行為期3年的僱傭合約已於2019年7月1日起生效，並將於2022年6月30日屆滿。

## 獲准許的彌償條文

根據組織章程細則，每名本行董事、秘書或職員在其執行職責或其他方面與此有關之情況下所蒙受或產生之所有債務(受限於《條例》的規定)，有權獲得從本行基金中撥付彌償。此外，本行已購買董事和職員責任及公司償還保險，以保障本集團的董事及員工。

## 董事及聯席行政總裁權益

於2019年12月31日，根據《證券及期貨條例》第352條須予備存的登記冊(「該登記冊」)所記錄，本行各董事及聯席行政總裁於本行及其相聯法團的股份、相關股份及債權證中擁有的權益及淡倉如下：

## I. 本行普通股股份權益的好倉：

| 姓名   | 身分及性質          | 股份數目       | 總數                       | 佔已發行<br>有投票權股份<br>的百分率 |
|------|----------------|------------|--------------------------|------------------------|
| 李國寶  | 實益擁有人          | 86,208,360 |                          |                        |
|      | 配偶的權益          | 2,215,755  |                          |                        |
|      | 法團的權益          | 458,594    |                          |                        |
|      | 遺產執行人          | 11,219,382 | 100,102,091 <sup>1</sup> | 3.44                   |
| 李國章  | 實益擁有人          | 13,085,663 |                          |                        |
|      | 法團的權益          | 17,437,293 |                          |                        |
|      | 遺產執行人          | 11,219,382 | 41,742,338 <sup>2</sup>  | 1.44                   |
| 黃子欣  | 實益擁有人          | 464,393    |                          |                        |
|      | 配偶的權益          | 136        |                          |                        |
|      | 酌情信託的成立人及受益人   | 17,415,234 | 17,879,763 <sup>3</sup>  | 0.62                   |
| 李國星  | 實益擁有人          | 1,226,599  |                          |                        |
|      | 配偶的權益          | 24,437     |                          |                        |
|      | 法團的權益          | 17,231,534 | 18,482,570 <sup>4</sup>  | 0.64                   |
| 羅友禮  | -              | -          | 無                        | 無                      |
| 李國仕  | 實益擁有人          | 11,752,581 |                          |                        |
|      | 遺產管理人          | 1,822,523  | 13,575,104 <sup>5</sup>  | 0.47                   |
| 范禮賢  | -              | -          | 無                        | 無                      |
| 李民橋  | 實益擁有人          | 1,085,277  |                          |                        |
|      | 子女的權益          | 7,758      |                          |                        |
|      | 酌情信託的財產授予人/成立人 | 2,084,326  | 3,177,361 <sup>6</sup>   | 0.11                   |
| 李民斌  | 實益擁有人          | 2,479,902  |                          |                        |
|      | 法團的權益          | 820,282    | 3,300,184 <sup>7</sup>   | 0.11                   |
| 黃永光  | -              | -          | 無                        | 無                      |
| 奧正之  | -              | -          | 無                        | 無                      |
| 范徐麗泰 | -              | -          | 無                        | 無                      |
| 李國榮  | -              | -          | 無                        | 無                      |
| 唐英年  | -              | -          | 無                        | 無                      |
| 李國本  | -              | -          | 無                        | 無                      |
| 杜家駒  | -              | -          | 無                        | 無                      |

## REPORT OF THE DIRECTORS (CONTINUED)

### Notes:

- 1 *David LI Kwok-po was the beneficial owner of 86,208,360 shares and he was deemed to be interested in 2,215,755 shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 458,594 shares held by David LI Kwok-po Charitable Foundation Limited, a charitable institution of which David LI Kwok-po is a director and the sole member. He was also deemed to be interested in 11,219,382 shares held by an estate of which he is one of the executors. Arthur LI Kwok-cheung was also deemed to be interested in the same block of 11,219,382 shares as one of the executors of the estate (please refer to Note 1 above).*
- 2 *Arthur LI Kwok-cheung was the beneficial owner of 13,085,663 shares and he was deemed to be interested in 17,437,293 shares held by Dapa Company Limited, which is wholly-owned by him. He was also deemed to be interested in 11,219,382 shares held by an estate of which he is one of the executors. David LI Kwok-po was also deemed to be interested in the same block of 11,219,382 shares as one of the executors of the estate (please refer to Note 1 above).*
- 3 *Allan WONG Chi-yun was the beneficial owner of 464,393 shares and he was deemed to be interested in 136 shares through the interests of his spouse, Margaret KWOK Chi-wai (deceased). He was also deemed to be interested in 17,415,234 shares held by a discretionary trust, Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary.*
- 4 *Aubrey LI Kwok-sing was the beneficial owner of 1,226,599 shares and he was deemed to be interested in 24,437 shares through the interests of his spouse, Elizabeth WOO. He was also deemed to be interested in 17,231,534 shares held by Hope Lake Ltd., which is wholly-owned by him.*
- 5 *Stephen Charles LI Kwok-sze was the beneficial owner of 11,752,581 shares. He was also deemed to be interested in 1,822,523 shares held by two estates of which he is one of the administrators.*
- 6 *Adrian David LI Man-kiu was the beneficial owner of 1,085,277 shares, and he was deemed to be interested in 7,758 shares through the interests of his child under the age of 18. Adrian David LI Man-kiu has made a voluntary disclosure of 2,084,326 shares indirectly held by a discretionary trust of which he was the settlor/founder but has no influence on how the trustee exercises its discretion.*
- 7 *Brian David LI Man-bun was the beneficial owner of 2,479,902 shares. He was also deemed to be interested in 820,282 shares held by Triple Kingdom Limited, which is wholly-owned by him.*

### II. Long positions (in respect of equity derivatives) in underlying shares of the Bank:

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Adrian David LI Man-kiu and Brian David LI Man-bun pursuant to the approved Staff Share Option Schemes. Information in relation to these share options during the year ended 31st December, 2019 was shown in the section under "Information on Share Options" of this Report.

Save as disclosed above, no other interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations were recorded in the Register.

At no time during the year was the Bank or any of its subsidiaries a party to any arrangement to enable the Directors or Co-Chief Executives of the Bank or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate with the exception of the Staff Share Option Schemes, details of which are set out in the following section under "Information on Share Options", and Notes 2(y)(iv) and 40 on the accounts.



附註：

- 1 李國寶為86,208,360股的實益擁有人。由於其配偶潘金翠擁有2,215,755股之權益，他亦被視為擁有該等股份。他亦被視為擁有由李國寶慈善基金有限公司持有的458,594股，李國寶為該慈善機構的董事兼唯一成員。李國寶作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的11,219,382股。李國章作為該遺產的其中一位執行人，亦被視為擁有同一批11,219,382股（請參閱下列附註2）。
- 2 李國章為13,085,663股的實益擁有人。他亦被視為擁有由Dapa Company Limited持有的17,437,293股，該公司為李國章全資擁有。李國章作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的11,219,382股。李國寶作為該遺產的其中一位執行人，亦被視為擁有同一批11,219,382股（請參閱上列附註1）。
- 3 黃子欣為464,393股的實益擁有人。由於其配偶郭志蕙（已歿）擁有136股之權益，他被視為擁有該等股份。而由於黃子欣為一個酌情信託Allan Wong 2011 Trust的成立人及一位合資格受益人，他亦被視為擁有該酌情信託所持有的17,415,234股。
- 4 李國星為1,226,599股的實益擁有人。由於其配偶吳伊莉擁有24,437股之權益，他亦被視為擁有該等股份。李國星因全資擁有Hope Lake Ltd. 而被視為擁有該公司所持有的17,231,534股。
- 5 李國仕為11,752,581股的實益擁有人。李國仕作為兩個遺產的其中一位管理人，因而被視為擁有該兩個遺產持有的1,822,523股。
- 6 李民橋為1,085,277股的實益擁有人。他亦被視為擁有由其18歲以下子女持有的7,758股。李民橋自願披露其作為財產授予人/成立人的一個酌情信託間接所持有的2,084,326股，由於他不可以影響受託人如何行使其酌情權，有關披露純屬自願性質。
- 7 李民斌為2,479,902股的實益擁有人。他亦被視為擁有由Triple Kingdom Limited持有的820,282股，該公司為李民斌全資擁有。

## II. 本行相關股份（就股本衍生工具而言）的好倉：

根據本行的認可僱員認股計劃，李國寶、李民橋及李民斌獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交收的期權。有關此等認股權在截至2019年12月31日止年度內的資料，見於本報告「認股權資料」項下。

除上述披露外，概無其他本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉載於該登記冊內。

除於下列「認股權資料」項下及賬項附註2(y)(iv)及40所詳載的僱員認股計劃外，本年內本行或其任何附屬公司並無作任何安排，以致本行各董事或聯席行政總裁或他們的配偶或18歲以下子女從中取得本行或其他法人團體的股份或債券而獲益。

## REPORT OF THE DIRECTORS (CONTINUED)

## INFORMATION ON SHARE OPTIONS

Information in relation to share options disclosed in accordance with the Listing Rules was as follows:

(1) Movement of share options during the year ended 31st December, 2019:

| Name                    | Date of Grant          | Number of Share Options  |                       |                       |         | Outstanding at 31/12/2019 |
|-------------------------|------------------------|--------------------------|-----------------------|-----------------------|---------|---------------------------|
|                         |                        | Outstanding at 01/1/2019 | Granted               | Exercised             | Lapsed  |                           |
| David LI Kwok-po        | 05/5/2011 <sup>a</sup> | 668,000 <sup>T3</sup>    | -                     | -                     | 668,000 | 0                         |
|                         | 03/5/2013 <sup>a</sup> | 668,000 <sup>T3</sup>    | -                     | -                     | -       | 668,000                   |
|                         | 02/5/2014 <sup>a</sup> | 666,000 <sup>T1</sup>    | -                     | -                     | -       | 666,000                   |
|                         | 02/5/2014 <sup>a</sup> | 666,000 <sup>T2</sup>    | -                     | -                     | -       | 666,000                   |
|                         | 02/5/2014 <sup>a</sup> | 668,000 <sup>T3</sup>    | -                     | -                     | -       | 668,000                   |
|                         | 04/5/2015 <sup>a</sup> | 666,000 <sup>T1</sup>    | -                     | -                     | -       | 666,000                   |
|                         | 04/5/2015 <sup>a</sup> | 666,000 <sup>T2</sup>    | -                     | -                     | -       | 666,000                   |
|                         | 04/5/2015 <sup>a</sup> | 668,000 <sup>T3</sup>    | -                     | -                     | -       | 668,000                   |
|                         | 08/4/2016 <sup>a</sup> | 666,000 <sup>T2</sup>    | -                     | -                     | -       | 666,000                   |
|                         | 08/4/2016 <sup>a</sup> | 668,000 <sup>T3</sup>    | -                     | -                     | -       | 668,000                   |
|                         | 07/4/2017 <sup>a</sup> | 666,000 <sup>T1</sup>    | -                     | -                     | -       | 666,000                   |
|                         | 07/4/2017 <sup>a</sup> | 666,000 <sup>T2</sup>    | -                     | -                     | -       | 666,000                   |
|                         | 07/4/2017 <sup>a</sup> | 668,000 <sup>T3</sup>    | -                     | -                     | -       | 668,000                   |
|                         | 10/4/2018 <sup>a</sup> | 666,000 <sup>T1</sup>    | -                     | -                     | -       | 666,000                   |
|                         | 10/4/2018 <sup>a</sup> | 666,000 <sup>T2</sup>    | -                     | -                     | -       | 666,000                   |
|                         | 10/4/2018 <sup>a</sup> | 668,000 <sup>T3</sup>    | -                     | -                     | -       | 668,000                   |
|                         | 19/7/2019 <sup>b</sup> | -                        | -                     | 666,000 <sup>T1</sup> | -       | -                         |
| 19/7/2019 <sup>b</sup>  | -                      | -                        | 666,000 <sup>T2</sup> | -                     | -       | 666,000                   |
| 19/7/2019 <sup>b</sup>  | -                      | -                        | 668,000 <sup>T3</sup> | -                     | -       | 668,000                   |
| Adrian David LI Man-kiu | 05/5/2011 <sup>a</sup> | 218,000 <sup>T3</sup>    | -                     | -                     | 218,000 | 0                         |
|                         | 10/5/2012 <sup>a</sup> | 216,000 <sup>T2</sup>    | -                     | -                     | 216,000 | 0                         |
|                         | 10/5/2012 <sup>a</sup> | 218,000 <sup>T3</sup>    | -                     | -                     | -       | 218,000                   |
|                         | 03/5/2013 <sup>a</sup> | 216,000 <sup>T1</sup>    | -                     | -                     | 216,000 | 0                         |
|                         | 03/5/2013 <sup>a</sup> | 216,000 <sup>T2</sup>    | -                     | -                     | -       | 216,000                   |
|                         | 03/5/2013 <sup>a</sup> | 218,000 <sup>T3</sup>    | -                     | -                     | -       | 218,000                   |
|                         | 02/5/2014 <sup>a</sup> | 216,000 <sup>T1</sup>    | -                     | -                     | -       | 216,000                   |
|                         | 02/5/2014 <sup>a</sup> | 216,000 <sup>T2</sup>    | -                     | -                     | -       | 216,000                   |
|                         | 02/5/2014 <sup>a</sup> | 218,000 <sup>T3</sup>    | -                     | -                     | -       | 218,000                   |
|                         | 04/5/2015 <sup>a</sup> | 216,000 <sup>T1</sup>    | -                     | -                     | -       | 216,000                   |
|                         | 04/5/2015 <sup>a</sup> | 216,000 <sup>T2</sup>    | -                     | -                     | -       | 216,000                   |
|                         | 04/5/2015 <sup>a</sup> | 218,000 <sup>T3</sup>    | -                     | -                     | -       | 218,000                   |
|                         | 08/4/2016 <sup>a</sup> | 216,000 <sup>T1</sup>    | -                     | -                     | -       | 216,000                   |
|                         | 08/4/2016 <sup>a</sup> | 216,000 <sup>T2</sup>    | -                     | -                     | -       | 216,000                   |
|                         | 08/4/2016 <sup>a</sup> | 218,000 <sup>T3</sup>    | -                     | -                     | -       | 218,000                   |
|                         | 07/4/2017 <sup>a</sup> | 216,000 <sup>T1</sup>    | -                     | -                     | -       | 216,000                   |
|                         | 07/4/2017 <sup>a</sup> | 216,000 <sup>T2</sup>    | -                     | -                     | -       | 216,000                   |
| 07/4/2017 <sup>a</sup>  | 218,000 <sup>T3</sup>  | -                        | -                     | -                     | 218,000 |                           |
| 10/4/2018 <sup>a</sup>  | 216,000 <sup>T1</sup>  | -                        | -                     | -                     | 216,000 |                           |
| 10/4/2018 <sup>a</sup>  | 216,000 <sup>T2</sup>  | -                        | -                     | -                     | 216,000 |                           |
| 10/4/2018 <sup>a</sup>  | 218,000 <sup>T3</sup>  | -                        | -                     | -                     | 218,000 |                           |
| 19/7/2019 <sup>b</sup>  | -                      | -                        | 216,000 <sup>T1</sup> | -                     | -       | 216,000                   |
| 19/7/2019 <sup>b</sup>  | -                      | -                        | 216,000 <sup>T2</sup> | -                     | -       | 216,000                   |
| 19/7/2019 <sup>b</sup>  | -                      | -                        | 218,000 <sup>T3</sup> | -                     | -       | 218,000                   |

## 董事會報告書(續)

## 認股權資料

根據《上市規則》所披露有關認股權的資料如下：

(1) 截至2019年12月31日止年度內認股權的變動：

| 姓名                     | 授予日期                   | 認股權數目                 |                       |    |         |                     |         |
|------------------------|------------------------|-----------------------|-----------------------|----|---------|---------------------|---------|
|                        |                        | 於01/1/2019<br>尚未行使    | 授出                    | 行使 | 失效      | 於31/12/2019<br>尚未行使 |         |
| 李國寶                    | 05/5/2011 <sup>a</sup> | 668,000 <sup>T3</sup> | -                     | -  | 668,000 | 0                   |         |
|                        | 03/5/2013 <sup>a</sup> | 668,000 <sup>T3</sup> | -                     | -  | -       | 668,000             |         |
|                        | 02/5/2014 <sup>a</sup> | 666,000 <sup>T1</sup> | -                     | -  | -       | 666,000             |         |
|                        | 02/5/2014 <sup>a</sup> | 666,000 <sup>T2</sup> | -                     | -  | -       | 666,000             |         |
|                        | 02/5/2014 <sup>a</sup> | 668,000 <sup>T3</sup> | -                     | -  | -       | 668,000             |         |
|                        | 04/5/2015 <sup>a</sup> | 666,000 <sup>T1</sup> | -                     | -  | -       | 666,000             |         |
|                        | 04/5/2015 <sup>a</sup> | 666,000 <sup>T2</sup> | -                     | -  | -       | 666,000             |         |
|                        | 04/5/2015 <sup>a</sup> | 668,000 <sup>T3</sup> | -                     | -  | -       | 668,000             |         |
|                        | 08/4/2016 <sup>a</sup> | 666,000 <sup>T2</sup> | -                     | -  | -       | 666,000             |         |
|                        | 08/4/2016 <sup>a</sup> | 668,000 <sup>T3</sup> | -                     | -  | -       | 668,000             |         |
|                        | 07/4/2017 <sup>a</sup> | 666,000 <sup>T1</sup> | -                     | -  | -       | 666,000             |         |
|                        | 07/4/2017 <sup>a</sup> | 666,000 <sup>T2</sup> | -                     | -  | -       | 666,000             |         |
|                        | 07/4/2017 <sup>a</sup> | 668,000 <sup>T3</sup> | -                     | -  | -       | 668,000             |         |
|                        | 10/4/2018 <sup>a</sup> | 666,000 <sup>T1</sup> | -                     | -  | -       | 666,000             |         |
|                        | 10/4/2018 <sup>a</sup> | 666,000 <sup>T2</sup> | -                     | -  | -       | 666,000             |         |
|                        | 10/4/2018 <sup>a</sup> | 668,000 <sup>T3</sup> | -                     | -  | -       | 668,000             |         |
|                        | 19/7/2019 <sup>b</sup> | -                     | 666,000 <sup>T1</sup> | -  | -       | -                   | 666,000 |
|                        | 19/7/2019 <sup>b</sup> | -                     | 666,000 <sup>T2</sup> | -  | -       | -                   | 666,000 |
|                        | 19/7/2019 <sup>b</sup> | -                     | 668,000 <sup>T3</sup> | -  | -       | -                   | 668,000 |
| 李民橋                    | 05/5/2011 <sup>a</sup> | 218,000 <sup>T3</sup> | -                     | -  | 218,000 | 0                   |         |
|                        | 10/5/2012 <sup>a</sup> | 216,000 <sup>T2</sup> | -                     | -  | 216,000 | 0                   |         |
|                        | 10/5/2012 <sup>a</sup> | 218,000 <sup>T3</sup> | -                     | -  | -       | 218,000             |         |
|                        | 03/5/2013 <sup>a</sup> | 216,000 <sup>T1</sup> | -                     | -  | 216,000 | 0                   |         |
|                        | 03/5/2013 <sup>a</sup> | 216,000 <sup>T2</sup> | -                     | -  | -       | 216,000             |         |
|                        | 03/5/2013 <sup>a</sup> | 218,000 <sup>T3</sup> | -                     | -  | -       | 218,000             |         |
|                        | 02/5/2014 <sup>a</sup> | 216,000 <sup>T1</sup> | -                     | -  | -       | 216,000             |         |
|                        | 02/5/2014 <sup>a</sup> | 216,000 <sup>T2</sup> | -                     | -  | -       | 216,000             |         |
|                        | 02/5/2014 <sup>a</sup> | 218,000 <sup>T3</sup> | -                     | -  | -       | 218,000             |         |
|                        | 04/5/2015 <sup>a</sup> | 216,000 <sup>T1</sup> | -                     | -  | -       | 216,000             |         |
|                        | 04/5/2015 <sup>a</sup> | 216,000 <sup>T2</sup> | -                     | -  | -       | 216,000             |         |
|                        | 04/5/2015 <sup>a</sup> | 218,000 <sup>T3</sup> | -                     | -  | -       | 218,000             |         |
|                        | 08/4/2016 <sup>a</sup> | 216,000 <sup>T1</sup> | -                     | -  | -       | 216,000             |         |
|                        | 08/4/2016 <sup>a</sup> | 216,000 <sup>T2</sup> | -                     | -  | -       | 216,000             |         |
|                        | 08/4/2016 <sup>a</sup> | 218,000 <sup>T3</sup> | -                     | -  | -       | 218,000             |         |
|                        | 07/4/2017 <sup>a</sup> | 216,000 <sup>T1</sup> | -                     | -  | -       | 216,000             |         |
|                        | 07/4/2017 <sup>a</sup> | 216,000 <sup>T2</sup> | -                     | -  | -       | 216,000             |         |
|                        | 07/4/2017 <sup>a</sup> | 218,000 <sup>T3</sup> | -                     | -  | -       | 218,000             |         |
|                        | 10/4/2018 <sup>a</sup> | 216,000 <sup>T1</sup> | -                     | -  | -       | 216,000             |         |
| 10/4/2018 <sup>a</sup> | 216,000 <sup>T2</sup>  | -                     | -                     | -  | 216,000 |                     |         |
| 10/4/2018 <sup>a</sup> | 218,000 <sup>T3</sup>  | -                     | -                     | -  | 218,000 |                     |         |
| 19/7/2019 <sup>b</sup> | -                      | 216,000 <sup>T1</sup> | -                     | -  | -       | 216,000             |         |
| 19/7/2019 <sup>b</sup> | -                      | 216,000 <sup>T2</sup> | -                     | -  | -       | 216,000             |         |
| 19/7/2019 <sup>b</sup> | -                      | 218,000 <sup>T3</sup> | -                     | -  | -       | 218,000             |         |

## REPORT OF THE DIRECTORS (CONTINUED)

| Name                          | Date of Grant           | Number of Share Options  |         |           |           | Outstanding at 31/12/2019 |
|-------------------------------|-------------------------|--------------------------|---------|-----------|-----------|---------------------------|
|                               |                         | Outstanding at 01/1/2019 | Granted | Exercised | Lapsed    |                           |
| Brian David LI Man-bun        | 05/5/2011 <sup>a</sup>  | 218,000 <sup>T3</sup>    | -       | -         | 218,000   | 0                         |
|                               | 10/5/2012 <sup>a</sup>  | 216,000 <sup>T2</sup>    | -       | -         | 216,000   | 0                         |
|                               | 10/5/2012 <sup>a</sup>  | 218,000 <sup>T3</sup>    | -       | -         | -         | 218,000                   |
|                               | 03/5/2013 <sup>a</sup>  | 216,000 <sup>T1</sup>    | -       | -         | 216,000   | 0                         |
|                               | 03/5/2013 <sup>a</sup>  | 216,000 <sup>T2</sup>    | -       | -         | -         | 216,000                   |
|                               | 03/5/2013 <sup>a</sup>  | 218,000 <sup>T3</sup>    | -       | -         | -         | 218,000                   |
|                               | 02/5/2014 <sup>a</sup>  | 216,000 <sup>T1</sup>    | -       | -         | -         | 216,000                   |
|                               | 02/5/2014 <sup>a</sup>  | 216,000 <sup>T2</sup>    | -       | -         | -         | 216,000                   |
|                               | 02/5/2014 <sup>a</sup>  | 218,000 <sup>T3</sup>    | -       | -         | -         | 218,000                   |
|                               | 04/5/2015 <sup>a</sup>  | 216,000 <sup>T1</sup>    | -       | -         | -         | 216,000                   |
|                               | 04/5/2015 <sup>a</sup>  | 216,000 <sup>T2</sup>    | -       | -         | -         | 216,000                   |
|                               | 04/5/2015 <sup>a</sup>  | 218,000 <sup>T3</sup>    | -       | -         | -         | 218,000                   |
|                               | 08/4/2016 <sup>a</sup>  | 216,000 <sup>T1</sup>    | -       | -         | -         | 216,000                   |
|                               | 08/4/2016 <sup>a</sup>  | 216,000 <sup>T2</sup>    | -       | -         | -         | 216,000                   |
|                               | 08/4/2016 <sup>a</sup>  | 218,000 <sup>T3</sup>    | -       | -         | -         | 218,000                   |
|                               | 07/4/2017 <sup>a</sup>  | 216,000 <sup>T1</sup>    | -       | -         | -         | 216,000                   |
|                               | 07/4/2017 <sup>a</sup>  | 216,000 <sup>T2</sup>    | -       | -         | -         | 216,000                   |
|                               | 07/4/2017 <sup>a</sup>  | 218,000 <sup>T3</sup>    | -       | -         | -         | 218,000                   |
| 10/4/2018 <sup>a</sup>        | 216,000 <sup>T1</sup>   | -                        | -       | -         | 216,000   |                           |
| 10/4/2018 <sup>a</sup>        | 216,000 <sup>T2</sup>   | -                        | -       | -         | 216,000   |                           |
| 10/4/2018 <sup>a</sup>        | 218,000 <sup>T3</sup>   | -                        | -       | -         | 218,000   |                           |
| Aggregate of other Employees* | 05/5/2011 <sup>a</sup>  | 686,000 <sup>T3</sup>    | -       | -         | 686,000   | 0                         |
|                               | 10/5/2012 <sup>a</sup>  | 582,000 <sup>T2</sup>    | -       | -         | 582,000   | 0                         |
|                               | 10/5/2012 <sup>a</sup>  | 636,000 <sup>T3</sup>    | -       | -         | -         | 636,000                   |
|                               | 03/5/2013 <sup>a</sup>  | 632,000 <sup>T1</sup>    | -       | -         | 632,000   | 0                         |
|                               | 03/5/2013 <sup>a</sup>  | 632,000 <sup>T2</sup>    | -       | -         | -         | 632,000                   |
|                               | 03/5/2013 <sup>a</sup>  | 686,000 <sup>T3</sup>    | -       | -         | -         | 686,000                   |
|                               | 02/5/2014 <sup>a</sup>  | 702,000 <sup>T1</sup>    | -       | -         | -         | 702,000                   |
|                               | 02/5/2014 <sup>a</sup>  | 832,000 <sup>T2</sup>    | -       | -         | -         | 832,000                   |
|                               | 02/5/2014 <sup>a</sup>  | 836,000 <sup>T3</sup>    | -       | -         | -         | 836,000                   |
|                               | 04/5/2015 <sup>a</sup>  | 832,000 <sup>T1</sup>    | -       | -         | -         | 832,000                   |
|                               | 04/5/2015 <sup>a</sup>  | 832,000 <sup>T2</sup>    | -       | -         | -         | 832,000                   |
|                               | 04/5/2015 <sup>a</sup>  | 836,000 <sup>T3</sup>    | -       | -         | -         | 836,000                   |
|                               | 08/4/2016 <sup>a</sup>  | 582,000 <sup>T1</sup>    | -       | -         | -         | 582,000                   |
|                               | 08/4/2016 <sup>a</sup>  | 848,000 <sup>T2</sup>    | -       | -         | -         | 848,000                   |
|                               | 08/4/2016 <sup>a</sup>  | 892,500 <sup>T3</sup>    | -       | -         | -         | 892,500                   |
|                               | 07/4/2017 <sup>a</sup>  | 932,000 <sup>T1</sup>    | -       | -         | -         | 932,000                   |
|                               | 07/4/2017 <sup>a</sup>  | 932,000 <sup>T2</sup>    | -       | -         | -         | 932,000                   |
|                               | 07/4/2017 <sup>a</sup>  | 936,000 <sup>T3</sup>    | -       | -         | -         | 936,000                   |
| 10/4/2018 <sup>a</sup>        | 1,027,000 <sup>T1</sup> | -                        | -       | -         | 1,027,000 |                           |
| 10/4/2018 <sup>a</sup>        | 1,027,000 <sup>T2</sup> | -                        | -       | -         | 1,027,000 |                           |
| 10/4/2018 <sup>a</sup>        | 1,033,500 <sup>T3</sup> | -                        | -       | -         | 1,033,500 |                           |
| 19/7/2019 <sup>b</sup>        | -                       | 1,015,000 <sup>T1</sup>  | -       | -         | -         | 1,015,000                 |
| 19/7/2019 <sup>b</sup>        | -                       | 1,015,000 <sup>T2</sup>  | -       | -         | -         | 1,015,000                 |
| 19/7/2019 <sup>b</sup>        | -                       | 1,020,000 <sup>T3</sup>  | -       | -         | -         | 1,020,000                 |

## 董事會報告書(續)

| 姓名                     | 授予日期                    | 認股權數目                   |    |    |           |                     |
|------------------------|-------------------------|-------------------------|----|----|-----------|---------------------|
|                        |                         | 於01/1/2019<br>尚未行使      | 授出 | 行使 | 失效        | 於31/12/2019<br>尚未行使 |
| 李民斌                    | 05/5/2011 <sup>a</sup>  | 218,000 <sup>T3</sup>   | -  | -  | 218,000   | 0                   |
|                        | 10/5/2012 <sup>a</sup>  | 216,000 <sup>T2</sup>   | -  | -  | 216,000   | 0                   |
|                        | 10/5/2012 <sup>a</sup>  | 218,000 <sup>T3</sup>   | -  | -  | -         | 218,000             |
|                        | 03/5/2013 <sup>a</sup>  | 216,000 <sup>T1</sup>   | -  | -  | 216,000   | 0                   |
|                        | 03/5/2013 <sup>a</sup>  | 216,000 <sup>T2</sup>   | -  | -  | -         | 216,000             |
|                        | 03/5/2013 <sup>a</sup>  | 218,000 <sup>T3</sup>   | -  | -  | -         | 218,000             |
|                        | 02/5/2014 <sup>a</sup>  | 216,000 <sup>T1</sup>   | -  | -  | -         | 216,000             |
|                        | 02/5/2014 <sup>a</sup>  | 216,000 <sup>T2</sup>   | -  | -  | -         | 216,000             |
|                        | 02/5/2014 <sup>a</sup>  | 218,000 <sup>T3</sup>   | -  | -  | -         | 218,000             |
|                        | 04/5/2015 <sup>a</sup>  | 216,000 <sup>T1</sup>   | -  | -  | -         | 216,000             |
|                        | 04/5/2015 <sup>a</sup>  | 216,000 <sup>T2</sup>   | -  | -  | -         | 216,000             |
|                        | 04/5/2015 <sup>a</sup>  | 218,000 <sup>T3</sup>   | -  | -  | -         | 218,000             |
|                        | 08/4/2016 <sup>a</sup>  | 216,000 <sup>T1</sup>   | -  | -  | -         | 216,000             |
|                        | 08/4/2016 <sup>a</sup>  | 216,000 <sup>T2</sup>   | -  | -  | -         | 216,000             |
|                        | 08/4/2016 <sup>a</sup>  | 218,000 <sup>T3</sup>   | -  | -  | -         | 218,000             |
|                        | 07/4/2017 <sup>a</sup>  | 216,000 <sup>T1</sup>   | -  | -  | -         | 216,000             |
|                        | 07/4/2017 <sup>a</sup>  | 216,000 <sup>T2</sup>   | -  | -  | -         | 216,000             |
|                        | 07/4/2017 <sup>a</sup>  | 218,000 <sup>T3</sup>   | -  | -  | -         | 218,000             |
|                        | 10/4/2018 <sup>a</sup>  | 216,000 <sup>T1</sup>   | -  | -  | -         | 216,000             |
|                        | 10/4/2018 <sup>a</sup>  | 216,000 <sup>T2</sup>   | -  | -  | -         | 216,000             |
| 10/4/2018 <sup>a</sup> | 218,000 <sup>T3</sup>   | -                       | -  | -  | 218,000   |                     |
| 其他僱員的總數*               | 05/5/2011 <sup>a</sup>  | 686,000 <sup>T3</sup>   | -  | -  | 686,000   | 0                   |
|                        | 10/5/2012 <sup>a</sup>  | 582,000 <sup>T2</sup>   | -  | -  | 582,000   | 0                   |
|                        | 10/5/2012 <sup>a</sup>  | 636,000 <sup>T3</sup>   | -  | -  | -         | 636,000             |
|                        | 03/5/2013 <sup>a</sup>  | 632,000 <sup>T1</sup>   | -  | -  | 632,000   | 0                   |
|                        | 03/5/2013 <sup>a</sup>  | 632,000 <sup>T2</sup>   | -  | -  | -         | 632,000             |
|                        | 03/5/2013 <sup>a</sup>  | 686,000 <sup>T3</sup>   | -  | -  | -         | 686,000             |
|                        | 02/5/2014 <sup>a</sup>  | 702,000 <sup>T1</sup>   | -  | -  | -         | 702,000             |
|                        | 02/5/2014 <sup>a</sup>  | 832,000 <sup>T2</sup>   | -  | -  | -         | 832,000             |
|                        | 02/5/2014 <sup>a</sup>  | 836,000 <sup>T3</sup>   | -  | -  | -         | 836,000             |
|                        | 04/5/2015 <sup>a</sup>  | 832,000 <sup>T1</sup>   | -  | -  | -         | 832,000             |
|                        | 04/5/2015 <sup>a</sup>  | 832,000 <sup>T2</sup>   | -  | -  | -         | 832,000             |
|                        | 04/5/2015 <sup>a</sup>  | 836,000 <sup>T3</sup>   | -  | -  | -         | 836,000             |
|                        | 08/4/2016 <sup>a</sup>  | 582,000 <sup>T1</sup>   | -  | -  | -         | 582,000             |
|                        | 08/4/2016 <sup>a</sup>  | 848,000 <sup>T2</sup>   | -  | -  | -         | 848,000             |
|                        | 08/4/2016 <sup>a</sup>  | 892,500 <sup>T3</sup>   | -  | -  | -         | 892,500             |
|                        | 07/4/2017 <sup>a</sup>  | 932,000 <sup>T1</sup>   | -  | -  | -         | 932,000             |
|                        | 07/4/2017 <sup>a</sup>  | 932,000 <sup>T2</sup>   | -  | -  | -         | 932,000             |
|                        | 07/4/2017 <sup>a</sup>  | 936,000 <sup>T3</sup>   | -  | -  | -         | 936,000             |
|                        | 10/4/2018 <sup>a</sup>  | 1,027,000 <sup>T1</sup> | -  | -  | -         | 1,027,000           |
|                        | 10/4/2018 <sup>a</sup>  | 1,027,000 <sup>T2</sup> | -  | -  | -         | 1,027,000           |
| 10/4/2018 <sup>a</sup> | 1,033,500 <sup>T3</sup> | -                       | -  | -  | 1,033,500 |                     |
| 19/7/2019 <sup>b</sup> | -                       | 1,015,000 <sup>T1</sup> | -  | -  | -         | 1,015,000           |
| 19/7/2019 <sup>b</sup> | -                       | 1,015,000 <sup>T2</sup> | -  | -  | -         | 1,015,000           |
| 19/7/2019 <sup>b</sup> | -                       | 1,020,000 <sup>T3</sup> | -  | -  | -         | 1,020,000           |

## REPORT OF THE DIRECTORS (CONTINUED)

| Name                   | Date of Grant          | Number of Share Options  |                      |           |         | Outstanding at 31/12/2019 |
|------------------------|------------------------|--------------------------|----------------------|-----------|---------|---------------------------|
|                        |                        | Outstanding at 01/1/2019 | Granted              | Exercised | Lapsed  |                           |
| Other Participants**   | 05/5/2011 <sup>a</sup> | 100,000 <sup>T3</sup>    | -                    | -         | 100,000 | 0                         |
|                        | 10/5/2012 <sup>a</sup> | 100,000 <sup>T2</sup>    | -                    | -         | 100,000 | 0                         |
|                        | 10/5/2012 <sup>a</sup> | 100,000 <sup>T3</sup>    | -                    | -         | -       | 100,000                   |
|                        | 03/5/2013 <sup>a</sup> | 50,000 <sup>T1</sup>     | -                    | -         | 50,000  | 0                         |
|                        | 03/5/2013 <sup>a</sup> | 50,000 <sup>T2</sup>     | -                    | -         | -       | 50,000                    |
|                        | 03/5/2013 <sup>a</sup> | 50,000 <sup>T3</sup>     | -                    | -         | -       | 50,000                    |
|                        | 02/5/2014 <sup>a</sup> | 12,000 <sup>T1</sup>     | -                    | -         | -       | 12,000                    |
|                        | 02/5/2014 <sup>a</sup> | 12,000 <sup>T2</sup>     | -                    | -         | -       | 12,000                    |
|                        | 02/5/2014 <sup>a</sup> | 13,500 <sup>T3</sup>     | -                    | -         | -       | 13,500                    |
|                        | 04/5/2015 <sup>a</sup> | 100,000 <sup>T1</sup>    | -                    | -         | -       | 100,000                   |
|                        | 04/5/2015 <sup>a</sup> | 100,000 <sup>T2</sup>    | -                    | -         | -       | 100,000                   |
|                        | 04/5/2015 <sup>a</sup> | 65,746 <sup>T3</sup>     | -                    | -         | -       | 65,746                    |
|                        | 08/4/2016 <sup>a</sup> | 50,000 <sup>T1</sup>     | -                    | -         | -       | 50,000                    |
|                        | 08/4/2016 <sup>a</sup> | 50,000 <sup>T2</sup>     | -                    | -         | -       | 50,000                    |
|                        | 08/4/2016 <sup>a</sup> | 100,000 <sup>T3</sup>    | -                    | -         | -       | 100,000                   |
|                        | 07/4/2017 <sup>a</sup> | 100,000 <sup>T1</sup>    | -                    | -         | -       | 100,000                   |
|                        | 07/4/2017 <sup>a</sup> | 100,000 <sup>T2</sup>    | -                    | -         | -       | 100,000                   |
|                        | 07/4/2017 <sup>a</sup> | 100,000 <sup>T3</sup>    | -                    | -         | -       | 100,000                   |
|                        | 10/4/2018 <sup>a</sup> | 100,000 <sup>T1</sup>    | -                    | -         | -       | 100,000                   |
|                        | 10/4/2018 <sup>a</sup> | 100,000 <sup>T2</sup>    | -                    | -         | -       | 100,000                   |
| 10/4/2018 <sup>a</sup> | 100,000 <sup>T3</sup>  | -                        | -                    | -         | 100,000 |                           |
| 19/7/2019 <sup>b</sup> | -                      | -                        | 50,000 <sup>T1</sup> | -         | -       | 50,000                    |
| 19/7/2019 <sup>b</sup> | -                      | -                        | 50,000 <sup>T2</sup> | -         | -       | 50,000                    |
| 19/7/2019 <sup>b</sup> | -                      | -                        | 50,000 <sup>T3</sup> | -         | -       | 50,000                    |

\* Employees working under employment contracts that were regarded as "Continuous Contracts" for the purpose of the Hong Kong Employment Ordinance.

\*\* Other Participants refer to 4 former employees of the Bank. The share options were granted to them prior to their cessation as employees of the Bank.

## Notes:

a Particulars of share options granted in years 2011 to 2018:

| Date of Grant | Tranche | Vesting Period        | Exercise Period       | Exercise Price Per Share<br>HK\$ |
|---------------|---------|-----------------------|-----------------------|----------------------------------|
| 05/5/2011     | T3      | 05/5/2011 – 04/5/2014 | 05/5/2014 – 05/5/2019 | 32.00                            |
| 10/5/2012     | T2      | 10/5/2012 – 09/5/2014 | 10/5/2014 – 10/5/2019 | 28.99                            |
| 10/5/2012     | T3      | 10/5/2012 – 09/5/2015 | 10/5/2015 – 10/5/2020 | 28.99                            |
| 03/5/2013     | T1      | 03/5/2013 – 02/5/2014 | 03/5/2014 – 03/5/2019 | 31.40                            |
| 03/5/2013     | T2      | 03/5/2013 – 02/5/2015 | 03/5/2015 – 03/5/2020 | 31.40                            |
| 03/5/2013     | T3      | 03/5/2013 – 02/5/2016 | 03/5/2016 – 03/5/2021 | 31.40                            |
| 02/5/2014     | T1      | 02/5/2014 – 01/5/2015 | 02/5/2015 – 02/5/2020 | 32.50                            |
| 02/5/2014     | T2      | 02/5/2014 – 01/5/2016 | 02/5/2016 – 02/5/2021 | 32.50                            |
| 02/5/2014     | T3      | 02/5/2014 – 01/5/2017 | 02/5/2017 – 02/5/2022 | 32.50                            |
| 04/5/2015     | T1      | 04/5/2015 – 03/5/2016 | 04/5/2016 – 04/5/2021 | 34.15                            |
| 04/5/2015     | T2      | 04/5/2015 – 03/5/2017 | 04/5/2017 – 04/5/2022 | 34.15                            |
| 04/5/2015     | T3      | 04/5/2015 – 03/5/2018 | 04/5/2018 – 04/5/2023 | 34.15                            |
| 08/4/2016     | T1      | 08/4/2016 – 07/4/2017 | 08/4/2017 – 08/4/2022 | 28.45                            |
| 08/4/2016     | T2      | 08/4/2016 – 07/4/2018 | 08/4/2018 – 08/4/2023 | 28.45                            |
| 08/4/2016     | T3      | 08/4/2016 – 07/4/2019 | 08/4/2019 – 08/4/2024 | 28.45                            |
| 07/4/2017     | T1      | 07/4/2017 – 06/4/2018 | 07/4/2018 – 07/4/2023 | 32.25                            |
| 07/4/2017     | T2      | 07/4/2017 – 06/4/2019 | 07/4/2019 – 07/4/2024 | 32.25                            |
| 07/4/2017     | T3      | 07/4/2017 – 06/4/2020 | 07/4/2020 – 07/4/2025 | 32.25                            |
| 10/4/2018     | T1      | 10/4/2018 – 09/4/2019 | 10/4/2019 – 10/4/2024 | 32.25                            |
| 10/4/2018     | T2      | 10/4/2018 – 09/4/2020 | 10/4/2020 – 10/4/2025 | 32.25                            |
| 10/4/2018     | T3      | 10/4/2018 – 09/4/2021 | 10/4/2021 – 10/4/2026 | 32.25                            |

## 董事會報告書(續)

| 姓名       | 授予日期                   | 認股權數目                 |                      |    |         |                     |
|----------|------------------------|-----------------------|----------------------|----|---------|---------------------|
|          |                        | 於01/1/2019<br>尚未行使    | 授出                   | 行使 | 失效      | 於31/12/2019<br>尚未行使 |
| 其他參與人 ** | 05/5/2011 <sup>a</sup> | 100,000 <sup>T3</sup> | -                    | -  | 100,000 | 0                   |
|          | 10/5/2012 <sup>a</sup> | 100,000 <sup>T2</sup> | -                    | -  | 100,000 | 0                   |
|          | 10/5/2012 <sup>a</sup> | 100,000 <sup>T3</sup> | -                    | -  | -       | 100,000             |
|          | 03/5/2013 <sup>a</sup> | 50,000 <sup>T1</sup>  | -                    | -  | 50,000  | 0                   |
|          | 03/5/2013 <sup>a</sup> | 50,000 <sup>T2</sup>  | -                    | -  | -       | 50,000              |
|          | 03/5/2013 <sup>a</sup> | 50,000 <sup>T3</sup>  | -                    | -  | -       | 50,000              |
|          | 02/5/2014 <sup>a</sup> | 12,000 <sup>T1</sup>  | -                    | -  | -       | 12,000              |
|          | 02/5/2014 <sup>a</sup> | 12,000 <sup>T2</sup>  | -                    | -  | -       | 12,000              |
|          | 02/5/2014 <sup>a</sup> | 13,500 <sup>T3</sup>  | -                    | -  | -       | 13,500              |
|          | 04/5/2015 <sup>a</sup> | 100,000 <sup>T1</sup> | -                    | -  | -       | 100,000             |
|          | 04/5/2015 <sup>a</sup> | 100,000 <sup>T2</sup> | -                    | -  | -       | 100,000             |
|          | 04/5/2015 <sup>a</sup> | 65,746 <sup>T3</sup>  | -                    | -  | -       | 65,746              |
|          | 08/4/2016 <sup>a</sup> | 50,000 <sup>T1</sup>  | -                    | -  | -       | 50,000              |
|          | 08/4/2016 <sup>a</sup> | 50,000 <sup>T2</sup>  | -                    | -  | -       | 50,000              |
|          | 08/4/2016 <sup>a</sup> | 100,000 <sup>T3</sup> | -                    | -  | -       | 100,000             |
|          | 07/4/2017 <sup>a</sup> | 100,000 <sup>T1</sup> | -                    | -  | -       | 100,000             |
|          | 07/4/2017 <sup>a</sup> | 100,000 <sup>T2</sup> | -                    | -  | -       | 100,000             |
|          | 07/4/2017 <sup>a</sup> | 100,000 <sup>T3</sup> | -                    | -  | -       | 100,000             |
|          | 10/4/2018 <sup>a</sup> | 100,000 <sup>T1</sup> | -                    | -  | -       | 100,000             |
|          | 10/4/2018 <sup>a</sup> | 100,000 <sup>T2</sup> | -                    | -  | -       | 100,000             |
|          | 10/4/2018 <sup>a</sup> | 100,000 <sup>T3</sup> | -                    | -  | -       | 100,000             |
|          | 19/7/2019 <sup>b</sup> | -                     | 50,000 <sup>T1</sup> | -  | -       | 50,000              |
|          | 19/7/2019 <sup>b</sup> | -                     | 50,000 <sup>T2</sup> | -  | -       | 50,000              |
|          | 19/7/2019 <sup>b</sup> | -                     | 50,000 <sup>T3</sup> | -  | -       | 50,000              |

\* 按香港《僱傭條例》所指的「連續合約」工作的僱員。

\*\* 其他參與人指4位本行前僱員。在其終止為本行僱員前已獲授予該等認股權。

附註：

a 於2011年至2018年授予的認股權詳情：

| 授予日期      | 部分 | 有效期                   | 行使期                   | 每股行使價<br>港幣(元) |
|-----------|----|-----------------------|-----------------------|----------------|
| 05/5/2011 | T3 | 05/5/2011 – 04/5/2014 | 05/5/2014 – 05/5/2019 | 32.00          |
| 10/5/2012 | T2 | 10/5/2012 – 09/5/2014 | 10/5/2014 – 10/5/2019 | 28.99          |
| 10/5/2012 | T3 | 10/5/2012 – 09/5/2015 | 10/5/2015 – 10/5/2020 | 28.99          |
| 03/5/2013 | T1 | 03/5/2013 – 02/5/2014 | 03/5/2014 – 03/5/2019 | 31.40          |
| 03/5/2013 | T2 | 03/5/2013 – 02/5/2015 | 03/5/2015 – 03/5/2020 | 31.40          |
| 03/5/2013 | T3 | 03/5/2013 – 02/5/2016 | 03/5/2016 – 03/5/2021 | 31.40          |
| 02/5/2014 | T1 | 02/5/2014 – 01/5/2015 | 02/5/2015 – 02/5/2020 | 32.50          |
| 02/5/2014 | T2 | 02/5/2014 – 01/5/2016 | 02/5/2016 – 02/5/2021 | 32.50          |
| 02/5/2014 | T3 | 02/5/2014 – 01/5/2017 | 02/5/2017 – 02/5/2022 | 32.50          |
| 04/5/2015 | T1 | 04/5/2015 – 03/5/2016 | 04/5/2016 – 04/5/2021 | 34.15          |
| 04/5/2015 | T2 | 04/5/2015 – 03/5/2017 | 04/5/2017 – 04/5/2022 | 34.15          |
| 04/5/2015 | T3 | 04/5/2015 – 03/5/2018 | 04/5/2018 – 04/5/2023 | 34.15          |
| 08/4/2016 | T1 | 08/4/2016 – 07/4/2017 | 08/4/2017 – 08/4/2022 | 28.45          |
| 08/4/2016 | T2 | 08/4/2016 – 07/4/2018 | 08/4/2018 – 08/4/2023 | 28.45          |
| 08/4/2016 | T3 | 08/4/2016 – 07/4/2019 | 08/4/2019 – 08/4/2024 | 28.45          |
| 07/4/2017 | T1 | 07/4/2017 – 06/4/2018 | 07/4/2018 – 07/4/2023 | 32.25          |
| 07/4/2017 | T2 | 07/4/2017 – 06/4/2019 | 07/4/2019 – 07/4/2024 | 32.25          |
| 07/4/2017 | T3 | 07/4/2017 – 06/4/2020 | 07/4/2020 – 07/4/2025 | 32.25          |
| 10/4/2018 | T1 | 10/4/2018 – 09/4/2019 | 10/4/2019 – 10/4/2024 | 32.25          |
| 10/4/2018 | T2 | 10/4/2018 – 09/4/2020 | 10/4/2020 – 10/4/2025 | 32.25          |
| 10/4/2018 | T3 | 10/4/2018 – 09/4/2021 | 10/4/2021 – 10/4/2026 | 32.25          |

## REPORT OF THE DIRECTORS (CONTINUED)

### b Share options granted in year 2019:

#### (i) Particulars:

| Date of Grant | Tranche | Vesting Period        | Exercise Period       | Exercise Price Per Share<br>HK\$ |
|---------------|---------|-----------------------|-----------------------|----------------------------------|
| 19/7/2019     | T1      | 19/7/2019 – 18/7/2020 | 19/7/2020 – 19/7/2025 | 22.45                            |
| 19/7/2019     | T2      | 19/7/2019 – 18/7/2021 | 19/7/2021 – 19/7/2026 | 22.45                            |
| 19/7/2019     | T3      | 19/7/2019 – 18/7/2022 | 19/7/2022 – 19/7/2027 | 22.45                            |

(ii) The closing price of the shares of the Bank on 18th July, 2019 (being the business day immediately preceding 19th July, 2019 on which the options were granted) was HK\$22.45.

(iii) Fair value of share options granted during the year ended 31st December, 2019 and the assumptions are set out in Note 40 on the accounts.

(2) No share options were exercised during the year ended 31st December, 2019.

(3) No share options were cancelled during the year ended 31st December, 2019.

(4) The accounting policy adopted for share options is set out in Note 2(y)(iv) on the accounts.

Save as disclosed above, as at 31st December, 2019, none of the Directors or Co-Chief Executives of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

## INFORMATION ON SHARE OPTION SCHEME

The following is a summary of the 2016 Scheme disclosed in accordance with the Listing Rules:

### 1. Purpose of the 2016 Scheme:

- The 2016 Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible persons had made or may make to the Group.
- The 2016 Scheme will provide the eligible persons with an opportunity to have a personal stake in the Bank with the view to motivating the eligible persons to optimise their performance and efficiency for the benefit of the Group.

### 2. Participants of the 2016 Scheme:

The Board may at its discretion grant options to any employees including Executive Directors and Co-Chief Executives of the Group.

### 3. Total number of shares available for issue under the 2016 Scheme and % of issued shares at 31st December, 2019:

The maximum number of Shares that may be issued upon the exercise of the options that may be granted under the 2016 Scheme is 134,157,681 Shares, being 5% of the total number of issued Shares as at the date of approval of the 2016 Scheme, and 4.62% as at 31st December, 2019.

The total number of Shares available for issue upon the exercise of the options that have been granted (less those exercised and cancelled options, if any) under the 2016 Scheme is 18,937,500 Shares representing 0.65% of the issued Shares of the Bank at 31st December, 2019.

### 4. Maximum entitlement of each participant under the 2016 Scheme:

No options may be granted to any eligible persons, which if exercised in full would result in the total number of Shares issued and to be issued upon exercise of the share options already granted or to be granted to such eligible person under the 2016 Scheme or any other schemes (which are subject to regulation under Chapter 17 of the Listing Rules) of the Bank (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such new grant exceeding 1% of the issued Shares as at the date of such new grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the 2016 Scheme.

### 5. The period within which the shares must be taken up under an option:

Beginning on the vesting date of such options, the date on which such option is vested and becomes exercisable, and ending on the fifth anniversary of the vesting date thereof, except as provided otherwise in the rules of the 2016 Scheme.



## 董事會報告書(續)

b 於2019年授予的認股權：

(i) 詳情：

| 授予日期      | 部分 | 有效期                   | 行使期                   | 每股行使價<br>港幣(元) |
|-----------|----|-----------------------|-----------------------|----------------|
| 19/7/2019 | T1 | 19/7/2019 – 18/7/2020 | 19/7/2020 – 19/7/2025 | 22.45          |
| 19/7/2019 | T2 | 19/7/2019 – 18/7/2021 | 19/7/2021 – 19/7/2026 | 22.45          |
| 19/7/2019 | T3 | 19/7/2019 – 18/7/2022 | 19/7/2022 – 19/7/2027 | 22.45          |

(ii) 本行股份在2019年7月18日(即2019年7月19日授出認股權當日之前一個營業日)的收市價為港幣22.45元。

(iii) 在截至2019年12月31日止年度內授出認股權的公平價值及假設載於賬項附註40。

(2) 截至2019年12月31日止年度內並無認股權被行使。

(3) 截至2019年12月31日止年度內並無認股權被註銷。

(4) 有關認股權的會計政策載於賬項附註2(y)(iv)。

除上述所披露外，於2019年12月31日，本行的董事或聯席行政總裁或他們的配偶或18歲以下子女概無獲授或行使任何權利以認購本行或其任何相聯法團的股本或債務證券。

### 認股權計劃資料

根據《上市規則》披露的有關2016計劃的摘要如下：

#### 1. 2016計劃的目的：

- (a) 2016計劃屬於一項股份獎勵計劃，設立的目的是在於肯定合資格人士對本集團作出或可能作出的貢獻。
- (b) 2016計劃為合資格人士提供機會持有本行的股權，藉此鼓勵僱員努力工作，提高效率，為本集團賺取更多利益。

#### 2. 2016計劃的參與人：

董事會可按其酌情權，向本集團任何僱員，包括執行董事和聯席行政總裁，授予認股權。

#### 3. 2016計劃中可予發行的股份數目及其於2019年12月31日佔已發行股份的百分率：

根據2016計劃可授出的認股權獲行使時可予發行的股份數目上限為134,157,681股，即相當於批准2016計劃當日已發行股份的5%及於2019年12月31日已發行股份的4.62%。

根據2016計劃已授出的認股權(減除已行使及已註銷的認股權，如有)獲行使時可予發行的股份總數為18,937,500股，相當本行於2019年12月31日已發行股份的0.65%。

#### 4. 2016計劃中每名參與人可獲授權益上限：

凡合資格人士在行使全部認股權後，會導致該位合資格人士在截至獲授新認股權之日(包括當日)止12個月內，因行使已經根據或將會根據2016計劃及本行任何其他計劃(該計劃受《上市規則》第17章的規定所規限)獲授的認股權(包括已行使、已註銷及尚未行使的認股權)時，所獲發行及將予發行的股份總數超出新認股權授出當日的已發行股份的1%，則不得向該位合資格人士再授出新認股權。再度授出超出該上限的認股權，須受載於2016計劃的規則內的若干規定所約束。

#### 5. 可根據認股權認購股份的期限：

除2016計劃的規則另有規定外，由該認股權歸屬日(該認股權被歸屬並成為可行使之日期)開始截至歸屬日的第5周年止。

## REPORT OF THE DIRECTORS (CONTINUED)

### 6. The minimum period for which an option must be held before it can be exercised:

From the Date of Grant of such options up to the day immediately before the vesting date thereof.

### 7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid:

Not applicable.

### 8. The basis of determining the exercise price:

The exercise price is determined by the Directors and being not less than the highest of:

- the closing price of the Bank's ordinary shares in the Stock Exchange's daily quotations sheet on the date of grant of the relevant options; and
- an amount equivalent to the average closing price of the Bank's ordinary shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant options.

### 9. Vesting of Options:

Save as provided otherwise in the rules of the 2016 Scheme, an option granted under the 2016 Scheme shall be vested and become exercisable as follows:

- not more than one third of the option shall be vested and become exercisable on the first anniversary of the Date of Grant;
- not more than one third of the option shall be vested and become exercisable on the second anniversary of the Date of Grant; and
- the remaining balance of the option shall be vested and become exercisable on the third anniversary of the Date of Grant.

### 10. The remaining life of the 2016 Scheme:

The Scheme Period will end on 18th April, 2021.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31st December, 2019, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Bank as recorded in the register required to be kept under section 336 of the SFO (the "Register") were as follows:

Long positions in ordinary shares of the Bank:

| Name  | Capacity and nature     | No. of shares              | % of issued voting Shares |
|---|-------------------------|----------------------------|---------------------------|
| Sumitomo Mitsui Banking Corporation                                     | Beneficial owner        | 510,003,673 <sup>1</sup>   | 19.01                     |
| Sumitomo Mitsui Financial Group, Inc.                                   | Interest of corporation | 510,003,673 <sup>1</sup>   | 19.01                     |
| Criteria Caixa, S.A., Sociedad Unipersonal                              | Beneficial owner        | 464,287,319 <sup>2</sup>   | 17.30                     |
| Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" | Interest of corporation | 464,287,319 <sup>2</sup>   | 17.30                     |
| Guoco Management Company Limited  | Beneficial owner        | 369,755,978 <sup>3,4</sup> | 14.15 <sup>5</sup>        |
| Guoco Group Limited   | Interest of corporation | 369,755,978 <sup>3</sup>   | 14.15                     |
| GuoLine Overseas Limited  | Interest of corporation | 369,755,978 <sup>3</sup>   | 14.15 <sup>5</sup>        |
| GuoLine Capital Assets Limited  | Interest of corporation | 369,755,978 <sup>3</sup>   | 14.15 <sup>5</sup>        |
| Hong Leong Company (Malaysia) Berhad                                    | Interest of corporation | 369,755,978 <sup>3,4</sup> | 14.15                     |
| HL Holdings Sdn Bhd   | Interest of corporation | 369,755,978 <sup>3</sup>   | 14.15                     |
| QUEK Leng Chan  | Interest of corporation | 369,755,978 <sup>3</sup>   | 14.15                     |
| Hong Leong Investment Holdings Pte. Ltd.                                | Interest of corporation | 369,755,978 <sup>4</sup>   | 14.15                     |
| Davos Investment Holdings Private Limited                               | Interest of corporation | 369,755,978 <sup>4</sup>   | 14.15                     |
| KWEK Leng Kee   | Interest of corporation | 369,755,978 <sup>4</sup>   | 14.15                     |
| Elliott Capital Advisors, L.P.  | Interest of corporation | 218,080,742 <sup>6</sup>   | 8.00                      |

**6. 認股權行使之前必須持有的最短期限：**

由認股權授出之日起直至歸屬日之前一日。

**7. 申請或接受認股權須付金額以及付款或通知付款的期限或償還申請期權貸款的期限：**

不適用

**8. 行使價的釐定基準：**

行使價由董事會釐定，但不少於下列的最高價：

- (a) 於授出有關認股權當日，本行普通股股份於聯交所日報表的收市價；及
- (b) 相等於緊接授出有關認股權日之前5個營業日，本行普通股股份於聯交所日報表的平均收市價。

**9. 認股權的歸屬：**

除2016計劃的規則另有規定外，按2016計劃授出的認股權將被歸屬及成為可行使如下：

- (a) 不多於三分之一的認股權將於授予日的第1周年被歸屬及成為可行使；
- (b) 不多於三分之一的認股權將於授予日的第2周年被歸屬及成為可行使；及
- (c) 餘下的認股權將於授予日的第3周年被歸屬及成為可行使。

**10. 2016計劃尚餘的有效期：**

計劃期間於2021年4月18日終止。

**主要股東及其他人士的權益**

於2019年12月31日，根據《證券及期貨條例》第336條須予備存的登記冊（「該登記冊」）所記錄，主要股東及其他人士擁有本行的股份及相關股份的權益如下：

本行普通股股份權益的好倉：

| 姓名  | 身分及性質 | 股份數目                       | 佔已發行有投票權股份的百分率     |
|---|-------|----------------------------|--------------------|
| 三井住友銀行  | 實益擁有人 | 510,003,673 <sup>1</sup>   | 19.01              |
| 三井住友金融集團  | 法團的權益 | 510,003,673 <sup>1</sup>   | 19.01              |
| Criteria Caixa, S.A., Sociedad Unipersonal                              | 實益擁有人 | 464,287,319 <sup>2</sup>   | 17.30              |
| Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" | 法團的權益 | 464,287,319 <sup>2</sup>   | 17.30              |
| 國浩管理有限公司  | 實益擁有人 | 369,755,978 <sup>3,4</sup> | 14.15 <sup>5</sup> |
| 國浩集團有限公司  | 法團的權益 | 369,755,978 <sup>3</sup>   | 14.15              |
| GuoLine Overseas Limited  | 法團的權益 | 369,755,978 <sup>3</sup>   | 14.15 <sup>5</sup> |
| GuoLine Capital Assets Limited  | 法團的權益 | 369,755,978 <sup>3</sup>   | 14.15 <sup>5</sup> |
| Hong Leong Company (Malaysia) Berhad                                    | 法團的權益 | 369,755,978 <sup>3,4</sup> | 14.15              |
| HL Holdings Sdn Bhd   | 法團的權益 | 369,755,978 <sup>3</sup>   | 14.15              |
| 郭令燦   | 法團的權益 | 369,755,978 <sup>3</sup>   | 14.15              |
| Hong Leong Investment Holdings Pte. Ltd.                                | 法團的權益 | 369,755,978 <sup>4</sup>   | 14.15              |
| Davos Investment Holdings Private Limited                               | 法團的權益 | 369,755,978 <sup>4</sup>   | 14.15              |
| KWEK Leng Kee   | 法團的權益 | 369,755,978 <sup>4</sup>   | 14.15              |
| Elliott Capital Advisors, L.P.  | 法團的權益 | 218,080,742 <sup>6</sup>   | 8.00               |

## REPORT OF THE DIRECTORS (CONTINUED)

### Notes:

- 1 Sumitomo Mitsui Financial Group, Inc. owned a 100% interest in Sumitomo Mitsui Banking Corporation. Sumitomo Mitsui Financial Group, Inc. was deemed to be interested in the 510,003,673 shares of the Bank held by Sumitomo Mitsui Banking Corporation.

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 31st December, 2019, they stood at 568,960,312 shares (equivalent to approximately 19.58% of the issued shares of the Bank as at 31st December, 2019). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- 2 As at 31st December, 2019, Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") owned a 100% interest in Criteria Caixa, S.A., Sociedad Unipersonal ("Criteria Caixa"). la Caixa was deemed to be interested in the 464,287,319 shares of the Bank held by Criteria Caixa.

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 31st December, 2019, they stood at 508,519,684 shares (equivalent to approximately 17.50% of the issued shares of the Bank as at 31st December, 2019). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- 3 The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Guoco Management Company Limited was the beneficial owner of 369,755,978 shares (equivalent to approximately 14.15% of the issued shares of the Bank as at 27th March, 2015, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 12.72% of the issued shares of the Bank as at 31st December, 2019). Hong Leong Company (Malaysia) Berhad was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Capital Assets Limited which owned a 100% interest in GuoLine Overseas Limited. GuoLine Overseas Limited held a 71.88% interest in Guoco Group Limited which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Capital Assets Limited, GuoLine Overseas Limited and Guoco Group Limited were all deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited.

Quek Leng Chan was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 100% interest in HL Holdings Sdn Bhd ("HLH"). Hong Leong Company (Malaysia) Berhad was 49.27% owned by Quek Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly-owned by him and 0.311% via Newton (L) Limited.

- 4 The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Hong Leong Company (Malaysia) Berhad was 34.69% held by Hong Leong Investment Holdings Pte. Ltd. which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 369,755,978 shares (equivalent to approximately 14.15% of the issued shares of the Bank as at 27th March, 2015, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 12.72% of the issued shares of the Bank as at 31st December, 2019) held by Guoco Management Company Limited by virtue of their interests in Hong Leong Company (Malaysia) Berhad.

KWEK Leng Kee was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.

- 5 GuoLine Overseas Limited and GuoLine Capital Assets Limited are wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad and Guoco Management Company Limited is a wholly-owned subsidiary of Guoco Group Limited. With the filing of the substantial shareholder notices by Hong Leong Company (Malaysia) Berhad and Guoco Group Limited, GuoLine Overseas Limited, GuoLine Capital Assets Limited and Guoco Management Company Limited do not need to file their respective substantial shareholder notices under the "wholly-owned group exemption" as provided in the SFO.

- 6 Elliott Capital Advisors, L.P. ("ECALP") was deemed to be interested in these shares (equivalent to approximately 8.00% of the issued shares of the Bank as at 4th July, 2017, i.e. at the time of disclosure pursuant to Part XV of the SFO, and approximately 7.50% of the issued shares of the Bank as at 31st December, 2019) comprising 198,044,142 shares held by Elliott International L.P. ("EILP"), 20,035,600 shares held by The Liverpool Limited Partnership ("Liverpool LP"), 200 shares held by Artan Investments Ltd, 200 shares held by Frasco Investments Ltd, 200 shares held by Milton Investments Ltd, 200 shares held by Parlan Investments Ltd and 200 shares held by Trevet Investments Ltd.

Liverpool LP was 100% controlled by Liverpool Associates, Ltd. Liverpool Associates, Ltd, Artan Investments Ltd and Frasco Investments Ltd were 100% controlled by Elliott Associates, L.P.. Milton Investments Ltd, Parlan Investments Ltd and Trevet Investments Ltd. were 100% controlled by EILP which in turn was 100% controlled by Hambledon, Inc..

Both Elliott Associates, L.P. and Hambledon, Inc. were 100% controlled by ECALP which is accustomed to act in accordance with the instructions of Paul Singer.

Save as disclosed above, no other interest or short position in the shares or underlying shares of the Bank were recorded in the Register.

## EQUITY-LINKED AGREEMENTS

During the year, other than the Staff Share Option Schemes as set out in the above section under "Information on Share Options" and Notes 2(y)(iv) and 40 on the accounts, the Bank has not entered into any equity-linked agreement.

附註：

- 1 三井住友金融集團全資擁有三井住友銀行。三井住友金融集團因此而被視為擁有三井住友銀行所持有的510,003,673股的權益。  
本行已收到通知上述兩個法團於2019年12月31日的持股量已增加至568,960,312股(相等於本行於2019年12月31日已發行股份約19.58%)。彼等增持有關股份無須根據《證券及期貨條例》第XV部作出披露。
- 2 於2019年12月31日，Fundación Bancaria Caixa d' Estalvis i Pensions de Barcelona, "la Caixa"(「la Caixa」)全資擁有Criteria Caixa, S.A., Sociedad Unipersonal(「Criteria Caixa」)。la Caixa因此而被視為擁有Criteria Caixa所持有的464,287,319股的權益。  
本行已收到通知上述兩個法團於2019年12月31日的持股量已增加至508,519,684股(相等於本行於2019年12月31日已發行股份約17.50%)。彼等增持有關股份無須根據《證券及期貨條例》第XV部作出披露。
- 3 附註3及4所指之369,755,978股本行股份為同一批股份。國浩管理有限公司為369,755,978股(相等於本行於2015年3月27日(即根據《證券及期貨條例》第XV部作出披露時)已發行股份約14.15%，及本行於2019年12月31日已發行股份約12.72%)之實益擁有人。由於Hong Leong Company (Malaysia) Berhad全資擁有GuoLine Capital Assets Limited、GuoLine Capital Assets Limited全資擁有GuoLine Overseas Limited、GuoLine Overseas Limited持有國浩集團有限公司的71.88%權益及國浩集團有限公司全資擁有國浩管理有限公司，Hong Leong Company (Malaysia) Berhad因此而被視為擁有國浩管理有限公司所持有的369,755,978股的權益。GuoLine Capital Assets Limited、GuoLine Overseas Limited和國浩集團有限公司均被視為擁有國浩管理有限公司所持有的369,755,978股的權益。  
郭令燦擁有HL Holdings Sdn Bhd(「HLH」)的全部權益，而郭令燦分別以其個人名義及透過其全資擁有的HLH持有Hong Leong Company (Malaysia) Berhad的2.424%及46.534%權益，以及透過Newton (L) Limited持有0.311%(合共49.27%權益)，因此郭令燦被視為擁有國浩管理有限公司持有的369,755,978股股份的權益。
- 4 附註3及4所指之369,755,978股本行股份為同一批股份。Davos Investment Holdings Private Limited持有Hong Leong Investment Holdings Pte. Ltd.的33.59%權益，Hong Leong Investment Holdings Pte. Ltd.則持有Hong Leong Company (Malaysia) Berhad的34.69%權益。Davos Investment Holdings Private Limited和Hong Leong Investment Holdings Pte. Ltd.因持有Hong Leong Company (Malaysia) Berhad的權益而被視為擁有國浩管理有限公司所持有的369,755,978股(相等於2015年3月27日(即根據《證券及期貨條例》第XV部作出披露時)已發行股份約14.15%，及本行於2019年12月31日已發行股份約12.72%)的權益。  
KWEK Leng Kee因持有Davos Investment Holdings Private Limited的41.92%權益而被視為擁有國浩管理有限公司所持有之369,755,978股的權益。
- 5 GuoLine Overseas Limited及GuoLine Capital Assets Limited為Hong Leong Company (Malaysia) Berhad的全資附屬公司；而國浩管理有限公司則為國浩集團有限公司的全資附屬公司。由於Hong Leong Company (Malaysia) Berhad及國浩集團有限公司已將大股東權益的通知存檔，GuoLine Overseas Limited、GuoLine Capital Assets Limited及國浩管理有限公司根據《證券及期貨條例》中「全資集團豁免條文」毋須將其大股東權益通知存檔。
- 6 Elliott Capital Advisors, L.P.(「ECALP」)被視為擁有該批股份(相等於2017年7月4日(即根據《證券及期貨條例》第XV部作出披露時)已發行股份約8.00%，及本行於2019年12月31日已發行股份約7.50%)，其中包括Elliott International L.P.(「EILP」)持有的198,044,142股、The Liverpool Limited Partnership(「Liverpool LP」)持有的20,035,600股、Artan Investments Ltd持有的200股、Frasco Investments Ltd持有的200股、Milton Investments Ltd持有的200股、Parlan Investments Ltd持有的200股及Trevet Investments Ltd持有的200股。  
Liverpool Associates, Ltd全資擁有Liverpool LP；Elliott Associates, L.P.全資擁有Liverpool Associates, Ltd、Artan Investments Ltd及Frasco Investments Ltd；而EILP則全資擁有Milton Investments Ltd、Parlan Investments Ltd及Trevet Investments Ltd。Hambleton, Inc.則全資擁有EILP。  
ECALP全資擁有Elliott Associates, L.P.及Hambleton, Inc.。而ECALP則慣於按照Paul Singer的指令行事。

除上述所披露外，概無其他本行股份或相關股份的權益或淡倉載於該登記冊內。

### 股票掛鈎協議

於年內，除於上列「認股權資料」項下及賬項附註2(y)(iv)及40所載的僱員認股計劃外，本行並無訂立任何股票掛鈎協議。

## REPORT OF THE DIRECTORS (CONTINUED)

### CONNECTED TRANSACTION

On 18th November, 2019, pursuant to a bilateral agreement entered into in the ordinary course of business with another bank, the Bank assumed a commitment in the amount of US\$40 million (equivalent to approximately HK\$312 million) in respect of a letter of credit (with a tenor of 90 days from 18th November, 2019) (the "Letter of Credit").

On 21st November, 2019, the Bank entered into a letter agreement (with a tenor of 90 days from 21st November, 2019) (the "Participation Agreement") with Sumitomo Mitsui Banking Corporation ("SMBC"), pursuant to which, as a funded disposal of letter of credit bank risk, the Bank agreed to transfer its commitment in the amount of US\$40 million (equivalent to approximately HK\$312 million) (including all related obligations and risks) in respect of the Letter of Credit to SMBC (the "Transaction").

The Directors considered that the Transaction is in the best interests of the Bank as it helps promote the trade finance business cooperation between the Bank and SMBC, and also serves as a general balance sheet management tool for the Bank.

The full commitment (including all related obligations and risks) of the Bank in respect of the Letter of Credit was transferred to SMBC.

As SMBC is a substantial shareholder (as defined in the Listing Rules) of the Bank, SMBC is a connected person of the Bank under the Listing Rules. Therefore, the entering into of the Participation Agreement between the Bank and SMBC constituted a connected transaction of the Bank. As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Transaction exceeds 0.1% but all are less than 5%, the Transaction is required to be reported in the Bank's Annual Report. For details of the Transaction, please refer to the announcement dated 21st November, 2019 issued by the Bank.

### PUBLIC FLOAT

As at the date of this Report, the Bank has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Bank and within the knowledge of the Directors.

### DONATIONS

Donations made by the Group during the year for charitable and community purposes amounted to approximately HK\$9 million (2018: HK\$10 million).

### CORPORATE GOVERNANCE

The Bank is committed to maintaining high standards of corporate governance. Information on the corporate governance practices adopted by the Bank is set out in the Corporate Governance Report of this Annual Report.

### COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The Annual Report for the financial year ended 31st December, 2019 complies with the applicable disclosure requirements of the Banking (Disclosure) Rules.

### AUDITORS

A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

**David Li Kwok-po**  
Executive Chairman

Hong Kong, 19th February, 2020

## 關連交易

於2019年11月18日，根據在日常業務過程中與另一家銀行簽訂的雙邊協議，本行承擔一項信用證（期限為自2019年11月18日起計90日）（「有關信用證」）的4千萬美元（相當於約港幣3.12億元）承貸額。

於2019年11月21日，本行與三井住友銀行訂立信函協議（期限為自2019年11月21日起計90日）（「參與協議」）。根據參與協議，作為一項信用證銀行風險轉讓，本行同意向三井住友銀行轉讓有關信用證的4千萬美元（相當於約港幣3.12億元）承貸額（包括所有相關責任和風險）（「該交易」）。

董事認為該交易符合本行的最佳利益，因為其有助於促進本行與三井住友銀行之間的貿易融資業務合作，以及作為本行的一般資產負債表管理工具。

有關信用證的全部承貸額（包括所有相關責任和風險）已由本行轉讓予三井住友銀行。

由於三井住友銀行是本行的主要股東（根據《上市規則》的定義），故根據《上市規則》，三井住友銀行被視為本行的關連人士。因此，本行與三井住友銀行訂立參與協議構成本行的一項關連交易。因關於該交易的一項適用百分比率（根據《上市規則》的定義）超過0.1%，但均少於5%，該交易須在本行年報作出披露。有關該交易的詳情，請參閱本行於2019年11月21日所刊發的公告。

## 公眾持股量

基於公開予本行查閱之資料及據董事所知悉，截至本報告日期為止，本行一直維持《上市規則》所訂明之公眾持股量。

## 捐款

本集團本年內所作出的慈善及公益捐款約為港幣900萬元（2018：港幣1,000萬元）。

## 企業管治

本行致力維持良好的企業管治標準。有關本行所採納的企業管治常規的資料，載列於本年報的企業管治報告內。

## 符合《銀行業（披露）規則》

截至2019年12月31日止年度的年報已符合《銀行業（披露）規則》中所適用的披露規定。

## 核數師

在即將召開的股東周年常會中，將提請通過續聘畢馬威會計師事務所為本行核數師的議案。

承董事會命  
執行主席  
**李國寶**

香港，2020年2月19日

## INDEPENDENT AUDITOR'S REPORT



### TO THE MEMBERS OF THE BANK OF EAST ASIA, LIMITED

(Incorporated in Hong Kong with limited liability)

#### OPINION

We have audited the consolidated financial statements of The Bank of East Asia, Limited ("the Bank") and its subsidiaries (together "the Group") set out on pages 164 to 358, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### BASIS FOR OPINION

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

#### KEY AUDIT MATTERS

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



# 獨立核數師報告



## 致東亞銀行有限公司成員

(於香港註冊成立的有限公司)

### 意見

本核數師(以下簡稱「我們」)已審計列載於第164至第358頁的東亞銀行有限公司(以下簡稱「貴銀行」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一九年十二月三十一日的綜合財務狀況表和截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了 貴集團於二零一九年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》妥為擬備。

### 意見的基礎

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

### 關鍵審計事項

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

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 29(a), 45(a)(x) to the consolidated financial statements

| Key audit matter   | How the matter was addressed in our audit   |
|--|---|
| <p>The Group's advances to customers as at 31 December 2019 amounted to HK\$509,105 million, with total expected credit losses ("ECL") amounting to HK\$3,769 million as at 31 December 2019. Hong Kong and China Operations contributed to 57% and 26% of the Group's advances to customers, and 16% and 80% of the Group's total ECL respectively.</p> <p>Impairment allowances of loans and advances to customers across the banking industry continues to be an area of concern and elevated focus due to the uncertain local and global economic outlook, including the adverse impact from China – United States trade disputes and the recent social unrest in Hong Kong.</p> <p>The Group experienced significant credit losses from China Operations during the year. Impairment allowances may be materially misstated if the exposures with a significant increase in credit risk are not properly identified and classified in the appropriate stages. The assessment of the recoverable amount of collateral is particularly challenging in Mainland China as the extent of judgement exercised by management in the process of determining the strategy of recovery and assessing the collateral value of these exposures is higher. As a result, the impairment allowances of loans and advances to customers in this particular part of business is subject to a higher inherent risk of material misstatements.</p> | <p>Our audit procedures to assess the Group's impairment allowances on loans and advances to customers measured at amortised cost included the following:</p> <ul style="list-style-type: none"> <li>understanding and assessing the design, implementation and operating effectiveness of key internal controls on financial reporting over the change of financial instrument standards, approval, recording and monitoring of loans measured at amortised cost, the credit grading process, the ECL model development, approval, monitoring, governance process, and the measurement of provisions for impairment allowances;</li> <li>involving specialists in assessing the reliability of the ECL model used by management in determining impairment allowances, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of loss stages, probability of default, loss given default, exposure at default, discount rate, adjustments for forward-looking information and other management adjustments;</li> </ul> |

**客戶貸款及墊款的減值準備**

請參閱綜合財務報表附註2(h)(vii)、29(a)和45(a)(x)

**關鍵審計事項**

於二零一九年十二月三十一日，貴集團的客戶墊款達到港幣5,091.05億元，預期信貸損失於二零一九年十二月三十一日總額為港幣37.69億元。香港與中國內地的業務分別佔貴集團客戶墊款的57%和26%，以及佔貴集團預期信貸損失總額的16%和80%。

由於本地及全球經濟前景不明朗，包括中美貿易糾紛帶來的不利影響，以及香港最近出現的社會動蕩因素，銀行業界的客戶貸款及墊款的減值準備繼續成為主要關注事項。

貴集團於年內在中國業務經歷重大信貸損失。倘貸款的信貸風險顯著增加未被恰當地識別及分類，可能導致預期信貸損失存在重大錯誤陳述。由於管理層在釐定收回策略及評估抵押品價值的過程中涉及較多的判斷，評估在中國內地的抵押物的可收回金額時特別具有難度。因此，有關此部份業務的客戶貸款及墊款減值準備存在較高重大錯誤陳述的內含風險。

**審計對策**

與評估貴集團以攤銷成本計量的客戶貸款及墊款的減值準備相關的審計程序包括以下各項：

- 瞭解並評估與以下項目有關的關鍵財務報告內部控制的設計、實施及操作成效：金融工具準則的變更，以攤銷成本計量的貸款的審批、記錄和監管，信貸評級流程、預期信貸損失模型的制定、審批、監管和管治程序，以及減值準備的撥備計量；
- 使用專家評估管理層在釐定減值準備時所用的預期信貸損失模型的可靠性，包括評估預期信貸損失模型所用的關鍵參數及假設是否恰當，這包括所識別的損失階段、違約概率、違約損失率、違約風險承擔和貼現率，就前瞻性資訊所作的調整以及管理層所作的其他調整；

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 29(a), 45(a)(x) to the consolidated financial statements

#### Key audit matter

The Group has continued to apply its expected credit loss model to assess impairment allowances of loans and advances to customers measured at amortised cost. Loan exposures that are not already credit-impaired are classified as stage 1 on origination and a 12-month ECL provision is recognised. Loan exposures will remain in stage 1 until they are repaid, unless they experience a significant increase in credit risk (stage 2) or they become credit-impaired (stage 3), for which a lifetime ECL provision is recognised. The details of the Group's accounting policies and credit risk management are set out in note 2(h)(vii) and 45(a) to the consolidated financial statements.

ECL may be materially misstated if the exposures with a significant increase in credit risk are not properly identified, leading to inaccurate recognition of ECL.

The determination of impairment allowances using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions.

In particular, the determination of the impairment allowances is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The expected credit losses are derived from estimates including the historical losses, internal and external credit grading and other adjustment factors. The expected credit losses for personal loans are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience for personal loans and other adjustment factors.

#### How the matter was addressed in our audit

- assessing the completeness and accuracy of data used for the key parameters in the expected credit loss model, by comparing individual loan information on a sample basis with the underlying agreements and other related documentation to assess the accuracy of the loan information in the expected credit loss model. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with publicly available sources;
- for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing it to the Group's internal records including historical loss experience and type of collateral. As part of these procedures, we challenged management's revisions to estimates and input parameters and considered the consistency of judgement. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development;
- for key parameters used in the expected credit loss model which were derived from system-generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis. We involved our information technology specialists in assessing the information systems controls critical to the credit grading process, such as the compilation of the overdue reports for advances to customers. We also assessed the design, implementation and operating effectiveness of relevant automated application controls within these systems, as well as the key internal controls over these underlying systems, including controls over access to these systems and controls over data and change management;
- in respect of identifying exposures with a significant increase in credit risk, evaluating the validity of management's assessment on whether the credit risk of the loan has, or has not, increased significantly since initial recognition and whether the loan is credit-impaired by selecting samples for which we checked loan overdue information, made enquiries of the credit managers about the borrowers' business operations, checked borrowers' financial information and researched market information about borrowers' businesses. Our sample of loans and advanced to customers selected for credit review, including in China Operations, focused on accounts with high risk characteristics, including industry, features of loan arrangements, collateral types and credit quality of the accounts;

**客戶貸款及墊款的減值準備**

請參閱綜合財務報表附註2(h)(vii)、29(a)和45(a)(x)

**關鍵審計事項**

貴集團繼續使用其預期信貸損失模型來評估以攤銷成本計量的客戶貸款及墊款的減值準備。尚未成為不良信貸的貸款於發放時被劃歸為第一階段，並按照相當於12個月的預期信貸損失的金額確認撥備。在貸款償還前，貸款會保留於第一階段，除非其信貸風險有顯著增加(第二階段)或已成為不良信貸(第三階段)。對於被歸類為第二階段和第三階段的貸款，應按照相當於合約期內之預期信貸損失的金額確認撥備。貴集團的會計政策和信貸風險管理的詳情載於綜合財務報表附註2(h)(vii)和45(a)。

倘貸款的信貸風險顯著增加卻未被恰當地識別，可能導致預期信貸損失存在重大錯誤陳述及不準確確認。

採用預期信貸損失模型釐定減值準備時須考慮若干關鍵參數及假設，包括所識別的損失階段，所估計的違約概率、違約損失率、違約風險承擔和貼現率，就前瞻性資訊所作的調整以及其他調整因素。在選取該等參數及應用上述假設時亦須管理層作出判斷。

當中，減值準備的釐定在很大程度上取決於外部宏觀環境及貴集團的內部信貸風險管理策略。預期信貸損失乃源自於對歷史損失、內部及外部信貸評級及其他調整因素的估計。個人貸款的預期信貸損失乃源自於管理層考慮了歷史逾期數據、個人貸款的以往損失經驗以及其他調整因素而作出的估計。

**審計對策**

- 通過在抽樣基礎上對比個別貸款資訊與相關協議及其他相關文檔，評估預期信貸損失模型中的貸款資訊是否準確，以此評估預期信貸損失模型中的關鍵參數所用的數據是否完整及準確。對於源自外部數據的關鍵參數，我們採用抽樣方式將該等數據與公開可獲取的數據進行比較，以檢查該等數據的準確性；
- 對於涉及判斷的關鍵參數，從外部來源獲得證據並將其與貴集團的內部記錄(包括以往損失經驗和抵押品的類型)進行比較，以對輸入參數進行審慎評估。在這個過程中，我們就管理層對估計及輸入參數的修訂提出質詢，並考慮判斷的一致性。我們將模型中所運用的經濟因素與市場資訊進行對比，以評估這些數據是否與市場及經濟發展相符；
- 對於預期信貸損失模型中所用的、源自系統生成的內部數據的關鍵參數，在抽樣基礎上將輸入數據與原始檔進行對比以評估輸入參數的準確性。我們使用本所的資訊技術專家來評估對信貸評級流程有重要影響的資訊系統控制，包括客戶墊款逾期報告的編制。我們還評估這些系統內的相關自動化應用程式控制，以及對這些相關系統的主要內部控制(包括對系統登入的控制以及對數據和變更管理的控制)在設計、實施和操作上的成效；
- 在識別信貸風險已顯著增加的貸款方面，採用抽樣的方式檢查貸款逾期資訊，就借款人的業務運營詢問信貸經理，檢查借款人的財務信息並查考有關借款人業務的市場資訊，以評價管理層對於貸款的信貸風險自初始確認以來是否已，或尚未有，顯著增加以及貸款是否已成為不良信貸的評估是否恰當。我們抽查的樣本，包括中國業務的樣本，關注於具有高風險條件的貸款，高風險條件包括行業、貸款安排、抵押品類型及信貸質量；

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 29(a), 45(a)(x) to the consolidated financial statements

| Key audit matter   | How the matter was addressed in our audit  |
|--|--|
| <p>Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the macroeconomic factors, the seniority of the claim and the existence and cooperativeness of other creditors. Management refers to valuation reports issued by qualified third party valuers and considers the influence of various factors including the market price, location and use when assessing the value of property held as collateral. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral and, therefore, the amount of impairment allowances as at the end of the reporting period.</p> <p>We identified the impairment allowances of loans and advances to customers measured at amortised cost as a key audit matter because of the complexity of the inherent uncertainty and management judgment involved and because of its significance to the financial results and capital of the Group.</p> | <ul style="list-style-type: none"> <li>• for selected samples of loans and advances to customers that are credit-impaired, evaluating management's assessment of the value of any property collateral held by comparison with market prices based on the location and use of the property and the prices of neighbouring properties. We also evaluated the timing and means of realisation of collateral, evaluated the forecast cash flows, challenged the viability of the Bank's recovery plans and evaluated other credit enhancements that are integral to the contract terms;</li> <li>• in respect of assessing the accuracy of ECL calculation, calculating the amount of credit loss allowance for 12-month and life-time credit losses using the expected credit loss model based on the above parameters and assumptions for a sample of loans and advances to customers where the credit risk of the loan has not, or has, increased significantly since initial recognition, respectively and comparing to the results from the Bank;</li> <li>• assessing the appropriateness of material manual adjustments and overlays on ECL model outputs;</li> <li>• in respect of evaluating the accounting treatments of disposal of impaired loans during the year, inspecting the loan disposal agreements and documents, enquiring of management and assessing whether the transactions are recognised appropriately; and</li> <li>• evaluating whether the presentation and disclosures on impairment allowances of loans and advances to customers measured at amortised cost meet the requirements in HKAS 32 Financial Instruments: Presentation and HKFRS 7 Financial Instruments: Disclosures.</li> </ul> |

**客戶貸款及墊款的減值準備**

請參閱綜合財務報表附註2(h)(vii)、29(a)和45(a)(x)

**關鍵審計事項**

管理層在釐定違約損失率的金額時亦會根據多項因素作出判斷。這些因素包括收回墊款的方式、借款人的財務狀況、抵押品的可收回金額、宏觀經濟因素、索賠受償順序及其他債權人是否存在及其合作意向等。在評估持作抵押品的物業的價值時，管理層會參考合資格第三方評估師出具的估值報告，並考慮各種因素的影響，包括物業的市場價格、位置及用途。抵押品的法律效力、變現時間和方法亦會影響抵押品的可收回金額，並從而影響報告期末的減值準備金額。

由於以攤銷成本計量的客戶貸款及墊款的減值準備所涉及的複雜性、管理層判斷以及內含的不確定性，同時由於其對貴集團財務業績和資本的重大影響，我們將其認定為一項關鍵審計事項。

**審計對策**

- 對於已抽選的不良信貸的客戶貸款及墊款樣本，根據持作抵押品的物業的位置及用途以及鄰近物業的價格，將持作抵押品的物業的價值與市場價格進行比較，以評價管理層對該類物業價值的評估。我們還評價了抵押品的變現時間和方法以及現金流預測，對貴集團回收方案的可行性提出了質詢，並對合同條款中的其他信貸提升進行了評價；
- 在評估預期信貸損失計算的準確性方面，抽選信貸風險自初始確認以來尚未顯著增加或已顯著增加的客戶貸款及墊款樣本，同時根據上述參數及假設並使用預期信貸損失模型，分別計算該等樣本按照12個月內的信貸損失和合約期內的信貸損失計量的信貸損失準備金額，並將該計算結果與貴銀行的結果進行比較；
- 評估重大的手動調整以及預期信貸損失模型輸出值的調整是否恰當；
- 評估年內減值貸款處置的會計處理，檢查相關協議和文件，向管理層詢問並評估該等交易是否恰當地確認；及
- 評價以攤銷成本計量的客戶貸款及墊款的減值準備的列報與披露是否滿足《香港會計準則》第32號「金融工具：列報」以及《香港財務報告準則》第7號「金融工具：披露」的要求。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Assessment of the fair value of financial instruments

Refer to notes 2(h)(iii), 27, 28, 30, 46(a), 47(b)(ii) to the consolidated financial statements

| Key audit matter   | How the matter was addressed in our audit   |
|--|---|
| <p>Financial instruments carried at fair value account for a significant portion of the Group's assets. As at 31 December 2019 the fair value of these financial instruments was HK\$163,636 million of which HK\$35,599 million, HK\$126,704 million and HK\$1,333 million was classified as level 1, 2 and 3 financial instruments respectively.</p> <p>The valuation of the Group's financial instruments, which are stated at their fair values, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of level 3 financial instruments, estimates need to be developed which can involve significant management judgement.</p> <p>In addition, the Group has developed its own models to value certain level 2 and 3 financial instruments, which involves significant management judgement.</p> <p>We identified the assessment of the fair value of financial instruments as a key audit matter because of the complexity and significant management judgement required in the valuation of some financial instruments and because of the lower transparency of inputs used in the valuation techniques for certain financial instruments which increases the risk of potential error.</p> | <p>Our audit procedures to assess the fair value of financial instruments included the following:</p> <ul style="list-style-type: none"> <li>• assessing the design, implementation and operating effectiveness of key internal controls over the valuation, independent price verification and model validation for financial instruments. For the key underlying systems used for the processing of transactions in relation to financial instruments we involved specialists to assess the design, implementation and operating effectiveness of relevant automated controls within these systems. We also assessed the design, implementation and operating effectiveness of the key internal controls over these underlying systems, including controls over access to these systems and controls over data and change management;</li> <li>• evaluating the fair values of financial instruments with quoted price by comparing the fair values applied by the Group with publicly available market data on a sample basis;</li> <li>• involving our internal valuation specialists to perform independent valuations of level 2 and level 3 financial instruments on a sample basis and comparing these valuations with the Group's valuations. Our internal valuation specialists performed independent valuations by developing models, obtaining inputs independently and verifying the inputs, evaluating the methodology adopted by management for the valuation of these financial instruments and assessing the inputs and assumptions used in the valuations;</li> <li>• assessing the appropriate application of Credit Value and Debit Value Adjustments ("CVA/DVA") that form an integral part of fair values; inquiring of management about any changes in the CVA/DVA methodology and assessing the inputs applied; and</li> <li>• assessing whether the disclosures in the consolidated financial statements appropriately reflected the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.</li> </ul> |



**評估金融工具的公平價值**

請參閱綜合財務報表附註2(h)(iii)、27、28、30、46(a)和47(b)(ii)

**關鍵審計事項**

以公平價值列賬的金融工具是貴集團持有的重要資產之一。貴集團於二零一九年十二月三十一日持有此類金融工具的公平價值金額為港幣1,636.36億元，其中在公平價值分級內第一級、第二級和第三級的金融工具公平價值分別為港幣355.99億元、港幣1,267.04億元及港幣13.33億元。

貴集團以公平價值列賬的金融工具的估值以市場數據和估值模型為基礎，其中估值模型通常需要大量的參數輸入。大部分參數源自於高流動性市場中可獲取的數據。當可觀察的數據無法從高流動性市場獲取時，即公平價值屬於第三級的情形下，管理層便需提供估算，這當中會涉及管理層的重大判斷。

此外，貴集團已對特定的第二級及第三級金融工具開發了自有估值模型，這也會涉及管理層的重大判斷。

由於金融工具公平價值的評估涉及一定複雜性，而部分金融工具亦涉及管理層的重大判斷，以及部分金融工具使用的參數的透明度較低而增加潛在錯誤風險，我們因此將金融工具公平價值的評估識別為關鍵審計事項。

**審計對策**

與評估金融工具公平價值相關的審計程序包括以下各項：

- 評估與金融工具估值、獨立價格驗證及模型驗證相關的內部控制的設計、實施和操作上的成效。利用本所專家，評估處理金融工具相關交易的主要系統內自動化控制於設計、實施和操作上的成效。我們還評估了這些相關系統的關鍵內部控制(包括對系統登入的控制以及對數據和變更管理的控制)在設計、實施和操作上的成效；
- 採用抽樣的方式，通過比較貴集團採用的公平價值與公開可獲取的市場數據，評估具有市場報價的金融工具的公平價值；
- 採用抽樣的方式，由本所內部估值專家對公平價值屬於第二級和第三級的金融工具進行獨立估值，並將我們的估值結果與貴集團的估值結果進行比較。我們的程序包括制定估值模型、獨立獲取及驗證參數、評估管理層所採用的金融工具估值法，以及評估估值時所使用的參數和假設；
- 在評估對構成公平價值組成部分的信用估值調整和債務價值調整的運用是否適當時，詢問管理層計算信用估值調整和債務價值調整的方法曾否發生變化，並評估參數運用的恰當性；及
- 評估綜合財務報表中與金融工具相關的披露是否符合有關會計準則的要求，恰當反映了貴集團的金融工具估值風險。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

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

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

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

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

### 綜合財務報表及其核數師報告以外的資訊

董事需對其他資訊負責。其他資訊包括刊載於年報內的全部資訊，但不包括綜合財務報表及我們的核數師報告。

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

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

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

### 董事就綜合財務報表須承擔的責任

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

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

審計委員會協助董事履行監督 貴集團的財務報告過程的責任。

### 核數師就審計綜合財務報表承擔的責任

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

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

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- 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.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Donowho, Simon Christopher.

### **KPMG**

*Certified Public Accountants*  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

19 February 2020

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是鄧諾豪(Donowho, Simon Christopher)。

**畢馬威會計師事務所**

執業會計師

香港中環

遮打道十號

太子大廈八樓

二零二零年二月十九日

# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

For the year ended 31st December, 2019 截至2019年12月31日止年度

|  |                         | Notes 附註 | 2019<br>HK\$ Mn 港幣百萬元 | 2018<br>HK\$ Mn 港幣百萬元 |
|--|-------------------------|----------|-----------------------|-----------------------|
| Interest income  | 利息收入                    | 5        | 28,509                | 25,598                |
| Interest income calculated using the effective interest method | 按有效利率方法計算的利息收入          |          | 28,077                | 25,058                |
| Other interest income  | 其他利息收入                  |          | 432                   | 540                   |
| Interest expense   | 利息支出                    | 6        | (14,009)              | (12,639)              |
| Net interest income  | 淨利息收入                   |          | 14,500                | 12,959                |
| Fee and commission income                                      | 服務費及佣金收入                | 7        | 3,887                 | 3,813                 |
| Fee and commission expense                                     | 服務費及佣金支出                |          | (946)                 | (1,160)               |
| Net fee and commission income                                  | 服務費及佣金收入淨額              |          | 2,941                 | 2,653                 |
| Net trading profit   | 交易溢利淨額                  | 8        | 807                   | 994                   |
| Net result from other financial instruments at FVTPL           | 通過損益以反映公平價值其他金融工具的淨表現   | 9        | 213                   | (286)                 |
| Net hedging profit   | 對沖溢利淨額                  | 10       | 12                    | 43                    |
| Net insurance profit   | 保險業務淨溢利                 | 11(a)    | 826                   | 295                   |
| Other operating income   | 其他經營收入                  | 12       | 385                   | 414                   |
| Non-interest income  | 非利息收入                   |          | 5,184                 | 4,113                 |
| Operating income   | 經營收入                    |          | 19,684                | 17,072                |
| Operating expenses   | 經營支出                    | 13       | (9,891)               | (8,563)               |
| Operating profit before impairment losses                      | 未扣除減值損失之經營溢利            |          | 9,793                 | 8,509                 |
| Impairment losses on financial instruments                     | 金融工具減值損失                | 14       | (7,253)               | (1,188)               |
| Impairment losses on intangible assets                         | 無形資產減值損失                | 33(b)    | -                     | (5)                   |
| Impairment losses on associate                                 | 聯營公司減值損失                | 32       | -                     | (397)                 |
| Impairment losses  | 減值損失                    |          | (7,253)               | (1,590)               |
| Operating profit after impairment losses                       | 已扣除減值損失後之經營溢利           |          | 2,540                 | 6,919                 |
| Net loss on sale of investments measured at amortised cost     | 出售按攤銷成本計量投資之淨虧損         |          | (1)                   | -                     |
| Net profit on sale of financial assets measured at FVOCI       | 出售通過全面收益以反映公平價值金融資產之淨溢利 | 15       | 72                    | 62                    |
| Net profit on sale of assets held for sale                     | 出售持有作出售資產之淨溢利           | 16       | 18                    | 56                    |
| Net (loss)/profit on disposal of subsidiaries/associates       | 出售附屬/聯營公司之淨(虧損)/溢利      |          | (7)                   | 1                     |
| Net loss on disposal of fixed assets                           | 出售固定資產之淨虧損              | 17       | (13)                  | (9)                   |
| Valuation (losses)/gains on investment properties              | 重估投資物業(虧損)/盈利           | 34       | (33)                  | 465                   |
| Share of profits less losses of associates and joint ventures  | 應佔聯營公司及合資企業溢利減虧損        | 32       | 622                   | 566                   |
| Profit for the year before taxation                            | 年度內除稅前溢利                |          | 3,198                 | 8,060                 |
| Income tax   | 所得稅                     | 18       | 138                   | (1,506)               |
| Profit for the year  | 年度內溢利                   |          | 3,336                 | 6,554                 |

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

### 綜合收益表(續)

For the year ended 31st December, 2019 截至2019年12月31日止年度

|                           |       | Notes 附註 | 2019<br>HK\$ Mn 港幣百萬元 | 2018<br>HK\$ Mn 港幣百萬元 |
|---------------------------|-------|----------|-----------------------|-----------------------|
| Attributable to:          | 可歸屬於： |          |                       |                       |
| Owners of the parent      | 本集團股東 | 43(k)    | 3,260                 | 6,509                 |
| Non-controlling interests | 非控股權益 | 44       | 76                    | 45                    |
| Profit for the year       | 年度內溢利 |          | <b>3,336</b>          | 6,554                 |
|                           |       |          | <b>HK\$ 港幣元</b>       | <b>HK\$ 港幣元</b>       |
| Earnings per share        | 每股盈利  |          |                       |                       |
| Basic                     | 基本    | 21       | <b>0.89</b>           | 2.07                  |
| Diluted                   | 攤薄    | 21       | <b>0.89</b>           | 2.07                  |

The notes on pages 173 to 358 form part of these financial statements. Details of dividends payable to equity shareholders of the Bank attributable to the profit for the year are set out in Note 20.

第173至358頁之附註屬本財務報表之一部分。有關屬年度內溢利並應付予本行股東之股息詳情已詳載於附註20。

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

For the year ended 31st December, 2019 截至2019年12月31日止年度

|  |                                      | 2019     |               | 2018          |  |         |
|--|--------------------------------------|----------|---------------|---------------|--|---------|
|  |                                      | Notes 附註 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |  |         |
| Net profit   | 淨溢利                                  |          | <b>3,336</b>  |               |  | 6,554   |
| Other comprehensive income for the year:   | 年度內其他全面收益：                           |          |               |               |  |         |
| Items that will not be reclassified to income statement:   | 不可轉回收益表的項目：                          |          |               |               |  |         |
| Premises:  | 行址：                                  |          |               |               |  |         |
| – unrealised surplus on revaluation of premises  | – 重估行址所產生的未實現盈餘                      | 43(b)    | <b>99</b>     |               |  | 8       |
| – deferred taxes   | – 遞延稅項                               | 43(b)    | <b>2</b>      |               |  | (13)    |
| Fair value reserve (equity instruments):   | 公平價值儲備(股份工具)：                        |          |               |               |  |         |
| – net change in fair value   | – 公平價值變動                             | 43(g)    | <b>382</b>    |               |  | 296     |
| – deferred taxes   | – 遞延稅項                               | 43(g)    | <b>(1)</b>    |               |  | (5)     |
| Liability credit reserve:  | 負債信貸儲備：                              |          |               |               |  |         |
| – net change in fair value attributable to Group's own credit risk   | – 因集團自身信貸風險而引致的公平價值變動                | 36,43(i) | <b>(4)</b>    |               |  | 3       |
| Items that may be reclassified subsequently to income statement:   | 以後可能轉回收益表的項目：                        |          |               |               |  |         |
| Fair value reserve (debt instruments):   | 公平價值儲備(債務工具)：                        |          |               |               |  |         |
| – net change in fair value   | – 公平價值變動                             | 43(g)    | <b>1,709</b>  |               |  | (932)   |
| – amount transferred to income statement on disposal   | – 於出售時轉入收益表的金額                       | 43(g)    | <b>(285)</b>  |               |  | (52)    |
| – on amortisation  | – 攤銷                                 | 43(g)    | <b>(7)</b>    |               |  | (4)     |
| – deferred taxes   | – 遞延稅項                               | 43(g)    | <b>(131)</b>  |               |  | 69      |
| Hedging reserve (cash flow hedges):  | 對沖儲備(現金流對沖)：                         |          |               |               |  |         |
| – effective portion of changes in fair value of hedging instruments  | – 對沖工具公平價值變動的有效部分                    | 43(h)    | <b>(5)</b>    |               |  | (1)     |
| – fair value change transferred (to)/from income statement   | – (轉入)/轉自收益表的公平價值變動                  | 43(h)    | <b>(9)</b>    |               |  | 5       |
| Share of changes in equity of associates and joint ventures  | 應佔聯營公司及合資企業權益的變動                     | 43(j)    | <b>102</b>    |               |  | (42)    |
| Exchange differences arising from translation of accounts/disposal of overseas branches, subsidiaries, associates and joint ventures | 從海外分行、附屬公司、聯營公司及合資企業的賬項折算/出售所產生的匯兌差額 |          | <b>(222)</b>  |               |  | (1,908) |
| Other comprehensive income   | 其他全面收益                               |          | <b>1,630</b>  |               |  | (2,576) |
| Total comprehensive income   | 全面收益總額                               |          | <b>4,966</b>  |               |  | 3,978   |
| Total comprehensive income attributable to:  | 全面收益總額可歸屬於：                          |          |               |               |  |         |
| Owners of the parent   | 本集團股東                                |          | <b>4,909</b>  |               |  | 3,928   |
| Non-controlling interests  | 非控股權益                                |          | <b>57</b>     |               |  | 50      |
|  |                                      |          | <b>4,966</b>  |               |  | 3,978   |

The notes on pages 173 to 358 form part of these financial statements.

第173至358頁之附註屬本財務報表之一部分。



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31st December, 2019 2019年12月31日

|  |                     | Notes 附註  | 2019<br>HK\$ Mn 港幣百萬元 | 2018<br>HK\$ Mn 港幣百萬元 |
|--|---------------------|-----------|-----------------------|-----------------------|
| ASSETS   | 資產                  |           |                       |                       |
| Cash and balances with banks and other financial institutions          | 現金及在銀行和其他金融機構的結存    | 25        | 51,525                | 48,106                |
| Placements with and advances to banks and other financial institutions | 在銀行及其他金融機構的存款及墊款    | 26        | 62,280                | 60,373                |
| Trade bills  | 貿易票據                | 27        | 12,081                | 14,646                |
| Trading assets   | 交易用途資產              | 28        | 1,273                 | 3,483                 |
| Derivative assets  | 衍生工具資產              | 47(b)(ii) | 5,693                 | 10,211                |
| Loans and advances to customers  | 客戶貸款及墊款             | 29        | 505,336               | 498,284               |
| Investment securities  | 投資證券                | 30        | 163,514               | 144,729               |
| Investments in associates and joint ventures                           | 聯營公司及合資企業投資         | 32        | 9,970                 | 9,129                 |
| Fixed assets   | 固定資產                | 34        | 14,328                | 13,165                |
| – Investment properties  | – 投資物業              |           | 5,333                 | 5,249                 |
| – Other properties and equipment                                       | – 其他物業及設備           |           | 7,907                 | 7,916                 |
| – Right-of-use assets  | – 使用權資產             |           | 1,088                 | –                     |
| Goodwill and intangible assets   | 商譽及無形資產             | 33        | 1,926                 | 1,940                 |
| Deferred tax assets  | 遞延稅項資產              | 37(b)     | 1,563                 | 481                   |
| Other assets   | 其他資產                | 35        | 35,709                | 34,904                |
| <b>Total Assets</b>  | <b>資產總額</b>         |           | <b>865,198</b>        | <b>839,451</b>        |
| EQUITY AND LIABILITIES   | 股東權益及負債             |           |                       |                       |
| Deposits and balances of banks and other financial institutions        | 銀行及其他金融機構的存款及結餘     |           | 27,915                | 27,490                |
| – Designated at fair value through profit or loss                      | – 指定為通過損益以反映公平價值    | 36        | 3,182                 | 1,335                 |
| – At amortised cost  | – 攤銷成本              |           | 24,733                | 26,155                |
| Deposits from customers  | 客戶存款                |           | 573,527               | 574,114               |
| Derivative liabilities   | 衍生工具負債              | 47(b)(ii) | 7,654                 | 9,496                 |
| Certificates of deposit issued   | 已發行存款證              |           | 74,059                | 58,490                |
| – Designated at fair value through profit or loss                      | – 指定為通過損益以反映公平價值    | 36        | 27,401                | 9,462                 |
| – At amortised cost  | – 攤銷成本              |           | 46,658                | 49,028                |
| Current taxation   | 本期稅項                | 37(a)     | 2,103                 | 1,437                 |
| Debt securities issued   | 已發行債務證券             |           | 3,181                 | 564                   |
| – Designated at fair value through profit or loss                      | – 指定為通過損益以反映公平價值    | 36        | –                     | 407                   |
| – At amortised cost  | – 攤銷成本              |           | 3,181                 | 157                   |
| Deferred tax liabilities   | 遞延稅項負債              | 37(b)     | 584                   | 483                   |
| Other liabilities  | 其他負債                | 38        | 56,299                | 51,444                |
| Loan capital – at amortised cost                                       | 借貸資本 – 攤銷成本         | 39        | 10,238                | 12,358                |
| <b>Total Liabilities</b>   | <b>負債總額</b>         |           | <b>755,560</b>        | <b>735,876</b>        |
| Share capital  | 股本                  | 41        | 41,379                | 39,925                |
| Reserves   | 儲備                  | 43        | 53,928                | 51,901                |
| <b>Total equity attributable to owners of the parent</b>               | <b>歸屬於本集團股東權益總額</b> |           | <b>95,307</b>         | <b>91,826</b>         |
| Additional equity instruments  | 額外股本工具              | 42        | 13,963                | 8,894                 |
| Non-controlling interests  | 非控股權益               | 44        | 368                   | 2,855                 |
| <b>Total Equity</b>  | <b>股東權益總額</b>       |           | <b>109,638</b>        | <b>103,575</b>        |
| <b>Total Equity and Liabilities</b>                                    | <b>股東權益及負債總額</b>    |           | <b>865,198</b>        | <b>839,451</b>        |

Approved and authorised for issue by the Board on 19th February, 2020.

Executive Chairman  
Co-Chief Executives

Director

David LI Kwok-po  
Adrian David LI Man-kiu  
Brian David LI Man-bun  
Meocre LI Kwok-wing

The notes on pages 173 to 358 form part of these financial statements.

董事會於2020年2月19日核准及授權發布。

行政主席  
聯席行政總裁

董事

李國寶  
李民橋  
李民斌  
李國榮

第173至358頁之附註屬本財務報表之一部分。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31st December, 2019 截至2019年12月31日止年度

|  |                         | Share capital | General reserve | Revaluation reserve of bank premises | Capital reserve | Exchange revaluation reserve | Capital reserve – staff share options issued | Fair value reserve | Hedging reserve | Liability credit reserve | Other reserves <sup>2</sup> | Retained profits | Additional equity instruments | Non-controlling interests | Total equity |         |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
|--|-------------------------|---------------|-----------------|--------------------------------------|-----------------|------------------------------|--|--------------------|-----------------|--------------------------|-----------------------------|------------------|-------------------------------|---------------------------|--------------|---------|---------|---------|---------|---------|--------------|---------|---------|---------|-------------------|---------|---------|---------|---------|---------|---------|
|  |                         |               |                 |                                      |                 |                              |  |                    |                 |                          |                             |                  |                               |                           |              | 股本      | 一般儲備    | 行址重估儲備  | 資本儲備    | 匯兌重估儲備  | 資本儲備 – 已發行權證 | 公平價值儲備  | 對沖儲備    | 負債信貸儲備  | 其他儲備 <sup>2</sup> | 留存溢利    | 總額      | 額外股本工具  | 非控股權益   | 權益總額    |         |
|  |                         |               |                 |                                      |                 |                              |  |                    |                 |                          |                             |                  |                               |                           |              | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn      | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn           | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn | HK\$ Mn |
|  |                         |               |                 |                                      |                 |                              |  |                    |                 |                          |                             |                  |                               |                           |              | 港幣百萬元   | 港幣百萬元   | 港幣百萬元   | 港幣百萬元   | 港幣百萬元   | 港幣百萬元        | 港幣百萬元   | 港幣百萬元   | 港幣百萬元   | 港幣百萬元             | 港幣百萬元   | 港幣百萬元   | 港幣百萬元   | 港幣百萬元   | 港幣百萬元   | 港幣百萬元   |
| At 1st January, 2019   | 於2019年1月1日              | 39,925        | 14,054          | 1,752                                | 933             | (1,426)                      | 158  | 664                | 15              | (3)                      | 4,963                       | 30,791           | 91,826                        | 8,894                     | 2,855        | 103,575 |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| Changes in equity  | 權益變動                    |               |                 |                                      |                 |                              |  |                    |                 |                          |                             |                  |                               |                           |              |         |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| Profit for the year  | 年度內溢利                   | -             | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | 3,260            | 3,260                         | -                         | 76           | 3,336   |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| Other comprehensive income                                   | 其他全面收益                  | -             | -               | 101                                  | -               | (203)                        | -  | 1,667              | (14)            | (4)                      | 102                         | -                | 1,649                         | -                         | (19)         | 1,630   |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| Total comprehensive income                                   | 全面收益總額                  | -             | -               | 101                                  | -               | (203)                        | -  | 1,667              | (14)            | (4)                      | 102                         | 3,260            | 4,909                         | -                         | 57           | 4,966   |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| Issue of additional equity instruments <sup>1</sup>          | 發行額外股本工具 <sup>1</sup>   | -             | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | -                | -                             | 5,069                     | -            | 5,069   |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| Shares issued in lieu of dividend (Note 41)                  | 以股息發行的股份 (附註41)         | 1,454         | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | -                | 1,454                         | -                         | -            | 1,454   |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| Equity settled share-based transaction (Note 43(f))          | 以股份為基礎作支付之交易 (附註43(f))  | -             | -               | -                                    | -               | -                            | 23   | -                  | -               | -                        | -                           | -                | 23                            | -                         | -            | 23      |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| Transfer   | 轉賬                      | -             | (403)           | (5)                                  | 157             | -                            | (18)   | -                  | -               | -                        | 282                         | (13)             | -                             | -                         | -            | -       |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| Distribution/Dividends declared or approved during the year  | 年度內的分派及已宣布或核准派發股息       | -             | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | (2,905)          | (2,905)                       | -                         | (52)         | (2,957) |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| Change of ownership in subsidiaries (Note 44)                | 附屬公司之擁有權變動 (附註44)       | -             | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | -                | -                             | -                         | 3            | 3       |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| Redemption of Hybrid Tier 1 capital instruments <sup>2</sup> | 贖回混合一級資本工具 <sup>2</sup> | -             | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | -                | -                             | -                         | (2,495)      | (2,495) |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |
| At 31st December, 2019                                       | 於2019年12月31日            | 41,379        | 13,651          | 1,848                                | 1,090           | (1,629)                      | 163  | 2,331              | 1               | (7)                      | 5,347                       | 31,133           | 95,307                        | 13,963                    | 368          | 109,638 |         |         |         |         |              |         |         |         |                   |         |         |         |         |         |         |

- During the year, the Bank issued HK\$5,083 million (USD650 million) undated non-cumulative subordinated Additional Tier 1 capital securities ("AT1"). Direct issuance costs of HK\$14 million are accounted for as a deduction from the equity instruments.
- During the year, the Bank redeemed the remaining HK\$2,495 million (USD318 million) Hybrid Tier 1 capital instruments which were classified as non-controlling interests in the consolidated financial statements.
- Other reserves include statutory reserve and other reserves.

The notes on pages 173 to 358 form part of these financial statements.

- 在2019年，本行發行港幣50.83億元（6.5億美元）無到期日非累積後償額外一級股本工具（「額外股本工具」）。直接發行成本港幣1,400萬元經已入賬，並已從股本工具中扣除。
- 在2019年，本行贖回在綜合財務報表中分類為非控股權益之混合一級資本工具港幣24.95億元（3.18億美元）的餘額。
- 其他儲備包括法定儲備及其他儲備。

第173至358頁之附註屬本財務報表之一部分。

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### 綜合權益變動表 (續)

For the year ended 31st December, 2018 截至2018年12月31日止年度

|  |                               | Share capital | General reserve | Revaluation reserve of bank premises | Capital reserve | Exchange revaluation reserve | Capital reserve – staff share options issued | Fair value reserve | Hedging reserve | Liability credit reserve | Other reserves <sup>1</sup> | Retained profits | Total   | Additional equity instruments | Non-controlling interests | Total equity |
|--|-------------------------------|---------------|-----------------|--------------------------------------|-----------------|------------------------------|--|--------------------|-----------------|--------------------------|-----------------------------|------------------|---------|-------------------------------|---------------------------|--------------|
|  |                               | 股本            | 一般儲備            | 行址重估儲備                               | 資本儲備            | 匯兌重估儲備                       | 資本儲備—已發行權員認股權                                | 公平價值儲備             | 對沖儲備            | 負債信貸儲備                   | 其他儲備 <sup>1</sup>           | 留存溢利             | 總額      | 額外股本工具                        | 非控股權益                     | 權益總額         |
|  |                               | HK\$ Mn       | HK\$ Mn         | HK\$ Mn                              | HK\$ Mn         | HK\$ Mn                      | HK\$ Mn                                      | HK\$ Mn            | HK\$ Mn         | HK\$ Mn                  | HK\$ Mn                     | HK\$ Mn          | HK\$ Mn | HK\$ Mn                       | HK\$ Mn                   | HK\$ Mn      |
|  |                               | 港幣百萬元         | 港幣百萬元           | 港幣百萬元                                | 港幣百萬元           | 港幣百萬元                        | 港幣百萬元  | 港幣百萬元              | 港幣百萬元           | 港幣百萬元                    | 港幣百萬元                       | 港幣百萬元            | 港幣百萬元   | 港幣百萬元                         | 港幣百萬元                     | 港幣百萬元        |
| At 1st January, 2018   | 於2018年1月1日                    | 37,527        | 14,060          | 1,757                                | 230             | 487                          | 135  | 1,454              | 11              | -                        | 4,931                       | 28,890           | 89,482  | 8,894                         | 2,838                     | 101,214      |
| Impact of adopting HKFRS 9 at 1st January, 2018  | 於2018年1月1日因採納《香港財務報告準則》第9號之影響 | -             | -               | -                                    | -               | -                            | -  | (162)              | -               | (6)                      | -                           | (32)             | (200)   | -                             | -                         | (200)        |
| Restated balance at 1st January, 2018  | 於2018年1月1日已重報後的結餘             | 37,527        | 14,060          | 1,757                                | 230             | 487                          | 135  | 1,292              | 11              | (6)                      | 4,931                       | 28,858           | 89,282  | 8,894                         | 2,838                     | 101,014      |
| Changes in equity  | 權益變動                          |               |                 |                                      |                 |                              |  |                    |                 |                          |                             |                  |         |                               |                           |              |
| Profit for the year  | 年度內溢利                         | -             | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | 6,509            | 6,509   | -                             | 45                        | 6,554        |
| Other comprehensive income   | 其他全面收益                        | -             | -               | (5)                                  | -               | (1,913)                      | -  | (628)              | 4               | 3                        | (42)                        | -                | (2,581) | -                             | 5                         | (2,576)      |
| Total comprehensive income   | 全面收益總額                        | -             | -               | (5)                                  | -               | (1,913)                      | -  | (628)              | 4               | 3                        | (42)                        | 6,509            | 3,928   | -                             | 50                        | 3,978        |
| Shares issued in lieu of dividend (Note 41)  | 以股代息發行的股份(附註41)               | 2,313         | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | -                | 2,313   | -                             | -                         | 2,313        |
| Shares issued under Staff Share Option Schemes (Note 41)                                       | 根據權員認股計劃發行的股份(附註41)           | 73            | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | -                | 73      | -                             | -                         | 73           |
| Equity settled share-based transaction (Note 43(i))  | 以股份為基礎作支付之交易(附註43(i))         | -             | -               | -                                    | -               | -                            | 35   | -                  | -               | -                        | -                           | -                | 35      | -                             | -                         | 35           |
| Transfer   | 轉賬                            | 12            | (6)             | -                                    | 703             | -                            | (12)   | -                  | -               | -                        | 74                          | (771)            | -       | -                             | -                         | -            |
| Distribution/Dividends declared or approved during the year                                    | 年度內的分派及已宣布或核准派發股息             | -             | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | (3,805)          | (3,805) | -                             | (53)                      | (3,858)      |
| Change of ownership in subsidiaries (Note 44)  | 附屬公司之擁有權變動(附註44)              | -             | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | -                | -       | -                             | 55                        | 55           |
| Decrease in non-controlling interests arising from capital reduction of a subsidiary (Note 44) | 附屬公司減本而導致非控股權益減少(附註44)        | -             | -               | -                                    | -               | -                            | -  | -                  | -               | -                        | -                           | -                | -       | -                             | (35)                      | (35)         |
| At 31st December, 2018   | 於2018年12月31日                  | 39,925        | 14,054          | 1,752                                | 933             | (1,426)                      | 158  | 664                | 15              | (3)                      | 4,963                       | 30,791           | 91,826  | 8,894                         | 2,855                     | 103,575      |

1. Other reserves include statutory reserve and other reserves.

1. 其他儲備包括法定儲備及其他儲備。

The notes on pages 173 to 358 form part of these financial statements.

第173至358頁之附註屬本財務報表之一部分。

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31st December, 2019 截至2019年12月31日止年度

|   |                         |          | 2019          | 2018                         |
|---|-------------------------|----------|---------------|------------------------------|
|   |                         | Notes 附註 | HKS Mn 港幣百萬元  | Restated 重報<br>HK\$ Mn 港幣百萬元 |
| <b>OPERATING ACTIVITIES</b>   | <b>經營業務活動</b>           |          |               |                              |
| Profit for the year before taxation   | 年度內除稅前溢利                |          | <b>3,198</b>  | 8,060                        |
| Adjustments for:  | 調整：                     |          |               |                              |
| Charge for impairment losses on financial instruments                       | 金融工具減值損失支銷              |          | <b>7,253</b>  | 1,188                        |
| Charge for impairment losses on intangible assets                           | 無形資產減值損失支銷              | 33(b)    | -             | 5                            |
| Charge for impairment losses on associate                                   | 聯營公司減值損失支銷              |          | -             | 397                          |
| Share of profits less losses of associates and joint ventures               | 應佔聯營公司及合資企業溢利減虧損        |          | <b>(622)</b>  | (566)                        |
| Net loss on sale of investments measured at amortised cost                  | 出售按攤銷成本計量投資之淨虧損         |          | <b>1</b>      | -                            |
| Net profit on sale of financial assets measured at FVOCI                    | 出售通過全面收益以反映公平價值金融資產之淨溢利 |          | <b>(72)</b>   | (62)                         |
| Net loss/(profit) on disposal of subsidiaries and associates                | 出售附屬公司及聯營公司之淨虧損/(溢利)    |          | <b>7</b>      | (1)                          |
| Net profit on sale of assets held for sale                                  | 出售持有作出售資產之淨溢利           |          | <b>(18)</b>   | (56)                         |
| Net loss on disposal of fixed assets  | 出售固定資產之淨虧損              |          | <b>13</b>     | 9                            |
| Interest expense on debt securities and loan capital issued                 | 已發行債務證券及借貸資本利息支出        |          | <b>784</b>    | 631                          |
| Interest expense on lease liabilities                                       | 租賃負債利息支出                |          | <b>41</b>     | -                            |
| Depreciation on bank premises, furniture, fixtures and equipment            | 行址、傢俬、裝修及設備折舊           | 34       | <b>530</b>    | 473                          |
| Depreciation on right-of-use assets   | 使用權資產折舊                 | 34       | <b>397</b>    | -                            |
| Dividend income from equity securities measured at FVOCI                    | 通過全面收益以反映公平價值股份證券股息收入   | 12       | <b>(12)</b>   | (23)                         |
| Amortisation of intangible assets   | 無形資產攤銷                  | 13       | <b>14</b>     | 14                           |
| Amortisation of premium/discount on debt securities and loan capital issued | 已發行債務證券及借貸資本的溢價/折扣攤銷    |          | <b>15</b>     | 18                           |
| Revaluation losses/(gains) on debt securities and loan capital issued       | 重估已發行債務證券及借貸資本虧損/(盈利)   |          | <b>157</b>    | (102)                        |
| Valuation losses/(gains) on investment properties                           | 重估投資物業虧損/(盈利)           | 34       | <b>33</b>     | (465)                        |
| Equity settled share-based payment expenses                                 | 以股份為基礎作支付費用             | 13,43(f) | <b>23</b>     | 35                           |
|   |                         |          | <b>11,742</b> | 9,555                        |

## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

### 綜合現金流量表 (續)

For the year ended 31st December, 2019 截至2019年12月31日止年度

|   |                           | 2019          | 2018          |
|---|---------------------------|---------------|---------------|
|   |                           | Notes 附註      | Restated 重報   |
|   |                           | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| (Increase)/decrease in operating assets:  | 經營資產(增)/減額:               |               |               |
| Cash and balances with banks with original maturity beyond three months   | 原本期限為3個月以上的現金及其他銀行存款的結存   | 4,786         | 8,361         |
| Placements with and advances to banks and other financial institutions with original maturity beyond three months | 原本期限為3個月以上的銀行及其他金融機構存款及墊款 | (12,438)      | (2,888)       |
| Trade bills   | 貿易票據                      | 2,569         | (710)         |
| Trading assets  | 交易用途資產                    | 2,096         | 2,933         |
| Financial assets designated at fair value through profit or loss  | 指定為通過損益以反映公平價值的金融資產       | 1,184         | 1,495         |
| Derivative assets   | 衍生工具資產                    | 4,518         | 1,124         |
| Loans and advances to customers   | 客戶貸款及墊款                   | (14,302)      | (28,705)      |
| Debt investment securities measured at amortised cost   | 按攤銷成本計量債務投資證券             | 794           | (1,336)       |
| Debt investment securities measured at FVOCI  | 按通過全面收益以反映公平價值計量債務投資證券    | (11,277)      | (12,661)      |
| Debt investment securities mandatorily measured at FVTPL  | 強制按通過損益以反映公平價值計量債務投資證券    | 2,070         | (1,953)       |
| Other assets  | 其他資產                      | (1,918)       | (1,725)       |
| Increase/(decrease) in operating liabilities:   | 經營負債增/(減)額:               |               |               |
| Deposits and balances of banks and other financial institutions   | 銀行及其他金融機構的存款及結餘           | 425           | 509           |
| Deposits from customers   | 客戶存款                      | (587)         | 2,430         |
| Certificate of deposit issued   | 已發行存款證                    | 15,569        | 22,013        |
| Trading liabilities   | 交易用途負債                    | -             | (11)          |
| Derivative liabilities  | 衍生工具負債                    | (1,842)       | (2,581)       |
| Other liabilities   | 其他負債                      | 4,057         | 5,955         |
| Exchange adjustments  | 匯兌調整                      | 484           | 2,023         |
| <b>NET CASH INFLOW FROM OPERATIONS</b>  | <b>經營活動現金流入淨額</b>         | <b>7,930</b>  | <b>3,828</b>  |
| Income tax paid   | 已付所得稅                     |               |               |
| Hong Kong profits tax paid  | 已付香港利得稅                   | (24)          | (625)         |
| Outside Hong Kong profits tax paid  | 已付海外利得稅                   | (335)         | (568)         |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>   | <b>源自經營業務活動之現金淨額</b>      | <b>7,571</b>  | <b>2,635</b>  |

## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

## 綜合現金流量表(續)

For the year ended 31st December, 2019 截至2019年12月31日止年度

|  |                          | 2019          | 2018           |
|--|--------------------------|---------------|----------------|
|  |                          | Notes 附註      | Restated 重報    |
|  |                          | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元  |
| <b>INVESTING ACTIVITIES</b>  | <b>投資活動</b>              |               |                |
| Dividends received from associates and joint ventures                                | 收取聯營公司及合資企業股息            | 1             | 49             |
| Dividends received from non-trading equity securities                                | 收取非交易用途股份證券股息            | 12            | 23             |
| Purchase of non-trading equity securities  | 購入非交易用途股份證券              | (4,259)       | (2,428)        |
| Proceeds from sale of non-trading equity securities                                  | 出售非交易用途股份證券所得款項          | 5,622         | 2,550          |
| Purchase of fixed assets   | 購入固定資產                   | (1,010)       | (657)          |
| Purchase of investment properties  | 購入投資物業                   | -             | (7)            |
| Proceeds from disposal of other properties and equipment                             | 出售其他物業及設備所得款項            | 17            | 28             |
| Proceeds from sale of assets held for sale   | 出售持有作出售資產所得款項            | 1,016         | 137            |
| Proceeds from disposal of associate  | 出售聯營公司所得款項               | -             | 11             |
| Additional investments in associates   | 增加聯營公司投資                 | (151)         | (304)          |
| Decrease in non-controlling interests arising from capital reduction of a subsidiary | 一附屬公司減本而導致非控股權益減少        | -             | (35)           |
| <b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>                        | <b>源自/(用於)投資活動之現金淨額</b>  | <b>1,248</b>  | <b>(633)</b>   |
| <b>FINANCING ACTIVITIES</b>  | <b>融資活動</b>              |               |                |
| Ordinary dividends paid  | 支付普通股股息                  | (823)         | (832)          |
| Distribution to Hybrid/Additional Tier 1 issue holders                               | 派發予混合/額外一級資本工具持有人        | (680)         | (713)          |
| Issue of ordinary share capital  | 發行普通股股本                  | -             | 73             |
| Issue of additional equity instruments   | 發行額外股本工具                 | 5,083         | -              |
| Issue of debt securities   | 發行債務證券                   | 3,024         | 114            |
| Issue of loan capital  | 發行借貸資本                   | 1,675         | -              |
| Payment of lease liabilities   | 支付租賃負債                   | (391)         | -              |
| Redemption of Hybrid Tier 1 issued   | 贖回已發行混合一級資本工具            | (2,495)       | -              |
| Redemption of debt securities issued   | 贖回已發行債務證券                | (408)         | (565)          |
| Redemption of loan capital   | 贖回已發行借貸資本                | (3,913)       | -              |
| Interest paid on debt securities issued  | 支付已發行債務證券利息              | (15)          | (16)           |
| Interest paid on loan capital  | 支付借貸資本利息                 | (653)         | (617)          |
| <b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>                        | <b>源自/(用於)融資活動之現金淨額</b>  | <b>404</b>    | <b>(2,556)</b> |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>                          | <b>現金及等同現金項目淨增/(減)額</b>  | <b>9,223</b>  | <b>(554)</b>   |
| <b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>                                      | <b>於1月1日之現金及等同現金項目</b>   | <b>86,020</b> | <b>89,980</b>  |
| Effect of foreign exchange rate changes  | 匯率變動的影響                  | (605)         | (3,406)        |
| <b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER</b>                                    | <b>於12月31日之現金及等同現金項目</b> | <b>94,638</b> | <b>86,020</b>  |
| Cash flows from operating activities included:                                       | 源自經營業務活動的現金流量包括：         |               |                |
| Interest received  | 利息收入                     | 28,941        | 24,710         |
| Interest paid  | 利息支出                     | 13,703        | 12,547         |
| Dividend received  | 股息收入                     | 48            | 73             |

The notes on pages 173 to 358 form part of these financial statements.

第173至358頁之附註屬本財務報表之一部分。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 1. PRINCIPAL ACTIVITIES 主要業務

The Bank and its subsidiaries (the "Group") are engaged in the provision of banking and related financial services.

本行及其附屬公司(「本集團」)的主要業務為提供銀行及有關的金融服務。

### 2. SIGNIFICANT ACCOUNTING POLICIES 主要會計政策

#### (a) Statement of Compliance

These financial statements have been prepared in accordance with all applicable HKFRS, which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRS that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

#### (b) Basis of Preparation of the Financial Statements

The financial statements for the year ended 31st December, 2019 comprise the Group and the Group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is historical cost except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as trading, designated or mandatorily measured at fair value through profit or loss and measured at fair value through other comprehensive income (Note 2(h)(ii));
- derivative financial instruments (Notes 2(l) and 2(k)); and
- investment properties (Note 2(o)(ii)).

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

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

#### (a) 符合指引聲明

本財務報表乃按照香港會計師公會頒布所有適用的《香港財務報告準則》，其整體已包括個別適用的《香港財務報告準則》、《香港會計準則》及詮釋，以及香港一般採用的會計原則及《公司條例》的要求。本財務報表亦符合聯交所《上市規則》有關的披露規定。本集團採納的主要會計政策簡列如下。

香港會計師公會已頒布數項新增及經修訂的《香港財務報告準則》，並於本年度本集團的會計期首次生效或可被提早採納。附註3提供因首次應用該等準則而引致會計政策變動的資料，而該等資料只包括與本集團有關而須反映在本期及去年會計期的財務報表。

#### (b) 財務報表編製基準

截至2019年12月31日止年度的財務報表包括本集團及其應佔聯營公司及合資企業之權益。

除以下資產及負債是以公平價值列賬外，本財務報表是以原值成本作為計量基準。有關詳情載列於下列會計政策：

- 分類作交易用途、指定或強制通過損益以反映公平價值及通過全面收益以反映公平價值的金融工具(附註2(h)(ii))；
- 衍生金融工具(附註2(l)及2(k))；及
- 投資物業(附註2(o)(ii))。

按《香港財務報告準則》之要求，在編製財務報表時，管理層須作判斷、估計及假設從而影響政策實施及資產及負債、及收入與支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計存在差異。

有關估計及假設須持續作檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來會計期，則於修訂期及未來會計期內確認。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

Details of judgements made by management in the application of HKFRS that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 54.

### (c) Basis of Consolidation

These consolidated financial statements cover the consolidated position of the Bank and all subsidiaries unless otherwise stated and the Group's interest in associates and joint ventures. For information required to be reported in accordance with the Banking (Disclosures) Rules, the basis of consolidation is set out in the Note 1 in the Unaudited Supplementary Financial Information.

#### (i) Subsidiaries and Non-controlling interests

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to 31st December each year. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Bank, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity shareholders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the net profit and total comprehensive income for the year between non-controlling interests and equity shareholders of the Bank.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

在附註54內，管理層已解釋實施對財務報表有重大影響的《香港財務報告準則》所作的詳細判斷及不明朗估計的主要來源。

### (c) 綜合基準

除另外陳述外，本綜合財務報表包括本行及其所有附屬公司及本集團所佔聯營公司及合資企業之權益的綜合狀況。根據《銀行業(披露)規則》所要求匯報的資料，所採納的綜合基準已在未經審核補充財務資料附註1列載。

#### (i) 附屬公司及非控股權益

本綜合財務報表包括本行及其所有附屬公司截至各相關年度之12月31日止的財務報表。附屬公司為本集團所控制之實體。本集團基於對有關實體之權利、參與度及權力並可運用此等條件以影響其所得回報，則視為本集團對該實體擁有控制權。在評估是否有控制權時，本集團只考慮實質的權力(由本集團及其他人士所擁有)。

附屬公司之投資由控制權生效日起至控制權失效日止在綜合財務報表內計算。在編製綜合財務報表時，集團之間的結餘，交易及現金流及任何因集團之間交易所產生的未實現溢利均被抵銷。跟未實現盈利相同，因集團之間交易所產生的未實現虧損亦同樣被抵銷，但只局限於未有減值證據。

非控股權益指無論是直接或間接並不歸屬於本行之附屬公司的權益部分，及本集團並未與該等權益持有者達成附加協議，致令本集團整體上對該等權益產生符合金融負債定義的法定義務。就每一業務合併而言，本集團可選擇按公平價值或非控股權益按比例應佔該附屬公司的可辨識淨資產以計量非控股權益。

非控股權益在綜合財務狀況表內的股東權益中列示，但與可歸屬於本集團股東權益分開。非控股權益佔本集團之業績，在綜合收益表內以分配年度溢利之形式列示，而在綜合全面收益表則以分配年度全面收益總額予非控股權益與及可歸屬於本集團股東權益之形式列示。

本集團將不導致喪失控股權之附屬公司權益的變動按權益交易方式入賬，即只調整在綜合權益內之控股及非控股權益的金額以反映其相關權益的變動，但不調整商譽及確認盈虧。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(h)) or, when appropriate, the cost on initial recognition of an investment in an associate and joint venture (Note 2(c)(ii)), and is offset against the gain or loss on the loss of control of that subsidiary.

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost less any impairment losses, if any (Note 2(r)).

#### (ii) Associates and joint ventures

The consolidated financial statements include the attributable share of the results and reserves of associates and joint ventures based on financial statements prepared at dates not earlier than three months prior to 31st December each year.

An associate is a company in which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Bank and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

Investment in associates and joint ventures are accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (Note 2(ad)). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the associate or joint venture's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (Note 2(q) and 2(r)). Any acquisition-date excess of fair values of the investees' net identifiable assets over the cost of investment, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in an associate or a joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For these purposes, the Group's interest in the associate or the joint venture is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

當本集團喪失對一附屬公司之控股權，將按出售該附屬公司之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失控股權日仍保留該前度附屬公司之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(h))的公平價值，或(如適用)按成本初始確認一聯營公司及合資企業投資(附註2(c)(ii))，及當喪失對該附屬公司控股權時與盈虧沖銷。

在本行的財務狀況表中，附屬公司投資是以成本減除任何減值損失(附註2(r))列賬。

#### (ii) 聯營公司及合資企業

本綜合財務報表包括根據截至每年的12月31日止之前不超過三個月的財務報表所編製應佔聯營公司及合資企業的業績及儲備。

聯營公司是指本集團或本行可對其管理發揮重大影響力，包括參予其財務及經營政策的決策，但並不控制或共同控制其管理層。

合資企業是指本集團或本行與其他合約方共同擁有該合資企業之控制權，及對淨資產擁有權的安排。

除分類為持有作出售資產(或包括在分類為持有作出售資產的出售組別內)(附註2(ad))外，聯營公司及合資企業投資是以權益會計法在綜合財務報表內入賬。根據權益會計法，投資的入賬方法是先以成本另調整本集團於購入後應佔該聯營公司及合資企業的可辨識淨資產所超出成本之任何金額。往後，需調整在收購後本集團應佔被投資方淨資產之變動及在(附註2(q)和2(r))所載有關投資的減值損失。任何於收購日應佔被投資方可辨識淨資產的公平價值超出投資成本，本集團應佔被投資方收購後和已除稅的業績及年度內的任何減值損失均在綜合收益表內確認，而本集團應佔被投資方收購後和已除稅之其他全面收益項目則在綜合全面收益表內確認。

除本集團對該聯營公司及合資企業所作具法律或推定義務或替該被投資方償付的承擔外，當本集團應佔該聯營公司及合資企業的虧損超出本集團之應佔權益時，超出的虧損將不被確認，而本集團應佔該被投資方之權益將被減值至零。因此，本集團應佔該聯營公司及合資企業權益即按權益會計法計算投資賬面值，及實質上構成本集團應佔該聯營公司及合資企業淨資產的長期權益。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

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

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(h)).

The Bank accounts for the results of associates and joint ventures to the extent of dividends received. Investments in associates and joint ventures are stated in the Bank's statement of financial position at cost less any impairment losses (Note 2(r)).

An associate or a joint venture is considered material if it is material to either income statement or statement of financial position of the Group in two consecutive years.

#### (d) Translation of Foreign Currencies

Foreign currencies transactions during the year are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the end of the reporting period. Exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollars using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to investments at fair value through profit or loss (FVTPL) and derivative financial instruments are included in gains less losses from trading securities or financial instruments at fair value through profit or loss. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in the income statement. Differences arising on translation of equity investments which an election has been made to present subsequent changes in fair value in other comprehensive income are recognised in other comprehensive income and accumulated separately in equity.

本集團與聯營公司及合資企業交易而產生之未實現溢利及虧損，按本集團應佔該被投資方之權益為限作沖銷。若有證據顯示未實現虧損屬資產轉讓的減值損失，則須立即於損益賬內確認。

當本集團喪失對一聯營公司及合資企業之重大影響力及合資企業之共同控制權，將按出售該被投資方之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失重大影響力或共同控股權日仍保留該前度被投資方之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(h))的公平價值。

本行按照已收取股息計算應佔聯營公司及合資企業之業績。在本行的財務狀況表中，聯營公司及合資企業投資是以成本減除任何減值損失(附註2(r))列賬。

若連續兩年對於本集團的收益表或財務狀況表有重大影響，該聯營公司及合資企業會被視為重大。

#### (d) 外幣換算

年度內的外幣交易按交易日的匯率折算為港幣。以外幣為單位的貨幣性資產及負債按報告期結束日的匯率折算為港幣。匯兌盈虧則計入收益表內。

以原值成本列賬但以外幣為單位的非貨幣性資產及負債按交易日的匯率折算為港幣。以外幣為單位及按公平價值列賬的非貨幣性資產及負債按釐定其公平價值日的匯率折算。

有關通過損益以反映公平價值投資及衍生金融工具的匯兌差額分別包括於交易用途證券淨盈虧或指定通過損益以反映公平價值投資淨盈虧。其他有關貨幣性資產及負債的匯兌差額則於收益表之外幣買賣溢利項下列示。因折算已選擇將往後公平價值變動在其他全面收益列示的股份證券所產生的差額則於其他全面收益內確認，並在股東權益內分開累計。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Items of statement of financial position, including goodwill arising on consolidation of foreign operations acquired on or after 1st January, 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1st January, 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

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

#### (e) Interest

##### Effective interest rate

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument but not expected credit losses. For financial assets that were purchased or originated credit-impaired on initial recognition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses (i.e. no expected credit loss provision is required at initial recognition).

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. The transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

##### Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

海外業務之業績按交易日相約的匯率折算為港幣。資產負債表項目，財務狀況表的項目中，包括於2005年1月1日或以後因收購海外業務而在綜合時所產生的商譽，按報告期結束日的匯率折算為港幣。產生的匯兌差額直接在其他全面收益內確認，並在股東權益之匯兌儲備內分開累計。因於2005年1月1日以前收購海外業務而在綜合時所產生的商譽按收購海外業務日的匯率折算。

當確認出售海外業務的損益時，因該海外業務產生的累計匯兌差額由股東權益計入收益表。

#### (e) 利息

##### 有效利率

所有帶息金融工具的利息收入及支出均按有效利率方法於收益表內以應計基準確認。

有效利率是可準確將金融工具在預計年期內產生之未來現金支出或收入折算為該金融資產的賬面值或該金融負債的攤銷成本的利率。

在計算除信貸不良資產外的金融工具的有效利率時，本集團計及金融工具的所有合約條款，但不計及預期信貸損失，以估計未來現金流。就初始確認時已購買或發起的信貸不良金融資產，使用估計未來現金流(包括預期信貸損失)計算信貸調整有效利率(即在初始確認時無需作出預期信貸損失撥備)。

有效利率的計算包括構成有效利率組成部分的交易成本及費用以及基點支出或收入。交易成本包括金融資產或金融負債的收購或發行直接應佔的增加成本。

##### 攤銷成本及賬面值總額

金融資產或金融負債的「攤銷成本」是金融資產或金融負債於初始確認時計量的金額減本金還款額，加減使用有效利率方法計算的初始確認金額與到期金額之任何差額而計算的累計攤銷，而就金融資產而言，經任何預期信貸損失準備作調整。

「金融資產的賬面值總額」是金融資產就任何預期信貸損失準備作調整前的攤銷成本。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

### Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were purchased or originated credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, please refer to Note 2(h)(vii).

### (f) Fee and Commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate calculation (Note 2(e)).

Other fee and commission income is recognised in the income statement when the corresponding service is provided. Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. If it is uncertain that a loan commitment will result in draw-down of a loan, then the related loan commitment fee is recognised as revenue on a straight-line basis over the commitment period.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed when the services are received.

### (g) Other Revenue Recognition

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

- (i) Net income from financial instruments at fair value through profit or loss and net trading income  
Net income from financial instruments designated as at FVTPL, net income from non-trading financial assets mandatorily measured at FVTPL and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with foreign exchange differences and dividend income attributable to these financial instruments. Coupon interest from these financial assets and financial liabilities measured at FVTPL is accrued and presented as interest income or interest expense.

### 計算利息收入及支出

在計算利息收入及支出時，有效利率應用於資產的賬面值總額(當資產並非信貸不良時)或負債的攤銷成本。

然而，就初始確認後成為信貸不良的金融資產而言，透過將有效利率應用於該金融資產的攤銷成本而計算利息收入。若資產不再屬信貸不良，則恢復使用總額基準計算利息收入。

就初始確認時已購買或發起的信貸不良金融資產而言，透過將經信貸調整的有效利率應用於該資產的攤銷成本計算利息收入。即使該資產的信貸風險有所改善，亦不恢復使用總額基準計算利息收入。

有關金融資產屬信貸不良時的資料見附註2(h)(vii)。

### (f) 服務費及佣金

有效利率的計算(附註2(e))包括金融資產及金融負債中構成有效利率組成部分的服务費及佣金收入及支出。

其他服務費及佣金收入在有關服務提供時確認在收益表內。因本集團開展或購入金融資產而產生之開立或承擔服務費收入/支出須遞延及確認為有效利率之調整。如不確定會否借出貸款，該相關承擔服務費按承擔期限以直線法列作收入。

其他服務費及佣金支出主要是交易及服務費，並在獲得服務時支銷。

### (g) 其他收入確認

其他收入按已收或應收價款的公平價值釐定。假設經濟利益有可能流向本集團及收入和支出(如適用)屬可靠計量的，在收益表內確認收入的方法如下：

- (i) 通過損益以反映公平價值金融工具的淨收入及淨交易收入  
指定通過損益以反映公平價值金融工具的淨收入，強制通過損益以反映公平價值之非交易用途金融資產及淨交易收入包括所有金融資產及金融負債之公平價值變動產生的盈虧(減除應計利息)，以及應歸屬於該等金融工具的匯兌差額及股息收入。由該等通過損益以反映公平價值金融資產及金融負債產生的應計票面利息列作利息收入或利息支出。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

- (ii) Finance income from finance leases  
Finance income implicit in finance leases is recognised as interest income over the period of the lease so as to produce an approximately constant periodic rate of return of the outstanding net investment in the leases for each accounting period.
- (iii) Rental income from operating leases  
Rental income received under operating leases is recognised as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.
- (iv) Dividend income  
Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established unconditionally. Dividend income from listed investments is recognised when the share price of the investment is quoted ex-dividend.

#### (h) Financial Instruments

- (i) Initial recognition  
The Group initially recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of investment securities classified as measured at FVTPL, fair value through other comprehensive income (FVOCI) financial assets and financial liabilities at FVTPL or debts issued are recognised using trade date accounting. Other financial assets and financial liabilities are recognised using settlement date accounting.

Financial instruments are measured initially at fair value, which normally will be equal to the transaction price plus, in case of a financial asset or financial liability not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Any gains and losses of the financial assets or financial liabilities measured at fair value arising from changes in fair value are recorded from the date of initial recognition.

Accrued contractual interests from financial assets and liabilities are presented as accrued interest receivables and payables separately in the financial statements.

- (ii) 融資租賃收入  
融資租賃隱含財務收入按租賃年期確認為利息收入，以令每個會計年度期間剩餘的淨租賃投資回報大致相同。
- (iii) 經營租賃租金收入  
除非有更具有代表性的基準衡量從租賃資產獲取利益的模式，其經營租賃之租金收入按該租期所涵蓋的年期以等額分期確認為其他經營收入。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨收款總額的組成部分。或有租金以賺取該收入的會計期間列作收入。
- (iv) 股息收入  
非上市投資股息收入在股東收取權被無條件確立時才予以確認。上市投資股息收入則在該投資的股價除息時才被確認。

#### (h) 金融工具

- (i) 初始確認  
當本集團成為金融工具合約其中一方時初始確認金融資產和金融負債。以正常方式購買或出售分類為按通過損益以反映公平價值、通過其他全面收益以反映公平價值計量的投資證券、通過損益以反映公平價值的金融資產及金融負債或已發行債務俱按交易日會計法確認。其他金融資產和金融負債則按結算日會計法確認。

金融工具於初始期按公平價值計量，而公平價值大致與交易價相同。如金融資產或金融負債不屬於通過損益以反映公平價值，則包括直接歸屬於購入之金融資產或發行金融負債的交易成本。通過損益以反映公平價值的金融資產或金融負債的交易成本立即作費用支銷。

自初始確認日期起，按公平價值計量的金融資產或金融負債因公平價值變動而產生的任何盈利及虧損均予以記錄。

金融資產及負債的應計合約利息在財務報表中作為應計應收及應付利息分開列示。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (ii) Classification

**Financial assets and liabilities***Financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income – (Note 2(n)). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Business model assessment*

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

## (ii) 分類

**金融資產及金融負債***金融資產*

於初始確認時，金融資產分類為：按攤銷成本、通過其他全面收益以反映公平價值或通過損益以反映公平價值計量。

一項金融資產按攤銷成本計量，其必須符合以下條件及未有指定為通過損益以反映公平價值：

- 該資產是在一個以持有該資產以收取合約現金流為目的之商業模式中持有；及
- 該金融資產的合約條款於指定日期產生符合本金及按本金結餘的利息支付特徵的現金流。

一項債務工具按通過其他全面收益以反映公平價值計量，其必須符合以下條件及未有指定為通過損益以反映公平價值：

- 該資產是在一個以收取合約現金流及出售金融資產為目的之商業模式中持有；及
- 該金融資產的合約條款於指定日期產生符合本金及按本金結餘的利息支付特徵的現金流。

非交易用途之股份投資初始確認時，本集團可作出不可撤回的選擇，將其後續公平價值變化確認於其他全面收益—(附註(2(n)))。該選擇是按投資逐項作出。

所有其他金融資產均分類為按通過損益以反映公平價值計量。

此外，於初始確認時，在可消除或明顯減少會計錯配的情況下，本集團可不可撤回地指定在其他情況下符合按攤銷成本或通過其他全面收益以反映公平價值條件的金融資產為通過損益以反映公平價值計量。

*商業模式評估*

本集團評估在組合層面持有資產的商業模式之目標，因為這最能反映業務管理的方法及向管理層提供資料的方式。所考慮的資料包括：

- 組合的既定政策和目標以及該等政策的實際操作。尤其是，管理層的策略專注於賺取合約利息收入、維持特定的利率曲線、將金融資產的期限與為該等資產提供資金的負債或通過出售資產變現現金流的期限相配；

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

#### *Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g. periodic reset of interest rates).

- 如何評估組合的表現並向本集團的管理層報告；
- 影響商業模式(及該商業模式下持有的金融資產)表現的風險以及如何管理該等風險；
- 業務管理人員如何得到補償—例如，補償是否根據所管理資產的公平價值或所收取的合約現金流釐定；及
- 過往期間的出售頻率、銷量和出售時點，出售原因以及其對未來出售活動的預期。然而，銷售活動的資料並非孤立考慮，而是作為關於本集團如何實現既定的金融資產管理目標及如何實現現金流的整體評估的一部分。

持作交易用途或管理或按公平值基準評估其表現的金融資產乃按通過損益以反映公平價值計量，因其既非持作收取合約現金流之用，亦非持作收取合約現金流及出售金融資產之用。

#### *評估合約現金流是否純粹為支付本金及利息*

就此項評估而言，「本金」的定義是金融資產在初始確認時的公平價值。「利息」的定義是貨幣的時間價值以及與特定期限內未償還本金有關的信用風險以及其他基本貸款風險和成本(例如流動性風險和管理費用)及利潤率的代價。

在評估合約現金流是否純粹為支付本金及利息時，本集團考慮工具的合約條款。這包括評估金融資產是否包含可能改變合約現金流的時點或金額，致使其不符合該項條件。在評估時，本集團考慮：

- 將會改變現金流金額及時點的或有事件；
- 槓桿特徵；
- 提前還款和延期條款；
- 限制本集團要求取得指定資產(例如無追索權資產安排)的現金流的條款；及
- 修正金錢時間值代價的特徵(例如定期調整利率)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

### Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. When (and only when) the Group changes its business model for managing financial assets, it reclassifies all affected financial assets in accordance with the new business model. The reclassification should be applied prospectively from the 'reclassification date', which is defined as, 'the first day of the first reporting period following the change in business model that results in reclassifying financial assets'. Accordingly, any previously recognised gains, losses or interest will not be restated.

If a financial asset is reclassified out of the amortised cost measurement category and into the FVTPL or FVOCI measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortised cost of the financial asset and fair value is recognised in profit or loss (if reclassification as FVTPL measurement category) or is recognised in other comprehensive income (if reclassification as FVOCI measurement category).

If a financial asset is reclassified out of the FVOCI measurement category and into the amortised cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognised in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost.

If a financial asset is reclassified out of the FVOCI measurement category and into the FVTPL measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

If a financial asset is reclassified out of the FVTPL measurement category and into the amortised cost measurement category, its fair value at the reclassification date becomes its new gross carrying amount.

If an entity reclassifies a financial asset out of the FVTPL measurement category and into the FVOCI measurement category, the financial asset continues to be measured at fair value and subsequent changes in fair value will be recognised in other comprehensive income.

### Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

### 重新分類

除於本集團改變管理金融資產的商業模式後期間外，金融資產在初始確認後不會作出重新分類。當(並且僅當)本集團更改其管理金融資產的商業模式時，所有受影響的金融資產會根據新商業模式重新分類。重新分類應由「重分類日」前瞻性地應用。「重分類日」定義為「因商業模式變化而重新分類金融資產後的第一個報告期首天」。因此，任何之前確認的收益、虧損或利息不會重報。

如金融資產從按攤銷成本重新分類為通過損益以反映公平價值計量或通過其他全面收益以反映公平價值，則其公平價值會在重分類日計量。金融資產的先前攤銷成本與公平價值之間的差額產生的任何收益或損失會在收益表內確認(如重分類為通過損益以反映公平價值計量)或在其他全面收益內中確認(如果重新分類為通過其他全面收益以反映公平價值)。

如金融資產從通過其他全面收益以反映公平價值重新分類為按攤銷成本，則金融資產會在重分類日按其公平價值重新分類。然而，先前於其他全面收益確認的累計收益或虧損將從權益中扣除，並於重分類日按金融資產的公平價值調整。因此，金融資產在重分類日進行計量，就好像它一直以攤餘成本計量一樣。

如金融資產從通過其他全面收益以反映公平價值重新分類為通過損益以反映公平價值計量，則該金融資產會繼續以公平價值計量。先前於其他全面收益確認的累計收益或虧損於重分類日重新分類由權益轉入收益表作為重分類調整。

如金融資產從通過損益以反映公平價值計量重新分類為按攤銷成本，則其在重分類日的公平價值作為新的總賬面值。

如金融資產從通過損益以反映公平價值計量重新分類為通過其他全面收益以反映公平價值，則該金融資產會繼續以公平價值計量，而其後的公平價值變動會在其他全面收益中確認。

### 金融負債

本集團將其金融負債(財務擔保及貸款承擔除外)分類為按攤銷成本或按通過損益以反映公平價值計量類別。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group may, at initial recognition, irrevocably designate a financial liability as at FVTPL in either of the following circumstances:

- a group of liabilities or a group of financial assets and liabilities is managed and its performance is evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

#### (iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

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

#### (iv) Derecognition

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset, together with substantially all the risks and rewards of ownership, have been transferred.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement. Any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as at FVOCI is not recognised in the income statement on derecognition of such securities, as explained in (Note 2(n)).

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

The Group uses the weighted average or first-in first-out method, where appropriate, to determine realised gains and losses to be recognised in the income statement on derecognition.

在以下任一情況下，在初始確認時，本集團或會將金融負債以不可撤銷形式指定為按通過損益以反映公平價值計量：

- 該負債組別或金融資產及負債是按公平價值作內部管理、評估及呈報；或
- 該指定可抵銷或明顯減少因計量資產及負債或按不同基準確認盈利和虧損時可能產生計量或確認的不一致。

#### (iii) 計量公平價值之原則

金融工具的公平價值是於報告期結束日根據其市場報價但未減除將來的估計出售成本。

如沒有公眾知悉的最後交易價格或在認可交易所的市場報價，或從經紀／交易員獲得屬於非交易所買賣的金融工具報價，又或該市場並不活躍，此工具的公平價值按估值模式估值，而該估值模式可根據實際市場交易提供可靠的估計價格。

當採用現金流折讓價格模式，估計將來現金流按管理層的最佳估計及採用的貼現率是在報告期結束日適用於相同條款工具的市場利率。當採用其他價格模式時，參數是在報告期結束日的市場價格資料。

#### (iv) 終止確認

當從金融資產獲得現金流的法定權利屆滿或已將重大風險及回報擁有權同時轉移後，本集團終止確認金融資產。

於終止確認金融資產時，資產賬面值（或終止確認部分資產的賬面值）與(i)已收代價（包括任何所得新資產減任何新負債）及(ii)已於其他全面收益確認的任何累計收益或虧損會於收益表內確認。指定為通過其他全面收益以反映公平價值的股份投資證券在其他全面收益中確認的任何累計收益／虧損均不會在終止確認時在收益表中確認（附註2(n)）。

當合約的義務已被履行、取消或期滿，本集團終止確認金融負債。

本集團採用加權平均法或先進先出法（如適用）以釐定在終止確認時須在收益表確認的已實現盈利和虧損。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

##### (v) Modifications of financial assets and financial liabilities

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (Note 2(h)(iv)) and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the income statement. If such a modification is carried out because of financial difficulties of the borrower (Note 2(h)(vii)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the income statement.

##### (vi) Offsetting

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

##### (vii) Impairment

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued;
- loan commitments issued; and
- contract assets.

No impairment loss is recognised on equity investments.

##### (v) 修改金融資產及金融負債

若金融資產的條款被修改，本集團會評估經修訂資產的現金流量是否重大不同。如現金流量有重大不同，則原金融資產的現金流量的法定權利被視為已過期。在此情況下，原金融資產會被終止確認(附註2(h)(iv))，並按公平價值確認為新金融資產。

如果按攤銷成本計量的已修訂資產之現金流量並無重大差異，則該修訂不會終止確認該金融資產。在這種情況下，本集團會重新計算金融資產的總賬面值，並將調整總賬面值所產生的金額在收益表內確認為修訂損益。如果由於借款人的財務困難而進行此類修改(附註2(h)(vii))，則將損益與減值損失一併列報。在其他情況下，應列示為利息收入。

當合約條款被修改及已修訂之金融負債的現金流量有重大不同，本集團會終止確認其金融負債。在這種情況下，基於修改後的條款之新金融負債會按公平價值確認。已終止的金融負債與已修改條款的新金融負債的賬面值差額會在收益表內確認。

##### (vi) 抵銷

只有具法定權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，金融資產和金融負債互相抵銷，並在財務狀況表內以淨額列示。

##### (vii) 減值

本集團就以下非通過損益以反映公平價值計量的金融工具的預期信貸損失確認減值準備：

- 屬債務工具的金融資產；
- 租賃應收賬款；
- 已發出的財務擔保合約；
- 已發出的貸款承擔；及
- 合約資產。

無需為股份投資計算減值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group measures loss allowances for 12-month or lifetime ECL using a 3-stage approach as follows:

本集團使用3階段法計量12個月或合約期內之預期信貸損失的減值準備如下：

| Stage<br>階段 | Description<br>描述  | Impairment Loss Allowance Measurement<br>減值損失準備計量 |
|-------------|--|---|
| 1           | Performing<br>履行中  | 12-month ECL<br>12個月內之預期信貸損失                      |
| 2           | Performing but with credit risk increased significantly at reporting date since its initial recognition<br>履行中但於報告日，信貸風險自初始確認以來已顯著增加 | Lifetime ECL<br>合約期內之預期信貸損失                       |
| 3           | Non-performing<br>不良   | Lifetime ECL<br>合約期內之預期信貸損失                       |

12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

12個月內之預期信貸損失指金融工具在報告日後之12個月內，所有潛在違約事件所導致的信貸損失。

The Group adopts the criteria of stage allocation as follows:

本集團採納階段分配的準則如下：

| HKMA's 5-Grade Asset classification<br>金管局的5級資產類別 | Stage Allocation<br>階段分配 |
|---|--------------------------|
| Pass<br>合格  | 1                        |
| Special Mention<br>需要關注                           | 2                        |
| Substandard<br>次級                                 | 2                        |
| Doubtful<br>呆滯                                    | 3                        |
| Loss<br>虧損  | 3                        |

The criteria of "significant increase of credit risk" has taken into consideration of two key factors:

「信貸風險顯著增加」的準則已計及兩個關鍵因素：

- The exposure has a significant deterioration of internal or external rating as compared with the rating at the time when the exposure was originated; and
- The rating of the exposure falls out of the "Low-Credit Risk Threshold" that is equivalent to the globally understood definition of "investment grade".

- 風險的內部或外部評級與風險產生之時的評級相比顯著轉差；及
- 風險的評級不再屬於相當於普遍理解的「投資級別」定義的「低信貸風險界限」。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

*Measurement of ECL*

ECL are a probability-weighted estimate of credit losses under different economic scenarios. They are measured as:

$$\text{Exposure at Default} \times \text{Probability of Default} \times \text{Loss Given Default}$$

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes but not limited to the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

*Presentation of allowance for ECL in the statement of financial position*

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision on the liabilities side; and
- debt instruments measured at FVOCI: no loss allowance is presented in the statement of financial position because the carrying amount of these assets is their fair value, inclusive of any ECL. However, the loss allowance is recognised in the fair value reserve and disclosed separately.

*計量預期信貸損失*

預期信貸損失是在不同經濟情景中一個信貸損失的概率在加權後的估算值，以如下方法計量：

$$\text{違約風險承擔} \times \text{違約概率} \times \text{違約損失率}$$

*信貸不良金融資產*

於各報告日，本集團評估按攤銷成本列賬的金融資產及按通過其他全面收益以反映公平價值列賬的債務金融資產是否為信貸不良。當發生一宗或多宗對金融資產的估計未來現金流造成不利影響的事件，則該金融資產屬「信貸不良」。

金融資產出現信貸減值的證據包括但不限於以下可觀察數據：

- 借款人或發行人出現重大財政困難；
- 違反合約，如拖欠或逾期事件；
- 本集團根據其他情況下不會考慮的條款重組貸款或墊款；
- 借款人很可能會破產或進行其他財務重組；或
- 因財政困難而導致某擔保失去活躍市場。

因借款人的財政狀況惡化而重訂條款的貸款，除有證據證明無法收取合約現金流的風險已顯著減低且並無其他減值跡象外，通常被視為信貸不良。此外，逾期90日或以上的貸款被視為已減值。

在財務狀況表中列示預期信貸損失的準備  
預期信貸損失的損失準備在財務狀況表中按以下方式列示：

- 按攤銷成本計量的金融資產：從資產的賬面值總額中扣除；
- 貸款承擔及財務擔保合約：一般作為負債方面的撥備；及
- 按通過其他全面收益以反映公平價值計量的債務工具：在財務狀況表中並不列示損失準備，因該等資產的賬面值為其公平價值，包括任何預期信貸損失。然而，損失準備在公平價值儲備內確認並單獨披露。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### (i) Trading Assets and Liabilities

Trading assets and liabilities are those assets and liabilities which are acquired or incurred principally for the purpose of selling or repurchasing them in the near term, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Trading assets and liabilities are initially recognised and subsequently measured at FVTPL.

#### (j) Contract Assets and Liabilities

When revenue is recognised by transferring goods or services to a customer before the consideration is received or before payment is due, the Group presents the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is recognised in statement of financial position when there is a right to consideration that is conditional on factors other than the passage of time. The contract asset is transferred to receivables when the right to consideration becomes unconditional. Impairment of a contract asset is measured on the same basis as a financial asset as (Note 2(h)(vii)) above. The Group presents the contract assets in "other accounts" of other assets in the statement of financial position.

A contract liability is recognised when a customer pays non-refundable consideration before the Group transfers a good or service to the customer or when the Group has a right to an amount of non-refundable consideration that is unconditional when the payment is made or the payment is due (whichever is earlier). The Group presents the contract liabilities in "other accounts" of other liabilities in the statement of financial position.

As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Group may recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

#### 撤銷

若貸款及債務證券無實際可收回的前景，則予撤銷(部分或全部)。當本集團判斷借款人並無資產或收入來源可產生足夠的現金流以償還應撤銷的金額時，一般會如此處理。然而，已撤銷的金融資產仍可能受到執行活動的影響，以遵守本集團收回應收金額的程序。

#### (i) 交易用途資產及負債

作交易用途的資產和負債包括主要是作短期出售或購入的金融資產和金融負債，或屬於組合一部分並共同管理的可辨識金融工具，及有證據顯示近期有短期出售以賺取利潤的模式。交易資產和負債於初始確認，及其後以公平價值計量且其變動計入當期損益。

#### (j) 合約資產及負債

若本集團透過向客戶轉讓貨品或服務履約並於客戶支付代價或款項到期前確認收入，則本集團應將該合約列示為合約資產，惟任何列示為應收賬款的金額除外。若獲取代價的權利以除時間流逝以外的因素為條件，則合約資產於財務狀況表中確認。當獲取代價的權利成為無條件時，合約資產將轉至應收賬款。合約資產減值與金融資產(附註2(h)(vii))的計算相同。本集團呈列合約資產於財務狀況表中其他資產內的其他賬項。

當客戶在本集團向客戶轉讓貨品或服務履約前已支付不可退還的代價，或當本集團已獲取代價或款項到期時(以較早者為準)擁有收取不可退還代價的權利，則確認為合約負債。本集團的合約負債呈列在財務狀況表內的「其他負債」項下的「其他賬項」。

視乎實際情況，若本集團在訂立合約時預期實體向客戶轉讓已承諾的貨品或服務之時起至客戶支付該貨品或服務款項時止的期間為一年或以內，則本集團毋須就重大融資組成部分的影響而調整已承諾的代價金額。若本集團原本會確認的資產攤銷期為一年或以內，則本集團可於產生時將獲得合約的增加成本確認為支出。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (k) Hedging

Hedge accounting recognises the offsetting effects on income statement of changes in the fair values of the hedging instrument and the hedged item. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. The Group discontinues prospectively hedge accounting when (i) the hedging instrument expires or is sold, terminated or exercised; (ii) the hedge no longer meets the criteria for hedge accounting; or (iii) the Group revokes the designation.

## (i) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, or the foreign currency risk of a committed future transaction, the effective part of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in the income statement.

If the hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (such as when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to the income statement immediately.

## (k) 對沖

對沖會計法是確認因用作對沖工具與被對沖項目因公平價值變動而在收益表內產生之相互抵銷損益的影響。於衍生工具開始列作對沖工具及在對沖期間，本集團會評估及記錄用作對沖交易的金融工具是否有效地對沖相關項目的公平價值變動或現金流之風險。當 (i) 該用作對沖工具到期或已出售、終止或行使；(ii) 該對沖交易不再符合對沖會計法的要求；或 (iii) 本集團取消對沖指定，本集團會停止繼續採用對沖會計法。

## (i) 現金流量對沖

當衍生金融工具被指定對沖已確認資產或負債的不既定現金流量，或是甚有可能發生的預計交易，或已承諾未來交易之外匯風險，其重新計量衍生金融工具至公平價值有效對沖部分盈利或虧損會在其他全面收益內確認，並在股東權益中的對沖儲備內分開累計。而無效對沖部份的盈利或虧損則立即在收益表內確認。

如因對沖預計交易而其後須確認為非金融資產或非金融負債，其相關之盈虧由股東權益重新分類並包括在該非金融資產或負債的初始成本或其他賬面值內。如因對沖一項預計交易而其後須確認為金融資產或金融負債，其相關之盈虧由股東權益轉入收益表並計入相同期間或當購入資產或引起負債而影響該期間之收益表(如當確認為利息收入或支出)。

就現金流量對沖而言，除以上兩段政策已涵蓋外，其相關之盈虧由股東權益重新分類並包括在相同期間或受對沖預計交易所影響期間的收益表。當用作對沖工具已到期或出售、終止或行使，或當本集團取消指定對沖關係但對沖預計交易預期仍會發生，截至此期間所累計的盈利或虧損仍保留在股東權益內，直至交易發生時按以上的政策確認。如預計對沖交易不會發生，在股東權益內的累計盈利或虧損會立即由股東權益轉入收益表。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (ii) Fair value hedges

A fair value hedge seeks to offset risks of changes in the fair value of recognised asset or liability that will give rise to a gain or loss being recognised in the income statement.

The hedging instrument is measured at fair value, with fair value changes recognised in the income statement. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of hedging instrument attributable to the risk being hedged. This adjustment is recognised in the income statement to offset the effect of the gain or loss on the hedging instrument.

When a hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting, or the Group revokes designation of the hedge relationship, any adjustment up to that point, to a hedged item for which the effective interest method is used, is amortised to the income statement as part of the recalculated effective interest rate of the item over its remaining life.

#### (iii) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

For fair value hedge relationships, the Group utilises the cumulative dollar offset method or regression analysis as effectiveness testing methodologies. For cash flow hedge relationship, the Group utilises the change in variable cash flow method or the cumulative dollar offset method using the hypothetical derivative approach.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the range of 80 per cent to 125 per cent for the hedge to be deemed effective.

#### (ii) 公平價值對沖

公平價值對沖用作抵銷已確認資產或負債因公平價值變動產生須在收益表內入賬的盈利和虧損的風險。

對沖工具按公平價值列賬，而公平價值的變動在收益表內入賬。被對沖項目的賬面值按對沖工具所對沖之風險的價格變動予以調整。此調整在收益表內入賬以抵銷對沖工具產生的盈利和虧損。

當用作對沖工具到期或已出售，終止或行使，或當對沖不再符合對沖會計法的要求，或本集團取消對沖指定關係，所有截至此期間內按有效利率方式調整的被對沖項目，會按該項目餘下年期當作重新計算有效利率在收益表內攤銷。

#### (iii) 對沖效用測試

為符合對沖會計法，本集團必須進行兩種測試：在開始對沖時進行「預計效用」測試，顯示預期成效極高；在對沖期內持續進行「追溯效用」測試，證明實際有效。

有關各對沖關係之文件載有如何評估對沖效用。本集團採納之對沖效用評估方法，是按照既定風險管理策略而實施。

對於公平價值對沖關係，本集團採用累計價值抵銷法或回歸分析作為效用測試之方法。對於現金流量對沖關係，本集團會測試現金流量的變動或對沖組合的規模是否充足，或以模擬衍生工具方式，運用累計價值抵銷法測試。

就預計效用而言，對沖工具必須被預期為在劃定對沖期間內，能高度有效地抵銷對沖風險之公平價值或現金流量之變動。就實際效用而言，公平價值或現金流量之變動抵銷額在80%至125%範圍才被視為有效。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

### (l) Derivatives

Derivatives are recognised initially and are subsequently remeasured, at fair value. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative, this includes embedded derivatives which are bifurcated from the host contract, when they meet the definition of a derivative on a standalone basis.

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of HKFRS 9;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form part of a qualifying cash flow or net investment hedging relationship.

### (m) Loans and Advances

Loans and advances mainly comprise placements with and advances to banks and other financial institutions, trade bills and loans and advances to customers:

- loans and advances measured at amortised cost (Note 2(h)(ii)); they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- loans and advances mandatorily measured at FVTPL or designated as at FVTPL (Note 2(h)(ii)); these are measured at fair value with changes recognised immediately in the income statement;
- loans and advances measured at FVOCI (Note 2(h)(ii)); and
- finance lease receivables (Note 2(s)).

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's financial statements.

### (l) 衍生工具

衍生工具初始確認及其後按公平價值重新計量。當衍生工具的公平價值為正數時，衍生工具分類為資產；當公平價值為負數時，衍生工具則分類為負債，這包括在獨立基礎上符合衍生工具定義但從主合同分拆的嵌入式衍生工具。

衍生工具可能嵌入另一合同(主合同)。在下列情況下，本集團會分開計算主合同及嵌入的衍生工具：

- 該主合同並非在《香港財務報告準則》第9號所覆蓋的資產；
- 該主合同不是通過損益以反映公平價值計量；
- 嵌入衍生工具的條款如果包含在單獨的合同中，符合衍生工具的定義；及
- 該嵌入衍生工具的經濟特性及風險與主合同並非緊密關連的。

分離的嵌入式衍生工具按公平價值計量，公平價值的所有變動均在收益內確認，除非他們構成合資格現金流量或淨投資對沖關係的一部分。

### (m) 貸款及墊款

貸款和墊款主要包括在銀行及其他金融機構的存款及墊款、貿易票據和客戶貸款及墊款：

- 按攤銷成本計量的貸款和墊款(附註2(h)(ii))：初始以公平價值加上直接相關的交易成本計量，其後以有效利率法按攤銷成本計量；
- 強制性通過損益以反映公平價值計量的貸款及墊款(附註2(h)(ii))：以公平價值計量，其變動立即在收益表內確認；
- 通過其他全面收益以反映公平價值的貸款及墊款(附註2(h)(ii))；及
- 融資租賃應收款項(附註2(s))。

當本集團購買金融資產並同時訂立協議以未來日期的固定價格(反向回購或股票借入)轉售資產(或實質上相似的資產)時，該安排將作為貸款及墊款入賬，相關資產不會在本集團財務報表中確認。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (n) Investment Securities

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost (Note 2(h)(ii)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt and equity investment securities mandatorily measured at FVTPL or designated as at FVTPL (Note 2(h)(ii)); these are measured at fair value with changes recognised immediately in the income statement;
- debt securities measured at FVOCI (Note 2(h)(ii)); and
- equity investment securities designated as at FVOCI (Note 2(h)(ii)).

For debt securities measured at FVOCI, gains and losses are recognised in other comprehensive income, except for the following, which are recognised in the income statement in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statement.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to the income statement and no impairment is recognised in the income statement. Dividends are recognised in the income statement unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income. Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

#### (n) 投資證券

財務狀況表中的「投資證券」包括：

- 以攤銷成本計量的債務投資證券(附註2(h)(ii))；這些初始按公平價值加上直接相關交易成本計量，其後以有效利率法按攤餘成本計量；
- 債務和股權投資證券強制性通過損益以反映公平價值計量或指定為通過損益以反映公平價值計量(附註2(h)(ii))，其公平價值變動立即在收益表中確認；
- 通過其他全面收益以反映公平價值的債務證券(附註2(h)(ii))；及
- 指定為通過其他全面收益以反映公平價值的股權投資證券(附註2(h)(ii))。

就通過其他全面收益以反映公平價值的債務證券而言，收益及虧損於其他全面收益確認，惟以下各項會於收益表內確認，與按攤銷成本計量的金融資產相同：

- 以有效利率法計算的利息收入；
- 預期信用損失和轉回；及
- 外匯收益和損失。

當通過其他全面收益以反映公平價值的債務證券被終止確認時，以前在其他全面收益中確認的累計收益或虧損將從權益重新分類至收益表內。

本集團選擇在其他全面收益中列示非持作買賣的股份工具投資之公平價值變動。該選擇是按個別工具於初始確認時進行，並不可撤銷的。

此類股份工具的收益和損失不會重新分類至收益表，亦不會在收益表中確認減值。股息在收益表內確認，但若該等股息明確顯示為收回部分投資成本者，會在其他全面收益中確認。其他全面收益中確認的累計收益和損失會轉入出售投資的未分配利潤。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (o) Properties

- (i) Bank premises are stated in the statement of financial position at cost or at Directors' valuation as of 1989, by reference to an independent professional valuation, less accumulated depreciation and accumulated impairment loss (Note 2(r)).

When a deficit arises on revaluation, it will be charged to the income statement, to the extent that it exceeds the amount held in the bank premises revaluation reserve in respect of that same asset immediately prior to the revaluation; and when a surplus arises on revaluation, it will be credited to the income statement, to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the income statement.

In preparing these financial statements, advantage has been taken of the transitional provisions set out in paragraph 80AA of HKAS 16 "Property, Plant and Equipment" issued by the HKICPA, with the effect that bank premises have not been revalued to fair value at the end of the reporting period.

- (ii) Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Investment properties are valued semi-annually by external independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in (Note 2(g)(iii)).

When a bank property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the bank property immediately prior to transfer and its fair value is recognised as a revaluation of bank premises as described in (Note 2(o)(i)).

If an investment property becomes owner-occupied, it is reclassified as bank premises and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

A property interest under a lease was classified and accounted for as an investment property when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under a lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in (Note 2(s)).

- (iii) Profit or loss on disposal of bank premises and investment properties is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the income statement upon disposal. Any surplus that is included in the bank premises revaluation reserve related to the bank premises disposed is transferred to the general reserve.

## (o) 物業

- (i) 行址是按成本或於1989年董事參照獨立專業評估作出的估值，減除累計折舊及減值損失(附註2(r))後於財務狀況表中列賬。

當重估出現虧損時，於收益表支銷的金額，只限於超過以往因重估相同行址而存入行址重估儲備的結餘；當重估出現盈餘時，存入收益表內的金額不可超過以往因重估相同行址曾於收益表支銷的重估虧損。

在編製此等財務報表時，由於可採用香港會計師公會頒布的《香港會計準則》第16號「物業、廠房及設備」第80AA段所載的過渡條款，故行址並未在報告期結束日重估至公平價值。

- (ii) 投資物業是持有用作賺取租金收益或資本增值或二者皆是的物業。投資物業按公平價值列賬。投資物業由外來獨立估價公司每半年作估值，該公司擁有適當認可專業資格及對估物業的所在地和類別有近期經驗。估值並未計算任何抵押、按揭、欠款、及在出售時可能產生的任何費用或稅項。

因公平價值變動而產生的損益在收益表內入賬。投資物業租金收入按附註2(g)(iii)所載計算。

如附註2(o)(i)所載，當一項物業因其用途改變而須轉作投資物業時，該物業於轉賬日前的賬面值與公平價值之差額視作行址重估。

如一投資物業轉為自用，該物業須重新分類為行址。於重新分類日的公平價值視作日後作會計用途的成本值。

本集團以租賃方式持有用作租金收入或資本增值或二者皆是的物業權益分類為投資物業。此等以租賃方式持有的物業權益按公平價值列賬。租金支出按附註2(s)所載入賬。

- (iii) 出售行址及投資物業的損益是以出售所得款項淨額與資產賬面值的差價計算，並在出售時於收益表內入賬。任何有關之重估行址盈餘於出售時從行址重估儲備撥入一般儲備內。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (p) Amortisation and Depreciation

##### (i) Bank premises

Freehold land is not amortised. Leasehold land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease. Leasehold land is amortised on a straight line basis over the remaining term of the lease. Buildings are depreciated on a straight line basis at rates calculated to write off the cost or valuation of each building over its estimated useful life of 50 years or the remaining lease period of the land on which it is situated, whichever is the shorter.

Investment properties are not depreciated.

##### (ii) Other fixed assets

Other fixed assets are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, which is calculated on a straight line basis to write off the assets over their estimated useful lives from 4 to 20 years.

#### (q) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (Note 2(r)).

On disposal of a cash-generating unit, any attributable amount of purchased goodwill is included in the calculation of the profit and loss on disposal.

Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

#### (p) 攤銷及折舊

##### (i) 行址

永久業權之土地不予攤銷。用作經營租賃的租賃土地，而其公平價值是不能夠與租賃於初始時已存在之建築物的公平價值分開計量，則當作持有融資租賃入賬。租賃土地以直線法按租賃剩餘年期攤銷。建築物的成本或估值以直線法按其預計使用年限50年或其座落土地剩餘租賃期兩者中的較短期限計算折舊。

投資物業是不予折舊。

##### (ii) 其他固定資產

其他固定資產是按成本減累計折舊及減值損失於財務狀況表中列賬。該等資產是以直線法按照由4年至20年的預計使用年期計算折舊。

#### (q) 商譽

商譽指

- (i) 對價轉讓的公平價值、任何被購入者的非控股權益金額及以往本集團曾經持有該被購入者的股東權益公平價值的總和；超出
- (ii) 本集團在收購日計量應佔該被購入者之可辨識資產及負債的公平價值淨額。

當(ii)是大於(i)時，此超出金額立即在損益賬確認為一項議價收購的盈利。

商譽按成本減除累計減值損失列賬。因商業合併而產生的商譽被分配予每一現金生產單位，或一組合之現金生產單位，而預計該現金生產單位是可從商業合併中獲得協同效應，以及須每年接受減值測試(附註2(r))。

當出售單一現金生產單位時，計算出售溢利包括任何可歸屬購入商譽的金額。

由內部產生之商譽及品牌的開支按在發生期間內確認為支出。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

### (r) Impairment of Non-Financial Assets

Internal and external sources of information are reviewed at each end of the reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment (other than properties carried at revalued amounts);
- right-of-use assets;
- investments in subsidiaries, and associates and joint ventures;
- goodwill; and
- intangible assets.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

#### *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

#### *Recognition of impairment losses*

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

#### *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

### (r) 非金融資產減值

在報告期結束日，須檢討對內及對外資料來源以辨識以下資產是否有減值徵兆或，除商譽外，以往已確認之減值損失是否仍然存在或可能已經減少：

- 物業及設備(以重估金額列賬的物業除外)；
- 使用權資產；
- 附屬及聯營公司投資及合資企業；
- 商譽；及
- 無形資產。

如任何該等徵兆存在，須估計該資產的可收回金額。此外，商譽須每年估計可收回金額以確定是否有減值徵兆。

#### *可收回金額之計算*

可收回金額是公平價值減出售成本及使用值二者中之較高者。在評估使用值時，會採用一項當時市場評估的時間值及相對於該資產的風險的稅前折扣率將估計未來現金流量折實為現在價值。當某資產未能大部分地獨立於其他資產產生現金流量，其可收回金額取決於可獨立地產生現金流量的最小資產組合(即單一現金生產單位)。

#### *減值損失之確認*

當資產的賬面值或其所屬的現金生產單位超過可收回金額時，須於收益表內確認減值損失。有關確認現金生產單位減值損失時，首先減低分配予現金生產單位(或其單位群組)之賬面值，其後再按比例減低在該單位(或其單位群組)其他資產的賬面值，但該資產的賬面值不可低過其個別公平價值減出售成本(如可計量的話)或使用值(如可確定的話)。

#### *減值損失之轉回*

除商譽外的有關資產，如在用釐定可收回金額的估計發生有利的變化，則減值損失會被轉回。商譽的減值損失不可轉回。

減值損失轉回只局限於該資產的賬面值，猶如該等減值損失從未在往年被確認。

減值損失轉回在該被確認的年度計入收益表內。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (s) Leases

##### *Policy applicable from 1st January, 2019*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to directing how and for what purpose the asset is used. In case where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1st January, 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

#### (a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. Where applicable, the cost of right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently at cost less any accumulated depreciation and impairment losses (Note 2(r)), and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is initially measured at cost, and subsequently at fair value, in accordance with the accounting policy set out in (Note 2(o)(ii)).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

#### (s) 租賃

##### *由2019年1月1日起適用的政策*

本集團於訂立合約時會評估有關合約是否屬於租賃或包含租賃。倘某項合約為換取代價而給予在某段時間內對可識別資產使用的控制權，則該合約屬於租賃或包含租賃。為評估合約會否給予對可識別資產使用的控制權，本集團會評估：

- 該合約是否涉及使用可識別資產；
- 本集團是否有權於整段使用期間從使用資產獲得絕大部分的經濟利益；及
- 本集團是否有權指示使用資產。當本集團擁有與指示如何及為何使用資產最為相關的決策權時，本集團便擁有此項權利。倘本集團需要預先決定如何及為何使用資產，本集團便可在出現以下其中一種情況時有權指示使用資產：
  - 本集團有權經營該資產；或
  - 本集團以預先決定將會如何及為何使用資產的方式設計資產。

此項政策適用於2019年1月1日或之後訂立或改變的合約。

本集團會在訂立或重新評估包含租賃部分的合約時，根據各租賃部分的相對單獨價格，將合約代價分配予各該等部分。

#### (a) 作為承租人

本集團於租賃生效日期確認使用權資產及租賃負債。使用權資產初步按成本計量，其包括租賃負債的初始金額加上任何於生效日期或之前已付之租賃款項，及任何已付之初始直接成本。如適用，使用權資產的成本亦包括拆卸及移除相關資產或還原相關資產或其所在的估計成本之折讓現值，並減去任何已收之租賃激勵款項。

使用權資產其後按成本減任何累計折舊及減值損失計量(附註2(r))，並對租賃的若干重新計量作出調整。倘使用權資產符合投資物業的定義，根據附註2(o)(ii)本集團之會計政策，該使用權初始按成本計量，其後按公平價值計量。

租賃負債初始按照生效日期尚未支付的租賃款項之現值計量，並採用租約隱含的利率或(倘該利率無法輕易釐定)本集團的增量借款率。本集團一般以其增量借款利率用作貼現率。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. Lease payment included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method (Note 6 and Note 38). It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes its assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease terms, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

The Group presents right-of-use assets that do not meet the definition of investment property in "fixed assets" (Note 34) and lease liabilities in "other liabilities" (Note 38) in the statement of financial position. For the information of projected cash outflow for lease liabilities and for leases committed but not yet commenced, please refer to Note 45(d) and Note 47(d).

*Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less ("short-term leases") and leases of underlying assets with an appropriate value of HK\$0.04 million or less ("low-value assets"). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term (Note 13).

租賃負債其後因租賃負債的利息成本而增加，並因所付租賃款項而減少。計量租賃負債時計入的租賃項包括以下項目：

- 固定款項，包括實質固定款項；
- 基於指數或利率而定且初步採用截至生效日期的指數或利率計量的可變租賃款項；
- 根據剩餘價值擔保預計應付的款項；及
- 本集團所合理肯定行使的購買選擇權行使價、可選續租年期的租賃款項（倘本集團合理肯定行使延長選擇權）以及提早終止租賃的罰款（除非本集團合理肯定不會提早終止租賃）。

租賃負債採用有效利率方法按攤銷成本計量（附註6及附註38）。當未來租賃款項因指數或利率變動而有所改變，根據剩餘價值擔保預計應付的款項之估計出現變動，改變有關會否合理肯定行使購買或延長選擇權或是否合理肯定不會行使終止選擇權的評估時，租賃負債會重新計量。

當租賃負債重新計量時，相應調整會在使用權資產之賬面值上調整，或要是使用權資產的賬面值已減至零時，該金額則記入損益賬內。

本集團運用判斷以釐定作為承租人若干包括續租權之租約的租期。本集團是否合理肯定行使該等選擇權的評估會影響租期，而租期則會對租賃負債及使用權資產的確認金額產生重大影響。

本集團呈列並不符合投資物業定義之使用權資產於「固定資產」（附註34）中及將租賃負債列於財務狀況表內的「其他負債」（附註38）。有關租賃負債及已承諾但未生效租賃的預測現金流出資料，請參閱附註45(d)和附註47(d)。

*短期租賃及低價值資產租賃*

本集團已選擇不就若干12個月或以下之租賃（「短期租賃」）及相關資產價值約港4萬元或以下之租賃（「低價值資產租賃」）確認使用權資產及租賃負債。本集團將此等租賃相關的租賃款項按租期以直線法確認為支出（附註13）。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## (b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applied HKFRS 15 to allocate the consideration in the contract.

The amounts due from lessees in respect of finance leases are recorded in the statement of financial position as advances to customers at the amounts of net investment which represent the total rentals receivable under finance leases less unearned income. Revenue arising from finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in Notes 2(g)(ii) and 2(e).

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease period as part of 'other operating income', as set out in Note 2(g)(iii).

The accounting policies applicable to the Group as a lessor in the comparative period were not different from HKFRS 16.

**Policy applicable before 1st January, 2019**

Leases of assets under which the lessee assumes substantially all the risks and rewards of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and rewards of ownership are classified as operating leases.

## (i) Assets held under finance leases

The amounts due from lessees in respect of finance leases are recorded in the statement of financial position as advances to customers at the amounts of net investment which represent the total rentals receivable under finance leases less unearned income. Revenue arising from finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in (Note 2(e)).

## (ii) Assets held for use in operating leases

Where the Group leases out assets under operating leases, the leased assets are included in the statement of financial position according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in (Note 2(p)) except where the asset is classified as an investment property. Impairment losses are accounted for in accordance with the accounting policy as set out in (Note 2(r)). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in (Note 2(g)(iii)).

## (b) 作為出租人

當本集團作為出租人時，其會於租賃生效時釐定各項租賃屬融資租賃或經營租賃。

為劃分各項租賃，本集團會整體評估租賃會否轉移了相關資產擁有權所附帶的絕大部分風險及回報。如屬上述情況，該租賃便為融資租賃；反之則為經營租賃。作為評估的一部分，本集團會考慮若干指標，例如租賃是否佔資產經濟壽命的大部分。

倘某項安排包括租賃及非租賃部分，本集團便按照《香港財務報告準則》第15號分配合約代價。

有關融資租賃的應收承租人款項按淨投資金額（等於融資租賃項下應收租金總額減去未實現收入）以顧客墊款載計入財務狀況表。融資租賃所產生的收益已根據附註2(g)(ii)及(2(e))所載的本集團收入確認政策獲確認。

本集團於租賃期內按直線基準確認經營租賃項下已收租賃款項為收入，以作為附註2(g)(iii)所載「其他經營收入」的一部分。

於比較期間適用於本集團作為出租人之會計政策與《香港財務報告準則》第16號並無不同。

**2019年1月1日以前適用的政策**

由承租人承擔相關資產擁有權絕大部分的相關風險及回報的資產租賃列為融資租賃。而出租人並未轉移相關資產擁有權的所有風險及回報的資產租賃列為經營租賃。

## (i) 以融資租賃購入的資產

當本行為融資出租人時，按融資租賃而租出資產的投資淨額，即應收租金總額減未賺取收入，在財務狀況表列作客戶貸款。來自融資租賃的收入會根據本行的收入確認政策附註2(e)所載計算。

## (ii) 用作經營租賃的資產

除該資產已分類為投資物業，當本集團以經營租賃方式租出資產，該資產根據其性質包括在財務狀況表內，及按附註2(p)所載（如適用者）本集團的折舊會計政策計算折舊。減值損失是根據會計政策附註2(r)所載計算。來自經營租賃的收入是根據本行的收入確認政策附註2(g)(iii)所載計算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (iii) Operating lease charges

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

## (t) Repossession of Assets

In the recovery of impaired loans and advances, the Group may take possession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group's accounting policy set out in (Note 2(h)(vii)), impairment allowances for impaired loans and advances are maintained after taking into account the net realisable value of the collateral assets, usually resulting in a partial write-off of the loans and advances against impairment allowances. Repossessed assets are reported as assets held for sale under other assets if it is highly probable that the future economic benefits will flow to the Group, their carrying amount will be recovered through a sale transaction rather than through continuing use and the assets are available for sale in their present condition. Related loans and advances are then written off.

Repossessed assets are recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses on initial classification and on subsequent remeasurement are recognised in the income statement.

## (u) Income Tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

## (iii) 經營租賃費用

當本集團使用經營租賃資產，除非有其他更具代表性的基準以衡量從該等經營租賃資產獲得利益的模式，其租賃付款按該租賃期所涵蓋的會計年期以等額分期記入收益表。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨付款的組成部分。或有租金在其產生的會計期內在收益表支銷。

## (t) 收回資產

在收回減值貸款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2(h)(vii)所載的會計政策，計算減值貸款之減值準備已顧及抵押品資產之可變現淨值，通常引致須在減值準備內撇銷部分貸款。如大有可能本集團享有未來經濟收益，其賬面值須透過變賣而不是持續使用該資產，及該資產可在現況下出售，收回資產在其他資產的持有作出售資產項下列賬。有關貸款及墊款隨後撇銷。

收回資產按有關貸款的金額或於轉換日已減除出售成本後之公平價值，按兩者之較低者入賬。收回資產毋須計算折舊或攤銷。

在初始期分類及後期再計量所引致的減值損失於收益表確認。

## (u) 所得稅

- (i) 本年度所得稅包括本期及遞延稅項資產和負債的變動。除該稅款與其他全面收益或股東權益有關而須在其他全面收益或股東權益確認的金額外，本期稅項及遞延稅項資產和負債的變動計入收益表內。
- (ii) 本期稅項為年度應課稅收入按報告期結束日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。
- (iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅損及稅項抵免。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing deductible temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in (Note 2(o)(ii)), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

除了若干有限的例外情況外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在同期內該可扣稅之暫時性差異轉回或在若干期限內由該遞延稅項資產產生的稅損可以收回或留存。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計在某期間內因該稅損或稅免可使用而轉回時，會計入該等差異。

在有限例外情況下，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、初始時已確認不影響會計及應課稅溢利的資產或負債（須不是商業合併的一部分）、及有關投資附屬公司的暫時性差異，就應課稅差異而言，當本集團可控制該差異轉回的時間而該差異在可見將來不會轉回；而就可扣稅差異而言，除非該差異在可見將來可以轉回。

當投資物業根據附註2(o)(ii)所載按公平價值列賬，除該物業是需折舊的及以一商業模式持有，而其目的是要透過時間使用而並非出售該物業以獲取隱含於該物業之重大經濟利益，確認遞延稅項的金額按該物業於結算日假設以賬面值出售的稅率計算。在其他情況下，確認遞延稅項的金額是根據預期變現或償還該資產及負債的賬面值的方式，按在報告日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作折讓。

於每報告期結束日，本行須重新檢視有關的遞延稅項資產的賬面金額，對預期不再有足夠的應課稅溢利以實現相關稅務利益予以扣減。可轉回之金額不可超過預期將來出現足夠可供扣減的應課稅溢利。

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

### (v) Insurance Reserves and Provisions for Outstanding Claims

Insurance reserves, except those attributable to long term business, represent the proportion of retained premiums written in the year relating to the period of risk from 1st January in the following year to the subsequent date of expiry of policies which is carried forward as a provision for unearned premiums and calculated on a daily basis.

The insurance reserve for long term business is ascertained by actuarial valuation based on the Group's estimates of future deaths, investment returns and administration expenses at each valuation date.

Full provision is made for the estimated cost of claims notified but not settled at the end of the reporting period and for the estimated cost of claims incurred but not reported by that date, after deducting the amounts due from reinsurers. Provision has also been made for the estimated cost of servicing claims notified but not settled at the end of the reporting period and to meet expenses on claims incurred but not reported at the end of the reporting period.

These reserves and provisions are classified as other accounts and provisions.

The Group's operating income from its insurance business is presented as net insurance revenue in the consolidated income statement. The Group follows the relevant accounting policies for the recognition of such operating income. Details of net insurance revenue are set out in Note 11.

(iv) 本期稅項與遞延稅項結餘及其變動之金額會分別列示而不會相互抵銷。本行或本集團只有在有合法權利對本期稅項資產及負債抵銷及符合以下附帶條件的情況下，才對本期及遞延稅項資產及負債作出抵銷：

- 就本期稅項資產及負債而言，本行或本集團計劃支付淨額或同時收回資產及償還負債；或
- 有關的遞延稅項資產及負債屬同一稅務機關對以下機構徵收所得稅而產生：
  - 同一個應課稅實體；或
  - 不同的應課稅實體，並預計在未來期間會償還或收回重大遞延稅項負債或資產，該實體計劃以淨額形式變現本期稅項資產及償還本期稅項負債，或同時變現及償還。

### (v) 保險基金及未付索償準備

不包括長期業務部分，保險基金指年度內收取但已作保留的保金部分，而有關的風險是屬於下年度1月1日至保單到期日為止，該保留保金視作未賺取保費準備並按每日計算。

長期業務的保險基金是根據本集團之估計未來死亡率、投資回報及於每一估值日之行政費用並按精算估值。

本集團已就在報告期結束日只已通知但未償付以及已發生但未匯報的索償，經扣除了分保人欠款，作出了充足的準備。此外，已就在報告期結束日已通知但未償付的索償及已發生但未匯報索償而引致的估計費用作出了充足的準備。

此等基金及準備分類為其他賬項及準備。

本集團將由保險業務生的經營收入在綜合收益表中以保險業務淨收入列示。本集團根據有關會計政策確認該經營收入。詳情請參閱附註11保險業務淨收入。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (w) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (x) Financial Guarantees and Loan Commitments

“Financial guarantees” are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. “Loan commitments” are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of this amortised amount and the amount of loss allowance (Note 2(h)(vii)).

For other loan commitments, the Group recognises impairment loss allowance (Note 2(h)(vii)).

Liabilities arising from financial guarantees and loan commitments are included within other liabilities.

#### (y) Employee Benefits

##### (i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are recognised when the absences occur.

##### (ii) Performance-related bonus plan

Liabilities for performance-related bonus plan, which are due wholly within twelve months after the end of the reporting period, are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

#### (w) 準備及或然負債

當負債的限期或金額不確定，但有可能因過去事項構成法律或推定義務而須付出經濟利益以償責任，並能對此作可靠估計，此負債便確認為準備。當金額的時間值屬重大的，準備金額須按估計清償負債支出的現值列賬。

倘可能不需要付出經濟利益，或不能對金額作可靠估計，除非付出的機會是極微，則此項責任會視作或然負債披露。如潛在義務的存在須視乎會否發生一項或多項未來事件才獲確定，除非付出經濟利益的機會是極微，此潛在義務亦視作或然負債披露。

#### (x) 財務擔保和貸款承諾

「財務擔保」是指要求本集團支付特定款項以償還持有人因其特定債務人在債務工具條款到期時未能支付而產生的損失的合同。「貸款承諾」是在預定的條款和條件下提供信貸的承諾。

已發行的財務擔保或以低於市場利率的貸款承諾初始按公平價值計量，初始公平價值在擔保或承諾期內攤銷。往後，該擔保及承諾按該攤銷金額及損失準備(附註2(h)(vii))，二者之較高者，計量。

對於其他貸款承諾，本集團確認減值損失準備(附註2(h)(vii))。

財務擔保和貸款承諾產生的負債包含在其他負債中。

#### (y) 僱員福利

##### (i) 薪酬、花紅及假期福利

僱員應享有的薪酬、年終花紅、有薪年假、旅行假期及其他同種類之非金錢性質福利於確立時確認。至報告期結束日已撥備因僱員提供服務所享有之年假的估計負債。

僱員應享有的病假及分娩假於發生時確認。

##### (ii) 表現獎勵花紅計劃

因僱員提供服務而本集團有現存法律或推定義務於報告期結束日後12個月內須全數支付表現獎勵花紅計劃的負債，對此並能作可靠估計，便須予以確認為負債。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (iii) Retirement benefits

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under either the Mandatory Provident Fund Exempted ORSO Scheme ("MPFEOS") or the Mandatory Provident Fund Scheme ("MPFS"). Both are defined contribution schemes. The employer's monthly contributions to both schemes are at a maximum of 10% of each employee's monthly salary.

The pension schemes covering all the Group's PRC and overseas employees are defined contribution schemes at various funding rates, and are in accordance with local practices and regulations.

The cost of all these schemes is charged to the income statement for the period concerned and the assets of all these schemes are held separately from those of the Group. Under the MPFEOS, the employer's contribution is not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Under the MPFS, the employer's contribution is reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

## (iv) Share based payments

The option exercise price is equal to the higher of:

- (i) the closing price of the Bank's shares in the Stock Exchange's daily quotation sheet on the date of grant of the relevant options; and
- (ii) an amount equivalent to the average closing price of the Bank's shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant options.

When the options are exercised, equity is increased by the amount of the proceeds received. The fair value of share options granted to employees is recognised as an expense in the income statement with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the trinomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to those share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged or credited to the income statement for the year of the review unless the original expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Bank's shares.

## (iii) 退休福利

本集團為其合資格的員工提供退休福利。香港員工可獲得強積金豁免的職業退休計劃或強制性公積金計劃的保障。此兩個計劃同時是定額供款計劃。僱主對兩項計劃的每月供款，上限是每位僱員月薪的10%。

本集團為所有國內及海外員工而設的退休計劃是定額供款計劃，供款率按當地慣例及規定而制定。

上述所有計劃的成本在相關期間的收益表內支銷，而所有此類計劃的資產均與本集團的資產分開處理。在強積金豁免的退休保障計劃中，僱主的供款不會因某些僱員於未完全享有僱主的供款前離開計劃被沒收的供款而減少。而強制性公積金計劃方面，僱主的供款則會因某些僱員於未完全享有僱主的供款前離開計劃被沒收的供款而減少。

## (iv) 以股份為基礎作支付

認股權的行使價為以下之較高者：

- (i) 於授出認股權當日日本行股份在聯交所日報表的收市價；及
- (ii) 相等於緊接授出有關認股權當日之前五個營業日，本行股份在聯交所日報表的平均收市價。

當認股權被行使時，所得款項計入股東權益。授予僱員之認股權的公平價值於收益表內確認為支出，而在股東權益賬內的資本儲備作相應的增加。公平價值乃採用三項式期權定價模式，按認股權授予日計算，並顧及授予認股權的條款。當僱員須符合歸屬期條件才可無條件享有該等認股權，估計公平價值總額在歸屬期內攤分入賬，並已考慮認股權歸屬的或然率。

估計可歸屬認股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之所需調整須在檢討期內的收益表支銷或回撥，並在資本儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本行股份的市價有關，確認為支出之金額按歸屬認股權的實際數目作調整（並在資本儲備作相應調整）。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The equity amount is recognised in capital reserve until either the option is exercised and new shares allotted (when it is transferred to share capital) or the option expires (when it is released directly to retained profits). For Grantees who do not meet the applicable vesting conditions, the unvested options are forfeited, either in whole or in part. Forfeited share options are cancelled.

屬股東權益金額確認為資本儲備內，直至當認股權被行使及分配新股時(轉入股本)，或當認股權之有效期屆滿時(轉入留存溢利)。對於未能符合適用的歸屬條件的承授人，其未歸屬的認股權會全部或部分被撤銷。被撤銷的認股權會被註銷。

#### (z) Related Parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) A person, or a close member of that person's family, is related to the Group if that person:
  - (a) has control or joint control over the Group;
  - (b) has significant influence over the Group; or
  - (c) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
  - (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (c) Both entities are joint ventures of the same third party.
  - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (f) The entity is controlled or jointly controlled by a person identified in (i).
  - (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

#### (z) 關聯人士

在編製本財務報表時，與本集團關聯人士是指：

- (i) 個人或該個人之近親家庭成員，如該個人在以下情況下視為與本集團有關聯：
  - (a) 可控制或共同控制本集團；
  - (b) 對本集團有重大影響力；或
  - (c) 是本集團或本集團之母公司的主要管理人員之成員。
- (ii) 在以下任何情況下一實體會視為與本集團有關聯：
  - (a) 該實體及本集團皆是同一集團成員(即每一間母公司、附屬公司及同系附屬公司與其他有關聯)。
  - (b) 一實體是另一實體的聯營公司或合營公司(或該聯營公司或合營公司與該另一實體均屬同一集團)。
  - (c) 兩個實體是同一第三者的合營公司。
  - (d) 一實體是一第三者的合營公司而另一實體則是該第三者的聯營公司。
  - (e) 該實體是提供福利予本集團或與本集團有關聯之實體的僱員離職後之福利計劃。
  - (f) 該實體受在(i)項中所辨識的個人所控制或共同控制。
  - (g) 在(i)(a)項中所辨識的個人而該個人對該實體有重大影響力，或該個人是該實體(或是該實體的母公司)的主要管理人員之成員。
  - (h) 該實體或是其集團中一部分之任何成員，而提供主要管理人員服務予本集團或本集團之母公司。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

### (aa) Segment Reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### (ab) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including cash, balances with banks and other financial institutions, treasury bills, other eligible bills and certificates of deposit that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### (ac) Deposits, Debt Securities Issued and Capital Instruments

Deposits, debt securities issued and capital instruments are the Group's sources of funding.

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Subsequent to initial recognition deposits, debt securities issued and subordinated liabilities are measured at their amortised cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss.

For those capital instruments classified as equity instruments, they are not redeemable by holders and bear an entitlement to coupons at the Bank's sole discretion. Accordingly, they are presented within equity. Distributions thereon are recognised in equity.

### (aa) 分部報告

經營分部，及在財務報表列報的每一分部項目金額，是從財務資料中辨識出來的，並定期地提供予本集團的最高行政管理層作為資源分配，以及評核本集團各項業務和區域所在地的表現。

除非分部有相同經濟特性及在產品和服務之性質、生產程序之性質、客戶類別和等級、用作銷售產品和提供服務之方法、及監管環境之性質是相同的，個別重大的營運分部不會在財務報表內合計。如它們擁有以上大部份的標準，並非個別重大的營運分部可能會被合計。

### (ab) 現金及等同現金項目

就編製現金流量表而言，現金及等同現金項目包括由購入日起少於3個月到期日的結餘，包括現金、銀行及其他金融機構結餘、國庫債券、及其他受較低風險影響價值及隨時可轉換成預知金額的合格票據及存款證。

### (ac) 存款、已發行債務證券及資本工具

存款、已發行債務證券及資本工具是本集團籌募資金的來源。

本集團按工具合約條款的實質分類資本工具為金融負債或股本工具。

在初始確認後，除本集團指定為通過損益的負債外，存款、已發行債務證券及後償負債按有效利率方式計算攤銷成本。

就分類為股本工具的資本工具，該等工具是不可贖回及視乎本行決定是否司享有利息。因此，該等工具在股東權益內列賬。相關分派於股東權益內確認。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (ad) Assets Held for Sale

Non-current assets and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (a) their carrying amounts will be recovered principally through sale; (b) they are available for sale in their present condition; and (c) their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the asset (or assets and liabilities in the disposal group) are measured in accordance with applicable HKFRSs. On subsequent remeasurement of a disposal group, the carrying amounts of the assets and liabilities that are not within the scope of the measurement requirements of HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with applicable HKFRSs before the fair value less costs to sell of the disposal group is determined.

Income earned and expenses incurred on assets and liabilities of disposal groups held for sale continue to be recognised in the appropriate line items in the income statement until the transaction is complete.

#### (ae) Interim Financial Reporting and Impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (Note 2(h)(vii) and Note 2(r)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

#### (ad) 持有作出售資產

當(a)其賬面值將主要需通過出售才可收回；(b)它們可以在現況下可供出售；(c)出售之機會率是非常高的，非流動資產及出售組別(包括出售組別的資產和負債)按其賬面值及公平價值減出售成本，兩者之較低者，分類為持有作出售資產。

在被初始分類為持有作出售之前，資產的賬面值(或出售組別的資產和負債)按適用的《香港財務報告準則》計算。而往後在重新計算出售組別時，在未決定出售組別的公平價值減成本前，非在《香港財務報告準則》第5號「持有作出售資產的非流動資產及結束營運」所覆蓋的計算要求的資產和負債之賬面值，按適用的《香港財務報告準則》計算。

出售組別的資產和負債之已賺取收入和已發生支出仍繼續在收益表內之有關項目中確認，直至交易完成。

#### (ae) 中期財務報告及減值

根據聯交所《上市規則》，本集團須按《香港會計準則》第34號「中期財務報告」編制有關年度首6個月的中期財務報告。於中期末，本集團採用等同年末的減值測試、確認、及轉回標準(附註2(h)(vii)至附註2(r))。

已確認於中期期間的減值損失，均不能在較後期間轉回。就算假如該減值只在與該中期期間有關之年底作評估而該減值損失是不會發生、或損失之金額會較小，在此情況下亦不可轉回。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 3. CHANGES IN ACCOUNTING POLICIES 會計政策之變動

The Group has initially adopted HKFRS 16 *Leases* from 1st January, 2019. A number of other new standards are effective 1st January, 2019 but they do not have a material effect on the Group's financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases – incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies.

The Group has applied HKFRS 16 using the modified retrospective approach, under which the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under HKAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

##### (1) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under HKFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease. Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

##### (2) As a lessee

The Group leases many assets, including properties and equipments.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards of ownership. Under HKFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases that have a lease term of 12 months or less ("short-term leases"), and leases of underlying assets with an approximate value of HK\$0.04 million or less ("low-value assets"). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

本集團自2019年1月1日起初始採用《香港財務報告準則》第16號「租賃」。若干其他新準則已於2019年1月1日起生效，但並不會對本集團財務報表產生重大影響。本集團並未採納任何於本會計期尚未生效的新準則或詮釋。

《香港財務報告準則》第16號取代了《香港會計準則》第17號「租賃」，及其相關詮釋香港《國際財務報告準則詮釋委員會詮釋》第4號「決定一項安排是否包含租賃」，及香港《常務解釋委員會發布之解釋公告》第15號「經營租賃－激勵措施」及第27號「評估涉及租賃法律形式為租賃之交易的實質」。《香港財務報告準則》第16號為承租人引入單一及計入資產負債表的會計處理模式。因此，本集團(作為承租人)已確認有權使用相關資產之使用權資產以及有義務支付租賃款項之租賃負債。出租人會計處理模式仍與以往會計政策類似。

本集團採用經改良追溯模式應用《香港財務報告準則》第16號，故2018年呈報的比較資料尚未重報，即根據《香港會計準則》第17號及相關詮釋按照以往列報資料列示。會計政策的變動細節於下文披露。

##### (1) 租賃的定義

本集團以往在訂立合約時釐定某項安排是否屬於租賃或包含租賃是根據香港《國際財務報告準則詮釋委員會詮釋》第4號「決定一項安排是否包含租賃」。本集團現根據《香港財務報告準則》第16號的租賃定義釐定某項合約為是否屬於或包含租賃。在《香港財務報告準則》第16號下，倘某項合約為換取代價而給予在某段時間內對可識別資產使用的控制權，則該合約屬於租賃或包含租賃。

##### (2) 作為承租人

本集團承租許多資產，包括物業及設備。

本集團(作為承租人)先前透過評估租賃是否轉讓擁有權的絕大部分風險及回報將租賃分類為融資租賃及經營租賃。根據《香港財務報告準則》第16號下，本集團對大部分租賃確認使用權資產及租賃負債，並載於資產負債表內。

然而，本集團已選擇不就若干12個月或以下之租賃(「短期租賃」)及相關資產價值約港幣4萬元或以下之租賃(「低價值資產租賃」)確認使用權資產及租賃負債。本集團將此等租賃相關的租賃款項按租期以直線法確認為支出。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group presented right-of-use assets in 'fixed assets', the same line item as it presents underlying assets of the same nature that it owns. The carrying amounts of right-of-use assets are as below.

本集團的使用權資產在「固定資產」項下呈列，與本集團所擁有具相同性質的相關資產並列在相同項目。使用權資產的賬面值如下。

|                          |            | Right-of-use assets 使用權資產 |          |                                   |          |       |
|--------------------------|------------|---------------------------|----------|-----------------------------------|----------|-------|
|                          |            | Bank Premises             |          | Furniture, fixtures and equipment |          | Total |
|                          |            | 行址                        | 傢俬、裝修及設備 | 行址                                | 傢俬、裝修及設備 |       |
| HK\$ Mn                  | 港幣百萬元      | HK\$ Mn                   | 港幣百萬元    | HK\$ Mn                           | 港幣百萬元    |       |
| Balance at 1st January   | 於1月1日的結餘   |                           | 1,099    | 9                                 | 1,108    |       |
| Balance at 31st December | 於12月31日的結餘 |                           | 1,069    | 19                                | 1,088    |       |

The Group presented lease liabilities in 'other liabilities' in the statement of financial position.

本集團將租賃負債列於財務狀況表內的「其他負債」。

At transition, for leases classified as operating leases under HKAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1st January, 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group applied this approach to all leases.

於過渡時，在《香港會計準則》第17號下分為經營租賃的租賃，其租賃負債按餘下租賃款項根據本集團於2019年1月1日的增量借款利率折算為現值計量。使用權資產則按租賃負債的等值金額計量並調整任何預付或應計租賃款項的金額。本集團應用此方法於所有租賃。

The Group used the following practical expedients when applying HKFRS 16 to leases previously classified as operating leases under HKAS 17.

本集團將《香港財務報告準則》第16號於以往在《香港會計準則》第17號下分類為經營租賃的租賃時，採用以下務實權宜方法。

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains an option to extend or terminate the lease.

- 應用豁免不就租期少於12個月的租賃確認使用權資產及負債。
- 於初始應用日期計量使用權資產時，扣除初始直接成本。
- 若合約包含延長或終止租賃的選擇權，則採用事後確認方法釐定租期。

### (3) As a lessor

The Group leases out its investment properties as the lessor of operating leases.

### (3) 作為出租人

本集團以經營租賃之出租人租出投資物業。

The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under HKAS 17.

適用於本集團作為出租人的會計政策與《香港會計準則》第17號項下的相關政策大致維持不變。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED) 會計政策之變動(續)

## (4) Impacts on transition

On transition to HKFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, with adjustment of prepaid and accrued lease payments. The impact on transition is summarised below.

## (4) 過渡影響

於過渡至《香港財務報告準則》第16號時，本集團確認額外使用權資產及額外租賃負債，並調整其預付及應計租賃款項。過渡影響摘要如下：

|                          |            | Carrying amount<br>at 31st December,<br>2018<br>於2018年<br>12月31日之賬面值<br>HK\$ Mn 港幣百萬元 | Capitalisation of<br>operating lease<br>contracts<br>經營租賃<br>合約資本化<br>HK\$ Mn 港幣百萬元 | Carrying amount<br>at 1st January,<br>2019<br>於2019年<br>1月1日之賬面值<br>HK\$ Mn 港幣百萬元 |
|--------------------------|------------|---|---|---|
| Fixed assets             | 固定資產       |   |   |   |
| – Right-of-use assets    | – 使用權資產    | –   | 1,108   | 1,108   |
| Other assets             | 其他資產       |   |   |   |
| – Other accounts         | – 其他賬項     | 9,294   | (20)  | 9,274   |
| <b>Total Assets</b>      | <b>總資產</b> | <b>839,451</b>  | <b>1,088</b>  | <b>840,539</b>  |
| Other liabilities        | 其他負債       |   |   |   |
| – Lease liabilities      | – 租賃負債     | –   | 1,094   | 1,094   |
| – Other accounts         | – 其他賬項     | 26,300  | (6)   | 26,294  |
| <b>Total Liabilities</b> | <b>總負債</b> | <b>735,876</b>  | <b>1,088</b>  | <b>736,964</b>  |

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1st January, 2019. The weighted-average incremental borrowing rate applied is 3.65%.

當計量分為經營租賃的租賃計量租賃負債時，本集團採用2019年1月1日的增量借款利率折算租賃款項。所採用的加權平均增量借款利率為3.65%。

|  |                        | 1st January, 2019<br>2019年1月1日<br>HK\$ Mn 港幣百萬元 |
|--|------------------------|---|
| Operating lease commitment at 31st December, 2018                                | 於2018年12月31日之經營租賃承擔    | 1,085   |
| Less: Commitments relating to leases not yet commenced                           | 減：尚未生效的租賃承擔            | (85)  |
| Less: Commitments relating to leases exempt from capitalisation:                 | 減：可豁免資本化的經營租賃承擔：       |   |
| – Leases with less than 12 months of lease term at transition                    | – 於過渡期少於12個月租賃期之租賃     | (58)  |
| – Leases of low-value assets   | – 低價值資產租賃              | (2)   |
| Add: Extension options or termination options reasonably certain to be exercised | 加：合理肯定會被行使的延長選擇權或終止選擇權 | 321   |
|  |                        | 1,261   |
| Less: Total future interest expenses   | 減：未來利息支出總額             | (167)   |
| Lease liabilities recognised at 1st January, 2019                                | 於2019年1月1日確認的租賃負債      | 1,094   |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 4. BANK-LEVEL STATEMENT OF FINANCIAL POSITION 銀行層面之財務狀況表

|  |                  | 2019           | 2018           |
|--|------------------|----------------|----------------|
|  |                  | HK\$ Mn 港幣百萬元  | HK\$ Mn 港幣百萬元  |
| ASSETS   | 資產               |                |                |
| Cash and balances with banks and other financial institutions          | 現金及在銀行和其他金融機構的結存 | 21,712         | 16,072         |
| Placements with and advances to banks and other financial institutions | 在銀行及其他金融機構的存款及墊款 | 50,958         | 49,204         |
| Trade bills  | 貿易票據             | 1,845          | 6,696          |
| Trading assets   | 交易用途資產           | 1,183          | 1,376          |
| Derivative assets  | 衍生工具資產           | 1,139          | 1,862          |
| Loans and advances to customers  | 客戶貸款及墊款          | 376,536        | 349,943        |
| Investment securities  | 投資證券             | 115,519        | 97,365         |
| Amounts due from subsidiaries  | 附屬公司欠款           | 10,952         | 12,882         |
| Investments in subsidiaries  | 附屬公司投資           | 20,698         | 18,466         |
| Investments in associates and joint ventures                           | 聯營公司及合資企業投資      | 4,872          | 4,756          |
| Fixed assets   | 固定資產             | 10,450         | 9,589          |
| – Investment properties  | – 投資物業           | 5,267          | 5,179          |
| – Other properties and equipment                                       | – 其他物業及設備        | 4,387          | 4,410          |
| – Right-of-use assets  | – 使用權資產          | 796            | –              |
| Goodwill and intangible assets   | 商譽及無形資產          | 1,460          | 1,460          |
| Deferred tax assets  | 遞延稅項資產           | 107            | 98             |
| Other assets   | 其他資產             | 10,158         | 8,573          |
| <b>Total Assets</b>  | <b>資產總額</b>      | <b>627,589</b> | <b>578,342</b> |
| EQUITY AND LIABILITIES   | 股東權益及負債          |                |                |
| Deposits and balances of banks and other financial institutions        | 銀行及其他金融機構的存款及結餘  | 21,334         | 19,091         |
| – Designated at fair value through profit or loss                      | – 指定為通過損益以反映公平價值 | 3,182          | 1,335          |
| – At amortised cost  | – 攤銷成本           | 18,152         | 17,756         |
| Deposits from customers  | 客戶存款             | 426,564        | 403,200        |
| Derivative liabilities   | 衍生工具負債           | 3,695          | 1,839          |
| Certificates of deposit issued   | 已發行存款證           | 57,464         | 43,786         |
| – Designated at fair value through profit or loss                      | – 指定為通過損益以反映公平價值 | 27,401         | 9,462          |
| – At amortised cost  | – 攤銷成本           | 30,063         | 34,324         |
| Amounts due to subsidiaries  | 欠附屬公司款項          | 4,117          | 2,642          |
| Current taxation   | 本期稅項             | 2,065          | 1,371          |
| Debt securities issued   | 已發行債務證券          | 389            | 564            |
| – Designated at fair value through profit or loss                      | – 指定為通過損益以反映公平價值 | –              | 407            |
| – At amortised cost  | – 攤銷成本           | 389            | 157            |
| Deferred tax liabilities   | 遞延稅項負債           | 425            | 297            |
| Other liabilities  | 其他負債             | 8,164          | 6,932          |
| Loan capital   | 借貸資本             | 8,563          | 14,936         |
| – Designated at fair value through profit or loss                      | – 指定為通過損益以反映公平價值 | –              | 2,578          |
| – At amortised cost  | – 攤銷成本           | 8,563          | 12,358         |
| <b>Total Liabilities</b>   | <b>負債總額</b>      | <b>532,780</b> | <b>494,658</b> |
| Share capital  | 股本               | 41,379         | 39,925         |
| Reserves   | 儲備               | 39,467         | 34,865         |
| Total equity attributable to owners of the Bank                        | 歸屬於本行股東權益總額      | 80,846         | 74,790         |
| Additional equity instruments  | 額外股本工具           | 13,963         | 8,894          |
|  |                  | <b>94,809</b>  | <b>83,684</b>  |
| <b>Total Equity and Liabilities</b>                                    | <b>股東權益及負債總額</b> | <b>627,589</b> | <b>578,342</b> |

Approved and authorised for issue by the Board on 19th February, 2020.

Executive Chairman  
Co-Chief Executives

Director

David LI Kwok-po  
Adrian David LI Man-kiu  
Brian David LI Man-bun  
Meocre LI Kwok-wing

董事會於2020年2月19日核准及授權發布。

行政主席  
聯席行政總裁

董事

李國寶  
李民橋  
李民斌  
李國榮

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 5. INTEREST INCOME 利息收入

|  |                         | 2019    |               | 2018    |               |
|--|-------------------------|---------|---------------|---------|---------------|
|  |                         | HK\$ Mn | 港幣百萬元         | HK\$ Mn | 港幣百萬元         |
| Loans, deposits with banks and financial institutions, and trade bills | 貸款、在銀行和其他金融機構的存款、及貿易票據  |         | 23,975        |         | 21,472        |
| Investment securities  | 投資證券                    |         |               |         |               |
| – measured at amortised cost or FVOCI                                  | – 按攤銷成本或通過其他全面收益以反映公平價值 |         | 4,113         |         | 3,609         |
| – designated at FVTPL  | – 指定為通過損益以反映公平價值        |         | 107           |         | 109           |
| – mandatory at FVTPL   | – 強制按通過損益以反映公平價值        |         | 245           |         | 269           |
| Trading assets   | 交易用途資產                  |         | 69            |         | 139           |
|  |                         |         | <b>28,509</b> |         | <b>25,598</b> |

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for, or individually managed in conjunction with, interest bearing financial assets are first netted together and then combined with the interest income from the corresponding financial assets.

The above included HK\$28,077 million (2018: HK\$25,058 million) interest income, before hedging effect, for financial assets that are not recognised at fair value through profit or loss.

就已對沖利率風險的交易而言，作為帶息金融資產的合格對沖工具或可個別地與帶息金融資產共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融資產產生的利息收入合併。

在不包括對沖影響前，來自非按公平價值確認損益的金融資產之利息收入為港幣280.77億元(2018年：港幣250.58億元)。

## 6. INTEREST EXPENSE 利息支出

|   |                   | 2019    |               | 2018    |               |
|---|-------------------|---------|---------------|---------|---------------|
|   |                   | HK\$ Mn | 港幣百萬元         | HK\$ Mn | 港幣百萬元         |
| Customer deposits, deposits of banks and other financial institutions | 客戶存款、銀行及其他金融機構的存款 |         |               |         |               |
| – at amortised cost   | – 攤銷成本            |         | 11,485        |         | 10,725        |
| – designated at FVTPL   | – 指定為通過損益以反映公平價值  |         | 65            |         | 22            |
| Certificates of deposit and debt securities issued                    | 已發行存款證及債務證券       |         |               |         |               |
| – at amortised cost   | – 攤銷成本            |         | 1,254         |         | 955           |
| – designated at FVTPL   | – 指定為通過損益以反映公平價值  |         | 447           |         | 275           |
| Subordinated notes carried at amortised cost                          | 按攤銷成本列賬的後償票據      |         | 704           |         | 634           |
| Lease liabilities   | 租賃負債              |         | 41            |         | –             |
| Other borrowings  | 其他借款              |         | 13            |         | 28            |
|   |                   |         | <b>14,009</b> |         | <b>12,639</b> |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for, or individually managed in conjunction with, interest bearing financial liabilities are first netted together and then combined with the interest expense from the corresponding financial liabilities.

The above included HK\$13,457 million (2018: HK\$12,336 million) interest expense, before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

就已對沖利率風險的交易而言，作為帶息金融負債的合格對沖工具或可個別地與帶息金融負債共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融負債產生的利息支出合併。

在不包括對沖影響前，來自非按公平價值確認損益的金融負債之利息支出為港幣134.57億元(2018年：港幣123.36億元)。

## 7. FEE AND COMMISSION INCOME 服務費及佣金收入

Fee and commission income is disaggregated by services:

服務費及佣金收入分類如下：

|   |   | 2019         |       | 2018         |       |
|---|---|--------------|-------|--------------|-------|
|   |   | HK\$ Mn      | 港幣百萬元 | HK\$ Mn      | 港幣百萬元 |
| Credit cards  | 信用卡   | 1,221        |       | 1,125        |       |
| Loans, overdrafts and guarantees  | 貸款、透支及擔保  | 752          |       | 746          |       |
| Other retail banking services   | 其他零售銀行服務  | 374          |       | 343          |       |
| Trust and other fiduciary activities  | 信託及其他代理業務   | 338          |       | 310          |       |
| Trade finance   | 貿易融資  | 325          |       | 342          |       |
| Securities and brokerage  | 證券及經紀   | 198          |       | 279          |       |
| Investment products   | 投資產品  | 114          |       | 122          |       |
| Sale of third party insurance policies  | 銷售第三者的保單  | 90           |       | 44           |       |
| Financial consultancy   | 財務諮詢  | 26           |       | 66           |       |
| Others  | 其他  | 449          |       | 436          |       |
| <b>Total fee and commission income</b>  | <b>服務費及佣金收入總額</b>   | <b>3,887</b> |       | <b>3,813</b> |       |
| of which:   | 其中：   |              |       |              |       |
| Net fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not measured at FVTPL | 由非持作交易用途或指定為通過損益以反映公平價值列賬之金融資產或負債所產生之淨服務費收入(不包括用作計算有效利率之金額) | 2,956        |       | 2,678        |       |
| Fee income  | 服務費收入   | 3,887        |       | 3,813        |       |
| Fee expenses  | 服務費支出   | (931)        |       | (1,135)      |       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 8. NET TRADING PROFIT 交易溢利淨額

|   |               | 2019    |            | 2018    |       |
|---|---------------|---------|------------|---------|-------|
|   |               | HK\$ Mn | 港幣百萬元      | HK\$ Mn | 港幣百萬元 |
| Profit on dealing in foreign currencies and funding swaps | 外幣買賣及外匯掉期溢利   |         | 399        |         | 624   |
| Profit/(Loss) on trading securities                       | 交易用途證券溢利/(虧損) |         | 184        |         | (44)  |
| Net gain on derivatives                                   | 衍生工具淨盈利       |         | 194        |         | 365   |
| Loss on other dealing activities                          | 其他交易業務虧損      |         | (6)        |         | (1)   |
| Dividend income from trading equity securities            | 交易用途股份證券的股息收入 |         | 36         |         | 50    |
|   |               |         | <b>807</b> |         | 994   |

## 9. NET RESULT FROM OTHER FINANCIAL INSTRUMENTS AT FVTPL

## 通過損益以反映公平價值其他金融工具的淨表現

|  |   | 2019    |            | 2018    |       |
|--|---|---------|------------|---------|-------|
|  |   | HK\$ Mn | 港幣百萬元      | HK\$ Mn | 港幣百萬元 |
| Net loss from financial instruments designated at FVTPL  | 指定為通過損益以反映公平價值金融工具的淨虧損                      |         | (28)       |         | (45)  |
| Net gain/(loss) from financial instruments mandatorily measured at FVTPL (other than those included in net trading profit) | 強制按通過損益以反映公平價值計量金融工具的淨盈利/(虧損)(除已包括在交易溢利淨額內) |         | 241        |         | (241) |
|  |   |         | <b>213</b> |         | (286) |

## 10. NET HEDGING PROFIT 對沖溢利淨額

|  |                        | 2019    |           | 2018    |       |
|--|------------------------|---------|-----------|---------|-------|
|  |                        | HK\$ Mn | 港幣百萬元     | HK\$ Mn | 港幣百萬元 |
| Fair value hedges  | 公平價值對沖                 |         |           |         |       |
| - Net gain on hedged items attributable to the hedged risk | - 可歸屬於被對沖項目之對沖風險產生的淨盈利 |         | 1,594     |         | 224   |
| - Net loss on hedging instruments                          | - 用作對沖工具的淨虧損           |         | (1,582)   |         | (181) |
|  |                        |         | <b>12</b> |         | 43    |

There was insignificant ineffectiveness recognised in the Group's income statement arising from cash flow hedge for the years 2019 and 2018 (see Note 47(b)(iii)(b)).

於2019年及2018年，因現金流對沖所產生並已在本集團收益表內確認之無效部分是不重大的(詳見附註47(b)(iii)(b))。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 11. NET INSURANCE PROFIT 保險業務淨溢利

|   |                               | 2019           | 2018          |
|---|-------------------------------|----------------|---------------|
|   |                               | HK\$ Mn 港幣百萬元  | HK\$ Mn 港幣百萬元 |
| (a) Net insurance profit  | (a) 保險業務淨溢利                   |                |               |
| Net interest income   | 淨利息收入                         | 650            | 530           |
| Net trading (loss)/profit   | 交易(虧損)/溢利淨額                   | (101)          | 10            |
| Net gain/(loss) from other financial instruments mandatory at FVTPL | 來自強制按通過損益以反映公平價值金融工具的淨盈利/(虧損) | 588            | (372)         |
| Net insurance premium (b)   | 淨保費(b)                        | 6,058          | 4,890         |
| Other operating income  | 其他收入                          | 1              | -             |
|   |                               | <b>7,196</b>   | 5,058         |
| Net insurance claims and expenses (c)                               | 保險索償及支出淨額(c)                  | <b>(6,608)</b> | (4,781)       |
|   |                               | <b>588</b>     | 277           |
| Operating expenses  | 經營支出                          | (3)            | (2)           |
| Impairment loss on financial instruments                            | 金融資產減值損失                      | (23)           | (7)           |
| Net profit on sale of debt investment securities measured at FVOCI  | 出售通過其他全面收益以反映公平價值債務投資證券的淨溢利   | 264            | 27            |
|   |                               | <b>826</b>     | 295           |
| (b) Net insurance premium   | (b) 淨保費                       |                |               |
| Gross insurance premium income (Note)                               | 保費收入總額(註)                     | 6,123          | 4,954         |
| Reinsurers' share of gross insurance premium income                 | 保費收入總額之分保份額                   | (65)           | (64)          |
|   |                               | <b>6,058</b>   | 4,890         |
| (c) Net insurance claims and expenses                               | (c) 保險索償及支出淨額                 |                |               |
| Claims, benefits and surrenders paid                                | 已付索償、利益及退保                    | 2,915          | 2,869         |
| Movement in provisions  | 準備金變動                         | 3,554          | 1,796         |
|   |                               | <b>6,469</b>   | 4,665         |
| Reinsurers' share of claim, benefits and surrenders paid            | 已付索償、利益及退保之分保份額               | (322)          | (376)         |
| Reinsurers' share of movement in provisions                         | 準備金變動之分保份額                    | 306            | 327           |
|   |                               | <b>(16)</b>    | (49)          |
|   |                               | <b>6,453</b>   | 4,616         |
| Net insurance commission expenses                                   | 保險佣金支出淨額                      | 155            | 165           |
|   |                               | <b>6,608</b>   | 4,781         |

Note: Gross insurance premium income represents gross premiums received and receivable in respect of long-term business and general insurance business, net of discounts and returns.

註：保費收入總額指由長期業務及一般保險業務產生的已收取和應收取之保費總額，並已扣除折扣及回報。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 12. OTHER OPERATING INCOME 其他經營收入

|  |                             | 2019    |            | 2018    |       |
|--|-----------------------------|---------|------------|---------|-------|
|  |                             | HK\$ Mn | 港幣百萬元      | HK\$ Mn | 港幣百萬元 |
| Dividend income from equity securities measured at FVOCI | 按通過其他全面收益以反映公平價值計量的股份證券股息收入 |         | 12         |         | 23    |
| Rental from safe deposit boxes                           | 保險箱租金收入                     |         | 119        |         | 110   |
| Rental income on properties (Note 34(ii))                | 物業租金收入(附註34(ii))            |         | 175        |         | 178   |
| Others   | 其他                          |         | 79         |         | 103   |
|  |                             |         | <b>385</b> |         | 414   |

## 13. OPERATING EXPENSES 經營支出

|  |                       | 2019    |              | 2018    |       |
|--|-----------------------|---------|--------------|---------|-------|
|  |                       | HK\$ Mn | 港幣百萬元        | HK\$ Mn | 港幣百萬元 |
| Contributions to defined contribution plan*                                    | 定額供款公積金供款*            |         |              |         |       |
| – Hong Kong  | – 香港                  |         | 175          |         | 147   |
| – Outside Hong Kong  | – 香港以外                |         | 227          |         | 239   |
| Equity settled share-based payment expenses (Note 43(f))                       | 以股份為基礎作支付的費用(附註43(f)) |         | 23           |         | 35    |
| Salaries and other staff costs   | 薪金及其他員工成本             |         | 4,799        |         | 4,654 |
| Total staff costs  | 員工成本總額                |         | <b>5,224</b> |         | 5,075 |
| Premises and equipment expenses excluding depreciation                         | 不包括折舊的物業及設備支出         |         |              |         |       |
| – Rental   | – 租金                  |         | –            |         | 517   |
| – Expenses relating to short-term leases                                       | – 有關短期租賃支出            |         | 69           |         | –     |
| – Expenses relating to low value assets  | – 有關低價值資產租賃支出         |         | 1            |         | –     |
| – Variable lease payments not included in the measurement of lease liabilities | – 不包括計量租賃負債的可變租賃款項    |         | 4            |         | –     |
| – Maintenance, repairs and others  | – 保養、維修及其他            |         | 548          |         | 588   |
| Total premises and equipment expenses excluding depreciation                   | 不包括折舊的物業及設備支出總額       |         | <b>622</b>   |         | 1,105 |
| Depreciation on (Note 34)  | 折舊(附註34)              |         |              |         |       |
| – Bank premises, furniture, fixtures and equipment                             | – 行址、傢俬、裝修及設備         |         | 530          |         | 473   |
| – Right-of-use assets  | – 使用權資產折舊             |         | 397          |         | –     |
|  |                       |         | <b>927</b>   |         | 473   |
| Amortisation of intangible assets (Note 33(b))                                 | 無形資產攤銷(附註33(b))       |         | 14           |         | 14    |



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

|   |               | 2019          | 2018          |
|---|---------------|---------------|---------------|
|   |               | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Other operating expenses                              | 其他經營支出        |               |               |
| – Internet platform charges                           | – 互聯網平台費用     | 913           | 183           |
| – Legal and professional fees                         | – 法律及專業服務費    | 492           | 410           |
| – Communications, stationery and printing             | – 通訊、文具及印刷    | 268           | 268           |
| – Advertising expenses                                | – 廣告費         | 255           | 251           |
| – Card related expenses                               | – 有關信用卡支出     | 174           | 127           |
| – Stamp duty, withholding taxes and value added taxes | – 印花稅、預提稅及增值稅 | 117           | 118           |
| – Insurance expenses                                  | – 保險費         | 114           | 82            |
| – Business promotions and business travel             | – 業務推廣及商務旅遊   | 105           | 127           |
| – Audit fee   | – 核數師酬金       | 19            | 18            |
| – Others  | – 其他          | 647           | 312           |
| Total other operating expenses                        | 其他經營支出總額      | <b>3,104</b>  | 1,896         |
| Total operating expenses**                            | 經營支出總額**      | <b>9,891</b>  | 8,563         |

\* Forfeited contributions totalling HK\$19 million (2018: HK\$23 million) were utilised to reduce the Group's contribution during the year. There were no forfeited contributions available for reducing future contributions at the year end (2018: Nil).

\*\* Included in operating expenses are direct operating expenses of HK\$5 million (2018: HK\$8 million) in respect of investment properties which generated rental income during the year.

\* 年度內沒收之供款共港幣1,900萬元(2018年:港幣2,300萬元)已被用作減少本集團的供款。於年末並無任何被沒收而可用作減低將來之供款(2018年:無)。

\*\* 年度內經營支出中包括由有租金收益的投資物業產生的直接經營支出,金額為港幣500萬元(2018年:港幣800萬元)。

#### 14. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS 金融工具減值損失

|                                 |         | 2019          | 2018          |
|---------------------------------|---------|---------------|---------------|
|                                 |         | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Loans and advances to customers | 客戶貸款及墊款 | 7,250         | 1,159         |
| Others                          | 其他      | 3             | 29            |
|                                 |         | <b>7,253</b>  | 1,188         |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

15. NET PROFIT ON SALE OF FINANCIAL ASSETS MEASURED AT FVOCI  
出售通過全面收益以反映公平價值金融資產之淨溢利

|  |                             | 2019    |       | 2018    |       |
|--|-----------------------------|---------|-------|---------|-------|
|  |                             | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Net profit on sale of debt securities                            | 出售債務證券之淨溢利                  |         |       |         |       |
| – Net revaluation gain transferred from reserves<br>(Note 43(g)) | – 由儲備轉撥的重估盈利淨額<br>(附註43(g)) |         | 285   |         | 52    |
| – (Loss)/Profit arising in current year                          | – 年度內產生的(虧損)/溢利             |         | (213) |         | 10    |
|  |                             |         | 72    |         | 62    |

## 16. NET PROFIT ON SALE OF ASSETS HELD FOR SALE 出售持有作出售資產之淨溢利

|                                     |            | 2019    |       | 2018    |       |
|-------------------------------------|------------|---------|-------|---------|-------|
|                                     |            | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Net profit on sale of properties    | 出售物業之淨溢利   |         | 108   |         | 56    |
| Net loss on sale of disposal groups | 出售出售組別之淨虧損 |         | (90)  |         | –     |
|                                     |            |         | 18    |         | 56    |

## 17. NET LOSS ON DISPOSAL OF FIXED ASSETS 出售固定資產之淨虧損

|   |                       | 2019    |       | 2018    |       |
|---|-----------------------|---------|-------|---------|-------|
|   |                       | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Net loss on disposal of bank premises, furniture,<br>fixtures and equipment | 出售行址、傢俬、裝修及設備之<br>淨虧損 |         | (13)  |         | (9)   |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 18. INCOME TAX 所得稅

(a) Taxation in the consolidated income statement represents:

(a) 綜合收益表內的稅項為：

|   |                          | 2019          | 2018          |
|---|--------------------------|---------------|---------------|
|   |                          | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Current tax – Hong Kong   | 本期稅項—香港                  |               |               |
| Tax for the year  | 本年度稅項                    | 1,024         | 829           |
| (Over)/Under-provision in respect of prior years                  | 往年度撥備(過剩)/不足             | (145)         | 48            |
|   |                          | 879           | 877           |
| Current tax – outside Hong Kong                                   | 本期稅項—香港以外                |               |               |
| Tax for the year  | 本年度稅項                    | 284           | 618           |
| Over-provision in respect of prior years                          | 往年度撥備過剩                  | (138)         | (4)           |
|   |                          | 146           | 614           |
| Deferred tax  | 遞延稅項                     |               |               |
| Origination and reversal of temporary differences<br>(Note 37(b)) | 暫時性差異的源生及轉回<br>(附註37(b)) | (1,163)       | 15            |
|   |                          | (138)         | 1,506         |

The provision for Hong Kong profits tax is calculated at 16.5% (2018: 16.5%) of the estimated assessable profits for the year.

香港利得稅稅款是以年度預計應課稅溢利按稅率16.5%(2018年:16.5%)計算。

Taxation for overseas branches and subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

海外分行及附屬公司的稅款亦按其經營所在國家現行稅率計算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 18. INCOME TAX (CONTINUED) 所得稅(續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 稅項支出與會計溢利按適用稅率計算稅項的對賬：

|   |                             | 2019          | 2018          |
|---|-----------------------------|---------------|---------------|
|   |                             | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Profit before tax   | 除稅前溢利                       | 3,198         | 8,060         |
| Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned | 根據相關國家適用之利得稅稅率按除稅前溢利計算的名義稅款 | 47            | 1,407         |
| Tax effect of non-deductible expenses   | 不可扣減支出的稅項影響                 | 329           | 407           |
| Tax effect of non-taxable revenue   | 毋須課稅收入的稅項影響                 | (304)         | (330)         |
| Tax effect of tax losses not recognised   | 未確認的稅損的稅項影響                 | 2             | 1             |
| Recognition of deferred tax assets on prior year tax losses   | 往年度稅損確認為遞延稅項資產              | (1)           | (4)           |
| (Write back of over-provision)/Under-provision in respect of prior years  | (過剩的回撥)/往年度撥備不足             | (283)         | 44            |
| Others  | 其他                          | 72            | (19)          |
| Actual tax (write back credited)/expense charged to income statement  | 於收益表(回撥)/支銷的實際稅項            | (138)         | 1,506         |

## 19. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT 可歸屬於本集團股東溢利

The consolidated profit attributable to owners of the parent includes a profit of HK\$5,904 million (2018: HK\$5,299 million) which has been dealt with in the financial statements of the Bank.

可歸屬於本集團股東綜合溢利包括已計入本行財務報表內的溢利港幣59.04億元(2018年：港幣52.99億元)。

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

本行年度內溢利與上述金額之對賬

|   |                                       | 2019          | 2018          |
|---|---------------------------------------|---------------|---------------|
|   |                                       | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Amount of consolidated profit attributable to equity holders dealt with in the Bank's financial statements  | 已計入本行財務報表之可歸屬於本集團股東綜合溢利               | 5,904         | 5,299         |
| Final dividends from subsidiaries and associates attributable to the profits of the previous financial year and general reserves, approved and paid during the year | 來自往年度附屬公司及聯營公司溢利及一般儲備之末期股息，並在年度內核准及派發 | 216           | 338           |
| Bank's profit for the year  | 本行年度內溢利                               | 6,120         | 5,637         |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 20. DISTRIBUTION/DIVIDENDS 分派／股息

##### (a) Dividends attributable to the year

##### (a) 應屬本年度股息

|  |  | 2019          | 2018          |
|--|--|---------------|---------------|
|  |  | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Interim dividend declared and paid of HK\$0.11 per share on 2,897 million shares (2018: HK\$0.51 per share on 2,808 million shares) (Note 43(k))   | 已宣布派發及支付中期股息予28.97億股每股港幣0.11元(2018年: 28.08億股每股港幣0.51元)(附註43(k))          | 319           | 1,432         |
| Second interim dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the end of the reporting period and before the close of the Register of Members of the Bank, of HK\$0.32 per share (2018: HK\$0.60 per share) | 已支付在報告期結束後及本行股票過戶登記截止日前根據認股計劃發行股份屬上年度每股港幣0.32元的第二次中期股息(2018年: 每股港幣0.60元) | -             | 1             |
| Second interim dividend of HK\$0.35 per share on 2,906 million shares (2018: HK\$0.32 per share on 2,846 million shares)   | 第二次中期股息予29.06億股每股港幣0.35元(2018年: 28.46億股每股港幣0.32元)                        | 1,017         | 910           |
| Special dividend of HK\$0.35 per share on 2,846 million shares   | 特別股息予28.46億股每股港幣0.35元  | -             | 996           |
|  |  | <b>1,336</b>  | <b>3,339</b>  |

The total dividend attributable to the year is HK\$0.46 per share (2018: HK\$1.18 per share). The second interim dividend has not been recognised as a liability at the end of the reporting period.

應屬本年度股息為每股港幣0.46元(2018年: 每股港幣1.18元)。於報告期結束日該第二次中期股息並未確認為負債。

##### (b) Dividends attributable to the previous financial year, approved and paid during the year

##### (b) 於年度核准及支付屬上年度股息

|   |  | 2019          | 2018          |
|---|--|---------------|---------------|
|   |  | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Second interim dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.32 per share on 2,846 million shares (2018: HK\$0.60 per share on 2,765 million shares) (Note 43(k)) | 年度內核准及支付予28.46億股每股港幣0.32元(2018年: 27.65億股每股港幣0.60元)的上年度第二次中期股息(附註43(k)) | 910           | 1,659         |
| Special dividend of HK\$0.35 per share on 2,846 million shares (Note 43(k))   | 特別股息予28.46億股每股港幣0.35元(附註43(k))   | 996           | -             |
|   |  | <b>1,906</b>  | <b>1,659</b>  |

##### (c) Distribution to holders of Hybrid/Additional Tier 1 capital instruments

##### (c) 派發予混合／額外一級資本工具持有人

|  |                               | 2019          | 2018          |
|--|-------------------------------|---------------|---------------|
|  |                               | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Interest paid or payable on the Hybrid Tier 1 capital instruments (Note 43(k)) | 已付或應付予混合一級資本工具持有人的利息(附註43(k)) | 179           | 212           |
| Amount paid on the Additional Tier 1 capital instruments (Note 43(k))          | 已付予額外一級資本工具的款項(附註43(k))       | 501           | 501           |
|  |                               | <b>680</b>    | <b>713</b>    |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 21. EARNINGS PER SHARE 每股盈利

## (a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit for the year attributable to owners of the parent of HK\$2,580 million (2018: HK\$5,796 million) after the distribution of HK\$680 million (2018: HK\$713 million) to Hybrid/Additional Tier 1 issue holders, and on the weighted average of 2,885 million (2018: 2,805 million) ordinary shares outstanding during the year, calculated as follows:

Weighted average number of ordinary shares

|  |                    | 2019<br>Number of shares<br>股份數目<br>Mn 百萬 | 2018<br>Number of shares<br>股份數目<br>Mn 百萬 |
|--|--------------------|---|---|
| Issued ordinary shares at 1st January                                    | 於1月1日的已發行普通股       | 2,846                                     | 2,765                                     |
| Effect of share options exercised and shares issued in lieu of dividends | 已行使認股權及以股代息發行新股的影響 | 39  | 40  |
| Weighted average number of ordinary shares at 31st December              | 於12月31日普通股份的加權平均數  | 2,885                                     | 2,805                                     |

## (b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit for the year attributable to owners of the parent of HK\$2,580 million (2018: HK\$5,796 million) after the distribution of HK\$680 million (2018: HK\$713 million) to Hybrid/Additional Tier 1 issue holders, and on 2,885 million (2018: 2,805 million) ordinary shares, being the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of all dilutive potential shares.

Weighted average number of ordinary shares (diluted)

|   |                         | 2019<br>Number of shares<br>股份數目<br>Mn 百萬 | 2018<br>Number of shares<br>股份數目<br>Mn 百萬 |
|---|-------------------------|---|---|
| Weighted average number of ordinary shares at 31st December   | 於12月31日普通股份的加權平均數       | 2,885                                     | 2,805                                     |
| Effect of deemed issue of ordinary shares under the Bank's share option schemes for nil consideration | 假設按認股權計劃發行但不計價款的普通股份之影響 | -   | -   |
| Weighted average number of ordinary shares (diluted) at 31st December                                 | 於12月31日普通股份的加權平均數(攤薄)   | 2,885                                     | 2,805                                     |

## (a) 每股基本盈利

每股基本盈利乃按照已扣減派發予混合／額外一級資本工具持有人港幣6.80億元(2018年：港幣7.13億元)後之年度內綜合溢利可歸屬於本集團股東溢利為港幣25.80億元(2018年：港幣57.96億元)及年度內已發行普通股份的加權平均數28.85億股(2018年：28.05億股)計算。

普通股份的加權平均數

## (b) 每股攤薄盈利

每股攤薄盈利乃按照已扣減派發予混合／額外一級資本工具持有人港幣6.80億元(2018年：港幣7.13億元)後之年度內綜合溢利可歸屬於本集團股東溢利為港幣25.80億元(2018年：港幣57.96億元)及就年度內所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數28.85億股(2018年：28.05億股)計算。

普通股份的加權平均數(攤薄)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 22. DIRECTORS' REMUNERATION 董事酬金

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

根據《公司條例》第383(1)條及《公司(披露董事利益資料)規則》第2部之規定披露董事酬金如下：

|  |        | Directors' fees | Salaries, allowances and benefits in kind | Discretionary bonuses | Share options (Note) | Retirement scheme contributions | 2019 Total |
|--|--------|-----------------|---|-----------------------|----------------------|---------------------------------|------------|
|  |        | 袍金              | 薪金、津貼及實物收益                                | 酌情花紅                  | 認股權                  | 退休計劃供款                          | 總額         |
|  |        | HK\$ Mn         | HK\$ Mn                                   | HK\$ Mn               | HK\$ Mn              | HK\$ Mn                         | HK\$ Mn    |
|  |        | 港幣百萬元           | 港幣百萬元                                     | 港幣百萬元                 | 港幣百萬元                | 港幣百萬元                           | 港幣百萬元      |
| <b>Executive Chairman</b>                        |        | <b>執行主席</b>     |   |                       |                      |                                 |            |
| Dr. the Hon. Sir David Li Kwok-po <sup>(1)</sup> | 李國寶爵士  | 0.6             | 11.6                                      | 5.5                   | 7.4                  | 1.1                             | 26.2       |
| <b>Co-Chief Executives</b>                       |        | <b>聯席行政總裁</b>   |   |                       |                      |                                 |            |
| Mr. Adrian David Li Man-kiu <sup>(2)</sup>       | 李民橋先生  | 0.4             | 6.0                                       | 3.1                   | 2.4                  | 0.5                             | 12.4       |
| Mr. Brian David Li Man-bun <sup>(2)</sup>        | 李民斌先生  | 0.4             | 6.0                                       | 2.1                   | 1.8                  | 0.5                             | 10.8       |
| <b>Non-executive Directors</b>                   |        | <b>非執行董事</b>    |   |                       |                      |                                 |            |
| Prof. Arthur Li Kwok-cheung                      | 李國章教授  | 0.5             | -   | -                     | -                    | -                               | 0.5        |
| Mr. Aubrey Li Kwok-sing                          | 李國星先生  | 0.5             | -   | -                     | -                    | -                               | 0.5        |
| Mr. Winston LO Yau-lai                           | 羅友禮先生  | 0.4             | -   | -                     | -                    | -                               | 0.4        |
| Mr. Stephen Charles Li Kwok-sze                  | 李國仕先生  | 0.4             | -   | -                     | -                    | -                               | 0.4        |
| Dr. Isidro FAINÉ CASAS                           | 范禮賢博士  | 0.5             | -   | -                     | -                    | -                               | 0.5        |
| Dr. Peter LEE Ka-kit                             | 李家傑博士  | 0.3             | -   | -                     | -                    | -                               | 0.3        |
| Dr. Daryl NG Win-kong                            | 黃永光博士  | 0.5             | -   | -                     | -                    | -                               | 0.5        |
| Mr. Masayuki OKU                                 | 奧正之先生  | 0.5             | -   | -                     | -                    | -                               | 0.5        |
| <b>Independent Non-executive Directors</b>       |        | <b>獨立非執行董事</b>  |   |                       |                      |                                 |            |
| Dr. Allan WONG Chi-yun                           | 黃子欣博士  | 0.9             | -   | -                     | -                    | -                               | 0.9        |
| Dr. the Hon. Rita FAN HSU Lai-tai                | 范徐麗泰博士 | 0.6             | -   | -                     | -                    | -                               | 0.6        |
| Mr. Meocre Li Kwok-wing                          | 李國榮先生  | 1.1             | -   | -                     | -                    | -                               | 1.1        |
| Dr. the Hon. Henry TANG Ying-yen                 | 唐英年博士  | 1.1             | -   | -                     | -                    | -                               | 1.1        |
| The Hon. CHAN Kin-por                            | 陳健波議員  | 0.3             | -   | -                     | -                    | -                               | 0.3        |
| Dr. Delman LEE                                   | 李國本博士  | 0.7             | -   | -                     | -                    | -                               | 0.7        |
| Mr. William Junior Guilherme DOO                 | 杜家駒先生  | 0.3             | -   | -                     | -                    | -                               | 0.3        |
|  |        | 10.0            | 23.6                                      | 10.7                  | 11.6                 | 2.1                             | 58.0       |

(1) Re-designated from Chairman and Chief Executive to Executive Chairman on 1st July, 2019.

(1) 於2019年7月1日由主席兼行政總裁調任為執行主席。

(2) Re-designated from Executive Directors and Deputy Chief Executives to Co-Chief Executives on 1st July, 2019.

(2) 於2019年7月1日由執行董事兼副行政總裁任命為聯席行政總裁。

Note: The share options were granted to Executive Directors under the Bank's Staff Share Option Schemes. The values of share options represented the fair values of the share options granted in 2019 and prior years amortised over the respective vesting periods without actual cash payment. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 40.

附註：執行董事是根據本行的僱員認股計劃獲授予認股權。認股權金額是指該等認股權於2019年及往年授予並在歸屬期內攤銷的公平價值，而並非是屬於現金支付。有關此等實物收益的詳情列載於董事會報告書的「認股權資料」及附註40內。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 22. DIRECTORS' REMUNERATION (CONTINUED) 董事酬金(續)

|  |        | Directors' fees   | Salaries, allowances and benefits in kind | Discretionary bonuses | Share options | Retirement scheme contributions | 2018 Total |
|--|--------|-------------------|---|-----------------------|---------------|---------------------------------|------------|
|  |        | 袍金                | 薪金、津貼及實物收益                                | 酌情花紅                  | 認股權           | 退休計劃供款                          | 總額         |
|  |        | HK\$ Mn           | HK\$ Mn                                   | HK\$ Mn               | HK\$ Mn       | HK\$ Mn                         | HK\$ Mn    |
|  |        | 港幣百萬元             | 港幣百萬元                                     | 港幣百萬元                 | 港幣百萬元         | 港幣百萬元                           | 港幣百萬元      |
| <b>Chairman and Chief Executive</b>                    |        | <b>主席兼行政總裁</b>    |   |                       |               |                                 |            |
| Dr. the Hon. Sir David LI Kwok-po                      | 李國寶爵士  | 0.6               | 11.3                                      | 22.7                  | 10.7          | 1.0                             | 46.3       |
| <b>Executive Directors and Deputy Chief Executives</b> |        | <b>執行董事兼副行政總裁</b> |   |                       |               |                                 |            |
| Mr. Adrian David LI Man-kiu                            | 李民橋先生  | 0.4               | 4.1                                       | 4.9                   | 3.5           | 0.4                             | 13.3       |
| Mr. Brian David LI Man-bun                             | 李民斌先生  | 0.4               | 4.1                                       | 4.9                   | 3.5           | 0.4                             | 13.3       |
| <b>Non-executive Directors</b>                         |        | <b>非執行董事</b>      |   |                       |               |                                 |            |
| Prof. Arthur LI Kwok-cheung                            | 李國章教授  | 0.5               | -   | -                     | -             | -                               | 0.5        |
| Mr. Aubrey LI Kwok-sing                                | 李國星先生  | 0.5               | -   | -                     | -             | -                               | 0.5        |
| Mr. Winston LO Yau-lai                                 | 羅友禮先生  | 0.4               | -   | -                     | -             | -                               | 0.4        |
| Mr. Stephen Charles LI Kwok-sze                        | 李國仕先生  | 0.4               | -   | -                     | -             | -                               | 0.4        |
| Dr. Isidro FAINÉ CASAS                                 | 范禮賢博士  | 0.5               | -   | -                     | -             | -                               | 0.5        |
| Dr. Peter LEE Ka-kit                                   | 李家傑博士  | 0.5               | -   | -                     | -             | -                               | 0.5        |
| Dr. Daryl NG Win-kong                                  | 黃永光博士  | 0.5               | -   | -                     | -             | -                               | 0.5        |
| Mr. Masayuki OKU                                       | 奧正之先生  | 0.5               | -   | -                     | -             | -                               | 0.5        |
| <b>Independent Non-executive Directors</b>             |        | <b>獨立非執行董事</b>    |   |                       |               |                                 |            |
| Dr. Allan WONG Chi-yun                                 | 黃子欣博士  | 0.9               | -   | -                     | -             | -                               | 0.9        |
| Dr. the Hon. Rita FAN HSU Lai-tai                      | 范徐麗泰博士 | 0.5               | -   | -                     | -             | -                               | 0.5        |
| Mr. Meocre LI Kwok-wing                                | 李國榮先生  | 1.1               | -   | -                     | -             | -                               | 1.1        |
| Dr. the Hon. Henry TANG Ying-yen                       | 唐英年博士  | 0.9               | -   | -                     | -             | -                               | 0.9        |
| The Hon. CHAN Kin-por                                  | 陳健波議員  | 0.8               | -   | -                     | -             | -                               | 0.8        |
| Dr. Delman LEE   | 李國本博士  | 0.7               | -   | -                     | -             | -                               | 0.7        |
|  |        | 10.1              | 19.5                                      | 32.5                  | 17.7          | 1.8                             | 81.6       |

Note: The share options were granted to Executive Directors under the Bank's Staff Share Option Schemes. The values of share options represented the fair values of the share options granted in 2018 and prior years amortised over the respective vesting periods without actual cash payment. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 40.

附註：執行董事是根據本行的僱員認股計劃獲授予認股權。認股權金額是指該等認股權於2018年及往年授予並在歸屬期內攤銷的公平價值，而並非是屬於現金支付。有關此等實物收益的詳情列載於董事會報告書的「認股權資料」及附註40內。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 23. FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

|                               |         | 2019          | 2018          |
|-------------------------------|---------|---------------|---------------|
|                               |         | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Salaries and other emoluments | 薪金及其他酬金 | 34            | 30            |
| Performance-related bonuses   | 表現獎勵花紅  | 15            | 42            |
| Share options                 | 認股權     | 16            | 25            |
| Pension contributions         | 退休金供款   | 3             | 2             |
|                               |         | 68            | 99            |

The remuneration of the five top-paid employees is within the following bands:

5名薪酬最高的僱員的金額範圍如下：

|                         | 2019                        | 2018                        |
|-------------------------|-----------------------------|-----------------------------|
| HK\$ 港幣元                | Number of Employees<br>僱員人數 | Number of Employees<br>僱員人數 |
| 9,000,001 – 9,500,000   | 2                           | –                           |
| 10,500,001 – 11,000,000 | 1                           | –                           |
| 12,000,001 – 12,500,000 | 1                           | –                           |
| 13,000,001 – 13,500,000 | –                           | 4                           |
| 26,000,001 – 26,500,000 | 1                           | –                           |
| 46,000,001 – 46,500,000 | –                           | 1                           |

Included in the emoluments of the five top-paid employees were the emoluments of 3 (2018: 3) Directors and 2 (2018: 2) senior management members. Their director's emoluments have been included in Note 22 above.

5名薪酬最高的僱員中包括3位(2018年:3位)董事及2位(2018年:2位)高層管理人員。他們的董事酬金已包括於上述附註22內。

#### 24. SEGMENT REPORTING 分部報告

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's Senior Management for the purposes of resource allocation and performance assessment, the Group has presented the following seven reportable segments.

本集團按分處管理其業務，而分處則由業務及地區混合組成。分部資料的列報與內部匯報予本集團的高層管理人員作為資源分配及表現評核的方式是一致的。本集團列報以下七個可匯報分部。

##### (a) Business segments

The Group has identified the following seven reportable segments.

Personal banking includes branch operations, personal internet banking, consumer finance, property loans and credit card business to individual customers in Hong Kong.

Corporate banking includes corporate lending and loan syndication, asset based lending, commercial lending, securities lending and trade financing activities with correspondent banks and corporates in Hong Kong.

Treasury markets include treasury operations and securities dealing in Hong Kong.

Wealth management includes private banking business and related assets in Hong Kong.

##### (a) 營業分部

本集團已辨識以下七個可匯報分部。

個人銀行包括在香港之分行營運、個人電子網絡銀行、消費貸款、按揭貸款及信用卡業務。

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款、證券業務貸款及與在香港之全球同業間的銀行代理行及企業的金融貿易業務。

財資市場包括在香港之財資運作及證券買賣。

財富管理包括提供予在香港之私人銀行業務及相關資產。

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****財務報表附註(續)****24. SEGMENT REPORTING (CONTINUED) 分部報告(續)****(a) Business segments (continued)**

Other Hong Kong operations mainly include insurance business, trust business, securities & futures broking, corporate financial advisory, other subsidiaries in Hong Kong and supporting units of Hong Kong operations.

Mainland China operations mainly include the back office unit for Mainland China operations in Hong Kong, all subsidiaries and associates operated in Mainland China, except those subsidiaries carrying out data processing and other back office operations in Mainland China.

Overseas operations include the back office unit for overseas banking operations in Hong Kong, Macau Branch, Taiwan Branch and all branches, subsidiaries and associates operated in overseas.

For the purposes of assessing segment performance and allocating resources between segments, the Group's Senior Management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets with the exception of interests in associates and assets held for sale. Segment liabilities include deposits, financial liabilities and other liabilities attributable to the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to interest and fee and commission income generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

**(a) 營業分部(續)**

其他香港業務主要包括在香港之保險業務、信託業務、證券及期貨經紀、企業財務諮詢、其他香港的附屬公司及香港業務之後勤單位。

內地業務主要包括在香港支援內地業務的後勤單位、所有在內地經營的附屬公司及聯營公司，但不包括在內地經營資料處理及其他後勤支援之附屬公司。

國際業務包括在香港支援國際銀行業務的後勤單位、所有在海外經營的分行包括澳門分行及台灣分行、附屬公司及聯營公司。

在評估分部表現及分配分部間的資源時，集團的高層管理人員根據以下基準監控可歸屬於每一可匯報分部之業績、資產及負債：

除聯營公司之權益及持有作出售資產外，分部資產包括所有資產。分部負債包括存款、金融負債及可歸屬於個別分部的其他負債。

收入與支出按有關分部所產生的利息及服務費用和佣金收入，及由有關分部引致的支出或可歸屬於有關分部產生之折舊或攤銷來分配予可匯報分部。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

|  |   | 2019                         |                      |                     |                      |         |                        |            |            |            |             |                  |  |       |
|--|---|------------------------------|----------------------|---------------------|----------------------|---------|------------------------|------------|------------|------------|-------------|------------------|--|-------|
|  |   | Hong Kong operations<br>香港業務 |                      |                     |                      |         | Mainland China<br>內地業務 |            |            |            |             | Overseas<br>國際業務 | Inter-segment<br>elimination<br>分部間之<br>交易抵銷 | Total |
|  |   | Personal<br>banking          | Corporate<br>banking | Treasury<br>markets | Wealth<br>management | Others  | Total                  | operations | operations | operations | elimination | Total            |  |       |
|  |   | HKS Mn                       | HKS Mn               | HKS Mn              | HKS Mn               | HKS Mn  | HKS Mn                 | HKS Mn     | HKS Mn     | HKS Mn     | HKS Mn      | HKS Mn           |  |       |
|  |   | 港幣百萬元                        | 港幣百萬元                | 港幣百萬元               | 港幣百萬元                | 港幣百萬元   | 港幣百萬元                  | 港幣百萬元      | 港幣百萬元      | 港幣百萬元      | 港幣百萬元       | 港幣百萬元            |  |       |
| Net interest income  | 淨利息收入   | 3,531                        | 2,313                | 219                 | 407                  | 1,581   | 8,051                  | 4,958      | 1,466      | 25         | 14,500      |                  |  |       |
| Non-interest income/(expense)  | 非利息收入/(支出)  | 1,053                        | 474                  | 339                 | 370                  | 1,979   | 4,215                  | 1,088      | 296        | (415)      | 5,184       |                  |  |       |
| Operating income   | 經營收入  | 4,584                        | 2,787                | 558                 | 777                  | 3,560   | 12,266                 | 6,046      | 1,762      | (390)      | 19,684      |                  |  |       |
| Operating expenses   | 經營支出  | (1,722)                      | (322)                | (155)               | (222)                | (2,835) | (5,256)                | (4,328)    | (697)      | 390        | (9,891)     |                  |  |       |
| Operating profit before impairment losses  | 未扣除減值損失之<br>經營溢利  | 2,862                        | 2,465                | 403                 | 555                  | 725     | 7,010                  | 1,718      | 1,065      | -          | 9,793       |                  |  |       |
| (Charge for)/Write back of impairment losses on financial instruments  | 金融工具的減值損失<br>(支銷)/回撥  | (200)                        | (117)                | 5                   | (3)                  | (3)     | (318)                  | (6,994)    | 59         | -          | (7,253)     |                  |  |       |
| Operating profit/(loss) after impairment losses  | 已扣除減值損失後之<br>經營溢利/(虧損)  | 2,662                        | 2,348                | 408                 | 552                  | 722     | 6,692                  | (5,276)    | 1,124      | -          | 2,540       |                  |  |       |
| Profit/(Loss) on sale of fixed assets, financial assets measured at FVOCI and investments measured at amortised cost | 出售固定資產、按透過<br>其他全面收益以反映<br>公平價值計量金融資產<br>及按攤銷成本計量投資<br>之溢利/(虧損) | (8)                          | (1)                  | (3)                 | -                    | 25      | 13                     | 46         | (1)        | -          | 58          |                  |  |       |
| Profit/(Loss) on sale of assets held for sale  | 出售持有作出售資產之<br>溢利/(虧損)   | -                            | -                    | -                   | -                    | 105     | 105                    | (72)       | (15)       | -          | 18          |                  |  |       |
| Loss on disposal of subsidiaries/associates  | 出售附屬/聯營公司之<br>淨虧損   | -                            | -                    | -                   | -                    | -       | -                      | -          | (7)        | -          | (7)         |                  |  |       |
| Valuation losses on investment properties  | 重估投資物業虧損  | -                            | -                    | -                   | -                    | (33)    | (33)                   | -          | -          | -          | (33)        |                  |  |       |
| Share of profits less losses of associates and joint ventures  | 應佔聯營公司及合資企業<br>溢利減虧損  | -                            | -                    | -                   | -                    | 12      | 12                     | 123        | 487        | -          | 622         |                  |  |       |
| Profit/(Loss) before taxation  | 除稅前溢利/(虧損)  | 2,654                        | 2,347                | 405                 | 552                  | 831     | 6,789                  | (5,179)    | 1,588      | -          | 3,198       |                  |  |       |
| Depreciation for the year  | 年度內折舊   | (314)                        | (4)                  | (5)                 | (3)                  | (233)   | (559)                  | (302)      | (66)       | -          | (927)       |                  |  |       |
| Segment assets   | 分部資產  | 117,815                      | 160,856              | 199,827             | 28,342               | 40,863  | 547,703                | 241,082    | 113,978    | (47,574)   | 855,189     |                  |  |       |
| Investments in associates and joint ventures   | 聯營公司及合資企業投資   | -                            | -                    | -                   | -                    | 79      | 79                     | 3,741      | 6,150      | -          | 9,970       |                  |  |       |
| Other assets – Assets held for sale  | 其他資產<br>— 持有作出售資產   | -                            | -                    | -                   | -                    | 5       | 5                      | 34         | -          | -          | 39          |                  |  |       |
| Total assets   | 資產總額  | 117,815                      | 160,856              | 199,827             | 28,342               | 40,947  | 547,787                | 244,857    | 120,128    | (47,574)   | 865,198     |                  |  |       |
| Segment liabilities  | 分部負債  | 336,944                      | 27,574               | 68,813              | 22,709               | 26,654  | 482,694                | 213,666    | 105,872    | (46,672)   | 755,560     |                  |  |       |
| Other liabilities – Liabilities held for sale  | 其他負債<br>— 持有作出售負債   | -                            | -                    | -                   | -                    | -       | -                      | -          | -          | -          | -           |                  |  |       |
| Total liabilities  | 負債總額  | 336,944                      | 27,574               | 68,813              | 22,709               | 26,654  | 482,694                | 213,666    | 105,872    | (46,672)   | 755,560     |                  |  |       |
| Capital expenditure incurred during the year   | 年度內資本開支   | 392                          | 5                    | 12                  | 3                    | 246     | 658                    | 310        | 42         | -          | 1,010       |                  |  |       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 24. SEGMENT REPORTING (CONTINUED) 分部報告(續)

## (a) Business segments (continued)

## (a) 營業分部(續)

|   |                                       | 2018 (Restated <sup>***</sup> 重報 <sup>***</sup> ) |                      |                     |                      |         |         |                                 |                        |  |         |
|---|---------------------------------------|---|----------------------|---------------------|----------------------|---------|---------|---------------------------------|------------------------|--|---------|
|   |                                       | Hong Kong operations<br>香港業務                      |                      |                     |                      |         | Total   | Mainland<br>China<br>operations | Overseas<br>operations | Inter-<br>segment<br>elimination<br>分部間之<br>交易抵銷 | Total   |
|   |                                       | Personal<br>banking                               | Corporate<br>banking | Treasury<br>markets | Wealth<br>management | Others  |         |                                 |                        |  |         |
| Net interest income   | 淨利息收入                                 | 3,258   | 2,225                | 368                 | 439                  | 1,236   | 7,526   | 3,835                           | 1,593                  | 5  | 12,959  |
| Non-interest income/(expense)   | 非利息收入/(支出)                            | 856   | 475                  | (42)                | 349                  | 1,390   | 3,028   | 1,149                           | 281                    | (345)  | 4,113   |
| Operating income  | 經營收入                                  | 4,114   | 2,700                | 326                 | 788                  | 2,626   | 10,554  | 4,984                           | 1,874                  | (340)  | 17,072  |
| Operating expenses  | 經營支出                                  | (1,586)   | (240)                | (149)               | (209)                | (2,585) | (4,769) | (3,452)                         | (682)                  | 340  | (8,563) |
| Operating profit before impairment losses                                 | 未扣除減值損失之經營溢利                          | 2,528   | 2,460                | 177                 | 579                  | 41      | 5,785   | 1,532                           | 1,192                  | -  | 8,509   |
| (Charge for)/Write back of Impairment losses on financial instruments     | 金融工具的減值損失(支銷)/回撥                      | (149)   | (131)                | (42)                | 7                    | 3       | (312)   | (1,042)                         | 166                    | -  | (1,188) |
| Impairment losses on intangible assets                                    | 無形資產減值損失                              | -   | -                    | -                   | -                    | -       | -       | (5)                             | -                      | -  | (5)     |
| Impairment losses on associate  | 聯營公司減值損失                              | -   | -                    | -                   | -                    | -       | -       | -                               | (397)                  | -  | (397)   |
| Operating profit after impairment losses                                  | 已扣除減值損失後之經營溢利                         | 2,379   | 2,329                | 135                 | 586                  | 44      | 5,473   | 485                             | 961                    | -  | 6,919   |
| Profit/(Loss) on sale of fixed assets, financial assets measured at FVOCI | 出售固定資產、按適過其他全面收益以反映公平價值計量金融資產之溢利/(虧損) | (8)   | -                    | 51                  | -                    | 5       | 48      | 4                               | 1                      | -  | 53      |
| Profit/(Loss) on sale of assets held for sale                             | 出售持有作出售資產之溢利/(虧損)                     | -   | -                    | -                   | -                    | 48      | 48      | (2)                             | 10                     | -  | 56      |
| Profit/(Loss) on disposal of subsidiaries/associates                      | 出售附屬/聯營公司之淨溢利/(虧損)                    | -   | -                    | -                   | -                    | -       | -       | 2                               | (1)                    | -  | 1       |
| Valuation gains on investment properties                                  | 重估投資物業盈利                              | -   | -                    | -                   | -                    | 465     | 465     | -                               | -                      | -  | 465     |
| Share of profits less losses of associates and joint ventures             | 應佔聯營公司及合資企業溢利減虧損                      | -   | -                    | -                   | -                    | (1)     | (1)     | 118                             | 449                    | -  | 566     |
| Profit before taxation  | 除稅前溢利                                 | 2,371   | 2,329                | 186                 | 586                  | 561     | 6,033   | 607                             | 1,420                  | -  | 8,060   |
| Depreciation for the year   | 年度內折舊                                 | (66)  | (1)                  | (5)                 | (2)                  | (165)   | (239)   | (204)                           | (30)                   | -  | (473)   |
| Segment assets  | 分部資產                                  | 103,770   | 156,348              | 177,169             | 24,170               | 38,202  | 499,659 | 269,739                         | 108,272                | (48,036)   | 829,634 |
| Investments in associates and joint ventures                              | 聯營公司及合資企業投資                           | -   | -                    | -                   | -                    | 52      | 52      | 3,637                           | 5,440                  | -  | 9,129   |
| Other assets - Assets held for sale                                       | 其他資產 - 持有作出售資產                        | -   | -                    | -                   | -                    | 276     | 276     | 49                              | 363                    | -  | 688     |
| Total assets  | 資產總額                                  | 103,770   | 156,348              | 177,169             | 24,170               | 38,530  | 499,987 | 273,425                         | 114,075                | (48,036)   | 839,451 |
| Segment liabilities   | 分部負債                                  | 323,333   | 14,136               | 59,743              | 23,378               | 20,402  | 440,992 | 240,872                         | 101,181                | (47,176)   | 735,869 |
| Other liabilities - Liabilities held for sale                             | 其他負債 - 持有作出售負債                        | -   | -                    | -                   | -                    | 7       | 7       | -                               | -                      | -  | 7       |
| Total liabilities   | 負債總額                                  | 323,333   | 14,136               | 59,743              | 23,378               | 20,409  | 440,999 | 240,872                         | 101,181                | (47,176)   | 735,876 |
| Capital expenditure incurred during the year                              | 年度內資本開支                               | 157   | -                    | 8                   | -                    | 355     | 520     | 125                             | 19                     | -  | 664     |

Note: Due to the change of ownership of some customer deposits and the revision of internal fund transfer pricing methodology, some internal charges and segment grouping, certain 2018 comparative figures have been restated to conform to current year's presentation.

註：鑒於部份客戶存款的負責單位有所變更，以及內部資金轉移定價方法和部份內部費用及分部分類有所修訂，2018年的比較數字經已重報以符合本年度的呈報方式。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (b) Geographical segments

The information concerning geographical analysis has been classified by the location of the principal operations of the entities and branches of the Bank responsible for reporting the results or booking the assets or, by the location where the subsidiaries or business units with special risks associated with operations originate.

#### (b) 地區分部

按地區分部之資料是根據負責報告業績或將資產入賬之實體或本行之分行的主要業務所在地點，或按與附屬公司或業務單位之營運有特殊風險關連的所在地點予以劃分。

|  |            | 2019      |                   |   |         |                                  |         |
|--|------------|-----------|-------------------|---|---------|----------------------------------|---------|
|  |            | Hong Kong | Mainland<br>China | Other Asian<br>Countries<br>and Regions | Others  | Inter-<br>segment<br>elimination | Total   |
|  |            | 香港        | 內地                | 其他亞洲<br>國家及地區                           | 其他      | 分部間之<br>交易抵銷                     | 總額      |
|  |            | HK\$ Mn   | HK\$ Mn           | HK\$ Mn                                 | HK\$ Mn | HK\$ Mn                          | HK\$ Mn |
|  |            | 港幣百萬元     | 港幣百萬元             | 港幣百萬元                                   | 港幣百萬元   | 港幣百萬元                            | 港幣百萬元   |
| Operating income                       | 經營收入       | 11,744    | 6,446             | 675                                     | 1,209   | (390)                            | 19,684  |
| Profit/(loss) before taxation          | 除稅前溢利/(虧損) | 6,080     | (4,631)           | 756                                     | 993     | -                                | 3,198   |
| Total assets                           | 資產總額       | 568,276   | 224,446           | 51,562                                  | 68,488  | (47,574)                         | 865,198 |
| Total liabilities                      | 負債總額       | 482,727   | 213,664           | 43,230                                  | 62,611  | (46,672)                         | 755,560 |
| Contingent liabilities and commitments | 或然負債及承擔    | 78,286    | 105,360           | 7,898                                   | 8,970   | -                                | 200,514 |
| Capital expenditure during the year    | 年度內資本開支    | 659       | 309               | 29                                      | 13      | -                                | 1,010   |

|  |         | 2018 (Restated 重報) |                   |   |         |                                  |         |
|--|---------|--------------------|-------------------|---|---------|----------------------------------|---------|
|  |         | Hong Kong          | Mainland<br>China | Other Asian<br>Countries<br>and Regions | Others  | Inter-<br>segment<br>elimination | Total   |
|  |         | 香港                 | 內地                | 其他亞洲<br>國家及地區                           | 其他      | 分部間之<br>交易抵銷                     | 總額      |
|  |         | HK\$ Mn            | HK\$ Mn           | HK\$ Mn                                 | HK\$ Mn | HK\$ Mn                          | HK\$ Mn |
|  |         | 港幣百萬元              | 港幣百萬元             | 港幣百萬元                                   | 港幣百萬元   | 港幣百萬元                            | 港幣百萬元   |
| Operating income                       | 經營收入    | 10,145             | 5,296             | 783                                     | 1,188   | (340)                            | 17,072  |
| Profit before taxation                 | 除稅前溢利   | 5,122              | 993               | 876                                     | 1,069   | -                                | 8,060   |
| Total assets                           | 資產總額    | 498,436            | 272,606           | 50,092                                  | 66,353  | (48,036)                         | 839,451 |
| Total liabilities                      | 負債總額    | 440,989            | 240,882           | 42,285                                  | 58,896  | (47,176)                         | 735,876 |
| Contingent liabilities and commitments | 或然負債及承擔 | 73,927             | 104,219           | 7,063                                   | 11,010  | -                                | 196,219 |
| Capital expenditure during the year    | 年度內資本開支 | 520                | 132               | 8                                       | 4       | -                                | 664     |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 25. CASH AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (Note 48(a))

## 現金及在銀行和其他金融機構的結存(附註48(a))

|  |                    | 2019    |       | 2018    |       |
|--|--------------------|---------|-------|---------|-------|
|  |                    | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Cash in hand   | 現金                 | 1,228   |       | 1,284   |       |
| Balances with central banks                          | 在中央銀行的結存           | 35,252  |       | 36,854  |       |
| Balances with banks and other financial institutions | 在銀行和其他金融機構的結存      | 15,054  |       | 9,973   |       |
|  |                    | 51,534  |       | 48,111  |       |
| Less: Impairment allowances (Note 45(a)(x))          | 減：減值準備(附註45(a)(x)) | (9)     |       | (5)     |       |
| – Stage 1  | – 第一階段             | (9)     |       | (5)     |       |
| – Stage 2  | – 第二階段             | –       |       | –       |       |
| – Stage 3  | – 第三階段             | –       |       | –       |       |
|  |                    | 51,525  |       | 48,106  |       |

## 26. PLACEMENTS WITH AND ADVANCES TO BANKS AND OTHER FINANCIAL INSTITUTIONS

## (Note 48(a))

## 在銀行及其他金融機構的存款及墊款(附註48(a))

|  |                    | 2019    |       | 2018    |       |
|--|--------------------|---------|-------|---------|-------|
|  |                    | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Placements with and advances to banks and other financial institutions | 在銀行及其他金融機構的存款及墊款   |         |       |         |       |
| Maturing   | 到期期限               |         |       |         |       |
| – within one month   | – 1個月內             | 46,796  |       | 43,962  |       |
| – after one month but within one year                                  | – 1個月至1年內          | 15,333  |       | 16,343  |       |
| – after one year   | – 1年後              | 156     |       | 78      |       |
|  |                    | 62,285  |       | 60,383  |       |
| Less: Impairment allowances (Note 45(a)(x))                            | 減：減值準備(附註45(a)(x)) | (5)     |       | (10)    |       |
| – Stage 1  | – 第一階段             | (5)     |       | (10)    |       |
| – Stage 2  | – 第二階段             | –       |       | –       |       |
| – Stage 3  | – 第三階段             | –       |       | –       |       |
|  |                    | 62,280  |       | 60,373  |       |
| Of which:  | 其中：                |         |       |         |       |
| Placements with and advances to central banks                          | 在中央銀行的存款及墊款        | –       |       | –       |       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 27. TRADE BILLS 貿易票據

|   |                    | 2019          | 2018          |
|---|--------------------|---------------|---------------|
|   |                    | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Measured at amortised cost                  | 按攤銷成本計量            | 620           | 2,886         |
| Less: Impairment allowances (Note 45(a)(x)) | 減：減值準備(附註45(a)(x)) | -             | (4)           |
| – Stage 1                                   | – 第一階段             | -             | (3)           |
| – Stage 2                                   | – 第二階段             | -             | -             |
| – Stage 3                                   | – 第三階段             | -             | (1)           |
|   |                    | 620           | 2,882         |
| Measured at FVOCI                           | 通過其他全面收益以反映公平價值    | 11,461        | 11,764        |
|   |                    | <b>12,081</b> | 14,646        |

#### 28. TRADING ASSETS 交易用途資產

|  |                             | 2019          | 2018          |
|--|-----------------------------|---------------|---------------|
|  |                             | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Treasury bills (including Exchange Fund Bills)<br>(Note 48(a)) | 國庫債券(包括外匯基金票據)<br>(附註48(a)) | 34            | 270           |
| Debt securities (Note 48(a))                                   | 債務證券(附註48(a))               | 56            | 1,861         |
| Equity securities  | 股份證券                        | 1,183         | 1,352         |
|  |                             | <b>1,273</b>  | 3,483         |

#### 29. LOANS AND ADVANCES TO CUSTOMERS 客戶貸款及墊款

##### (a) Loans and advances to customers

##### (a) 客戶貸款及墊款

|   |                    | 2019           | 2018          |
|---|--------------------|----------------|---------------|
|   |                    | HK\$ Mn 港幣百萬元  | HK\$ Mn 港幣百萬元 |
| Loans and advances to customers at amortised cost | 按攤銷成本計量的客戶貸款及墊款    | 509,105        | 500,631       |
| Less: Impairment allowances (Note 45(a)(x))       | 減：減值準備(附註45(a)(x)) | (3,769)        | (2,347)       |
| – Stage 1   | – 第一階段             | (501)          | (431)         |
| – Stage 2   | – 第二階段             | (516)          | (855)         |
| – Stage 3   | – 第三階段             | (2,752)        | (1,061)       |
|   |                    | <b>505,336</b> | 498,284       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 29. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED) 客戶貸款及墊款(續)

## (b) Loans and advances to customers – by industry sectors

The analysis of gross advances to customers and the percentage of secured advances by industry sector is based on the categories and definitions used by the HKMA.

## (b) 客戶貸款及墊款 – 按行業分類

按行業分類的客戶墊款總額及有抵押墊款的百分比是按照金管局所採用的類別和定義。

|   |   | 2019                   |   | 2018                      |   |
|---|---|------------------------|---|---------------------------|---|
|   |   | Gross advances<br>墊款總額 | % of gross<br>advances covered<br>by collateral<br>有抵押墊款<br>的百分比<br>% 百分率 | Gross<br>advances<br>墊款總額 | % of gross<br>advances covered<br>by collateral<br>有抵押墊款<br>的百分比<br>% 百分率 |
|   |   | HK\$ Mn 港幣百萬元          |   | HK\$ Mn 港幣百萬元             |   |
| Loans for use in Hong Kong  | 在香港使用的貸款                                |                        |   |                           |   |
| Industrial, commercial and financial  | 工商金融                                    |                        |   |                           |   |
| – Property development  | – 物業發展                                  | 25,242                 | 59.07   | 26,427                    | 59.34   |
| – Property investment   | – 物業投資                                  | 49,772                 | 89.75   | 40,218                    | 90.48   |
| – Financial concerns  | – 金融企業                                  | 15,322                 | 63.71   | 14,944                    | 69.20   |
| – Stockbrokers  | – 股票經紀                                  | 1,694                  | 70.22   | 1,928                     | 67.61   |
| – Wholesale and retail trade  | – 批發與零售業                                | 7,156                  | 53.63   | 6,839                     | 53.30   |
| – Manufacturing   | – 製造業                                   | 3,510                  | 50.49   | 1,903                     | 51.42   |
| – Transport and transport equipment   | – 運輸與運輸設備                               | 4,736                  | 64.85   | 5,111                     | 64.32   |
| – Recreational activities   | – 娛樂活動                                  | 99                     | 71.92   | 35                        | 91.59   |
| – Information technology  | – 資訊科技                                  | 655                    | 2.19  | 668                       | 3.38  |
| – Others  | – 其他                                    | 26,228                 | 73.02   | 20,196                    | 72.96   |
| – Sub-total   | – 小計                                    | 134,414                | 73.24   | 118,269                   | 73.07   |
| Individuals   | 個人                                      |                        |   |                           |   |
| – Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme | – 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇的貸款 | 1,124                  | 100.00  | 1,048                     | 100.00  |
| – Loans for the purchase of other residential properties  | – 購買其他住宅物業的貸款                           | 61,111                 | 100.00  | 55,292                    | 100.00  |
| – Credit card advances  | – 信用卡墊款                                 | 4,696                  | 0.00  | 4,496                     | 0.00  |
| – Others  | – 其他                                    | 45,968                 | 88.85   | 39,909                    | 88.91   |
| – Sub-total   | – 小計                                    | 112,899                | 91.30   | 100,745                   | 91.14   |
| Total loans for use in Hong Kong  | 在香港使用的貸款總額                              | 247,313                | 81.49   | 219,014                   | 81.38   |
| Trade finance   | 貿易融資                                    | 3,686                  | 53.24   | 3,733                     | 56.18   |
| Loans for use outside Hong Kong*  | 在香港以外使用的貸款*                             | 258,106                | 41.29   | 277,884                   | 46.84   |
| Total advances to customers   | 客戶墊款總額                                  | 509,105                | 60.90   | 500,631                   | 62.02   |

\* Loans for use outside Hong Kong include the following loans for use in Mainland China.

\* 在香港以外使用的貸款包括以下在內地使用的貸款。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

|  |               | 2019                                    |  | 2018 (Restated 重報)                      |  |
|--|---------------|---|--|---|--|
|  |               | Gross advances<br>墊款總額<br>HK\$ Mn 港幣百萬元 | % of gross advances covered<br>by collateral<br>有抵押墊款的百分比<br>% 百分率 | Gross advances<br>墊款總額<br>HK\$ Mn 港幣百萬元 | % of gross advances covered<br>by collateral<br>有抵押墊款的百分比<br>% 百分率 |
| Loans for use in PRC                                     | 在內地使用的貸款      |   |  |   |  |
| Industrial, commercial and financial                     | 工商金融          |   |  |   |  |
| – Property development                                   | – 物業發展        | 41,117                                  | 34.72  | 45,304                                  | 49.98  |
| – Property investment                                    | – 物業投資        | 16,957                                  | 90.50  | 24,020                                  | 95.23  |
| – Financial concerns                                     | – 金融企業        | 32,658                                  | 3.43   | 30,924                                  | 5.70   |
| – Wholesale and retail trade                             | – 批發與零售業      | 7,771                                   | 46.21  | 9,057                                   | 55.60  |
| – Manufacturing  | – 製造業         | 5,556                                   | 13.30  | 6,673                                   | 26.08  |
| – Transport and transport equipment                      | – 運輸與運輸設備     | 2,315                                   | 73.20  | 2,911                                   | 82.36  |
| – Recreational activities                                | – 娛樂活動        | 560                                     | 2.89   | 1,074                                   | 78.64  |
| – Information technology                                 | – 資訊科技        | 1,326                                   | 0.90   | 3,685                                   | 0.60   |
| – Others   | – 其他          | 16,341                                  | 27.53  | 19,063                                  | 33.89  |
| – Sub-total  | – 小計          | 124,601                                 | 33.14  | 142,711                                 | 44.69  |
| Individuals  | 個人            |   |  |   |  |
| – Loans for the purchase of other residential properties | – 購買其他住宅物業的貸款 | 13,360                                  | 99.97  | 13,879                                  | 99.97  |
| – Credit card advances                                   | – 信用卡墊款       | 8,631                                   | 0.00   | 9,405                                   | 0.00   |
| – Others   | – 其他          | 17,838                                  | 1.48   | 17,093                                  | 2.19   |
| – Sub-total  | – 小計          | 39,829                                  | 34.20  | 40,377                                  | 35.29  |
| Total loans for use in PRC                               | 在內地使用的貸款總額    | 164,430                                 | 33.40  | 183,088                                 | 42.62  |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 29. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED) 客戶貸款及墊款(續)

## (b) Loans and advances to customers – by industry sectors (continued)

Individually impaired loans, as well as relevant information, in respect of industry sectors which constitute 10% or more of total advances to customers are as follows:

## (b) 客戶貸款及墊款 – 按行業分類(續)

以下按行業分類並佔客戶墊款總額百分之十或以上的墊款中已個別減值的貸款、以及相關資料如下：

|  |                   | 2019          | 2018          |
|--|-------------------|---------------|---------------|
|  |                   | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| (i) Property development                           | (i) 物業發展          |               |               |
| a. Individually impaired loans                     | a. 已個別減值的貸款       | 1,329         | 749           |
| b. Specific provisions                             | b. 特殊準備           | 257           | –             |
| c. Collective provisions                           | c. 整體準備           | 139           | 249           |
| d. New provision charged to income statement       | d. 於收益表支銷的準備      | 1,745         | 188           |
| e. Written off                                     | e. 撇銷             | 2,058         | 50            |
| (ii) Property investment                           | (ii) 物業投資         |               |               |
| a. Individually impaired loans                     | a. 已個別減值的貸款       | 1,076         | 150           |
| b. Specific provisions                             | b. 特殊準備           | 301           | 94            |
| c. Collective provisions                           | c. 整體準備           | 289           | 314           |
| d. New provision charged to income statement       | d. 於收益表支銷的準備      | 1,327         | 310           |
| e. Written off                                     | e. 撇銷             | 1,657         | 264           |
| (iii) Loans for purchase of residential properties | (iii) 購買其他住宅物業的貸款 |               |               |
| a. Individually impaired loans                     | a. 已個別減值的貸款       | 264           | 278           |
| b. Specific provisions                             | b. 特殊準備           | 19            | 8             |
| c. Collective provisions                           | c. 整體準備           | 71            | 201           |
| d. New provision charged to income statement       | d. 於收益表支銷的準備      | 68            | 158           |
| e. Written off                                     | e. 撇銷             | 6             | 8             |
| (iv) Financial concerns                            | (iv) 金融企業         |               |               |
| a. Individually impaired loans                     | a. 已個別減值的貸款       | 48            | –             |
| b. Specific provisions                             | b. 特殊準備           | –             | –             |
| c. Collective provisions                           | c. 整體準備           | 101           | 103           |
| d. New provision charged to income statement       | d. 於收益表支銷的準備      | 58            | 41            |
| e. Written off                                     | e. 撇銷             | –             | –             |

The specific provisions represent lifetime expected credit loss provisions for credited impaired exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired exposures.

特殊準備指減值信貸風險在合約期內的預期信貸損失準備及整體準備指非減值信貸風險在12個月及合約期內的預期信貸損失準備。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (c) Loans and advances to customers – by geographical areas

The information concerning the breakdown of the gross amount of advances to customers by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk in accordance with the requirements of Banking (Disclosure) Rules. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. The location of a party is determined by its residence which is the economic territory under whose laws the party is incorporated or registered. This requirement is different from the allocation under segment reporting in Note 24 which is prepared in a manner consistent with the way in which information is reported internally to the Group's Senior Management. The specific provisions represent lifetime expected credit loss provisions for credit impaired exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions for non-credit impaired exposures.

#### (c) 客戶貸款及墊款－按區域分類

根據《銀行業(披露)規則》，客戶墊款總額按國家或區域的分類，是根據交易對手的所在地，並已顧及轉移風險因素。一般而言，有關墊款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。一方的所在地由其居住地決定，而該居住地是該締約方註冊或登記的法律所規定的經濟領土。此要求與附註24分部報告的分配不同，後者的編製方法與內部匯報資料予集團高層管理人員的方法是一致的。特殊準備指減值信貸風險在合約期內的預期信貸損失準備及整體準備指非減值信貸風險12個月及合約期內的預期信貸損失準備。

|  |             | 2019                              |   |                                      |                        |                          |
|--|-------------|-----------------------------------|---|--------------------------------------|------------------------|--------------------------|
|  |             | Total<br>advances to<br>customers | Advances<br>overdue for<br>over three<br>months | Impaired<br>advances to<br>customers | Specific<br>provisions | Collective<br>provisions |
|  |             | 客戶墊款總額                            | 逾期3個月以上的客戶墊款                                    | 減值客戶墊款                               | 特殊準備                   | 整體準備                     |
|  |             | HK\$ Mn<br>港幣百萬元                  | HK\$ Mn<br>港幣百萬元                                | HK\$ Mn<br>港幣百萬元                     | HK\$ Mn<br>港幣百萬元       | HK\$ Mn<br>港幣百萬元         |
| Hong Kong  | 香港          | 252,488                           | 391   | 716                                  | 176                    | 396                      |
| Mainland China   | 內地          | 186,380                           | 1,603   | 4,997                                | 2,508                  | 533                      |
| Other Asian Countries and Regions                                      | 其他亞洲國家及地區   | 30,255                            | 110   | 156                                  | 68                     | 62                       |
| Others   | 其他          | 39,982                            | -   | 320                                  | -                      | 26                       |
| Total  | 總額          | 509,105                           | 2,104   | 6,189                                | 2,752                  | 1,017                    |
| % of total advances to customers                                       | 佔客戶墊款總額的百分比 |                                   |   | 1.22%                                |                        |                          |
| Market value of collateral held against impaired advances to customers | 減值客戶墊款抵押品市值 |                                   |   | 4,958                                |                        |                          |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 29. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED) 客戶貸款及墊款(續)

## (c) Loans and advances to customers – by geographical areas (continued) (c) 客戶貸款及墊款 – 按區域分類(續)

|  |             | 2018                        |  |                                |                     |                       |
|--|-------------|-----------------------------|--|--------------------------------|---------------------|-----------------------|
|  |             | Total advances to customers | Advances overdue for over three months | Impaired advances to customers | Specific provisions | Collective provisions |
|  |             | 客戶墊款總額                      | 逾期3個月以上的客戶墊款                           | 減值客戶墊款                         | 特殊準備                | 整體準備                  |
|  |             | HK\$ Mn                     | HK\$ Mn                                | HK\$ Mn                        | HK\$ Mn             | HK\$ Mn               |
|  |             | 港幣百萬元                       | 港幣百萬元                                  | 港幣百萬元                          | 港幣百萬元               | 港幣百萬元                 |
| Hong Kong  | 香港          | 225,656                     | 367                                    | 559                            | 224                 | 260                   |
| Mainland China   | 內地          | 203,377                     | 2,405                                  | 2,515                          | 776                 | 871                   |
| Other Asian Countries and Regions                                      | 其他亞洲國家及地區   | 27,634                      | 121                                    | 396                            | 61                  | 117                   |
| Others   | 其他          | 43,964                      | –                                      | 21                             | –                   | 38                    |
| Total  | 總額          | 500,631                     | 2,893                                  | 3,491                          | 1,061               | 1,286                 |
| % of total advances to customers                                       | 佔客戶墊款總額的百分比 |                             |  | 0.70%                          |                     |                       |
| Market value of collateral held against impaired advances to customers | 減值客戶墊款抵押品市值 |                             |  | 2,414                          |                     |                       |

Impaired loans and advances are individually assessed loans with objective evidence of impairment on an individual basis. The above information by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk.

Collateral includes any tangible security that carries a fair market value and is readily marketable. This includes (but is not limited to) cash and deposits, stocks and bonds, mortgages over properties and charges over other fixed assets such as plant and equipment. Where collateral values are greater than gross loans and advances to customers, only the amount of collateral up to the gross loans and advances is included.

減值貸款及墊款是個別出現客觀減值證據而須個別評估的貸款。以上按國家或區域分類的資料，是根據交易對手的所在地並已顧及轉移風險因素。

抵押品包括任何具公平價值及可隨時出售的有形抵押品。這些抵押品包括(但不限於)現金及存款、股票及債券、物業按揭及其他固定資產如器材及設備之押記。倘抵押品價值高於客戶貸款及墊款總額，則只計入最高達貸款及墊款總額的抵押品金額。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (d) Loans and advances to customers – net investment in finance leases

Loans and advances to customers include net investment in equipment leased under finance leases. The total minimum lease payments receivable under finance leases and their present values at the year end are as follows:

#### (d) 客戶貸款及墊款－融資租賃的淨投資額

客戶貸款及墊款包括以融資租賃形式租出的設備。根據融資租賃應收的最低租賃付款總額，及其現值如下：

|  |           | 2019  |  |                              | 2018  |  |                              |
|--|-----------|---|--|------------------------------|---|--|------------------------------|
|  |           | Present value of the minimum lease payments | Interest income relating to future periods | Total minimum lease payments | Present value of the minimum lease payments | Interest income relating to future periods | Total minimum lease payments |
|  |           | 最低租賃付款現值                                    | 相關未來利息收入                                   | 最低租賃付款總額                     | 最低租賃付款現值                                    | 相關未來利息收入                                   | 最低租賃付款總額                     |
|  |           | HK\$ Mn                                     | HK\$ Mn                                    | HK\$ Mn                      | HK\$ Mn                                     | HK\$ Mn                                    | HK\$ Mn                      |
|  |           | 港幣百萬元                                       | 港幣百萬元                                      | 港幣百萬元                        | 港幣百萬元                                       | 港幣百萬元                                      | 港幣百萬元                        |
| Amounts receivable:                    | 應收賬款：     |   |  |                              |   |  |                              |
| Within one year                        | 1年以內      | 224   | 70   | 294                          | 250   | 73   | 323                          |
| After one year but within two years    | 1年以後至2年內  | 196   | 63   | 259                          | 207   | 65   | 272                          |
| After two year but within three years  | 2年以後至3年內  | 176   | 58   | 234                          | 183   | 59   | 242                          |
| After three year but within four years | 3年以後至4年內  | 162   | 53   | 215                          | 159   | 55   | 214                          |
| After four years but within five years | 4年以後至5年內  | 159   | 50   | 209                          | 150   | 50   | 200                          |
| After five years                       | 5年以後      | 2,142                                       | 378  | 2,520                        | 2,109                                       | 397  | 2,506                        |
|  |           | 3,059                                       | 672  | 3,731                        | 3,058                                       | 699  | 3,757                        |
| Less: Impairment allowances            | 減：減值準備    | (8)   |  |                              | (11)  |  |                              |
| Net investment in finance leases       | 融資租賃的淨投資額 | 3,051                                       |  |                              | 3,047                                       |  |                              |

The net investment in finance leases is carried on the statement of financial position as loans and advances to customers. No accrual is made for the interest income relating to future periods.

融資租賃的淨投資額被視作客戶貸款及墊款在財務狀況表中列賬，未來期間的利息收入並無計算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 30. INVESTMENT SECURITIES 投資證券

|   |                         | 2019                                |                        |                         |                                  |                |
|---|-------------------------|-------------------------------------|------------------------|-------------------------|----------------------------------|----------------|
|   |                         | Mandatorily<br>measured<br>at FVTPL | Designated<br>at FVTPL | Measured<br>at FVOCI    | Measured<br>at amortised<br>cost | Total          |
|   |                         | 強制按通過<br>損益以反映<br>公平價值計量            | 指定為通過<br>損益以反映<br>公平價值 | 其他全面<br>收益以反映<br>公平價值計量 | 按攤銷成本<br>計量                      | 總額             |
|   |                         | HK\$ Mn                             | HK\$ Mn                | HK\$ Mn                 | HK\$ Mn                          | HK\$ Mn        |
|   |                         | 港幣百萬元                               | 港幣百萬元                  | 港幣百萬元                   | 港幣百萬元                            | 港幣百萬元          |
| Treasury bills (including Exchange Fund Bills) (Note 48(a)) | 國庫債券(包括外滙基金票據)(附註48(a)) | -                                   | -                      | 35,719                  | 3,008                            | 38,727         |
| Certificates of deposits held (Note 48(a))                  | 持有存款證(附註48(a))          | -                                   | -                      | 1,141                   | 1,604                            | 2,745          |
| Debt securities (Note 48(a))                                | 債務證券(附註48(a))           | 8,095                               | 446                    | 96,268                  | 13,693                           | 118,502        |
| Equity securities   | 股份證券                    | 1,972                               | -                      | 1,055                   | -                                | 3,027          |
| Investment funds  | 投資基金                    | 513                                 | -                      | -                       | -                                | 513            |
|   |                         | <b>10,580</b>                       | <b>446</b>             | <b>134,183</b>          | <b>18,305</b>                    | <b>163,514</b> |

|   |                         | 2018                                |                        |                         |                                  |                |
|---|-------------------------|-------------------------------------|------------------------|-------------------------|----------------------------------|----------------|
|   |                         | Mandatorily<br>measured<br>at FVTPL | Designated<br>at FVTPL | Measured<br>at FVOCI    | Measured<br>at amortised<br>cost | Total          |
|   |                         | 強制按通過<br>損益以反映<br>公平價值計量            | 指定為通過<br>損益以反映<br>公平價值 | 其他全面<br>收益以反映<br>公平價值計量 | 按攤銷成本<br>計量                      | 總額             |
|   |                         | HK\$ Mn                             | HK\$ Mn                | HK\$ Mn                 | HK\$ Mn                          | HK\$ Mn        |
|   |                         | 港幣百萬元                               | 港幣百萬元                  | 港幣百萬元                   | 港幣百萬元                            | 港幣百萬元          |
| Treasury bills (including Exchange Fund Bills) (Note 48(a)) | 國庫債券(包括外滙基金票據)(附註48(a)) | -                                   | -                      | 26,594                  | 1,915                            | 28,509         |
| Certificates of deposits held (Note 48(a))                  | 持有存款證(附註48(a))          | -                                   | -                      | 1,191                   | 1,109                            | 2,300          |
| Debt securities (Note 48(a))                                | 債務證券(附註48(a))           | 10,663                              | 1,630                  | 81,574                  | 15,997                           | 109,864        |
| Equity securities   | 股份證券                    | 2,513                               | -                      | 688                     | -                                | 3,201          |
| Investment funds  | 投資基金                    | 855                                 | -                      | -                       | -                                | 855            |
|   |                         | <b>14,031</b>                       | <b>1,630</b>           | <b>110,047</b>          | <b>19,021</b>                    | <b>144,729</b> |

Debt securities were designated as at FVTPL on initial recognition when the Group held derivatives for managing specific risk of the debt securities, and the designation therefore eliminated or significantly reduced an accounting mismatch that would otherwise arise.

當本集團持有衍生工具以管理債務證券的特定風險時，該等證券會被指定為通過損益以反映公平價值，而該指定可消除或明顯減少會計錯配的情況。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### Equity securities designated at FVOCI

指定為通過全面收益以反映公平價值的股份證券

|  |                | 2019       |                            | 2018       |                            |
|--|----------------|------------|----------------------------|------------|----------------------------|
|  |                | Fair value | Dividend income recognised | Fair value | Dividend income recognised |
|  |                | 公平價值       | 股息收入                       | 公平價值       | 股息收入                       |
|  |                | HK\$ Mn    | HK\$ Mn                    | HK\$ Mn    | HK\$ Mn                    |
|  |                | 港幣百萬元      | 港幣百萬元                      | 港幣百萬元      | 港幣百萬元                      |
| Equity investments held for long-term strategic purposes | 持有作長期策略用途的股份投資 | 1,055      | 12                         | 688        | 23                         |

As at 31st December, 2019, equity securities designated at FVOCI amounting to HK\$1,055 million (2018: HK\$688 million) were held for long term strategic purpose, of which HK\$853 million (2018: HK\$481 million) was attributable to the fair value of the Bank's investment in China UnionPay Co., Ltd. None of these strategic investments was disposed of during 2019 and 2018, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

於2019年12月31日，持有作長期策略用途之指定為通過全面收益以反映公平價值的股份證券金額為港幣10.55億元(2018年：港幣6.88億元)，其中港幣8.53億元(2018年：港幣4.81億元)為本行於中國銀聯股份有限公司之投資的公平價值。在2019及2018年度內沒有出售該等策略投資，亦沒有將該等投資的累計盈利及虧損於股東權益內轉賬。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 31. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary.

Details of these companies are as follows:

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。此等股份屬普通股股份。

此等公司的詳情如下：

| Name of company<br>公司名稱  | Place of incorporation and operation<br>註冊及營業地點 | Issued and paid-up capital<br>已發行及繳足股本 | % Held by              |                         | Nature of business<br>業務性質                                 |
|--|---|--|------------------------|-------------------------|--|
|  |   |  | The Bank<br>銀行<br>所佔權益 | The Group<br>集團<br>所佔權益 |  |
| Ample Delight Limited<br>承悅有限公司  | Hong Kong<br>香港                                 | HK\$ 港幣 450,000,000 元                  |                        | 100%                    | Investment holding<br>投資控股                                 |
| Bank of East Asia (Trustees) Limited<br>東亞銀行(信託)有限公司                   | Hong Kong<br>香港                                 | HK\$ 港幣 150,000,000 元                  | 100%                   |                         | Trustee service<br>信託服務                                    |
| BEA Life Limited<br>東亞人壽保險有限公司   | Hong Kong<br>香港                                 | HK\$ 港幣 500,000,000 元                  | 100%                   |                         | Life insurance<br>人壽保險                                     |
| BEA Union Investment Management Limited<br>東亞聯豐投資管理有限公司                | Hong Kong<br>香港                                 | HK\$ 港幣 374,580,000 元                  | 51%                    |                         | Asset management<br>資產管理                                   |
| BEA Union Investment Management (Shenzhen) Limited<br>東亞聯豐投資管理(深圳)有限公司 | PRC<br>中華人民共和國                                  | US\$2,000,000 美元                       |                        | 51%                     | Asset management/<br>Investment<br>management<br>資產管理/投資管理 |
| Blue Care JV (BVI) Holdings Limited                                    | BVI<br>英屬處女群島                                   | HK\$ 港幣 16,000,000 元                   |                        | 80%                     | Investment holding<br>投資控股                                 |
| Blue Cross (Asia-Pacific) Insurance Limited<br>藍十字(亞太)保險有限公司           | Hong Kong<br>香港                                 | HK\$ 港幣 625,000,000 元                  | 100%                   |                         | Insurance<br>保險  |



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

| Name of company<br>公司名稱   | Place of<br>incorporation<br>and operation<br>註冊及營業地點 | Issued and<br>paid-up capital<br>已發行及繳足股本 | % Held by              |                         | Nature of business<br>業務性質     |
|---|---|---|------------------------|-------------------------|--------------------------------|
|   |   |   | The Bank<br>銀行<br>所佔權益 | The Group<br>集團<br>所佔權益 |                                |
| Central Town Limited<br>滙中興業有限公司  | Hong Kong<br>香港                                       | HK\$港幣2元                                  | 100%                   |                         | Property investment<br>物業投資    |
| Corona Light Limited  | BVI<br>英屬處女群島   | HK\$港幣929,752,849元                        |                        | 100%                    | Investment holding<br>投資控股     |
| Credit Gain Finance Company Limited<br>領達財務有限公司   | Hong Kong<br>香港                                       | HK\$港幣640,000,000元                        | 100%                   |                         | Money lenders<br>放債人           |
| Crystal Gleaming Limited  | BVI<br>英屬處女群島   | HK\$港幣929,752,849元                        | 100%                   |                         | Investment holding<br>投資控股     |
| Dragon Jade Holdings Company<br>Limited<br>卓領控股有限公司   | Hong Kong<br>香港                                       | HK\$港幣1,127,510,000元                      | 100%                   |                         | Investment holding<br>投資控股     |
| East Asia Digital Information Services<br>(Guangdong) Limited (Note 1)<br>東亞數據信息服務(廣東)有限公司<br>(附註1) | PRC<br>中華人民共和國  | US\$3,000,000美元                           |                        | 100%                    | Servicing<br>服務                |
| East Asia Facility Management Limited<br>東亞設施管理有限公司   | Hong Kong<br>香港                                       | HK\$港幣10,000元                             |                        | 100%                    | Facility management<br>設施管理    |
| *East Asia Holding Company, Inc.  | U.S.A.<br>美國  | US\$5美元                                   | 100%                   |                         | Bank holding company<br>銀行控股公司 |
| East Asia Indonesian Holdings Limited   | Seychelles<br>塞舌爾                                     | US\$100,000美元                             |                        | 100%                    | Investment holding<br>投資控股     |
| East Asia International Trustees<br>Limited   | BVI<br>英屬處女群島   | US\$1,301,000美元                           |                        | 100%                    | Trustees service<br>信託服務       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 31. INVESTMENTS IN SUBSIDIARIES (CONTINUED) 附屬公司投資(續)

| Name of company<br>公司名稱  | Place of<br>incorporation<br>and operation<br>註冊及營業地點 | Issued and<br>paid-up capital<br>已發行及繳足股本 | % Held by              |                         | Nature of business<br>業務性質                              |
|--|---|---|------------------------|-------------------------|---|
|  |   |   | The Bank<br>銀行<br>所佔權益 | The Group<br>集團<br>所佔權益 |   |
| East Asia Securities Company Limited<br>東亞證券有限公司                       | Hong Kong<br>香港                                       | HK\$ 港幣 25,000,000 元                      | 100%                   |                         | Securities broking<br>證券買賣                              |
| Skyray Holdings Limited  | BVI<br>英屬處女群島   | HK\$ 港幣 450,000,000 元                     | 100%                   |                         | Investment holding<br>投資控股                              |
| Speedfull Limited  | BVI<br>英屬處女群島   | HK\$ 港幣 450,000,000 元                     |                        | 100%                    | Investment holding<br>投資控股                              |
| The Bank of East Asia (China) Limited<br>(Note 1)<br>東亞銀行(中國)有限公司(附註1) | PRC<br>中華人民共和國  | CNY 人民幣 14,160,000,000 元                  | 100%                   |                         | Banking and related<br>financial services<br>銀行及有關的金融服務 |

\* Companies audited by auditors other than KPMG are with net assets and total income constituting approximately 0.6% and less than 0.1% respectively of the related consolidated totals.

Note:

1. Represents a wholly foreign owned enterprise registered under the PRC laws.

\* 非由畢馬威會計師事務所審核的公司，其財務報表之資產淨額及收入總額分別佔相關綜合總額的0.6%及低於0.1%。

附註：

1. 指根據中華人民共和國法例註冊由外資全資擁有之企業。

## 32. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES 聯營公司及合資企業投資

|                             |        | 2019          | 2018          |
|-----------------------------|--------|---------------|---------------|
|                             |        | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Share of net assets         | 應佔淨資產  | 9,579         | 8,743         |
| Goodwill                    | 商譽     | 788           | 783           |
|                             |        | 10,367        | 9,526         |
| Less: Impairment allowances | 減：減值準備 | (397)         | (397)         |
|                             |        | 9,970         | 9,129         |

Loans to associates amounting to HK\$156 million (2018: HK\$78 million) are included under placements with and advances to banks and other financial institutions.

已包括在在銀行及其他金融機構的存款及墊款的聯營公司貸款為港幣1.56億元(2018年：港幣7,800萬元)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The following list contains only the particulars of principal associates and joint ventures. None are considered individually material to the Group:

以下列載只包括本集團的主要聯營公司及合資企業，而它們個別地對本集團沒有重大影響：

| Name of company<br>公司名稱  | Place of incorporation<br>and operation<br>註冊及營業地點 | % of ordinary shares<br>普通股<br>held by |                         | Nature of business<br>業務性質  |
|--|--|--|-------------------------|---|
|  |  | The Bank<br>銀行<br>所佔權益                 | The Group<br>集團<br>所佔權益 |   |
| <b>Associates 聯營公司</b>   |  |  |                         |   |
| <b>Listed 上市</b>   |  |  |                         |   |
| AFFIN Bank Berhad  | Malaysia<br>馬來西亞                                   | 23.56%                                 |                         | Banking and related financial<br>business<br>銀行及有關的金融業務                 |
| <b>Unlisted 非上市</b>  |  |  |                         |   |
| Brilliance-BEA Auto Finance Co., Ltd.<br>華晨東亞汽車金融有限公司                  | PRC<br>中華人民共和國                                     |  | 22.5%                   | Auto finance and other related<br>financial businesses<br>汽車貸款及其他有關金融業務 |
| Dolford Property Holdings Limited                                      | BVI<br>英屬處女群島                                      |  | 30%                     | Investment holding<br>投資控股  |
| East Asia Qianhai Securities Company Limited<br>東亞前海證券有限責任公司           | PRC<br>中華人民共和國                                     | 49%                                    |                         | Securities business<br>證券業務   |
| Guotong Trust Co., Ltd<br>國通信託有限責任公司                                   | PRC<br>中華人民共和國                                     | 19.99%                                 |                         | Trust and other financial<br>businesses<br>信託及其他金融業務                    |
| Industrial and Commercial Bank of China<br>(Canada)<br>中國工商銀行(加拿大)有限公司 | Canada<br>加拿大                                      | 20%                                    |                         | Banking services<br>銀行服務  |
| Industrial and Commercial Bank of China<br>(USA) N.A.<br>中國工商銀行(美國)    | U.S.A.<br>美國                                       |  | 20%                     | Banking services<br>銀行服務  |
| Million Fortune Development (Shenzhen)<br>Co., Ltd.<br>寰裕置業(深圳)有限公司    | PRC<br>中華人民共和國                                     |  | 25%                     | Property development<br>物業發展  |
| Platinum Holdings Company Limited                                      | Cayman Islands<br>英屬處女群島                           | 30%                                    |                         | Investment holding<br>投資控股  |
| PRASAC Microfinance Institution Limited                                | Cambodia<br>柬埔寨                                    | 21%                                    |                         | Financial services<br>金融服務  |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 32. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

## 聯營公司及合資企業投資(續)

The fair value of the Group's investment in AFFIN Bank Berhad ("AFFIN") based on the quoted market price had been persistently below the carrying amount for a period of time. As a result, the Group performed an impairment test on the investment using a value-in-use ("VIU") methodology and this demonstrated that the recoverable amount of the investment was higher than the carrying value at 31st December, 2019 and no further impairment charge was recognized in 2019 (2018: impairment charge of HK\$397 million). The VIU calculation uses discounted cash flow projections based on AFFIN's latest forecast of financial results and estimates made by the Group's management. Discount rate of 10.27% (2018: 10%) which is based on a Capital Asset Pricing Model calculation for AFFIN is used in the VIU calculation.

本集團投資予 AFFIN Bank Berhad ([AFFIN]) 按市場報價的公允價值持續低於賬面值一段時間。因此，本集團對此項投資以採用使用價值計算方法進行減值測試，測試顯示此項投資的可收回金額高於2019年12月31日之賬面值，因此毋須在2019年年度再確認減值損失(2018年：減損損失港幣3.97億元)。使用價值計算方法採用的折現現金流預測數值，是本集團以AFFIN的最新財務業績預測為依據。在價值計算方法中使用基於AFFIN的資本資產定價模型計算的10.27%(2018年：10%)的折現率。

|   |                             | 2019          | 2018          |
|---|-----------------------------|---------------|---------------|
|   |                             | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Aggregate information of associates and joint ventures that are not individually material                                   | 個別不重大聯營公司及合資企業之總和資料         |               |               |
| Aggregate carrying amount of individually immaterial associates and joint ventures in the consolidated financial statements | 個別不重大聯營公司及合資企業在綜合財務報表之總和賬面值 | 9,970         | 9,129         |
| Aggregate amounts of the Group's share of those associates and joint ventures   | 本集團佔該等聯營公司及合資企業之總和金額        |               |               |
| Profit from continuing operations   | 源自持續營運溢利                    | 622           | 566           |
| Post-tax profit or loss from discontinued operations  | 源自已停止營運之除稅後溢利或虧損            | -             | -             |
| Other comprehensive income  | 其他全面收益                      | 64            | (352)         |
| Total comprehensive income  | 全面收益總額                      | 686           | 214           |
| Reconciliation of carrying amounts to the Group's total interest in the associates and joint ventures                       | 賬面值與本集團於聯營公司及合資企業的權益對賬      |               |               |
| Carrying amount of material associates and joint ventures   | 重大聯營公司及合資企業之賬面值             | -             | -             |
| Carrying amount of individually immaterial associates and joint ventures  | 個別不重大聯營公司及合資企業之賬面值          | 9,970         | 9,129         |
| Interest in associates and joint ventures in the consolidated financial statements  | 在綜合財務報表中聯營公司及合資企業權益         | 9,970         | 9,129         |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

### 33. GOODWILL AND INTANGIBLE ASSETS 商譽及無形資產

Goodwill and intangible assets include goodwill arising on business combinations and acquired intangible assets. Acquired intangible assets are amortised over their estimated economic useful life.

商譽及無形資產包括因業務合併產生的商譽及購入無形資產。購入無形資產按其估計經濟使用期攤銷。

|                            |        | 2019          | 2018          |
|----------------------------|--------|---------------|---------------|
|                            |        | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Goodwill                   | 商譽     | 1,474         | 1,474         |
| Acquired intangible assets | 購入無形資產 | 452           | 466           |
|                            |        | 1,926         | 1,940         |

#### (a) Goodwill

#### (a) 商譽

|                                  |              | 2019          | 2018          |
|----------------------------------|--------------|---------------|---------------|
|                                  |              | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| At 1st January and 31st December | 於1月1日及12月31日 | 1,474         | 1,474         |

Impairment tests for cash-generating units containing goodwill

包含商譽的現金生產單位之減值測試

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segments as follows:

本集團按業務分部分配商譽予可辨識的現金生產單位如下：

|                   |      | 2019          | 2018          |
|-------------------|------|---------------|---------------|
|                   |      | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Personal banking  | 個人銀行 | 849           | 849           |
| Corporate banking | 企業銀行 | 453           | 453           |
| Treasury markets  | 財資市場 | 158           | 158           |
| Others            | 其他   | 14            | 14            |
|                   |      | 1,474         | 1,474         |

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流作估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

The discount rate used for value-in-use calculations is 7.1% (2018: 7.9%) and the long-term growth rate is 2.4% (2018: 2.6%).

用於計算使用價值的折扣率為7.1% (2018年：7.9%) 及長期增長率為2.4% (2018年：2.6%)。

Management determined the budgeted net profit based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the internal forecasts.

管理層根據過往表現及預計市場發展以釐定預算淨溢利。所採用的加權平均增長率與內部預測是一致的。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 33. GOODWILL AND INTANGIBLE ASSETS (CONTINUED) 商譽及無形資產(續)

## (b) Intangible assets (other than goodwill)

Intangible assets consist of building naming rights only. Intangible assets are stated at cost less accumulated amortisation and impairment loss (Note 2(r)).

Amortisation of intangible assets with finite useful lives is charged to the income statement over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available to use and their estimated useful lives are as follows:

Naming rights: Over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

## (b) 無形資產(商譽除外)

無形資產只包括建築物命名權。無形資產按成本減除累計攤銷及減值損失列賬(附註2(r))。

有限定可用期的無形資產按其估計可用期於收益表內攤銷。以下有限定可用期的無形資產由可供使用日起按以下的估計可用期攤銷：

命名權按建築物或土地兩者較短的租賃期

每年須檢討其期限及攤銷方法。

|  |             | 2019    |       | 2018    |       |
|--|-------------|---------|-------|---------|-------|
|  |             | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Cost                                       | 成本          |         |       |         |       |
| At 1st January                             | 於1月1日       |         | 1,403 |         | 1,404 |
| Exchange adjustments                       | 匯兌調整        |         | (1)   |         | (1)   |
| At 31st December                           | 於12月31日     |         | 1,402 |         | 1,403 |
| Accumulated amortisation                   | 累計攤銷        |         |       |         |       |
| At 1st January                             | 於1月1日       |         | (282) |         | (269) |
| Amortisation charge for the year (Note 13) | 年度內攤銷(附註13) |         | (14)  |         | (14)  |
| Exchange adjustments                       | 匯兌調整        |         | 1     |         | 1     |
| At 31st December                           | 於12月31日     |         | (295) |         | (282) |
| Impairment allowance                       | 減值準備        |         |       |         |       |
| At 1st January                             | 於1月1日       |         | (655) |         | (650) |
| Charge for the year                        | 年度內支銷       |         | -     |         | (5)   |
| At 31st December                           | 於12月31日     |         | (655) |         | (655) |
| Carrying amount at 31st December           | 於12月31日賬面值  |         | 452   |         | 466   |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 34. FIXED ASSETS 固定資產

|  |                               | 2019                     |                        |                                   |                        |                                     |   |                        |                        |
|--|-------------------------------|--------------------------|------------------------|-----------------------------------|------------------------|-------------------------------------|---|------------------------|------------------------|
|  |                               | Investment properties    | Bank premises          | Furniture, fixtures and equipment | Sub-total              | Right-of-use assets – Bank premises | Right-of-use assets – Furniture, fixtures and equipment | Sub-total              | Total                  |
|  |                               | 投資物業<br>HK\$ Mn<br>港幣百萬元 | 行址<br>HK\$ Mn<br>港幣百萬元 | 傢俬、裝修<br>及設備<br>HK\$ Mn<br>港幣百萬元  | 小計<br>HK\$ Mn<br>港幣百萬元 | 使用權資產<br>– 行址<br>HK\$ Mn<br>港幣百萬元   | 使用權資產<br>– 傢俬、<br>裝修及設備<br>HK\$ Mn<br>港幣百萬元             | 小計<br>HK\$ Mn<br>港幣百萬元 | 總額<br>HK\$ Mn<br>港幣百萬元 |
| Cost or valuation  | 成本或估值                         |                          |                        |                                   |                        |                                     |   |                        |                        |
| At 1st January, 2019   | 於2019年1月1日                    | 5,249                    | 8,237                  | 5,523                             | 13,760                 | -                                   | -   | -                      | 19,009                 |
| Impact of adopting HKFRS 16  | 實施《香港財務報告》<br>第16號的影響         | -                        | -                      | -                                 | -                      | 1,099                               | 9   | 1,108                  | 1,108                  |
| Restated balance at 1st January, 2019  | 於2019年1月1日<br>重報後結餘           | 5,249                    | 8,237                  | 5,523                             | 13,760                 | 1,099                               | 9   | 1,108                  | 20,117                 |
| Additions  | 增置                            | -                        | 43                     | 579                               | 622                    | 374                                 | 14  | 388                    | 1,010                  |
| Revaluation deficit  | 重估虧損                          | (33)                     | -                      | -                                 | -                      | -                                   | -   | -                      | (33)                   |
| Disposals  | 出售                            | -                        | (23)                   | (115)                             | (138)                  | -                                   | -   | -                      | (138)                  |
| Revaluation surplus on bank premises upon transfer to investment properties (Note 43(b)) | 行址重估盈餘轉入<br>投資物業<br>(附註43(b)) | -                        | 99                     | -                                 | 99                     | -                                   | -   | -                      | 99                     |
| Transfer from bank premises to investment properties                                     | 由行址轉入投資物業                     | 118                      | (118)                  | -                                 | (118)                  | -                                   | -   | -                      | -                      |
| Remeasurement  | 重新計量                          | -                        | -                      | -                                 | -                      | (3)                                 | -   | (3)                    | (3)                    |
| Termination of lease contracts   | 終止租賃合約                        | -                        | -                      | -                                 | -                      | (11)                                | -   | (11)                   | (11)                   |
| Less: Elimination of accumulated depreciation on revalued bank premises                  | 減：抵銷行址重估的<br>累計折舊             | -                        | (8)                    | -                                 | (8)                    | -                                   | -   | -                      | (8)                    |
| Transfer to asset classified as assets held for sale                                     | 轉至分類為持有作<br>出售資產              | -                        | (6)                    | -                                 | (6)                    | -                                   | -   | -                      | (6)                    |
| Exchange adjustments   | 匯兌調整                          | (1)                      | (64)                   | (25)                              | (89)                   | (2)                                 | -   | (2)                    | (92)                   |
| At 31st December, 2019   | 於2019年12月31日                  | 5,333                    | 8,160                  | 5,962                             | 14,122                 | 1,457                               | 23  | 1,480                  | 20,935                 |
| Accumulated depreciation and amortisation  | 累計折舊及攤銷                       |                          |                        |                                   |                        |                                     |   |                        |                        |
| At 1st January, 2019   | 於2019年1月1日                    | -                        | 1,933                  | 3,911                             | 5,844                  | -                                   | -   | -                      | 5,844                  |
| Charge for the year (Note 13)  | 年度內支銷(附註13)                   | -                        | 154                    | 376                               | 530                    | 393                                 | 4   | 397                    | 927                    |
| Termination of lease contracts   | 終止租賃合約                        | -                        | -                      | -                                 | -                      | (3)                                 | -   | (3)                    | (3)                    |
| Elimination of accumulated depreciation on revalued bank premises                        | 抵銷行址重估的累計折舊                   | -                        | (8)                    | -                                 | (8)                    | -                                   | -   | -                      | (8)                    |
| Written off on disposal  | 出售時撇銷                         | -                        | (7)                    | (101)                             | (108)                  | -                                   | -   | -                      | (108)                  |
| Transfer to asset classified as assets held for sale                                     | 轉至分類為持有作<br>出售資產              | -                        | (2)                    | -                                 | (2)                    | -                                   | -   | -                      | (2)                    |
| Exchange adjustments   | 匯兌調整                          | -                        | (21)                   | (20)                              | (41)                   | (2)                                 | -   | (2)                    | (43)                   |
| At 31st December, 2019   | 於2019年12月31日                  | -                        | 2,049                  | 4,166                             | 6,215                  | 388                                 | 4   | 392                    | 6,607                  |
| Net book value at 31st December, 2019  | 賬面淨值<br>於2019年12月31日          | 5,333                    | 6,111                  | 1,796                             | 7,907                  | 1,069                               | 19  | 1,088                  | 14,328                 |
| The gross amounts of the above assets are stated:  | 上述資產的總額列示如下：                  |                          |                        |                                   |                        |                                     |   |                        |                        |
| At cost  | 按成本                           | -                        | 7,393                  | 5,962                             | 13,355                 | 1,457                               | 23  | 1,480                  | 14,835                 |
| At Directors' valuation – 1989   | 按董事估值 – 1989年                 | -                        | 767                    | -                                 | 767                    | -                                   | -   | -                      | 767                    |
| At professional valuation – 2019   | 按專業估值 – 2019年                 | 5,333                    | -                      | -                                 | -                      | -                                   | -   | -                      | 5,333                  |
|  |                               | 5,333                    | 8,160                  | 5,962                             | 14,122                 | 1,457                               | 23  | 1,480                  | 20,935                 |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 34. FIXED ASSETS (CONTINUED) 固定資產(續)

|   |                       | Investment properties | Bank premises | 2018 Furniture, fixtures and equipment | Sub-total | Total   |
|---|-----------------------|-----------------------|---------------|--|-----------|---------|
|   |                       | 投資物業                  | 行址            | 傢俬、裝修及設備                               | 小計        | 總額      |
|   |                       | HK\$ Mn               | HK\$ Mn       | HK\$ Mn                                | HK\$ Mn   | HK\$ Mn |
|   |                       | 港幣百萬元                 | 港幣百萬元         | 港幣百萬元                                  | 港幣百萬元     | 港幣百萬元   |
| Cost or valuation   | 成本或估值                 |                       |               |  |           |         |
| At 1st January, 2018  | 於2018年1月1日            | 5,107                 | 8,193         | 5,149                                  | 13,342    | 18,449  |
| Additions   | 增置                    | 7                     | 9             | 648                                    | 657       | 664     |
| Revaluation surplus   | 重估盈餘                  | 465                   | -             | -                                      | -         | 465     |
| Disposals   | 出售                    | -                     | (30)          | (179)                                  | (209)     | (209)   |
| Revaluation surplus on bank premises transfer to investment properties (Note 43(b)) | 行址重估盈餘轉入投資物業(附註43(b)) | -                     | 8             | -                                      | 8         | 8       |
| Transfer from bank premises to investment properties                                | 由行址轉入投資物業             | 64                    | (64)          | -                                      | (64)      | -       |
| Transfer from investment properties to bank premises                                | 由投資物業轉入行址             | (394)                 | 394           | -                                      | 394       | -       |
| Less: Elimination of accumulated depreciation on revalued bank premises             | 減: 抵銷行址重估的累計折舊        | -                     | (1)           | -                                      | (1)       | (1)     |
| Transfer to asset classified as assets held for sale                                | 轉至分類為持有作出售資產          | -                     | (49)          | -                                      | (49)      | (49)    |
| Exchange adjustments  | 匯兌調整                  | -                     | (223)         | (95)                                   | (318)     | (318)   |
| At 31st December, 2018  | 於2018年12月31日          | 5,249                 | 8,237         | 5,523                                  | 13,760    | 19,009  |
| Accumulated depreciation and amortisation   | 累計折舊及攤銷               |                       |               |  |           |         |
| At 1st January, 2018  | 於2018年1月1日            | -                     | 1,874         | 3,825                                  | 5,699     | 5,699   |
| Charge for the year (Note 13)   | 年度內支銷(附註13)           | -                     | 157           | 316                                    | 473       | 473     |
| Elimination of accumulated depreciation on revalued bank premises                   | 抵銷行址重估的累計折舊           | -                     | (1)           | -                                      | (1)       | (1)     |
| Transfer to asset classified as assets held for sale                                | 轉至分類為持有作出售資產          | -                     | (23)          | -                                      | (23)      | (23)    |
| Written off on disposal   | 出售時撇銷                 | -                     | (14)          | (158)                                  | (172)     | (172)   |
| Exchange adjustments  | 匯兌調整                  | -                     | (60)          | (72)                                   | (132)     | (132)   |
| At 31st December, 2018  | 於2018年12月31日          | -                     | 1,933         | 3,911                                  | 5,844     | 5,844   |
| Net book value at 31st December, 2018   | 賬面淨值於2018年12月31日      | 5,249                 | 6,304         | 1,612                                  | 7,916     | 13,165  |
| The gross amounts of the above assets are stated:                                   | 上述資產的總額列示如下:          |                       |               |  |           |         |
| At cost   | 按成本                   | -                     | 7,458         | 5,523                                  | 12,981    | 12,981  |
| At Directors' valuation - 1989  | 按董事估值-1989年           | -                     | 779           | -                                      | 779       | 779     |
| At professional valuation - 2018  | 按專業估值-2018年           | 5,249                 | -             | -                                      | -         | 5,249   |
|   |                       | 5,249                 | 8,237         | 5,523                                  | 13,760    | 19,009  |



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### Fair value measurement of properties

##### (i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

|                     |  |
|---------------------|--|
| Level 1 valuations: | Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.   |
| Level 2 valuations: | Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available. |
| Level 3 valuations: | Fair value measured using significant unobservable inputs.   |

#### 物業公平價值之釐定

##### (i) 公平價值分級

根據《香港財務報告準則》第十三號「釐定公平價值」三級公平價值分級之分類定義，下表列示本集團於報告期末按重覆發生基準以釐定物業之公平價值。分類予每一分級之公平價值釐定取決於以下所採用的估值模式的參數之可觀察性及重要性：

|        |  |
|--------|--|
| 第一級估值： | 釐定公平價值只採用第一級參數，即於釐定日在活躍市場相同資產或負債的未經調整報價。                     |
| 第二級估值： | 釐定公平價值採用第二級參數，即不符合第一級的可觀察參數，及未採用重要的非可觀察參數。非可觀察參數是指沒有市場資料之參數。 |
| 第三級估值： | 釐定公平價值採用重要的非可觀察參數。   |

|   |                    | Fair value at 31st December, 2019                                  |              |             |          |             |          |             |              |
|---|--------------------|--|--------------|-------------|----------|-------------|----------|-------------|--------------|
|   |                    | Fair value measurements as at 31st December, 2019 categorised into |              |             |          |             |          |             |              |
|   |                    | 於2019年12月31日之公平價值  |              | Level 1 第一級 |          | Level 2 第二級 |          | Level 3 第三級 |              |
|   |                    | HK\$ Mn  | 港幣百萬元        | HK\$ Mn     | 港幣百萬元    | HK\$ Mn     | 港幣百萬元    | HK\$ Mn     | 港幣百萬元        |
| <b>Recurring fair value measurement</b> | <b>重覆發生的公平價值釐定</b> |  |              |             |          |             |          |             |              |
| Investment properties                   | 投資物業               |  |              |             |          |             |          |             |              |
| Commercial – Hong Kong                  | 商業 – 香港            |  | 5,319        |             | –        |             | –        |             | 5,319        |
| Commercial – Others                     | 商業 – 其他            |  | 14           |             | –        |             | –        |             | 14           |
|   |                    |  | <b>5,333</b> |             | <b>–</b> |             | <b>–</b> |             | <b>5,333</b> |

|   |                    | Fair value at 31st December, 2018                                  |              |             |          |             |          |             |              |
|---|--------------------|--|--------------|-------------|----------|-------------|----------|-------------|--------------|
|   |                    | Fair value measurements as at 31st December, 2018 categorised into |              |             |          |             |          |             |              |
|   |                    | 於2018年12月31日之公平價值  |              | Level 1 第一級 |          | Level 2 第二級 |          | Level 3 第三級 |              |
|   |                    | HK\$ Mn  | 港幣百萬元        | HK\$ Mn     | 港幣百萬元    | HK\$ Mn     | 港幣百萬元    | HK\$ Mn     | 港幣百萬元        |
| <b>Recurring fair value measurement</b> | <b>重覆發生的公平價值釐定</b> |  |              |             |          |             |          |             |              |
| Investment properties                   | 投資物業               |  |              |             |          |             |          |             |              |
| Commercial – Hong Kong                  | 商業 – 香港            |  | 5,234        |             | –        |             | –        |             | 5,234        |
| Commercial – Others                     | 商業 – 其他            |  | 15           |             | –        |             | –        |             | 15           |
|   |                    |  | <b>5,249</b> |             | <b>–</b> |             | <b>–</b> |             | <b>5,249</b> |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 34. FIXED ASSETS (CONTINUED) 固定資產(續)

## Fair value measurement of properties (continued)

During the years ended 31st December, 2019 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued by independent valuers as at 31st December, 2019 and 2018.

Investment properties in Hong Kong were valued at HK\$5,319 million (2018: HK\$5,234 million) as at 31st December, 2019 by an independent valuer, Savills Valuation and Professional Services Limited, Chartered Surveyors, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuation has been incorporated in the financial statements as at 31st December, 2019 and it was performed on an open market value basis. Details of valuation techniques are described below:

## (ii) Information about Level 3 fair value measurements

|                               | Valuation techniques<br>估值模式               | Unobservable input<br>非可觀察輸入參數                                  |
|-------------------------------|--|---|
| Investment properties<br>投資物業 | Income capitalisation<br>approach<br>收入還原法 | Market rental<br>市場租金   |
|                               |  | Capitalisation rate<br>還原率                                      |
|                               | Direct comparison<br>approach<br>直接比較法     | Premium (discount) on<br>quality of the buildings<br>樓宇質素溢價(折扣) |

*Investment properties not under construction*

The fair value of investment properties is determined by adoption of the Income Capitalisation Approach whereby the existing rental income of all lettable units of the property are capitalised for their respective unexpired terms of contractual tenancies whilst vacant units are assumed to be let at their respective market rents as at the valuation date. Upon expiry of the existing tenancies, each unit is assumed to be let at its market rent as at the valuation date, which in turn capitalised at the market yield as expected by investors for each type of property. Due consideration has been given to expectations of the renewals of Government lease upon its expiry. The summation of the capitalised value of the term income for the leased portion, the capitalised value of the reversion income as appropriately deferred for the leased portion and the capitalised value for the vacant portion provides the market value of the property.

The market rentals of all lettable units are made (a) by reference to the rentals fetched in the property and/or (b) by reference to the lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yields achieved in analysed market sales transactions and the market expectation from property investors. This expected return reflects implicitly the quality of the investment, the expectation of the potential for future rental growth and capital appreciation, operating costs, risk factor and the like.

## 物業公平價值之釐定(續)

截至2019年及2018年12月31日止年度，沒有第一級和第二級兩者之間的轉移，亦未有第三級的轉入或轉出。本集團的政策是只確認於匯報期期末公平價值分級之間發生的轉移。

於2019年及2018年12月31日，所有本集團的投資物業均由獨立估值師估價。

於2019年12月31日，香港投資物業的估值為港幣53.19億元(2018年：港幣52.34億元)。該等物業由獨立估值師—特許測量師第一太平戴維斯，其僱員具香港測量師學會會員資歷並對估值物業的所在地及類別有近期經驗。估值是以公開市場價值為基礎，並已計入2019年12月31日之賬項內。估值模式詳述如下：

## (ii) 有關第三級釐定公平價值資料

*非正在建築中的投資物業*

投資物業的公平價值是按採納收入還原法計算，其方法是將現時物業已出租單位之租金收入按其分別未到期租約條款還原，而空置單位則假設於估價日每一單位可按市值租金租出，再根據投資者預期每一類別物業之市場回報來還原。其中已顧及並預期政府之租約於期限屆滿後可續約。出租部分期間收入之還原值、已適當遞延出租部分之歸還收入的還原值及空置部分之還原值之總和計算出物業的市場價值。

所有已租出單位市場租金之計算是(a)參考由物業賺取的租金及/或(b)參考鄰近所租出之類同物業。採納之還原率是參考分析市場出售交易得出之回報及物業投資者對市場的預期。此預期回報已潛在地反映投資的質素、預期未來租金增長和資本增值的潛力、營運成本、風險因素及其他。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

As a supporting approach to the Income Capitalisation Approach, the Direct Comparison Approach is also adopted as a check for the valuation. Comparable sales transactions of similar properties in the locality are collected and analysed each in terms of a price per square footage. The collected comparables are then adjusted to take account of the discrepancies between the property and comparables in terms of time, location, age, building quality and the like.

The fair value measurement is positively correlated to the market rental and negatively correlated to the capitalisation rate.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

除收入還原法外，亦採納直接比較法以核實估值。在鄰近可比較類同物業之出售交易會被收集及分析，以計算每一平方呎的價值。已收集之比較資料根據物業及可比較資料的差異，並按時間、位置、樓齡、樓宇質素及其他作調整。

釐定公平價值與市場租金有正面相互關聯及與還原率有負面相互關聯。

期間該等第三級公平價值釐定之餘額變動如下：

|  |            | 2019          | 2018          |
|--|------------|---------------|---------------|
|  |            | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Investment properties – Commercial – Hong Kong       |            |               |               |
|  | 投資物業—商業—香港 |               |               |
| At 1st January                                       | 於1月1日      | 5,234         | 5,092         |
| Additions  | 增置         | –             | 7             |
| Transfer from bank premises to investment properties | 由行址轉入投資物業  | 118           | 64            |
| Transfer from investment properties to bank premises | 由投資物業轉入行址  | –             | (394)         |
| Revaluation (deficit)/surplus                        | 重估(虧損)/盈餘  | (33)          | 465           |
| At 31st December                                     | 於12月31日    | 5,319         | 5,234         |
| Investment properties – Commercial – Others          |            |               |               |
|  | 投資物業—商業—其他 |               |               |
| At 1st January                                       | 於1月1日      | 15            | 15            |
| Revaluation surplus                                  | 重估盈餘       | –             | –             |
| Exchange adjustments                                 | 匯兌調整       | (1)           | –             |
| At 31st December                                     | 於12月31日    | 14            | 15            |

Fair value adjustment of investment properties is recognised in the line item “valuation (losses)/gains on investment properties” on the face of the consolidated income statement.

All the gains recognised in the income statement for the year arise from the properties held at the end of the reporting period.

投資物業的公平價值調整在綜合收益表上之「重估投資物業(虧損)/盈利」項下確認。

所有確認於年度收益表之盈利均源自於報告期結束日持有之物業。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 34. FIXED ASSETS (CONTINUED) 固定資產(續)

## Fair value measurement of properties (continued)

The net book value of bank premises and investment properties comprises:

## 物業公平價值之釐定(續)

行址及投資物業的賬面淨值包括：

|                                      |              | 2019                  |               | 2018                  |               |
|--------------------------------------|--------------|-----------------------|---------------|-----------------------|---------------|
|                                      |              | Investment properties | Bank premises | Investment properties | Bank premises |
|                                      |              | 投資物業                  | 行址            | 投資物業                  | 行址            |
|                                      |              | HK\$ Mn               | 港幣百萬元         | HK\$ Mn               | 港幣百萬元         |
| Freeholds                            | 永久業權         |                       |               |                       |               |
| Held outside Hong Kong               | 在香港以外地區      | 14                    | 618           | 15                    | 619           |
| Leaseholds                           | 租借地          |                       |               |                       |               |
| Held in Hong Kong                    | 在香港          |                       |               |                       |               |
| On long lease (over 50 years)        | 長期租約(50年以上)  | 4,585                 | 1,612         | 4,618                 | 1,665         |
| On medium-term lease (10 – 50 years) | 中期租約(10至50年) | 734                   | 1,153         | 616                   | 1,168         |
| Held outside Hong Kong               | 在香港以外地區      |                       |               |                       |               |
| On long lease (over 50 years)        | 長期租約(50年以上)  | -                     | 13            | -                     | 14            |
| On medium-term lease (10 – 50 years) | 中期租約(10至50年) | -                     | 2,692         | -                     | 2,807         |
| On short-term lease (below 10 years) | 短期租約(10年以下)  | -                     | 23            | -                     | 31            |
|                                      |              | 5,333                 | 6,111         | 5,249                 | 6,304         |

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 10 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

Rental income receivable from investment properties held for use under operating leases amounted to HK\$175 million in 2019 (2018: HK\$178 million). There was no contingent rental recognised during the year 2019 (2018: Nil).

The total future minimum lease payments of bank premises and investment properties held for use under non-cancellable operating leases are receivable as follows:

集團以經營租賃形式租出投資物業。租賃年期通常由1年至10年，到期日後可再續約但其他條款須另議。所有租約並不包括或有租金。

於年內，以經營租賃形式租出的投資物業之應收租金為港幣1.75億元(2018年：港幣1.78億元)。2019年年度內未有確認或有租金(2018年：無)。

以不可撤銷經營租賃作出租的行址及投資物業的未來最低應收租賃付款總額如下：

|   |          | 2019    |       | 2018    |       |
|---|----------|---------|-------|---------|-------|
|   |          | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Within one year                         | 1年以內     | 130     | 158   |         |       |
| After one year but within two years     | 1年以後至2年內 | 46      | 99    |         |       |
| After two years but within three years  | 2年以後至3年內 | 14      | 21    |         |       |
| After three years but within four years | 3年以後至4年內 | 1       | 1     |         |       |
| After four years but within five years  | 4年以後至5年內 | -       | -     |         |       |
| After five years                        | 5年以後     | -       | -     |         |       |
|   |          | 191     | 279   |         |       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 35. OTHER ASSETS 其他資產

|   |                    | 2019          | 2018          |
|---|--------------------|---------------|---------------|
|   |                    | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Accrued interest                            | 應計利息               | 3,034         | 3,466         |
| Customer liabilities under acceptances      | 承兌客戶負債             | 21,513        | 21,747        |
| Other accounts*                             | 其他賬項*              | 11,318        | 9,294         |
| Less: Impairment allowances (Note 45(a)(x)) | 減：減值準備(附註45(a)(x)) | (195)         | (291)         |
| – Stage 1                                   | – 第一階段             | (44)          | (27)          |
| – Stage 2                                   | – 第二階段             | (7)           | (6)           |
| – Stage 3                                   | – 第三階段             | (144)         | (258)         |
|   |                    | <b>35,670</b> | 34,216        |
| Assets held for sale (Note 56)              | 持有作出售資產(附註56)      | 39            | 688           |
|   |                    | <b>35,709</b> | 34,904        |

\* Include nil contract assets (2018: nil) from contracts with customers under HKFRS 15.

\* 包括由《香港財務報告準則》第15號所產生的合約資產為無(2018年：無)。

#### 36. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS 指定為通過損益以反映公平價值的金融負債

|   |                 | 2019          | 2018          |
|---|-----------------|---------------|---------------|
|   |                 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Deposits and balances of banks and other financial institutions | 銀行及其他金融機構的存款及結餘 | 3,182         | 1,335         |
| Certificates of deposits issued                                 | 已發行存款證          | 27,401        | 9,462         |
| Debt securities issued  | 已發行債務證券         | –             | 407           |
|   |                 | <b>30,583</b> | 11,204        |

Financial liabilities above have been designated as at FVTPL when the Group holds related derivatives at FVTPL, and designation therefore eliminates or significantly reduces an accounting mismatch that would otherwise arise.

當本集團持有指定為通過損益以反映公平價值的相關衍生工具，以上金融負債被指定為通過損益以反映公平價值，而該指定可消除或明顯減少會計錯配的情況。

The amount of change, during the period and cumulatively, in the fair value of financial liabilities designated at FVTPL that is attributable to changes in the credit risk of these liabilities and recognised in other comprehensive income is set out below.

在期內及累計結餘，下表列示指定為通過損益以反映公平價值的金融負債的公平價值變動及在其他全面收益表內確認的金額，而該變動是歸屬於該等負債的信貸風險。

|  |                  | 2019          | 2018          |
|--|------------------|---------------|---------------|
|  |                  | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Balance at 1st January                                   | 於1月1日結餘          | (3)           | (6)           |
| Recognised in other comprehensive income during the year | 年內在其他全面收益表內確認的金額 | (4)           | 3             |
| Balance at 31st December                                 | 於12月31日結餘        | (7)           | (3)           |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 36. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

(CONTINUED)

## 指定為通過損益以反映公平價值的金融負債(續)

There was no transfer of cumulative gain or loss within equity due to de-recognition of liabilities designated at FVTPL during the year (2018: Nil).

The change in fair value attributable to changes in credit risk on financial liabilities is calculated using the difference between the fair value of the financial liabilities at the reporting date and the present value computed with adjusted asset swap spread.

The carrying amount of financial liabilities designated as at FVTPL was HK\$164 million lower than the contractual amount due at maturity (2018: HK\$57 million lower).

年度內(2018年:無)並未有指定為通過損益以反映公平價值的負債被終止確認,亦未有將其累計盈利或虧損在股東權益內轉賬。

計算可歸屬於金融負債信貸風險的公平價值變動是採用近期發行相同債務的可觀察信用利差,然後根據集團實體稍後所發行高級債務的信用違約掉期之可觀察利差變動作調整。

於2019年,指定為通過損益以反映公平價值金融負債的賬面值較其到期日之合約金額低於港幣1.64億元(2018年:低於港幣5,700萬元)。

## 37. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION 財務狀況表內的所得稅

(a) Current taxation in the statement of financial position represents:

(a) 資產負債表內的本期稅項為:

|  |             | 2019    |       | 2018    |       |
|--|-------------|---------|-------|---------|-------|
|  |             | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Provision for Hong Kong profits tax for the year         | 本年度香港利得稅準備  | 1,024   |       | 829     |       |
| Provisional profits tax paid                             | 已付暫繳利得稅     | (22)    |       | (652)   |       |
|  |             | 1,002   |       | 177     |       |
| Balance of profits tax provision relating to prior years | 以往年度利得稅準備餘額 | 945     |       | 915     |       |
| Taxation outside Hong Kong                               | 在香港以外稅項     | 156     |       | 345     |       |
|  |             | 2,103   |       | 1,437   |       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

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

**(b) 遞延稅項資產及負債確認**

確認於綜合財務狀況表中遞延稅項(資產)/負債的組成部分及年內之變動如下:

| Deferred tax arising from:                           |                             | 2019  |                           |                                       |  |            |         | Total   |
|--|-----------------------------|---|---------------------------|---------------------------------------|--|------------|---------|---------|
|  |                             | Depreciation allowances in excess of related depreciation | Revaluation of properties | Impairment losses on financial assets | Revaluation of financial assets at FVOCI | Tax losses | Others  |         |
| 遞延稅項源自:  |                             | 超過有關折舊的折舊免稅額  | 物業重估                      | 金融資產的減值損失                             | 通過其他全面收益以反映公平價值金融資產重估                    | 稅損         | 其他      | 總額      |
|  |                             | HK\$ Mn   | HK\$ Mn                   | HK\$ Mn                               | HK\$ Mn                                  | HK\$ Mn    | HK\$ Mn | HK\$ Mn |
|  |                             | 港幣百萬元   | 港幣百萬元                     | 港幣百萬元                                 | 港幣百萬元                                    | 港幣百萬元      | 港幣百萬元   | 港幣百萬元   |
| At 1st January, 2019                                 | 於2019年1月1日                  | 289   | 113                       | (675)                                 | 74                                       | -          | 201     | 2       |
| Charged/(credited) to income statement (Note 18(a))  | 收益表內支銷/(存入)<br>(附註18(a))    | 38  | -                         | (570)                                 | -  | (338)      | (293)   | (1,163) |
| (Credited)/charged to reserves (Notes 43(b) and (g)) | 儲備內(存入)/支銷<br>(附註43(b)及(g)) | -   | (2)                       | -                                     | 132                                      | -          | -       | 130     |
| Exchange and other adjustments                       | 匯兌及其他調整                     | (1)   | -                         | 18                                    | -  | 4          | 31      | 52      |
| At 31st December, 2019                               | 於2019年12月31日                | 326   | 111                       | (1,227)                               | 206                                      | (334)      | (61)    | (979)   |

| Deferred tax arising from:                           |                             | 2018  |                           |                                       |  |            |         | Total   |
|--|-----------------------------|---|---------------------------|---------------------------------------|--|------------|---------|---------|
|  |                             | Depreciation allowances in excess of related depreciation | Revaluation of properties | Impairment losses on financial assets | Revaluation of financial assets at FVOCI | Tax losses | Others  |         |
| 遞延稅項源自:  |                             | 超過有關折舊的折舊免稅額  | 物業重估                      | 金融資產的減值損失                             | 通過其他全面收益以反映公平價值金融資產重估                    | 稅損         | 其他      | 總額      |
|  |                             | HK\$ Mn   | HK\$ Mn                   | HK\$ Mn                               | HK\$ Mn                                  | HK\$ Mn    | HK\$ Mn | HK\$ Mn |
|  |                             | 港幣百萬元   | 港幣百萬元                     | 港幣百萬元                                 | 港幣百萬元                                    | 港幣百萬元      | 港幣百萬元   | 港幣百萬元   |
| At 1st January, 2018                                 | 於2018年1月1日                  | 218   | 100                       | (569)                                 | 136                                      | -          | 64      | (51)    |
| Impact of adopting HKFRS 9                           | 因採納《香港財務報告準則》第9號之影響         | -   | -                         | 68                                    | 8  | -          | -       | 76      |
| Restated balance at 1st January, 2018                | 於2018年1月1日<br>已重報後的結餘       | 218   | 100                       | (501)                                 | 144                                      | -          | 64      | 25      |
| Charged/(credited) to income statement (Note 18(a))  | 收益表內支銷/(存入)<br>(附註18(a))    | 71  | -                         | (196)                                 | (9)                                      | -          | 149     | 15      |
| Charged/(credited) to reserves (Notes 43(b) and (g)) | 儲備內支銷/(存入)<br>(附註43(b)及(g)) | -   | 13                        | -                                     | (64)                                     | -          | -       | (51)    |
| Exchange and other adjustments                       | 匯兌及其他調整                     | -   | -                         | 22                                    | 3  | -          | (12)    | 13      |
| At 31st December, 2018                               | 於2018年12月31日                | 289   | 113                       | (675)                                 | 74                                       | -          | 201     | 2       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 37. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

## 財務狀況表內的所得稅(續)

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

## (b) 遞延稅項資產及負債確認(續)

|  |                   | 2019          | 2018          |
|--|-------------------|---------------|---------------|
|  |                   | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Net deferred tax assets recognised on the statement of financial position      | 確認於財務狀況表的遞延稅項資產淨額 | (1,563)       | (481)         |
| Net deferred tax liabilities recognised on the statement of financial position | 確認於財務狀況表的遞延稅項負債淨額 | 584           | 483           |
|  |                   | (979)         | 2             |

## (c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$107 million (2018: HK\$102 million) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses were as follows:

## (c) 未確認遞延稅項資產

由於可能未來沒有適用於有關稅務機關及實體的應課稅溢利以彌補有關虧損，本集團並未確認累計稅損港幣1.07億元(2018年：港幣1.02億元)為遞延稅項資產。根據現時稅務條例，該等稅損的到期日如下：

|                         |        | 2019          | 2018          |
|-------------------------|--------|---------------|---------------|
|                         |        | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Expiring within 5 years | 於五年內到期 | 10            | 3             |
| No expiry date          | 無到期日   | 97            | 99            |
|                         |        | 107           | 102           |

## 38. OTHER LIABILITIES 其他負債

|  |                  | 2019          | 2018          |
|--|------------------|---------------|---------------|
|  |                  | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Other liabilities                      | 其他負債             |               |               |
| Accrued interest payable               | 應計應付利息           | 3,585         | 3,279         |
| Acceptance draft payable               | 應付承兌票據           | 21,513        | 21,747        |
| Impairment allowances (Note 45(a)(x))  | 減值準備(附註45(a)(x)) | 82            | 111           |
| – Financial guarantee contracts issued | – 已發出財務擔保合約      | 8             | 15            |
| – Loan commitments issued              | – 已發出貸款承擔        | 74            | 96            |
| Liabilities held for sale (Note 56)    | 持有作出售負債(附註56)    | –             | 7             |
| Lease Liabilities                      | 租賃負債             | 1,107         | –             |
| Other accounts*                        | 其他賬項*            | 30,012        | 26,300        |
|  |                  | 56,299        | 51,444        |

\* Include contract liabilities of HK\$616 million (2018: HK\$633 million) from contracts with customers under HKFRS 15.

\* 包括由《香港財務報告準則》第15號所產生的合約負債港幣6.16億元(2018年：港幣6.33億元)。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 39. LOAN CAPITAL 借貸資本

|   |                                 | 2019          |       | 2018          |       |
|---|---------------------------------|---------------|-------|---------------|-------|
|   |                                 | HK\$ Mn       | 港幣百萬元 | HK\$ Mn       | 港幣百萬元 |
| Subordinated notes, at amortised cost with fair value hedge adjustments | 按攤銷成本及經公平價值對沖調整後列賬的後償票據         |               |       |               |       |
| USD600 million fixed rate subordinated notes due 16th July, 2020        | 在2020年7月16日到期的定息6億美元後償票據 (1)    | 4,699         |       | 4,710         |       |
| USD500 million fixed rate subordinated notes due 20th November, 2024    | 在2024年11月20日到期的定息5億美元後償票據 (2)   | -             |       | 3,878         |       |
| USD500 million fixed rate subordinated notes due 3rd November, 2026     | 在2026年11月3日到期的定息5億美元後償票據 (3)    | 3,864         |       | 3,770         |       |
| Subordinated notes at amortised cost                                    | 按攤銷成本列賬的後償票據                    |               |       |               |       |
| RMB1,500 million fixed rate subordinated notes due 25th April, 2029     | 在2029年4月25日到期的定息人民幣15億元後償票據 (4) | 1,675         |       | -             |       |
|   |                                 | <b>10,238</b> |       | <b>12,358</b> |       |

The Group has not had any defaults of principal, interest or other breaches with respect to its debt securities during the years ended 31st December, 2019 and 2018.

截至2019及2018年12月31日止年度內本集團對其所發行之債務證券的本金和利息並無違約或不履行。

- (1) Two tranches of loan capital of face value totalling HK\$4,672 million (USD600 million) and carrying amount totalling HK\$4,699 million (2018: HK\$4,710 million) were issued on 16th July, 2010 (USD450 million) and on 23rd July, 2010 (USD150 million) by the Bank. These subordinated notes carrying a coupon rate of 6.125% qualifying as Tier 2 capital are listed on the Singapore Stock Exchange and will mature on 16th July, 2020. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$5 million loss was recorded in 2019 (2018: HK\$4 million loss).
- (1) 兩宗票面值總額港幣46.72億元(6億美元)及賬面值總額港幣46.99億元(2018年:港幣47.10億元)的借貸資本,是指由本行於2010年7月16日(4.5億美元)及於2010年7月23日(1.5億美元)發行年息6.125%,並評定為二級資本的後償票據。該票據於新加坡交易所上市,並將於2020年7月16日到期。在2019年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損為港幣500萬元(2018年:港幣400萬元虧損)。
- (2) Loan capital of face value of HK\$3,916 million (USD500 million) and carrying amount of HK\$3,878 million as at 31st December, 2018 represent 4.25% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 20th November, 2014 by the Bank. The Bank has fully redeemed the subordinated notes on 20th November, 2019.
- (2) 票面值港幣39.16億元(5億美元)及賬面值港幣38.78億元的借貸資本,是指由本行於2014年11月20日發行年息4.25%,並於2018年12月31日評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。本行於2019年11月20日全數贖回該等後償票據。
- (3) Loan capital of face value of HK\$3,894 million (USD500 million) and carrying amount of HK\$3,864 million (2018: HK\$3,770 million) represents 4% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 3rd November, 2016 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 3rd November, 2026. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$0.3 million loss was recorded in 2019 (2018: HK\$1 million loss).
- (3) 票面值港幣38.94億元(5億美元)及賬面值港幣38.64億元(2018年:港幣37.70億元)的借貸資本,是指由本行於2016年11月3日發行年息4%,並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於聯交所上市,並將於2026年11月3日到期。在2019年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損港幣30萬元(2018年:港幣100萬元虧損)。
- (4) Loan capital of face value of HK\$1,677 million (RMB1,500 million) and carrying amount of HK\$1,675 million represents 4.94% subordinated notes issued on 25th April, 2019 by the Bank's subsidiary, The Bank of East Asia (China) Limited. The notes will mature on 25th April, 2029.
- (4) 票面值港幣16.77億元(人民幣15億元)及賬面值港幣16.75億元的借貸資本,是指由本行附屬公司東亞中國於2019年4月25日發行年息4.94%。該等票據將於2029年4月25日到期。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 40. EQUITY SETTLED SHARE-BASED TRANSACTIONS 以股份為基礎作支付的交易

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Director(s) and Co-Chief Executive, of the Group options to subscribe for ordinary shares of the Bank. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under the 2011 Scheme and 2016 Scheme may be exercised beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date. All options were granted for nil consideration.

本行所採納的僱員認股計劃是董事會可酌情授出認股權予本集團之任何僱員，包括執行董事及聯席行政總裁，以認購本行普通股股份。除有關計劃的規則另有規定外，根據2011年及2016年僱員認股計劃所授予的認股權的行使期限為歸屬日開始至歸屬日的第5周年止。所有認股權均以不計價款形式發出。

## (a) Particulars of share options:

(i) Share options granted in years 2011 to 2018:

| Date of grant<br>授予日期 | Tranche<br>部分 | Vesting period<br>有效期 | Exercise period<br>行使期 | Exercise price per share<br>每股行使價<br>HK\$港幣元 |
|-----------------------|---------------|-----------------------|------------------------|--|
| 05/5/2011             | T3            | 05/5/2011–04/5/2014   | 05/5/2014–05/5/2019    | 32.00  |
| 10/5/2012             | T2            | 10/5/2012–09/5/2014   | 10/5/2014–10/5/2019    | 28.99  |
| 10/5/2012             | T3            | 10/5/2012–09/5/2015   | 10/5/2015–10/5/2020    | 28.99  |
| 03/5/2013             | T1            | 03/5/2013–02/5/2014   | 03/5/2014–03/5/2019    | 31.40  |
| 03/5/2013             | T2            | 03/5/2013–02/5/2015   | 03/5/2015–03/5/2020    | 31.40  |
| 03/5/2013             | T3            | 03/5/2013–02/5/2016   | 03/5/2016–03/5/2021    | 31.40  |
| 02/5/2014             | T1            | 02/5/2014–01/5/2015   | 02/5/2015–02/5/2020    | 32.50  |
| 02/5/2014             | T2            | 02/5/2014–01/5/2016   | 02/5/2016–02/5/2021    | 32.50  |
| 02/5/2014             | T3            | 02/5/2014–01/5/2017   | 02/5/2017–02/5/2022    | 32.50  |
| 04/5/2015             | T1            | 04/5/2015–03/5/2016   | 04/5/2016–04/5/2021    | 34.15  |
| 04/5/2015             | T2            | 04/5/2015–03/5/2017   | 04/5/2017–04/5/2022    | 34.15  |
| 04/5/2015             | T3            | 04/5/2015–03/5/2018   | 04/5/2018–04/5/2023    | 34.15  |
| 08/4/2016             | T1            | 08/4/2016–07/4/2017   | 08/4/2017–08/4/2022    | 28.45  |
| 08/4/2016             | T2            | 08/4/2016–07/4/2018   | 08/4/2018–08/4/2023    | 28.45  |
| 08/4/2016             | T3            | 08/4/2016–07/4/2019   | 08/4/2019–08/4/2024    | 28.45  |
| 07/4/2017             | T1            | 07/4/2017–06/4/2018   | 07/4/2018–07/4/2023    | 32.25  |
| 07/4/2017             | T2            | 07/4/2017–06/4/2019   | 07/4/2019–07/4/2024    | 32.25  |
| 07/4/2017             | T3            | 07/4/2017–06/4/2020   | 07/4/2020–07/4/2025    | 32.25  |
| 10/4/2018             | T1            | 10/4/2018–09/4/2019   | 10/4/2019–10/4/2024    | 32.25  |
| 10/4/2018             | T2            | 10/4/2018–09/4/2020   | 10/4/2020–10/4/2025    | 32.25  |
| 10/4/2018             | T3            | 10/4/2018–09/4/2021   | 10/4/2021–10/4/2026    | 32.25  |

(ii) Share options granted in year 2019:

| Date of grant<br>授予日期 | Tranche<br>部分 | Vesting period<br>有效期 | Exercise period<br>行使期 | Exercise price per share<br>每股行使價<br>HK\$港幣元 |
|-----------------------|---------------|-----------------------|------------------------|--|
| 19/7/2019             | T1            | 19/7/2019–18/7/2020   | 19/7/2020–19/7/2025    | 22.45  |
| 19/7/2019             | T2            | 19/7/2019–18/7/2021   | 19/7/2021–19/7/2026    | 22.45  |
| 19/7/2019             | T3            | 19/7/2019–18/7/2022   | 19/7/2022–19/7/2027    | 22.45  |

## (a) 認股權詳情：

(i) 在2011年至2018年所授予的認股權：

(ii) 在2019年所授予的認股權：

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(b) The number and weighted average exercise prices of share options are as follows: (b) 已行使認股權的數目及加權平均行使價如下：

|  |        | 2019                            |                   | 2018                            |                   |
|--|--------|---------------------------------|-------------------|---------------------------------|-------------------|
|  |        | Weighted average exercise price | Number of options | Weighted average exercise price | Number of options |
|  |        | 加權平均行使價                         | 認股權數目             | 加權平均行使價                         | 認股權數目             |
|  |        | HK\$ 港幣元                        | Mn 百萬             | HK\$ 港幣元                        | Mn 百萬             |
| Outstanding at the beginning of the year | 年初結餘   | 31.78                           | 38                | 31.64                           | 34                |
| Exercised during the year                | 年度內行使  | –                               | –                 | 31.17                           | (2)               |
| Granted during the year                  | 年度內授予  | 22.45                           | 6                 | 32.25                           | 6                 |
| Lapsed during the year                   | 年度內失效  | 31.02                           | (4)               | 31.73                           | –                 |
| Outstanding at the end of the year       | 年末結餘   | 30.49                           | 40                | 31.78                           | 38                |
| Exercisable at the end of the year       | 年末可供行使 | 31.78                           | 28                | 31.85                           | 25                |

There were no share options exercised during the year and the weighted average share price at the date of exercise for the year 2018 was HK\$34.16.

年度內並無認股權被行使及於2018年度內行使認股權當日的加權平均股價為港幣34.16元。

The options outstanding at 31st December, 2019 had an exercise price from HK\$22.45 to HK\$34.15 (2018: from HK\$28.45 to HK\$34.15) and a weighted average remaining contractual life of 3.60 years (2018: 3.69 years).

於2019年12月31日，尚未行使認股權的行使價由港幣22.45元至港幣34.15元(2018年：由港幣28.45元至港幣34.15元)，及剩餘合約年期之加權平均數為3.60年(2018年：3.69年)。

#### (c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

#### (c) 認股權的公平價值及假設

獲得服務以換取認股權的公平價值按授予認股權的公平價值計量。授予認股權之估計公平價值按三項式期權定價模式。認股權的合約年期為該定價模式的參數。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 40. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED) 以股份為基礎作支付的交易(續)

## (c) Fair value of share options and assumptions (continued)

## (c) 認股權的公平價值及假設(續)

|   |                 | 2019          | 2018          |
|---|-----------------|---------------|---------------|
| Fair value at measurement date                                | 於計量日的公平價值       |               |               |
| – Tranche 1   | 部分1             | HK\$ 港幣2.85元  | HK\$ 港幣4.96元  |
| – Tranche 2   | 部分2             | HK\$ 港幣2.80元  | HK\$ 港幣5.17元  |
| – Tranche 3   | 部分3             | HK\$ 港幣2.65元  | HK\$ 港幣5.32元  |
| Share price at measurement date                               | 於計量日的股價         | HK\$ 港幣22.45元 | HK\$ 港幣32.25元 |
| Exercise price  | 行使價             | HK\$ 港幣22.45元 | HK\$ 港幣32.25元 |
| Expected volatility   | 預計波幅            | 24.00%        | 19.45%        |
| Option life   | 認股權年期           |               |               |
| – Tranche 1   | 部分1             | 6 years年      | 6 years年      |
| – Tranche 2   | 部分2             | 7 years年      | 7 years年      |
| – Tranche 3   | 部分3             | 8 years年      | 8 years年      |
| Expected dividends  | 預計股息            | 8.95%–10.10%  | 3.71%–5.15%   |
| Risk-free interest rate (based on Hong Kong Government Bonds) | 無風險利率(根據香港政府債券) | 1.34%         | 1.71%         |

The expected volatility is based on the historic volatility and the expected dividends are based on historical dividends prior to grant date. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

預計波幅是根據過往之波幅及按在發行日前過往股息的預計股息。主觀輸入假設的變動可能重大影響公平價值的估計。

認股權的授予須符合服務條件。該服務條件並未納入計算於授予日獲得服務的公平價值。授予認股權與市場情況並無關係。

## 41. SHARE CAPITAL 股本

|  |                                  | 2019          |               | 2018          |               |
|--|----------------------------------|---------------|---------------|---------------|---------------|
|  |                                  | No. of shares |               | No. of shares |               |
|  |                                  | 股份數目          |               | 股份數目          |               |
|  |                                  | Mn 百萬         | HK\$ Mn 港幣百萬元 | Mn 百萬         | HK\$ Mn 港幣百萬元 |
| Ordinary shares, issued and fully paid:  | 已發行及繳足普通股:                       |               |               |               |               |
| At 1st January   | 於1月1日                            | 2,846         | 39,925        | 2,765         | 37,527        |
| Shares issued under Staff Share Option Schemes   | 根據僱員認股計劃發行的股份                    | -             | -             | 3             | 73            |
| Transfer of the fair value of options from capital reserve – share options issued (Note 43(f)) | 認股權的公平價值轉自資本儲備 – 已發行認股權(附註43(f)) | -             | -             | -             | 12            |
| Shares issued in lieu of dividend  | 以股代息發行的股份                        | 61            | 1,454         | 78            | 2,313         |
| At 31st December   | 於12月31日                          | 2,907         | 41,379        | 2,846         | 39,925        |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Pursuant to the approved Staff Share Option Schemes (the "Schemes"), options to purchase ordinary shares in the Bank were granted to eligible employees. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under 2011 and 2016 Scheme will be exercisable during the period beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date.

#### Shares issued under Staff Share Option Schemes

No options were exercised during 2019. In 2018, options were exercised to subscribe for 3 million ordinary shares in the Bank at a consideration of HK\$73 million which was credited to share capital account. HK\$12 million has been transferred from the capital reserve to the share capital account in accordance with policy set out in Note 2(y)(iv).

根據已核准的僱員認股權計劃(「計劃」)，認股權授予合格僱員以認購本行的普通股股份。除在有關計劃的規則另有規定外，根據2011年及2016年僱員認股計劃所授予的認股權的行使期限則由歸屬日開始至歸屬日的第5周年止。

#### 根據僱員認股權計劃發行的股份

2019年度內並無認股權被行使。於2018年，已行使認股權以認購本行普通股300萬股之代價為港幣7,300萬元，並已存入股本。根據會計政策附註2(y)(iv)所載，已由資本儲備轉撥港幣1,200萬元往股本內。

## 42. ADDITIONAL EQUITY INSTRUMENTS 額外股本工具

|   |                              | 2019          |       | 2018         |       |
|---|------------------------------|---------------|-------|--------------|-------|
|   |                              | HK\$ Mn       | 港幣百萬元 | HK\$ Mn      | 港幣百萬元 |
| Additional Tier 1 Capital Securities                                  | 額外一級資本工具                     |               |       |              |       |
| USD650 million undated non-cumulative subordinated capital securities | (1) 6.50億美元無到期日非累積後償資本證券 (1) | 5,016         |       | 5,016        |       |
| USD500 million undated non-cumulative subordinated capital securities | (2) 5億美元無到期日非累積後償資本證券 (2)    | 3,878         |       | 3,878        |       |
| USD650 million undated non-cumulative subordinated capital securities | (3) 6.50億美元無到期日非累積後償資本證券 (3) | 5,069         |       | -            |       |
|   |                              | <b>13,963</b> |       | <b>8,894</b> |       |

(1) On 2nd December, 2015, the Bank issued undated non-cumulative subordinated capital securities with a face value of US\$650 million (equivalent to HK\$5,016 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.50% coupon until the first call date on 2nd December, 2020. The coupon will be reset every five years if the Additional Tier 1 Capital Securities are not redeemed to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 3.834% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 Capital Securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up.

The first scheduled coupon payment date was 2nd June, 2016 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

(1) 於2015年12月2日，本行發行面值6.5億美元(扣除有關發行成本後等值港幣50.16億元)無到期日非累積後償資本工具「額外一級資本工具」。該額外一級資本工具是無到期日及附帶5.50%息率，直至2020年12月2日的第一次收回日。如該額外一級資本工具並非按相等於當時五年期美國庫券息率加年息3.834%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本工具將會被撤銷。該額外一級資本工具在發生清盤事件時比普通股有優先權。

第一次預定利息支付日為2016年6月2日，而利息將按每半年支付。本行有權取消支付利息(但須受該額外一級資本工具已列載之條款及細則所規限)及已取消之利息是不可累積的。除非下次預定利息經已支付，本行是禁止宣布派發股息予普通股股東。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 42. ADDITIONAL EQUITY INSTRUMENTS (CONTINUED) 額外股本工具(續)

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding capital securities from 2nd December, 2020 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

- (2) On 18th May, 2017, the Bank issued undated non-cumulative subordinated capital securities with a face value of US\$500 million (equivalent to HK\$3,878 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.625% coupon until the first call date on 18th May, 2022. The coupon will be reset every five years if the Additional Tier 1 Capital Securities are not redeemed to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 3.682% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 Capital Securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up.

The first scheduled coupon payment date was 18th November, 2017 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding capital securities from 18th May, 2022 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

如金管局通知本行並認為本行如不撇銷本金將無法繼續經營，該額外一級資本工具之本金將會按與經金管局協商後或接受其指令下撇銷。

由2020年12月2日起或以後任何利息支付日，本行可行使購入權以贖回所有現存的資本工具，但須受已列載之條款及細則所規限。

- (2) 於2017年5月18日，本行發行面值5億美元(扣除有關發行成本後等值港幣38.78億元)無到期日非累積後償資本工具「額外一級資本工具」。該額外一級資本工具是無到期日及附帶5.625%息率，直至2022年5月18日的第一次收回日。如該額外一級資本工具並非按相等於當時五年期美國庫券息率加年息3.682%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本工具將會被撇銷。該額外一級資本工具在發生清盤事件時比普通股有優先權。

第一次預定利息支付日為2017年11月18日，而利息將按每半年支付。本行有權取消支付利息(但須受該額外一級資本工具已列載之條款及細則所規限)及已取消之利息是不可累積的。除非下次預定利息經已支付，本行是禁止宣布派發股息予普通股股東。

如金管局通知本行並認為本行如不撇銷本金將無法繼續經營，該額外一級資本工具之本金將會按與經金管局協商後或接受其指令下撇銷。

由2022年5月18日起或以後任何利息支付日，本行可行使購入權以贖回所有現存的資本工具，但須受已列載之條款及細則所規限。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(3) On 19th September, 2019, the Bank issued undated non-cumulative subordinated capital securities with a face value of US\$650 million (equivalent to HK\$5,069 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.875% coupon until the first call date on 19th September, 2024. The coupon will be reset every five years if the Additional Tier 1 Capital Securities are not redeemed to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 4.257% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 Capital Securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up.

The first scheduled coupon payment date was 19th March, 2020 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding capital securities from 19th September, 2024 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

(3) 於2019年9月19日，本行發行面值6.5億美元(扣除有關發行成本後等值港幣50.69億元)無到期日非累積後償資本證券。該額外一級資本證券是無到期日及附帶5.875%息率，直至2024年9月19日的第一次收回日。如該額外一級資本證券並非按相等於當時五年期美國庫券息率加年息4.257%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本證券將會被撤銷。該額外一級資本證券在發生清盤事件時比普通股有優先權。

第一次既定派息日為2020年3月19日，每半年派發一次。本行可自行決定是否取消支付利息(受限於發行額外一級資本證券所載規則及條款的要求)及利息是不可累計。但是，除非下次利息按既定日支付，本行不能宣佈派發股息于普通股股東。

如金管局認為及通知本行如不撤銷額外一級資本證券之本金將無法經營，本行將按金管局的指示或與金管局共同協商後得出之金額，本行須將該金額從額外一級資本證券之本金中撤銷。

由2024年9月19日或往後任何利息支付日，本行可行使贖回權以贖回所有資本證券之結餘，但受限於所訂立的規則及條款。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 43. RESERVES 儲備

|   |                         | The Group 集團  |               | The Bank 銀行   |               |
|---|-------------------------|---------------|---------------|---------------|---------------|
|   |                         | 2019          | 2018          | 2019          | 2018          |
|   |                         | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| (a) General reserve   | (a) 一般儲備                |               |               |               |               |
| At 1st January  | 於1月1日                   | 14,054        | 14,060        | 13,460        | 13,460        |
| Transferred from property revaluation reserve on disposals                          | 出售後轉自物業重估儲備             | 5             | –             | 5             | –             |
| Transfer to retained profits  | 撥入留存溢利                  | (408)         | (6)           | –             | –             |
| At 31st December  | 於12月31日                 | 13,651        | 14,054        | 13,465        | 13,460        |
| (b) Revaluation reserve on bank premises  | (b) 行址重估儲備              |               |               |               |               |
| At 1st January  | 於1月1日                   | 1,752         | 1,757         | 1,761         | 1,746         |
| Recognition of deferred tax assets/(liabilities) (Note 37(b))                       | 確認遞延稅項資產/(負債) (附註37(b)) | 2             | (13)          | 2             | (13)          |
| Transferred to general reserve on disposals   | 出售後轉入一般儲備               | (5)           | –             | (5)           | –             |
| Revaluation surplus on bank premises transferred to investment properties (Note 34) | 行址重估盈餘轉入投資物業 (附註34)     | 99            | 8             | 99            | 28            |
| At 31st December  | 於12月31日                 | 1,848         | 1,752         | 1,857         | 1,761         |
| (c) Statutory reserves  | (c) 法定儲備                |               |               |               |               |
| At 1st January  | 於1月1日                   | 4,965         | 4,891         | –             | –             |
| Transfer from retained profits  | 撥自留存溢利                  | 282           | 74            | –             | –             |
| At 31st December  | 於12月31日                 | 5,247         | 4,965         | –             | –             |
| (d) Capital reserve   | (d) 資本儲備                |               |               |               |               |
| At 1st January  | 於1月1日                   | 933           | 230           | –             | –             |
| Transfer from retained profits  | 撥自留存溢利                  | 157           | 703           | –             | –             |
| At 31st December  | 於12月31日                 | 1,090         | 933           | –             | –             |
| (e) Exchange revaluation reserve  | (e) 匯兌重估儲備              |               |               |               |               |
| At 1st January  | 於1月1日                   | (1,426)       | 487           | (3)           | 127           |
| Exchange adjustments  | 匯兌調整                    | (203)         | (1,913)       | 46            | (130)         |
| At 31st December  | 於12月31日                 | (1,629)       | (1,426)       | 43            | (3)           |
| (f) Capital reserve – staff share options issued                                    | (f) 資本儲備 – 已發行僱員認股權     |               |               |               |               |
| At 1st January  | 於1月1日                   | 158           | 135           | 158           | 135           |
| Transfer of the fair value of options to share capital                              | 認股權公平價值撥入股本             | –             | (12)          | –             | (12)          |
| Forfeited options transferred to retained profits                                   | 已註銷認股權轉入留存溢利            | (18)          | –             | (18)          | –             |
| Additions   | 增加                      | 23            | 35            | 23            | 35            |
| At 31st December  | 於12月31日                 | 163           | 158           | 163           | 158           |



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

|     |   | The Group 集團  |                            | The Bank 銀行   |               |
|-----|---|---------------|----------------------------|---------------|---------------|
|     |   | 2019          | 2018                       | 2019          | 2018          |
|     |   | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元              | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| (g) | Fair value reserve  | (g)           | 公平價值儲備                     |               |               |
|     | At 1st January  |               | 於1月1日                      | 664           | 1,454         |
|     | Impact of adopting HKFRS 9                                    |               | 因採納《香港財務報告準則》<br>第9號之影響    | -             | (162)         |
|     | Restated balance at 1st January                               |               | 於1月1日已重報後的結餘               | 664           | 1,292         |
|     | Changes in fair value of securities                           |               | 證券的公平價值變動                  | 2,091         | (636)         |
|     | Reversal upon disposal (Notes 15)                             |               | 於出售時轉回(附註15)               | (285)         | (52)          |
|     | Recognition of deferred tax assets/(liabilities) (Note 37(b)) |               | 確認遞延稅項資產/(負債)<br>(附註37(b)) | (132)         | 64            |
|     | Amortisation  |               | 攤銷                         | (7)           | (4)           |
|     | At 31st December  |               | 於12月31日                    | 2,331         | 664           |
| (h) | Hedging reserve   | (h)           | 對沖儲備                       |               |               |
|     | At 1st January  |               | 於1月1日                      | 15            | 11            |
|     | Changes in fair value of hedging instruments                  |               | 對沖工具的公平價值變動                | (5)           | (1)           |
|     | Fair value change reclassified (to)/from income statement     |               | (轉入)/轉自收益表的<br>公平價值變動      | (9)           | 5             |
|     | At 31st December  |               | 於12月31日                    | 1             | 15            |
| (i) | Liability credit reserve                                      | (i)           | 負債信貸儲備                     |               |               |
|     | At 1st January  |               | 於1月1日                      | (3)           | -             |
|     | Impact of adopting HKFRS 9                                    |               | 因採納《香港財務報告準則》<br>第9號之影響    | -             | (6)           |
|     | Restated balance at 1st January                               |               | 於1月1日已重報後的結餘               | (3)           | (6)           |
|     | Changes in fair value arising from changes in own credit risk |               | 自身信貸變動產生的<br>公平價值變動        | (4)           | 3             |
|     | At 31st December  |               | 於12月31日                    | (7)           | (3)           |
| (j) | Other reserves  | (j)           | 其他儲備                       |               |               |
|     | At 1st January  |               | 於1月1日                      | (2)           | 40            |
|     | Share of changes in equity of associates and joint ventures   |               | 應佔聯營公司及合資企業<br>權益的變動       | 102           | (42)          |
|     | At 31st December  |               | 於12月31日                    | 100           | (2)           |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 43. RESERVES (CONTINUED) 儲備(續)

|   |                     | The Group 集團  |               | The Bank 銀行   |               |
|---|---------------------|---------------|---------------|---------------|---------------|
|   |                     | 2019          | 2018          | 2019          | 2018          |
|   |                     | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| (k) Retained profits                                | (k) 留存溢利            |               |               |               |               |
| At 1st January                                      | 於1月1日               | 30,791        | 28,890        | 18,934        | 17,227        |
| Impact of adopting HKFRS 9                          | 因採納《香港財務報告準則》第9號之影響 | -             | (32)          | -             | (337)         |
| Restated balance at 1st January                     | 於1月1日已重報後的結餘        | 30,791        | 28,858        | 18,934        | 16,890        |
| Net profit for the year                             | 年度內溢利               | 3,260         | 6,509         | 6,120         | 5,637         |
| Transfer from general reserve                       | 撥自一般儲備              | 408           | 6             | -             | -             |
| Transfer to capital reserve                         | 撥入資本儲備              | (157)         | (703)         | -             | -             |
| Transfer from capital reserve                       | 撥自資本儲備              |               |               |               |               |
| - staff share options issued                        | - 已發行僱員認股權          | 18            | -             | 18            | -             |
| Transfer to statutory reserve                       | 撥入法定儲備              | (282)         | (74)          | -             | -             |
| Dividends (Note 20)                                 | 股息(附註20)            |               |               |               |               |
| - Interim dividend                                  | - 中期股息              | (319)         | (1,432)       | (319)         | (1,432)       |
| - Second interim dividend in respect of prior years | - 上年度第二次中期股息        | (910)         | (1,660)       | (910)         | (1,660)       |
| - Special dividend in respect of prior years        | - 上年度特別股息           | (996)         | -             | (996)         | -             |
| - Hybrid Tier 1 capital instruments                 | - 混合一級資本工具          | (179)         | (212)         | -             | -             |
| - Additional Tier 1 capital instruments             | - 額外一級資本工具          | (501)         | (501)         | (501)         | (501)         |
| At 31st December                                    | 於12月31日             | 31,133        | 30,791        | 22,346        | 18,934        |
| (l) Total reserves                                  | (l) 儲備總額            | 53,928        | 51,901        | 39,467        | 34,865        |

General reserve was set up from the transfer of retained earnings and the realised revaluation surplus on disposal of properties.

一般儲備的建立，包括來自留存溢利及出售物業時的已實現重估盈餘。

Revaluation reserve on bank premises and exchange revaluation reserve have been set up and are dealt with in accordance with the accounting policies adopted for the revaluation of bank premises and foreign currency translation.

行址及匯兌重估儲備的建立及處理是根據重估行址和外幣折算所採用的會計政策。

Statutory reserves are set up to satisfy the statutory requirements of certain overseas subsidiaries and associates mainly for the purpose of covering unidentified potential losses on risk assets in addition to those recognised under the prevailing accounting requirements in their jurisdictions.

法定儲備是用作滿足若干海外附屬公司及聯營公司之法定要求，主要用途為除按當地現行會計要求下已確認而需額外涵蓋風險資產的不可辨別之可能損失。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Capital reserve represents the capitalisation of subsidiaries', associates' and joint ventures' reserves.

Capital reserve – staff share options issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in Note 2(y)(iv).

Fair value reserve comprises the cumulative net change in the fair value of FVOCI securities held until the securities are derecognised and is dealt with in accordance with the accounting policies in Notes 2(h).

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions.

Liability credit reserve includes the cumulative changes in the fair value of the financial liabilities designated as at FVTPL that are attributable to changes in the credit risk of these liabilities other than those recognised in profit or loss.

Other reserves represent share of changes in equity of associates in respect of investment revaluation reserve and revaluation reserve of bank premises.

A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the HKMA. As at 31st December, 2019, the effect of this requirement is to restrict the amount of reserves which can be distributed by the Bank to shareholders by HK\$5,162 million (2018: HK\$5,112 million).

At 31st December, 2019 the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$28,003 million (2018: HK\$23,946 million). After the end of the reporting period the directors declared a second interim dividend of HK\$0.35 per ordinary share (2018: second interim dividend of HK\$0.32 per share and a special dividend of HK\$0.35 per share), amounting to HK\$1,017 million (2018: second interim dividend of HK\$910 million and a special dividend of HK\$996 million). The dividend has not been recognised as a liability at the end of the reporting period.

資本儲備指附屬公司、聯營公司及合資企業投資儲備的資本化發行。

資本儲備(已發行僱員認股權)包括根據已採納有關附註2(y)(iv)所載以股份為基礎作支付的會計政策確認授予本行僱員之實際或估計未行使認股權數目的公平價值。

公平價值儲備包括持有通過全面收益以反映公平價值證券直至證券被終止確認的累計公平價值變動淨額，有關處理的會計政策已詳載於附註2(h)。

對沖儲備包括用作現金流對沖工具的有關對沖交易之累計公平價值變動淨額的有效部分。

負債信貸儲備包括指定通過損益以反映公平價值金融負債的累計公平價值變動，而有關於該等負債引致的信貸風險變動並非在收益表內確認。

其他儲備包括應佔聯營公司權益之投資重估儲備及重估行址儲備的變動。

為符合《銀行業條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款及投資減值損失金額。經諮詢金管局後，儲備的變動已直接在留存溢利內劃定。於2019年12月31日，該要求的影響是要限制本行可派發予本集團股東的儲備，金額為港幣51.62億元(2018年：港幣51.12億元)。

於2019年12月31日，可派發予本行股東的儲備總額為港幣280.03億元(2018年：港幣239.46億元)。在報告期結束後董事宣布派發第二次中期股息每股普通股港幣0.35元(2018年：第二次中期股息每股港幣0.32元及特別股息每股普通股港幣0.35元)，總額達港幣10.17億元(2018年：第二次中期股息港幣9.10億元及特別股息總額為港幣9.96億元)。於報告期結束日並未確認該等股息為負債。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 44. NON-CONTROLLING INTERESTS 非控股權益

|  |                    | 2019          | 2018          |
|--|--------------------|---------------|---------------|
|  |                    | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| At 1st January   | 於1月1日              | 2,855         | 2,838         |
| – final dividend in respect of previous year   | – 上年度末期股息          | (52)          | (53)          |
| – interim dividend in respect of current year  | – 本年度中期股息          | –             | –             |
| Decrease in non-controlling interests arising from capital reduction of a subsidiary | – 附屬公司減本而導致非控股權益減少 | –             | (35)          |
| Change of ownership in subsidiaries  | 附屬公司之擁有權變動         | 3             | 55            |
| Redemption of Hybrid Tier 1 capital instruments                                      | 贖回混合一級資本工具         | (2,495)       | –             |
| Other comprehensive income   | 其他全面收益             | (19)          | 5             |
| Profit for the year  | 年度內溢利              | 76            | 45            |
| At 31st December   | 於12月31日            | 368           | 2,855         |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 45. PRINCIPAL RISK MANAGEMENT 主要風險管理

This section presents information on the Group's management of principal risks.

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

The RIC stands at the highest level of the Group's risk governance structure under the Board. It consists of five INEDs (including the Chairman of the Committee) and two NEDs. The RIC provides direct oversight over the formulation of the Group's risk appetite, and sets the levels of risk that the Group is willing to undertake with reference to its financial capacity, strategic direction, prevailing market conditions, and regulatory requirements.

The RIC also ensures that the Group's risk appetite is reflected in the policies and procedures that Senior Management adopt to execute their business functions. Through the Group's management committees, including Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee – and with overall co-ordination by the Risk Management Division – the RIC regularly reviews the Group's risk management framework and ensures that all important risk-related tasks are performed according to established policies and with appropriate resources.

The Crisis Management Committee and Risk Management Committee comprise the Senior Management and the Group Chief Risk Officer.

The Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee comprise the Senior Management, the Group Chief Risk Officer and where appropriate senior executives from the relevant areas.

The Group has implemented an ERM framework. The ERM framework is promulgated with the objectives of identifying and managing potential risks in a holistic and effective manner, fulfilling the HKMA's higher expectations with regard to the risk management of the Group as a Domestic Systemically Important Bank, and reinforcing the "Three Lines of Defence" risk management model.

本部分載述有關本集團主要風險管理的資料。

根據香港金融管理局及其他監管機構的規定，本集團已建立風險管治及管理架構。該架構的組成讓董事會及高層管理人員能夠以適當授權和制衡方式履行其與風險管理相關的職責。此等職責包括根據本集團的業務策略及目標設定風險偏好、制定風險政策以管理上述策略的執行，並設立風險審批、控制、監控及補救的程序及限制。

風險委員會為本集團僅次於董事會的最高風險管治機構，成員包括五名獨立非執行董事（包括委員會主席）及兩名非執行董事。風險委員會直接監督本集團風險偏好的制定，並因應本集團的財務能力、策略性指引、當前市場情況及監管要求設定可承擔的風險水平。

風險委員會亦確保本集團的風險偏好獲反映於政策及程序上，讓高層管理人員加以採用，以行使其業務職能。透過本集團的各個管理委員會，包括危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會及營運風險管理委員會，並在風險管理處的整體協調下，風險委員會定期檢討本集團的風險管理架構，確保所有與風險相關的重要任務是根據現有政策及運用適當資源執行。

危機管理委員會及風險管理委員會由高層管理人員和集團風險總監組成。

信貸委員會、資產負債管理委員會及營運風險管理委員會由高層管理人員、集團風險總監及（在適當情況下）其他有關方面的高級行政人員組成。

本集團已推行企業風險管理架構。此企業風險管理架構旨在全面有效地識別及管理潛在風險、實踐金管局對本集團作為一間具本地系統重要性銀行在風險管理方面的更高期望，以及鞏固「三道防線」風險管理模式。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

The Group has adopted the “Three Lines of Defence” risk management structure to ensure that roles and responsibilities in regard to risk management within the Group are clearly defined. The “Three Lines of Defence” model is summarised as follows:

- The first line of defence comprises the Risk Owners, who are heads of business units or support units of the Bank Group, together with staff under their management. They are primarily responsible for the day-to-day risk management of their units, including establishing and executing specific risk control mechanisms and detailed procedures.
- The second line of defence consists of the Risk Controllers who are designated staff responsible for setting out a risk management governance framework, monitoring risks independently and supporting the management committees in their oversight of risk management for the Bank Group.
- The third line of defence is the Internal Audit Division, which is responsible for providing assurance as to the effectiveness of the Group’s risk management framework, including risk governance arrangements.

The Group Chief Risk Officer co-ordinates all risk management-related matters of the Group, works closely with the Risk Controllers on the formulation of risk management policies and exercises risk oversight at the Group level through a functional working relationship with all Risk Controllers and Risk Owners.

The Group faces a variety of risks that could affect its franchise, operations, and financial conditions. Under the ERM framework, the principal risks comprise credit risk, interest rate risk, market risk, liquidity risk, operational risk, reputation risk, strategic risk, legal risk, compliance risk, technology risk, business continuity risk, and new product and business risk.

The Group has formulated policies to identify, measure, monitor, control, and report on the various types of risk and, where appropriate, to allocate adequate capital to cover those risks. The Group’s major risk management policies and control limits are approved by the Board and are reviewed and enhanced on a regular basis to cater for market changes, statutory requirements, and best practice in risk management processes. The Board has delegated the responsibility for ongoing risk management to the RIC and the management committees. Significant risk management-related issues must be reported to the Board, which oversees risk management. Moreover, on a daily basis, the Group Chief Risk Officer is responsible for overseeing the Group’s risk management issues, which include, but are not limited to, the risk management infrastructure, strategies, appetites, culture, and resources.

為確保風險管理於本集團內有關的角色與責任能明確分工，本集團已採納「三道防線」風險管理框架。「三道防線」模式概述如下：

- 第一道防線為「風險負責人」，由本銀行集團各業務或後勤單位主管，連同其屬下職員組成，主要負責其業務單位的日常風險管理，包括特定風險管理機制及具體程序的設立及執行。
- 第二道防線為「風險監控人」，由指定的員工組成。風險監控人負責制定風險管理管治架構、獨立監控風險及輔助各管理委員會對本銀行集團風險管理的監督。
- 第三道防線為稽核處。稽核處負責為本集團風險管理架構(包括風險管治安排)的有效性提供保證。

集團風險總監協調本集團所有風險管理相關事務，與各風險監控人就風險管理政策的制定緊密協作，並透過與所有風險監控人及風險負責人的職能工作關係，在集團層面監督風險。

本集團面臨可能影響其品牌、營運及財務狀況的各類風險。在企業風險管理架構下，主要風險包括信貸風險、利率風險、市場風險、流動性風險、營運風險、信譽風險、策略性風險、法律風險、合規風險、科技風險、持續業務運作風險及新產品及業務風險。

本集團已制定政策，以識別、衡量、監察、控制及匯報各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團的主要風險管理政策及控制限額由董事會批准，並定期予以檢討及改善，以配合市場轉變、法定要求，以及達致風險管理程序的最佳做法。董事會已將持續管理風險的責任授予風險委員會及有關的管理委員會。與重要風險管理相關的事項須上報至監督風險管理的董事會。此外，集團風險總監的日常職責為監督集團風險管理相關事項，包括但不限於風險管理基礎架構及策略、風險偏好、風險管治文化及有關資源。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

#### (a) Credit risk management

Credit risk is the risk of loss arising from a borrower or counterparty failing to meet its obligations.

The Credit Committee is responsible for managing all credit risk-related issues of the Group, while the Credit Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to credit risk. The Group identifies and manages credit risk by defining the target market segment, formulating appropriate credit policies, carrying out credit assessment and monitoring of asset quality. Credit risk control limits are set for different levels. Risk, return, and market situation are considered when setting all limits. Active limit monitoring is undertaken.

In evaluating the credit risk associated with an individual customer or counterparty, financial strength and repayment ability are always the primary considerations. Credit risk may be mitigated by obtaining collateral from the customer or counterparty.

The Group has established policies, procedures, and rating systems to identify, measure, monitor, control, and report on credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Risk Management Manual. These guidelines stipulate delegated lending authorities, credit underwriting criteria, credit monitoring processes, an internal rating structure, credit recovery procedures and a provisioning policy. They are reviewed and enhanced on an ongoing basis to cater for market changes, statutory requirements, and best practice in risk management processes.

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

#### (a) 信貸風險管理

信貸風險是指因借款人或交易對手未能履行其責任而導致損失的風險。

信貸委員會負責管理所有與本集團信貸風險有關的事項，而本集團風險管理處轄下的信貸風險管理部則負責監察與信貸風險有關的活動。本集團透過設定目標市場、制定適當的信貸政策、進行信貸評核，以及監控資產素質，來識別和管理信貸風險。信貸風險控制限額設有不同層次。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

在評估與個別客戶或交易對手相關的信貸風險時，其財政實力以及還款能力是主要的考慮因素。此外，客戶或交易對手所提供的抵押品亦有助減低信貸風險。

本集團已制定多項政策、程序及評級系統，以識別、衡量、監察、控制及匯報信貸風險。在此方面，本集團已將信貸風險管理指引詳列於集團的信貸風險管理手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收程序及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變及有關法定要求，及達致風險管理程序的最佳做法。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

##### (a) Credit risk management (continued)

The Group's credit risk management for the major types of credit risk is depicted as follows:

###### (i) Corporate and bank credit risk

The Group has laid down policies and procedures to evaluate the potential credit risk of a particular counterparty or transaction and to approve the transaction. For corporate and bank customers, the Group has different internal rating systems that are applied to each counterparty. For exposure classified as Specialised Lending in particular, supervisory slotting criteria are adopted. To monitor credit concentration risk, the Group has preset limits for exposures to individual industries and for borrowers and groups of borrowers. The Group also has a review process to ensure that the level of review and approval is proper and will depend on the size of the facility and rating of the credit.

The Group undertakes on-going credit analysis and monitoring at several levels. The policies are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The overall portfolio risk as well as individual impaired loans and potential impaired loans are monitored on a regular basis.

###### (ii) Retail credit risk

The Group's retail credit policy and approval process are designed for the fact that there are high volumes of relatively homogeneous and small value transactions in each retail loan category. The design of internal rating system and formulation of credit policies are primarily based on the demographic factors and the loss experience of the loan portfolios. The Group monitors its own and industry experience to determine and periodically revise product terms and desired customer profiles.

###### (iii) Credit risk of treasury transactions

The credit risk of the Group's treasury transactions is managed in the same way as the Group manages its corporate and bank credit risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

###### (iv) Credit-related commitment

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

##### (a) 信貸風險管理(續)

本集團就下列各類主要信貸風險實行信貸風險管理：

###### (i) 企業及銀行信貸風險

本集團已制訂多項政策及程序，以評估特定交易對手或交易的潛在信貸風險，以及決定批核有關交易與否。就企業及銀行客戶而言，本集團已制定適用於所有交易對手的內部評級系統。專門性借貸的風險承擔則採用監管分類準則。為監控信貸集中的風險，本集團已就個別行業及不同的借款人和借款人團體預設風險承擔限額。本集團亦已釐定檢討程序，確保按照貸款的規模和信貸評級，為貸款進行適當的檢討和審批。

本集團持續進行多個層次的信貸分析和監控。有關政策旨在盡早發現需要特別監控的交易對手、行業或產品的風險承擔。交易組合的整體風險和個別減值貸款及潛在減值貸款，均定期予以監控。

###### (ii) 零售信貸風險

本集團的零售信貸政策和審批程序是因應各類零售貸款中均有大量類似的小額交易而制定的。在設計內部評級系統和制訂信貸政策時，本集團的主要考慮因素包括人口結構因素和有關貸款組合過往的損失。本集團監控本身和行業狀況以釐定和定期修訂產品條款和目標客戶組合。

###### (iii) 財資交易的信貸風險

本集團採用企業及銀行信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

###### (iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請、組合保存和抵押要求。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## (v) Master netting arrangements

To mitigate credit risks, the Group enters into master netting arrangements with same counterparties. Netting agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will be terminated and all amounts outstanding will be settled on a net basis. Except for the event of default, all outstanding transactions with the counterparty are settled on a gross basis and generally do not result in offsetting the assets and liabilities in the statement of financial position.

The following tables present details of financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements.

## (v) 淨額結算總安排

本集團與其相同對手簽訂淨額結算總安排以減低信貸風險。若發生違約事件，根據淨額結算協議，所有與該對手之交易會終止及所有結餘金額以淨額結算。除發生違約事件外，所有與對手之交易會以總額結算及在財務狀況表中的資產和負債通常不會互相抵銷。

下表列示受抵銷、具法律效力之淨額結算總安排及相近協議約束的金融工具詳情。

|                   |        | 2019   |  |   |  |                        |
|-------------------|--------|--|--|---|--|------------------------|
|                   |        | Gross<br>amounts of<br>recognised<br>financial<br>liabilities set<br>off in the<br>consolidated<br>statement<br>of financial<br>position | Gross<br>amounts of<br>recognised<br>financial<br>assets | Net amounts<br>of financial<br>assets<br>presented<br>in the<br>consolidated<br>statement of<br>financial<br>position | Related<br>financial<br>instruments<br>that are not<br>set off | Net amount             |
|                   |        | 已確認金融<br>負債總額<br>HK\$ Mn<br>港幣百萬元  | 已確認金融<br>資產總額<br>HK\$ Mn<br>港幣百萬元                        | 於綜合財務<br>狀況表中<br>列示的金融<br>資產淨額<br>HK\$ Mn<br>港幣百萬元  | 未於<br>相關金融<br>工具中抵銷<br>之金額<br>HK\$ Mn<br>港幣百萬元                 | 淨額<br>HK\$ Mn<br>港幣百萬元 |
| Assets            | 資產     |  |  |   |  |                        |
| Derivative assets | 衍生工具資產 | 35   | -  | 35  | (19)   | 16                     |
| Other assets      | 其他資產   | 854  | (422)  | 432   | -  | 432                    |
| Total             | 總額     | 889  | (422)  | 467   | (19)   | 448                    |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(v) Master netting arrangements (continued)

## (a) 信貸風險管理(續)

(v) 淨額結算總安排(續)

|                        |           | 2019  |  |  |  |            |
|------------------------|-----------|---|--|--|--|------------|
|                        |           | Gross amounts of recognised financial liabilities | Gross amounts of recognised financial assets set off in the consolidated statement of financial position | Net amounts of financial liabilities presented in the consolidated statement of financial position | Related financial instruments that are not set off | Net amount |
|                        |           | 已確認金融負債總額   | 已確認金融資產總額  | 於綜合財務狀況表中列示的金融負債淨額   | 未有於相關金融工具中抵銷之金額                                    | 淨額         |
|                        |           | HK\$ Mn   | HK\$ Mn  | HK\$ Mn  | HK\$ Mn  | HK\$ Mn    |
|                        |           | 港幣百萬元   | 港幣百萬元  | 港幣百萬元  | 港幣百萬元  | 港幣百萬元      |
| <b>Liabilities</b>     | <b>負債</b> |   |  |  |  |            |
| Derivative liabilities | 衍生工具負債    | 23  | -  | 23   | (19)   | 4          |
| Other liabilities      | 其他負債      | 422   | (422)  | -  | -  | -          |
| Total                  | 總額        | 445   | (422)  | 23   | (19)   | 4          |

|                   |           | 2018  |  |   |  |            |
|-------------------|-----------|---|--|---|--|------------|
|                   |           | Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position | Gross amounts of recognised financial assets | Net amounts of financial assets presented in the consolidated statement of financial position | Related financial instruments that are not set off | Net amount |
|                   |           | 已確認金融負債總額   | 已確認金融資產總額                                    | 於綜合財務狀況表中列示的金融資產淨額  | 未有於相關金融工具中抵銷之金額                                    | 淨額         |
|                   |           | HK\$ Mn   | HK\$ Mn                                      | HK\$ Mn   | HK\$ Mn  | HK\$ Mn    |
|                   |           | 港幣百萬元   | 港幣百萬元  | 港幣百萬元   | 港幣百萬元  | 港幣百萬元      |
| <b>Assets</b>     | <b>資產</b> |   |  |   |  |            |
| Derivative assets | 衍生工具資產    | 20  | -  | 20  | (19)   | 1          |
| Other assets      | 其他資產      | 441   | (423)  | 18  | -  | 18         |
| Total             | 總額        | 461   | (423)  | 38  | (19)   | 19         |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

|                        |           | 2018  |  |  |   |                                      |
|------------------------|-----------|---|--|--|---|--------------------------------------|
|                        |           | Gross<br>amounts of<br>recognised<br>financial<br>assets set<br>off in the<br>consolidated<br>statement<br>of financial<br>liabilities<br>於綜合財務<br>狀況表中<br>抵銷之<br>已確認金融<br>負債總額<br>HK\$ Mn<br>港幣百萬元 | Gross<br>amounts of<br>recognised<br>financial<br>liabilities<br>於綜合財務<br>狀況表中<br>抵銷之<br>已確認金融<br>資產總額<br>HK\$ Mn<br>港幣百萬元 | Net amounts<br>of financial<br>liabilities<br>presented<br>in the<br>consolidated<br>statement<br>of financial<br>position<br>於綜合財務<br>狀況表中<br>列示的金融<br>負債淨額<br>HK\$ Mn<br>港幣百萬元 | Related<br>financial<br>instruments<br>that are not<br>set off<br>未有於<br>相關金融<br>工具中抵銷<br>之金額<br>HK\$ Mn<br>港幣百萬元 | Net amount<br>淨額<br>HK\$ Mn<br>港幣百萬元 |
| Liabilities            | 負債        |   |  |  |   |                                      |
| Derivative liabilities | 衍生工具負債    | 48  | -  | 48   | (19)  | 29                                   |
| Other liabilities      | 其他負債      | 423   | (423)  | -  | -   | -                                    |
| <b>Total</b>           | <b>總額</b> | <b>471</b>  | <b>(423)</b>   | <b>48</b>  | <b>(19)</b>   | <b>29</b>                            |

The tables below reconcile the "net amounts of financial assets and financial liabilities presented in the consolidated statement of financial position", as set out above, to the derivative assets, other assets, derivative liabilities and other liabilities presented in the consolidated statement of financial position.

下表即上述在「綜合財務狀況表列賬的金融資產及金融負債淨額」與在綜合財務狀況表列賬的衍生工具資產、其他資產、衍生工具負債及其他負債之對賬。

|   |               | 2019   |                                       | 2018   |                                       |
|---|---------------|--|---------------------------------------|--|---------------------------------------|
|   |               | Derivative assets<br>衍生工具資產<br>HK\$ Mn 港幣百萬元 | Other assets<br>其他資產<br>HK\$ Mn 港幣百萬元 | Derivative assets<br>衍生工具資產<br>HK\$ Mn 港幣百萬元 | Other assets<br>其他資產<br>HK\$ Mn 港幣百萬元 |
| Net amount of financial assets after offsetting as stated above | 如上述抵銷後的金融資產淨額 | 35   | 432                                   | 20   | 18                                    |
| Financial assets not in scope of offsetting disclosure          | 不在披露範疇的金融資產   | 5,658  | 35,472                                | 10,191                                       | 35,177                                |
| Impairment allowances   | 減值準備          | -  | (195)                                 | -  | (291)                                 |
|   |               | <b>5,693</b>                                 | <b>35,709</b>                         | <b>10,211</b>                                | <b>34,904</b>                         |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (v) Master netting arrangements (continued)

|  | 2019                   |       |                   |        | 2018                   |        |                   |       |
|--|------------------------|-------|-------------------|--------|------------------------|--------|-------------------|-------|
|  | Derivative liabilities |       | Other liabilities |        | Derivative liabilities |        | Other liabilities |       |
|  | 衍生工具負債                 |       | 其他負債              |        | 衍生工具負債                 |        | 其他負債              |       |
|  | HK\$ Mn                | 港幣百萬元 | HK\$ Mn           | 港幣百萬元  | HK\$ Mn                | 港幣百萬元  | HK\$ Mn           | 港幣百萬元 |
| Net amount of financial liabilities after offsetting as stated above | 如上所述抵銷後的金融負債淨額         |       | 23                | -      | 48                     | -      |                   |       |
| Financial liabilities not in scope of offsetting disclosure          | 不在披露範疇的金融負債            |       | 7,631             | 56,299 | 9,448                  | 51,444 |                   |       |
|  |                        |       | 7,654             | 56,299 | 9,496                  | 51,444 |                   |       |

## (vi) Concentrations of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's credit portfolio is diversified along geographic, industry and product sectors. For analysis of loans and advances to customers by industry sectors and geographical areas, please refer to Notes 29(b) and 29(c) respectively.

The Group monitors its credit concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

## (a) 信貸風險管理(續)

## (v) 淨額結算總安排(續)

## (vi) 信貸集中的風險

信貸集中的風險源於交易對手團體受到地區、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的信貸組合分散覆蓋不同地區、行業和產品。有關按行業分類及區域分類的客戶貸款及墊款，請分別參閱附註29(b)及29(c)。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## (vii) Maximum exposure

The maximum exposure to credit risk at the end of the reporting period without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. A summary of the maximum exposure is as follows:

## (vii) 最高風險

於報告期結束日並未計算任何抵押品或其他信貸提升的最高信貸風險，即指每一項已減除任何減值準備的金融資產在財務狀況表的賬面值。最高風險摘要如下：

|  |                   | 2019             | 2018             |
|--|-------------------|------------------|------------------|
|  |                   | HK\$ Mn 港幣百萬元    | HK\$ Mn 港幣百萬元    |
| Cash and balances with banks and other financial institutions          | 現金及在銀行和其他金融機構的結存  | 50,297           | 46,822           |
| Placements with and advances to banks and other financial institutions | 在銀行及其他金融機構的存款及墊款  | 62,280           | 60,373           |
| Trade bills  | 貿易票據              | 12,081           | 14,646           |
| Trading assets   | 交易用途資產            | 90               | 2,131            |
| Derivative assets  | 衍生工具資產            | 5,693            | 10,211           |
| Loans and advances to customers  | 客戶貸款及墊款           | 505,336          | 498,284          |
| Investment securities  | 投資證券              | 159,974          | 140,673          |
| Other assets   | 其他資產              | 35,461           | 34,617           |
| Financial guarantees and other credit related contingent liabilities   | 財務擔保及其他與信貸有關的或然負債 | 14,913           | 18,509           |
| Loan commitments and other credit related commitments                  | 貸款承擔及其他與信貸有關的承擔   | 185,601          | 177,710          |
|  |                   | <b>1,031,726</b> | <b>1,003,976</b> |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (viii) Credit quality analysis

*Credit quality of loans and advances*

The following table sets out information about the credit quality of loans and advances to customers. Unless specifically indicated, the amounts in the table represent gross carrying amounts.

## (a) 信貸風險管理(續)

## (viii) 信貸質素分析

*貸款及墊款的信貸質素*

下表載列貸款及墊款的信貸質素分析。除特別指明者外，表格內的金額為賬面總額。

|   |               | 2019         |         |                   |         |                  |         |           |         |
|---|---------------|--------------|---------|-------------------|---------|------------------|---------|-----------|---------|
|   |               | 12-month ECL |         | Lifetime ECL      |         | Lifetime ECL     |         | Total     |         |
|   |               | 12個月內之預期信貸損失 |         | 非信貸不良的合約期內之預期信貸損失 |         | 信貸不良的合約期內之預期信貸損失 |         | 總額        |         |
|   |               | Principal    | Accrued | Principal         | Accrued | Principal        | Accrued | Principal | Accrued |
|   |               | 本金           | 應計利息    | 本金                | 應計利息    | 本金               | 應計利息    | 本金        | 應計利息    |
| HK\$ Mn   | HK\$ Mn       | HK\$ Mn      | HK\$ Mn | HK\$ Mn           | HK\$ Mn | HK\$ Mn          | HK\$ Mn |           |         |
| 港幣百萬元   | 港幣百萬元         | 港幣百萬元        | 港幣百萬元   | 港幣百萬元             | 港幣百萬元   | 港幣百萬元            | 港幣百萬元   |           |         |
| Loans and advances to customers at amortised cost | 按攤銷成本的客戶貸款及墊款 |              |         |                   |         |                  |         |           |         |
| - Grades 1-15: Pass                               | - 1-15級:合格    | 477,603      | 998     | 14,257            | 58      | -                | -       | 491,860   | 1,056   |
| - Grades 16-17: Special Mention                   | - 16-17級:需要關注 | -            | -       | 11,056            | 52      | -                | -       | 11,056    | 52      |
| - Grade 18: Substandard                           | - 18級:次級      | -            | -       | -                 | -       | 4,757            | 46      | 4,757     | 46      |
| - Grade 19: Doubtful                              | - 19級:呆滯      | -            | -       | -                 | -       | 1,314            | 99      | 1,314     | 99      |
| - Grade 20: Loss                                  | - 20級:虧損      | -            | -       | -                 | -       | 118              | 5       | 118       | 5       |
| Total gross carrying amount                       | 賬面值總額         | 477,603      | 998     | 25,313            | 110     | 6,189            | 150     | 509,105   | 1,258   |
| Impairment allowances                             | 減值準備          | (501)        | (1)     | (516)             | (2)     | (2,752)          | (32)    | (3,769)   | (35)    |
| Carrying amount                                   | 賬面值           | 477,102      | 997     | 24,797            | 108     | 3,437            | 118     | 505,336   | 1,223   |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

|  |                           | 2018         |          |                                     |          |                                 |          |           |          |
|--|---------------------------|--------------|----------|-------------------------------------|----------|---------------------------------|----------|-----------|----------|
|  |                           | 12-month ECL |          | Lifetime ECL<br>not credit-impaired |          | Lifetime ECL<br>credit-impaired |          | Total     |          |
|  |                           | 12個月內之預期信貸損失 |          | 非信貸不良的合約期內<br>之預期信貸損失               |          | 信貸不良的合約期內<br>之預期信貸損失            |          | 總額        |          |
|  |                           | Accrued      |          | Accrued                             |          | Accrued                         |          | Accrued   |          |
|  |                           | Principal    | interest | Principal                           | interest | Principal                       | interest | Principal | interest |
|  |                           | 本金           | 應計利息     | 本金                                  | 應計利息     | 本金                              | 應計利息     | 本金        | 應計利息     |
|  |                           | HK\$ Mn      | HK\$ Mn  | HK\$ Mn                             | HK\$ Mn  | HK\$ Mn                         | HK\$ Mn  | HK\$ Mn   | HK\$ Mn  |
|  |                           | 港幣百萬元        | 港幣百萬元    | 港幣百萬元                               | 港幣百萬元    | 港幣百萬元                           | 港幣百萬元    | 港幣百萬元     | 港幣百萬元    |
| <b>Loans and advances to customers<br/>at amortised cost</b> | <b>按攤銷成本的客戶貸款<br/>及墊款</b> |              |          |                                     |          |                                 |          |           |          |
| - Grades 1-15: Pass  | - 1-15級:合格                | 465,980      | 1,124    | 25,413                              | 100      | -                               | -        | 491,393   | 1,224    |
| - Grades 16-17: Special Mention                              | - 16-17級:需要關注             | -            | -        | 5,747                               | 29       | -                               | -        | 5,747     | 29       |
| - Grade 18: Substandard                                      | - 18級:次級                  | -            | -        | -                                   | -        | 1,226                           | 17       | 1,226     | 17       |
| - Grade 19: Doubtful   | - 19級:呆滯                  | -            | -        | -                                   | -        | 1,718                           | 109      | 1,718     | 109      |
| - Grade 20: Loss   | - 20級:虧損                  | -            | -        | -                                   | -        | 547                             | 187      | 547       | 187      |
| Total gross carrying amount                                  | 賬面值總額                     | 465,980      | 1,124    | 31,160                              | 129      | 3,491                           | 313      | 500,631   | 1,566    |
| Impairment allowances  | 減值準備                      | (431)        | (1)      | (855)                               | (4)      | (1,061)                         | (191)    | (2,347)   | (196)    |
| Carrying amount  | 賬面值                       | 465,549      | 1,123    | 30,305                              | 125      | 2,430                           | 122      | 498,284   | 1,370    |

#### *Credit quality of financial assets other than loans and advances*

The following tables set out the credit analysis for debt instruments other than loans and advances to customers, measured at amortised cost and FVOCI. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts/fair value. For loan commitment and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

除貸款及墊款外的金融資產的信貸質素下表載列除貸款及墊款外並按攤銷成本及通過其他全面收益以反映公平價值計量的債務工具的信貸分析。除特別指明者外，就金融資產而言，表格內的金額為賬面總額／公平價值。就貸款承擔及財務擔保合約而言，表格內的金額分別為所承擔或擔保的金額。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(viii) Credit quality analysis (continued)

Credit quality of financial assets other than loans and advances (continued)

## (a) 信貸風險管理(續)

(viii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素  
(續)

|                                      |                   | 2019         |          |                                  |          |                              |          |           |          |
|--------------------------------------|-------------------|--------------|----------|----------------------------------|----------|------------------------------|----------|-----------|----------|
|                                      |                   | 12-month ECL |          | Lifetime ECL not credit-impaired |          | Lifetime ECL credit-impaired |          | Total     |          |
|                                      |                   | 12個月內之預期信貸損失 |          | 非信貸不良的合約期內之預期信貸損失                |          | 信貸不良的合約期內之預期信貸損失             |          | 總額        |          |
|                                      |                   | Accrued      |          | Accrued                          |          | Accrued                      |          | Accrued   |          |
|                                      |                   | Principal    | interest | Principal                        | interest | Principal                    | interest | Principal | interest |
|                                      |                   | 本金           | 應計利息     | 本金                               | 應計利息     | 本金                           | 應計利息     | 本金        | 應計利息     |
|                                      |                   | HK\$ Mn      | HK\$ Mn  | HK\$ Mn                          | HK\$ Mn  | HK\$ Mn                      | HK\$ Mn  | HK\$ Mn   | HK\$ Mn  |
|                                      |                   | 港幣百萬元        | 港幣百萬元    | 港幣百萬元                            | 港幣百萬元    | 港幣百萬元                        | 港幣百萬元    | 港幣百萬元     | 港幣百萬元    |
| <b>Trade bills at amortised cost</b> | <b>按攤銷成本的貿易票據</b> |              |          |                                  |          |                              |          |           |          |
| - Grades 1-15: Pass                  | - 1-15級:合格        | 620          | 4        | -                                | -        | -                            | -        | 620       | 4        |
| - Grades 16-17: Special Mention      | - 16-17級:需要關注     | -            | -        | -                                | -        | -                            | -        | -         | -        |
| - Grade 18: Substandard              | - 18級:次級          | -            | -        | -                                | -        | -                            | -        | -         | -        |
| - Grade 19: Doubtful                 | - 19級:呆滯          | -            | -        | -                                | -        | -                            | -        | -         | -        |
| - Grade 20: Loss                     | - 20級:虧損          | -            | -        | -                                | -        | -                            | -        | -         | -        |
| Total gross carrying amount          | 賬面總額              | 620          | 4        | -                                | -        | -                            | -        | 620       | 4        |
| Impairment allowances                | 減值準備              | -            | -        | -                                | -        | -                            | -        | -         | -        |
| Carrying amount                      | 賬面值               | 620          | 4        | -                                | -        | -                            | -        | 620       | 4        |

|                                      |                   | 2018         |          |                                  |          |                              |          |           |          |
|--------------------------------------|-------------------|--------------|----------|----------------------------------|----------|------------------------------|----------|-----------|----------|
|                                      |                   | 12-month ECL |          | Lifetime ECL not credit-impaired |          | Lifetime ECL credit-impaired |          | Total     |          |
|                                      |                   | 12個月內之預期信貸損失 |          | 非信貸不良的合約期內之預期信貸損失                |          | 信貸不良的合約期內之預期信貸損失             |          | 總額        |          |
|                                      |                   | Accrued      |          | Accrued                          |          | Accrued                      |          | Accrued   |          |
|                                      |                   | Principal    | interest | Principal                        | interest | Principal                    | interest | Principal | interest |
|                                      |                   | 本金           | 應計利息     | 本金                               | 應計利息     | 本金                           | 應計利息     | 本金        | 應計利息     |
|                                      |                   | HK\$ Mn      | HK\$ Mn  | HK\$ Mn                          | HK\$ Mn  | HK\$ Mn                      | HK\$ Mn  | HK\$ Mn   | HK\$ Mn  |
|                                      |                   | 港幣百萬元        | 港幣百萬元    | 港幣百萬元                            | 港幣百萬元    | 港幣百萬元                        | 港幣百萬元    | 港幣百萬元     | 港幣百萬元    |
| <b>Trade bills at amortised cost</b> | <b>按攤銷成本的貿易票據</b> |              |          |                                  |          |                              |          |           |          |
| - Grades 1-15: Pass                  | - 1-15級:合格        | 2,816        | 45       | 69                               | -        | -                            | -        | 2,885     | 45       |
| - Grades 16-17: Special Mention      | - 16-17級:需要關注     | -            | -        | -                                | -        | -                            | -        | -         | -        |
| - Grade 18: Substandard              | - 18級:次級          | -            | -        | -                                | -        | -                            | -        | -         | -        |
| - Grade 19: Doubtful                 | - 19級:呆滯          | -            | -        | -                                | -        | 1                            | -        | 1         | -        |
| - Grade 20: Loss                     | - 20級:虧損          | -            | -        | -                                | -        | -                            | -        | -         | -        |
| Total gross carrying amount          | 賬面總額              | 2,816        | 45       | 69                               | -        | 1                            | -        | 2,886     | 45       |
| Impairment allowances                | 減值準備              | (3)          | -        | -                                | -        | (1)                          | -        | (4)       | -        |
| Carrying amount                      | 賬面值               | 2,813        | 45       | 69                               | -        | -                            | -        | 2,882     | 45       |



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

|                                     |                               | 2019                         |          |  |          |   |          |             |          |
|-------------------------------------|-------------------------------|------------------------------|----------|--|----------|---|----------|-------------|----------|
|                                     |                               | 12-month ECL<br>12個月內之預期信貸損失 |          | Lifetime ECL not<br>credit-impaired<br>非信貸不良的合約期內<br>之預期信貸損失 |          | Lifetime ECL<br>credit-impaired<br>信貸不良的合約期內<br>之預期信貸損失 |          | Total<br>總額 |          |
|                                     |                               | Accrued                      |          | Accrued  |          | Accrued   |          | Accrued     |          |
|                                     |                               | Principal                    | interest | Principal  | interest | Principal   | interest | Principal   | interest |
|                                     |                               | 本金                           | 應計利息     | 本金   | 應計利息     | 本金  | 應計利息     | 本金          | 應計利息     |
|                                     |                               | HK\$ Mn                      | HK\$ Mn  | HK\$ Mn  | HK\$ Mn  | HK\$ Mn   | HK\$ Mn  | HK\$ Mn     | HK\$ Mn  |
|                                     |                               | 港幣百萬元                        | 港幣百萬元    | 港幣百萬元  | 港幣百萬元    | 港幣百萬元   | 港幣百萬元    | 港幣百萬元       | 港幣百萬元    |
| <b>Trade bills at FVOCI</b>         | 按通過其他全面收益<br>以反映公平價值的<br>貿易票據 |                              |          |  |          |   |          |             |          |
| – Grades 1–15: Pass                 | – 1–15級:合格                    | 10,927                       | 1        | 534  | –        | –   | –        | 11,461      | 1        |
| Total carrying amount at fair value | 賬面值總額—按公平價值                   | 10,927                       | 1        | 534  | –        | –   | –        | 11,461      | 1        |
| Impairment allowances               | 減值準備                          | (3)                          | –        | (1)  | –        | –   | –        | (4)         | –        |
|                                     |                               | 2018                         |          |  |          |   |          |             |          |
|                                     |                               | 12-month ECL<br>12個月內之預期信貸損失 |          | Lifetime ECL<br>not credit-impaired<br>非信貸不良的合約期內<br>之預期信貸損失 |          | Lifetime ECL<br>credit-impaired<br>信貸不良的合約期內<br>之預期信貸損失 |          | Total<br>總額 |          |
|                                     |                               | Accrued                      |          | Accrued  |          | Accrued   |          | Accrued     |          |
|                                     |                               | Principal                    | interest | Principal  | interest | Principal   | interest | Principal   | interest |
|                                     |                               | 本金                           | 應計利息     | 本金   | 應計利息     | 本金  | 應計利息     | 本金          | 應計利息     |
|                                     |                               | HK\$ Mn                      | HK\$ Mn  | HK\$ Mn  | HK\$ Mn  | HK\$ Mn   | HK\$ Mn  | HK\$ Mn     | HK\$ Mn  |
|                                     |                               | 港幣百萬元                        | 港幣百萬元    | 港幣百萬元  | 港幣百萬元    | 港幣百萬元   | 港幣百萬元    | 港幣百萬元       | 港幣百萬元    |
| <b>Trade bills at FVOCI</b>         | 按通過其他全面收益<br>以反映公平價值的<br>貿易票據 |                              |          |  |          |   |          |             |          |
| – Grades 1–15: Pass                 | – 1–15級:合格                    | 11,541                       | 2        | 223  | –        | –   | –        | 11,764      | 2        |
| Total carrying amount at fair value | 賬面值總額—按公平價值                   | 11,541                       | 2        | 223  | –        | –   | –        | 11,764      | 2        |
| Impairment allowances               | 減值準備                          | (5)                          | –        | –  | –        | –   | –        | (5)         | –        |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(viii) Credit quality analysis (continued)

Credit quality of financial assets other than loans and advances (continued)

## (a) 信貸風險管理(續)

(viii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

|  |                  | 2019         |          |                                  |          |                              |          |           |          |
|--|------------------|--------------|----------|----------------------------------|----------|------------------------------|----------|-----------|----------|
|  |                  | 12-month ECL |          | Lifetime ECL not credit-impaired |          | Lifetime ECL credit-impaired |          | Total     |          |
|  |                  | 12個月內之預期信貸損失 |          | 非信貸不良的合約期內之預期信貸損失                |          | 信貸不良的合約期內之預期信貸損失             |          | 總額        |          |
|  |                  | Accrued      |          | Accrued                          |          | Accrued                      |          | Accrued   |          |
|  |                  | Principal    | interest | Principal                        | interest | Principal                    | interest | Principal | interest |
|  |                  | 本金           | 應計利息     | 本金                               | 應計利息     | 本金                           | 應計利息     | 本金        | 應計利息     |
|  |                  | HK\$ Mn      | HK\$ Mn  | HK\$ Mn                          | HK\$ Mn  | HK\$ Mn                      | HK\$ Mn  | HK\$ Mn   | HK\$ Mn  |
|  |                  | 港幣百萬元        | 港幣百萬元    | 港幣百萬元                            | 港幣百萬元    | 港幣百萬元                        | 港幣百萬元    | 港幣百萬元     | 港幣百萬元    |
| Placements with and advances to banks and other financial institutions | 在銀行及其他金融機構的存款及墊款 |              |          |                                  |          |                              |          |           |          |
| - Grades 1-15: Pass  | - 1-15級:合格       | 62,285       | 88       | -                                | -        | -                            | -        | 62,285    | 88       |
| Total gross carrying amount  | 賬面值總額            | 62,285       | 88       | -                                | -        | -                            | -        | 62,285    | 88       |
| Impairment allowances  | 減值準備             | (5)          | -        | -                                | -        | -                            | -        | (5)       | -        |
| Carrying amount  | 賬面值              | 62,280       | 88       | -                                | -        | -                            | -        | 62,280    | 88       |

|  |                  | 2018         |          |                                  |          |                              |          |           |          |
|--|------------------|--------------|----------|----------------------------------|----------|------------------------------|----------|-----------|----------|
|  |                  | 12-month ECL |          | Lifetime ECL not credit-impaired |          | Lifetime ECL credit-impaired |          | Total     |          |
|  |                  | 12個月內之預期信貸損失 |          | 非信貸不良的合約期內之預期信貸損失                |          | 信貸不良的合約期內之預期信貸損失             |          | 總額        |          |
|  |                  | Accrued      |          | Accrued                          |          | Accrued                      |          | Accrued   |          |
|  |                  | Principal    | interest | Principal                        | interest | Principal                    | interest | Principal | interest |
|  |                  | 本金           | 應計利息     | 本金                               | 應計利息     | 本金                           | 應計利息     | 本金        | 應計利息     |
|  |                  | HK\$ Mn      | HK\$ Mn  | HK\$ Mn                          | HK\$ Mn  | HK\$ Mn                      | HK\$ Mn  | HK\$ Mn   | HK\$ Mn  |
|  |                  | 港幣百萬元        | 港幣百萬元    | 港幣百萬元                            | 港幣百萬元    | 港幣百萬元                        | 港幣百萬元    | 港幣百萬元     | 港幣百萬元    |
| Placements with and advances to banks and other financial institutions | 在銀行及其他金融機構的存款及墊款 |              |          |                                  |          |                              |          |           |          |
| - Grades 1-15: Pass  | - 1-15級:合格       | 60,224       | 127      | 159                              | -        | -                            | -        | 60,383    | 127      |
| Total gross carrying amount  | 賬面值總額            | 60,224       | 127      | 159                              | -        | -                            | -        | 60,383    | 127      |
| Impairment allowances  | 減值準備             | (10)         | -        | -                                | -        | -                            | -        | (10)      | -        |
| Carrying amount  | 賬面值              | 60,214       | 127      | 159                              | -        | -                            | -        | 60,373    | 127      |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

|                                      |               | 2019             |                                     |                                 |         |
|--------------------------------------|---------------|------------------|-------------------------------------|---------------------------------|---------|
|                                      |               | 12-month ECL     | Lifetime ECL<br>not credit-impaired | Lifetime ECL<br>credit-impaired | Total   |
|                                      |               | 12個月內之<br>預期信貸損失 | 非信貸不良的<br>合約期內之<br>預期信貸損失           | 信貸不良的<br>合約期內之<br>預期信貸損失        | 總額      |
|                                      |               | HK\$ Mn          | HK\$ Mn                             | HK\$ Mn                         | HK\$ Mn |
|                                      |               | 港幣百萬元            | 港幣百萬元                               | 港幣百萬元                           | 港幣百萬元   |
| <b>Loan commitments</b>              | <b>貸款承擔</b>   |                  |                                     |                                 |         |
| - Grades 1-15: Pass                  | - 1-15級:合格    | 33,883           | 1,040                               | -                               | 34,923  |
| - Grades 16-17: Special Mention      | - 16-17級:需要關注 | -                | 8                                   | -                               | 8       |
| - Grade 18: Substandard              | - 18級:次級      | -                | -                                   | 5                               | 5       |
| Total                                | 總額            | 33,883           | 1,048                               | 5                               | 34,936  |
| Impairment allowances                | 減值準備          | (51)             | (23)                                | -                               | (74)    |
| <b>Financial guarantee contracts</b> | <b>財務擔保合約</b> |                  |                                     |                                 |         |
| - Grades 1-15: Pass                  | - 1-15級:合格    | 13,552           | 822                                 | -                               | 14,374  |
| - Grades 16-17: Special Mention      | - 16-17級:需要關注 | -                | 45                                  | -                               | 45      |
| Total                                | 總額            | 13,552           | 867                                 | -                               | 14,419  |
| Impairment allowances                | 減值準備          | (5)              | (3)                                 | -                               | (8)     |
|                                      |               |                  |                                     |                                 |         |
|                                      |               | 2018             |                                     |                                 |         |
|                                      |               | 12-month ECL     | Lifetime ECL<br>not credit-impaired | Lifetime ECL<br>credit-impaired | Total   |
|                                      |               | 12個月內之<br>預期信貸損失 | 非信貸不良的<br>合約期內之<br>預期信貸損失           | 信貸不良的<br>合約期內之<br>預期信貸損失        | 總額      |
|                                      |               | HK\$ Mn          | HK\$ Mn                             | HK\$ Mn                         | HK\$ Mn |
|                                      |               | 港幣百萬元            | 港幣百萬元                               | 港幣百萬元                           | 港幣百萬元   |
| <b>Loan commitments</b>              | <b>貸款承擔</b>   |                  |                                     |                                 |         |
| - Grades 1-15: Pass                  | - 1-15級:合格    | 111,004          | 5,822                               | -                               | 116,826 |
| - Grades 16-17: Special Mention      | - 16-17級:需要關注 | -                | 58                                  | -                               | 58      |
| Total                                | 總額            | 111,004          | 5,880                               | -                               | 116,884 |
| Impairment allowances                | 減值準備          | (56)             | (40)                                | -                               | (96)    |
| <b>Financial guarantee contracts</b> | <b>財務擔保合約</b> |                  |                                     |                                 |         |
| - Grades 1-15: Pass                  | - 1-15級:合格    | 25,136           | 2,101                               | -                               | 27,237  |
| - Grades 16-17: Special Mention      | - 16-17級:需要關注 | -                | 7                                   | -                               | 7       |
| Total                                | 總額            | 25,136           | 2,108                               | -                               | 27,244  |
| Impairment allowances                | 減值準備          | (10)             | (5)                                 | -                               | (15)    |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(viii) Credit quality analysis (continued)

*Credit quality of financial assets other than loans and advances (continued)*

Credit risk of treasury transactions is managed in the same way as the Group manage its corporate and bank lending risk and risk gradings are applied to the counterparties with individual counterparty limits set.

At the end of the reporting period, the credit quality of investment in debt securities analysed by designation of external credit assessment institution, Moody's Investor Services, or equivalent, is as follows:

## (a) 信貸風險管理(續)

(viii) 信貸質素分析(續)

*除貸款及墊款外的金融資產的信貸質素(續)*

資金交易的信貸風險管理方法，與本集團管理其企業及銀行借貸的方法一致及風險級別是適用於設有個別對手限額的對手。

於報告期結束日，按照外部信貸評級機構，穆迪投資服務，或相同等級的評級機構，所指定之債務證券投資的信貸質素分析如下：

|  |              | 2019         |          |                                  |          |                              |          |           |          |
|--|--------------|--------------|----------|----------------------------------|----------|------------------------------|----------|-----------|----------|
|  |              | 12-month ECL |          | Lifetime ECL not credit-impaired |          | Lifetime ECL credit-impaired |          | Total     |          |
|  |              | 12個月內之預期信貸損失 |          | 非信貸不良的合約期內之預期信貸損失                |          | 信貸不良的合約期內之預期信貸損失             |          | 總額        |          |
|  |              | Accrued      |          | Accrued                          |          | Accrued                      |          | Accrued   |          |
|  |              | Principal    | interest | Principal                        | interest | Principal                    | interest | Principal | interest |
|  |              | 本金           | 應計利息     | 本金                               | 應計利息     | 本金                           | 應計利息     | 本金        | 應計利息     |
|  |              | HK\$ Mn      | HK\$ Mn  | HK\$ Mn                          | HK\$ Mn  | HK\$ Mn                      | HK\$ Mn  | HK\$ Mn   | HK\$ Mn  |
|  |              | 港幣百萬元        | 港幣百萬元    | 港幣百萬元                            | 港幣百萬元    | 港幣百萬元                        | 港幣百萬元    | 港幣百萬元     | 港幣百萬元    |
| Debt investment securities at amortised cost | 按攤銷成本的債務投資證券 |              |          |                                  |          |                              |          |           |          |
| Aaa  | Aaa          | -            | -        | -                                | -        | -                            | -        | -         | -        |
| Aa1 to Aa3                                   | Aa1至Aa3      | 3,078        | 1        | -                                | -        | -                            | -        | 3,078     | 1        |
| A1 to A3                                     | A1至A3        | 5,144        | 78       | -                                | -        | -                            | -        | 5,144     | 78       |
| Baa1 to Baa3                                 | Baa1至Baa3    | 2,703        | 30       | -                                | -        | -                            | -        | 2,703     | 30       |
| Below Baa3                                   | Baa3以下       | 844          | 13       | 804                              | 14       | -                            | -        | 1,648     | 27       |
| Unrated                                      | 無評級          | 5,778        | 65       | 28                               | -        | -                            | -        | 5,806     | 65       |
| Total gross carrying amount                  | 賬面值總額        | 17,547       | 187      | 832                              | 14       | -                            | -        | 18,379    | 201      |
| Impairment allowances                        | 減值準備         | (73)         | (1)      | (1)                              | -        | -                            | -        | (74)      | (1)      |
| Carrying amount                              | 賬面值          | 17,474       | 186      | 831                              | 14       | -                            | -        | 18,305    | 200      |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

|   |                     | 2018                                |   |  |   |   |   |                                     |   |
|---|---------------------|-------------------------------------|---|--|---|---|---|-------------------------------------|---|
|   |                     | 12-month ECL<br>12個月內之預期信貸損失        |   | Lifetime ECL<br>not credit-impaired<br>非信貸不良的合約期內<br>之預期信貸損失 |   | Lifetime ECL<br>credit-impaired<br>信貸不良的合約期內<br>之預期信貸損失 |   | Total<br>總額                         |   |
|   |                     | Principal<br>本金<br>HK\$ Mn<br>港幣百萬元 | Accrued<br>interest<br>應計利息<br>HK\$ Mn<br>港幣百萬元 | Principal<br>本金<br>HK\$ Mn<br>港幣百萬元                          | Accrued<br>interest<br>應計利息<br>HK\$ Mn<br>港幣百萬元 | Principal<br>本金<br>HK\$ Mn<br>港幣百萬元                     | Accrued<br>interest<br>應計利息<br>HK\$ Mn<br>港幣百萬元 | Principal<br>本金<br>HK\$ Mn<br>港幣百萬元 | Accrued<br>interest<br>應計利息<br>HK\$ Mn<br>港幣百萬元 |
| <b>Debt investment securities at amortised cost</b> | <b>按攤銷成本的債務投資證券</b> |                                     |   |  |   |   |   |                                     |   |
| Aaa   | Aaa                 | -                                   | -   | -  | -   | -   | -   | -                                   | -   |
| Aa1 to Aa3  | Aa1至Aa3             | 2,695                               | 2   | -  | -   | -   | -   | 2,695                               | 2   |
| A1 to A3  | A1至A3               | 6,007                               | 103   | -  | -   | -   | -   | 6,007                               | 103   |
| Baa1 to Baa3  | Baa1至Baa3           | 2,546                               | 32  | -  | -   | -   | -   | 2,546                               | 32  |
| Below Baa3  | Baa3以下              | 1,492                               | 20  | -  | -   | -   | -   | 1,492                               | 20  |
| Unrated   | 無評級                 | 6,347                               | 76  | 28   | 1   | -   | -   | 6,375                               | 77  |
| <b>Total gross carrying amount</b>                  | <b>賬面值總額</b>        | <b>19,087</b>                       | <b>233</b>                                      | <b>28</b>  | <b>1</b>  | <b>-</b>  | <b>-</b>  | <b>19,115</b>                       | <b>234</b>                                      |
| Impairment allowances                               | 減值準備                | (93)                                | (1)   | (1)  | -   | -   | -   | (94)                                | (1)   |
| <b>Carrying amount</b>                              | <b>賬面值</b>          | <b>18,994</b>                       | <b>232</b>                                      | <b>27</b>  | <b>1</b>  | <b>-</b>  | <b>-</b>  | <b>19,021</b>                       | <b>233</b>                                      |

|  |                               | 2019                                |   |  |   |   |   |                                     |   |
|--|-------------------------------|-------------------------------------|---|--|---|---|---|-------------------------------------|---|
|  |                               | 12-month ECL<br>12個月內之預期信貸損失        |   | Lifetime ECL<br>not credit-impaired<br>非信貸不良的合約期內<br>之預期信貸損失 |   | Lifetime ECL<br>credit-impaired<br>信貸不良的合約期內<br>之預期信貸損失 |   | Total<br>總額                         |   |
|  |                               | Principal<br>本金<br>HK\$ Mn<br>港幣百萬元 | Accrued<br>interest<br>應計利息<br>HK\$ Mn<br>港幣百萬元 | Principal<br>本金<br>HK\$ Mn<br>港幣百萬元                          | Accrued<br>interest<br>應計利息<br>HK\$ Mn<br>港幣百萬元 | Principal<br>本金<br>HK\$ Mn<br>港幣百萬元                     | Accrued<br>interest<br>應計利息<br>HK\$ Mn<br>港幣百萬元 | Principal<br>本金<br>HK\$ Mn<br>港幣百萬元 | Accrued<br>interest<br>應計利息<br>HK\$ Mn<br>港幣百萬元 |
| <b>Debt investment securities at FVOCI</b> | <b>透過其他全面收益以反映公平價值的債務投資證券</b> |                                     |   |  |   |   |   |                                     |   |
| Aaa  | Aaa                           | 6,577                               | 8   | -  | -   | -   | -   | 6,577                               | 8   |
| Aa1 to Aa3                                 | Aa1至Aa3                       | 29,487                              | 6   | -  | -   | -   | -   | 29,487                              | 6   |
| A1 to A3                                   | A1至A3                         | 50,602                              | 714   | 102  | 2   | -   | -   | 50,704                              | 716   |
| Baa1 to Baa3                               | Baa1至Baa3                     | 37,326                              | 375   | -  | -   | -   | -   | 37,326                              | 375   |
| Below Baa3                                 | Baa3以下                        | 461                                 | 5   | 505  | 7   | -   | -   | 966                                 | 12  |
| Unrated                                    | 無評級                           | 7,414                               | 81  | 654  | 15  | -   | -   | 8,068                               | 96  |
| <b>Total carrying amount at fair value</b> | <b>賬面值總額—按公平價值</b>            | <b>131,867</b>                      | <b>1,189</b>                                    | <b>1,261</b>   | <b>24</b>                                       | <b>-</b>  | <b>-</b>  | <b>133,128</b>                      | <b>1,213</b>                                    |
| Impairment allowances                      | 減值準備                          | (282)                               | (3)   | (3)  | -   | -   | -   | (285)                               | (3)   |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(viii) Credit quality analysis (continued)

Credit quality of financial assets other than loans and advances (continued)

## (a) 信貸風險管理(續)

(viii) 信貸質素分析(續)

除貸款及墊款外的金融資產的信貸質素(續)

|                                     |             | 2018                   |          |                                  |          |                              |          |           |          |
|-------------------------------------|-------------|------------------------|----------|----------------------------------|----------|------------------------------|----------|-----------|----------|
|                                     |             | 12-month ECL           |          | Lifetime ECL not credit-impaired |          | Lifetime ECL credit-impaired |          | Total     |          |
|                                     |             | 12個月內之預期信貸損失           |          | 非信貸不良的合約期內之預期信貸損失                |          | 信貸不良的合約期內之預期信貸損失             |          | 總額        |          |
|                                     |             | Accrued                |          | Accrued                          |          | Accrued                      |          | Accrued   |          |
|                                     |             | Principal              | interest | Principal                        | interest | Principal                    | interest | Principal | interest |
|                                     |             | 本金                     | 應計利息     | 本金                               | 應計利息     | 本金                           | 應計利息     | 本金        | 應計利息     |
|                                     |             | HK\$ Mn                | HK\$ Mn  | HK\$ Mn                          | HK\$ Mn  | HK\$ Mn                      | HK\$ Mn  | HK\$ Mn   | HK\$ Mn  |
|                                     |             | 港幣百萬元                  | 港幣百萬元    | 港幣百萬元                            | 港幣百萬元    | 港幣百萬元                        | 港幣百萬元    | 港幣百萬元     | 港幣百萬元    |
| Debt investment securities at FVOCI |             | 通過其他全面收益以反映公平價值的債務投資證券 |          |                                  |          |                              |          |           |          |
| Aaa                                 | Aaa         | 5,566                  | 8        | -                                | -        | -                            | -        | 5,566     | 8        |
| Aa1 to Aa3                          | Aa1至Aa3     | 19,355                 | 7        | -                                | -        | -                            | -        | 19,355    | 7        |
| A1 to A3                            | A1至A3       | 41,890                 | 627      | -                                | -        | -                            | -        | 41,890    | 627      |
| Baa1 to Baa3                        | Baa1至Baa3   | 31,302                 | 336      | -                                | -        | -                            | -        | 31,302    | 336      |
| Below Baa3                          | Baa3以下      | 1,157                  | 15       | -                                | -        | -                            | -        | 1,157     | 15       |
| Unrated                             | 無評級         | 9,856                  | 130      | 233                              | 3        | -                            | -        | 10,089    | 133      |
| Total carrying amount at fair value | 賬面值總額—按公平價值 | 109,126                | 1,123    | 233                              | 3        | -                            | -        | 109,359   | 1,126    |
| Impairment allowances               | 減值準備        | (257)                  | (3)      | (6)                              | -        | -                            | -        | (263)     | (3)      |

The following table sets out the credit analysis for non-trading financial assets measured at FVTPL.

下表載列按通過損益以反映公平價值計量的非交易金融資產的信貸分析。

|                                     |             | 2019    |       | 2018    |        |
|-------------------------------------|-------------|---------|-------|---------|--------|
|                                     |             | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元  |
| Debt investment securities          |             | 債務投資證券  |       |         |        |
| Aaa                                 | Aaa         | -       | -     | -       | 159    |
| Aa1 to Aa3                          | Aa1至Aa3     | 1,341   | 1,341 | -       | 2,564  |
| A1 to A3                            | A1至A3       | 1,061   | 1,061 | -       | 1,736  |
| Baa1 to Baa3                        | Baa1至Baa3   | 5,221   | 5,221 | -       | 6,551  |
| Below Baa3                          | Baa3以下      | -       | -     | -       | 258    |
| Unrated                             | 無評級         | 918     | 918   | -       | 1,025  |
| Total carrying amount at fair value | 賬面值總額—按公平價值 | 8,541   | 8,541 | -       | 12,293 |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The following table sets out the credit analysis for trading debt securities.

下表載列作交易用途債務證券的信貸分析。

|                                     |               | 2019          | 2018          |
|-------------------------------------|---------------|---------------|---------------|
|                                     |               | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| <b>Debt investment securities</b>   | <b>債務投資證券</b> |               |               |
| Aaa                                 | Aaa           | -             | -             |
| Aa1 to Aa3                          | Aa1 至 Aa3     | -             | 24            |
| A1 to A3                            | A1 至 A3       | <b>90</b>     | 1,856         |
| Baa1 to Baa3                        | Baa1 至 Baa3   | -             | 125           |
| Below Baa3                          | Baa3 以下       | -             | -             |
| Unrated                             | 無評級           | -             | 126           |
| Total carrying amount at fair value | 賬面值總額—按公平價值   | <b>90</b>     | 2,131         |

The following table shows the credit quality of the counterparties to which there were exposures arising from derivative asset transactions.

下表載列由衍生工具資產交易所產生之對手信貸質素分析如下。

|                                     |               | 2019          | 2018          |
|-------------------------------------|---------------|---------------|---------------|
|                                     |               | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| <b>Derivative assets</b>            | <b>衍生工具資產</b> |               |               |
| Aa1 to Aa3                          | Aa1 至 Aa3     | <b>92</b>     | 255           |
| A1 to A3                            | A1 至 A3       | <b>1,937</b>  | 4,102         |
| Baa1 to Baa3                        | Baa1 至 Baa3   | <b>1,731</b>  | 3,975         |
| Below Baa3                          | Baa3 以下       | <b>347</b>    | 215           |
| Unrated                             | 無評級           | <b>1,586</b>  | 1,664         |
| Total carrying amount at fair value | 賬面值總額—按公平價值   | <b>5,693</b>  | 10,211        |

#### *Cash and balances with banks and other financial institutions*

At 31st December, 2019, the Group held cash and balances with banks and other financial institutions of HK\$51,534 million (2018: HK\$48,111 million), of which 96% (2018: 98%) of cash and balances with banks and other financial institutions counterparties that are rated at investment grade, based on Moody's Investor Services, or equivalent ratings.

現金及在銀行和其他金融機構的結存  
於2019年12月31日，本集團持有現金及在銀行和其他金融機構的結存為港幣515.34億元(2018年：港幣481.11億元)。基於穆迪投資服務或相當的評級，其中96%(2018年：98%)的現金及在銀行和其他金融機構交易對手的結存評級為投資評級。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (ix) Details of key areas in measurement of ECLs

The Group adopts a forward-looking “expected credit loss” model for measuring and recognizing impairment loss to meet the requirement of HKFRS 9.

The impairment requirements of HKFRS 9 are complex and require management judgements, estimates and assumptions, particularly in the following areas, which are discussed in detail below:

- Assessing whether the credit risk of an asset has increased significantly since initial recognition; and
- Incorporating forward-looking information into the measurement of ECLs.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

The Group has established a framework to determine whether the credit risk on a particular financial asset has increased significantly since initial recognition (see Note 2(h)(vii)). The framework aligns with the Group’s internal credit risk management process.

*Credit risk grades*

For majority of the Group’s portfolios, the Group assigns each exposure to a credit risk grade that is determined according to the predicted level of the risk of default. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

## (a) 信貸風險管理(續)

(ix) 「預期信貸損失」估算中主要之處的詳述  
本集團採納一套具前瞻性的「預期信貸損失」模型以估算和確認《香港財務報告準則》第9號要求的減值。

《香港財務報告準則》第9號的減值規定具複雜性並需要管理層作出判斷，估算及假設，特別是在以下將會詳述之處：

- 評估金融資產的信貸風險會否較初始承擔時明顯增加；及
- 整合前瞻性資料以作估算預期信貸損失。

「預期信貸損失」估算的關鍵輸入是以下變量：

- 違責或然率(PD)；
- 違責損失率(LGD)；及
- 違責風險承擔(EAD)。

本集團已建立機制以確定某一金融資產的信貸風險是否較初始承擔時明顯增加(詳見附註2(h)(vii))。此機制與本集團的內部信貸風險管理程序吻合。

*信用風險等級*

對於本集團大多數信貸組合，本集團為每一個信貸風險承擔根據違約風險的預測而配定一個信貸風險評級。信用風險等級使用表明違約風險的定性和定量因素來定義。這些因素取決於風險承擔的性質和借款人的類型。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The table below provides the 12-month Probability of Default (“PD”) range for each credit risk grade of retail and non-retail portfolios. The table also provides an indicative mapping of how the Group’s internal credit risk grades relate to PD and, for the non-retail portfolio, to external credit ratings of Standard & Poor’s.

下表提供了零售和非零售投資組合的每個信用風險等級的12個月違責或然率範圍。該表還提供了本集團非零售信貸組合的內部信用風險等級與標準普爾的外部信用評級的指示性參考。

| Credit risk grade<br>信用風險等級 | Remarks on default risk<br>違約風險的備註 | 12-month PD range<br>12個月PD範圍 | External Rating Benchmark<br>外部評級基準 |
|-----------------------------|------------------------------------|-------------------------------|-------------------------------------|
| 1-3                         | Minimal to Low risk 極小至低的風險        | 0.0000% to 至 0.0857%          | AAA to 至 A-                         |
| 4-8                         | Moderate risk 適度風險                 | 0.0857% to 至 0.4290%          | BBB+ to 至 BBB-                      |
| 9-11                        | Substantial risk 略高風險              | 0.4290% to 至 1.6500%          | BB+ to 至 BB-                        |
| 12-15                       | High risk 高風險                      | 1.6500% to 至 8.3531%          | B+ to 至 B-                          |
| 16-17                       | Very High risk 很高風險                | 8.3531% to 至 100%             | CCC+ to 至 C                         |
| 18-20                       | Default 違約                         | 100%                          | D                                   |

For the remaining portfolios without credit risk grade assignment, references of peer bank PD estimates of similar portfolios and the long-run average default rate of the portfolios are used.

對於餘下沒有信用風險等級分配的信貸組合，我們使用類似信貸組合的同行銀行違責或然率估計的參考或信貸組合的長期平均違責或然率。

#### Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group also collects historical performance and default information about portfolios of credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios with no internal data available, information from external data sources is used. In particular,

#### 違責或然率的期限結構

信用風險等級是確定違責或然率的期限結構的主要輸入。本集團亦會按司法管轄區或地區收集有關分析的信貸風險承擔，以及產品及借款人類別以及信貸風險評級的歷史表現及違約信息。對於一些沒有內部數據的投資組合，自外部數據源的信息會被使用。特別是，

| Portfolio 組合               | External data sources 外部數據源  |
|----------------------------|--|
| Debt exposures 債務風險承擔      | Moody’s: Annual default study corporate default and recovery rates |
| Bank exposures 銀行風險承擔      |  |
| Sovereign exposures 主體風險承擔 | Moody’s: Sovereign default and recovery rates                      |

The Group deploys statistical models to analyse the data collected and generate estimates of PD of exposures expected to change as a result of the passage of time. The estimation of PD term structure makes use of the annual credit risk grade transition for the portfolios with credit risk grade assignment. For the portfolios without credit risk grade assignment and no credit risk grade transition information available, the PD term structure estimation is referenced to forecast of economic index relevant to the portfolio.

本集團採用統計模型分析所收集的數據，並產生預計會因時間推移而發生變化的違責或然率的估計值。具有信用風險等級分配的組合，我們利用信用風險等級的年度轉換以估計對的違責或然率期限結構。對於沒有信用風險等級分配的組合或沒有可用的信用風險等級轉換信息。違責或然率期限結構估計參考了與組合相關的經濟指數預測。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (ix) Details of key areas in measurement of ECLs (continued)

LGD is the magnitude of the likely loss if there is a default. For the retail and corporate portfolio with sufficient historical loss and recovery data, the collateral recovery rates and the LGD estimates can be derived. For portfolios with insufficient historical loss and recovery data, either reference of peer bank LGD estimates of the similar portfolios or external data source are used for deriving the LGD estimates.

For portfolio with individual assessment of credit risk mitigation measures, collateral values are projected for different economic scenarios so as to reflect the LGD estimates under different economic scenarios. For other portfolios different scenario portfolio LGD are derived by benchmarking to a corresponding LGDs within a long period of historical LGDs.

EAD represents the expected exposure in the event of a default. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments or undrawn limit of retail revolving products, the EAD is the potential future amounts that may be drawn under the contract. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. The EAD estimates are adopted the parameters suggested by BASEL or statistical model based on historical data.

*Significant increase in credit risk*

Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade when the risk of asset changes. The Group primarily identifies whether a significant increase in credit risk under HKFRS 9 has occurred for an exposure by comparing:

- the credit risk grade at the reporting date; with
- the credit risk grade at the initial recognition of the exposure.

The Group deems the credit risk of a particular exposure to have increased significantly since initial recognition if the current credit risk grade deteriorates by a pre-determined number of notches. The criteria for determining the number of notches may vary by portfolio and include a backstop based on delinquency.

## (a) 信貸風險管理(續)

## (ix) 「預期信貸損失」估算中主要之處的詳述(續)

如果存在違約，違責損失率是可能損失的幅度。對於具有足夠歷史損失和恢復數據的零售和公司投資組合，可以推導出抵押品回收率和違責損失率估計值。對於歷史損失和恢復數據不足的組合，可以使用同行銀行類似組合的違責損失率估計值或外部數據源來推導違責損失率估計值。

對於單獨評估信用風險緩解措施的組合，預測不同經濟情景的抵押品價值，以反映不同經濟情景下的違約損失率估計。對於其他組合，不同情景組合違責損失率通過在長期歷史期間對相應的違責損失率進行基準測試而得出。

違責風險承擔表示發生違約時的預期風險。金融資產的違責風險承擔是其違約時的總賬面金額。對於貸款承諾或零售周轉產品的未提取限額，違責風險承擔是可能根據合同提取的未來潛在金額。對於財務擔保，違責風險承擔表示財務擔保到期時的擔保風險金額。違責風險承擔估計採用BASEL建議的參數或基於歷史數據的統計模型。

*明顯增加的信貸風險*

信貸風險承擔會持續受監控並在其風險程度有所改變時被調配至不同的信貸風險評級。在《香港財務報告準則》第9號下，集團識別一個資產的信貸風險是否明顯增加主要透過比較該資產：

- 於結算日的信貸風險評級；和
- 於初始承擔時的信貸風險評級

如某一資產的現行信貸風險評級已較本集團初始承擔時的評級轉差了超過一個指定數量的級別，本集團視該資產的信貸風險已有明顯增加。不同的資產組合會以不同的級別數量作為衡量標準，並以逾期情況作為預設的基本標準。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

As a backstop, and as required by HKFRS 9, the Group presumptively considers that a significantly increase in credit risk occurs no later than when an asset is more than 30 days past due.

在《香港財務報告準則》第9號下，作為一個基本標準，本集團預設某一已逾期超過30日的資產為信貸風險已經明顯增加。

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular review to confirm that:

本集團監控識別信貸風險增加的衡量標準的有效性，透過定期檢討以確保：

- the criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month ECL and lifetime ECL measurements.

– 衡量標準能在風險承擔違約前識別信貸風險增加；

– 風險承擔一般不會從12個月內之預期信貸損失直接轉為不良信貸；及

– 不會導致減值撥備因為風險承擔在計算12個月內之預期信貸損失和合約期內之預期信貸損失中的轉變時出現不必要的波動。

#### *Incorporating forward-looking information into the measurement of ECLs*

The Group has identified key drivers of systematic credit risk for each portfolio of financial assets based on analysis of historical data in which relationship between macro-economic indicators and the systematic credit risk is exhibited.

整合前瞻性資料以作估算預期信貸損失  
本集團根據歷史數據對宏觀經濟指標與系統信用風險之間關係進行分析，確定了各金融資產組合的系統信用風險的關鍵驅動因素。

The Group formulates economic forward looking scenarios for the view of the future direction of major economic indicators such as GDP, unemployment rate, property price index, interest rate and other economic indicators specific to particular portfolio.

本集團制定經濟前瞻情景，以了解主要經濟指標的未來方向，例如國內生產總值，失業率，房地產價格指數，利率及特定投資組合的其他經濟指標。

For each portfolio, the key drivers under forward looking scenarios are applied for estimating the systematic credit risk component of an obligor's Probability of Default ("PD") used in calculating ECLs. In addition to PD, relevant macro-economic indicators are used for projection of the collateral value for recovery rate estimates used in ECL calculation.

對於每個投資組合，前瞻性情景下的關鍵驅動因素將用於估算債務人的違約概率的系統信用風險部分以用於計算預期信貸損失。除違約概率外，相關的宏觀經濟指標將用於預測抵押品價值以估算回收率並使用作計算預期信貸損失。

The Group adopts the use of three economic scenarios. In each region/country where the Group operates, the Group formulates probability for each scenario and forecast the major macro-economic indicators to reflect the Group's forward-looking view on the future business outcomes in that particular region/country under each scenario.

本集團會採納使用三個經濟情景。在本集團經營的每個地區/國家，本集團將為每個情景制定情景的可能性並預測主要的宏觀經濟指標，以反映集團在每種情景下，該地區/國家未來業務成果的前瞻性觀點。

The forecasts of baseline scenario are based on advice from the in-house economic experts and considerations of a variety of actual and forecast information, such as economic data and forecasts published by governmental bodies, monetary authorities in the regions/countries where the Group operates. The Group also takes reference from forecasts by international agencies and private sector analysts as far as possible to formulate a more objective forecast, while taken into account the current domestic and international economic developments, and changes in local economic policies. Autoregressive econometric model is applied as a tool to forecast the equity and property prices movements in the regions/countries concerned.

基準情景的預測是根據本集團經濟專家的建議和對各種外部實際和預測信息的考慮，例如本集團經營所在地區/國家的政府機構和金融管理局公佈的經濟數據和預測。同時，本集團盡可能參考國際機構及私營機構分析師的預測，以及考慮現時本地及海外經濟發展情況、當地經濟政策的轉變。至於相關地區或國家的股票及樓價指數，則使用自迴歸經濟模型作出估算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (ix) Details of key areas in measurement of ECLs (continued)

The baseline scenario represents the most-likely outcome that the Group expects. The corresponding probability is reflecting the confidence of the future uncertainties are being captured in the baseline scenario forecast.

The other scenarios are an optimistic scenario and a pessimistic scenario, to capture the less likely, yet possible, upside and downside divergence from the baseline forecast. These scenarios and their probabilities represent the Group's view that in case the future outcome is outside the expectation as in the baseline scenario, how likely it would be optimistic (i.e. unexpectedly good) or pessimistic (i.e. unexpectedly bad) and how unexpectedly good or unexpectedly bad outcomes will be, based on current economic outlook, potential domestic and international economic and political risks affecting the regions/countries the Group has business presence, and the strength of a region/country's fundamentals to weather through crises. Forecasts for these two scenarios are mainly derived based on a modification of the Bank of England's fan chart model, where we assume the divergences from the baseline scenario are derived from historical volatility of the data series. The spread for the pessimistic scenario is greater than that of the optimistic scenario to reflect the Group's prudent view against downside risks.

The baseline, optimistic and pessimistic scenarios are updated quarterly to timely reflect a change in the current economic sentiment locally and internationally.

*Baseline Scenario – Hong Kong*

Hong Kong's economy has been going through a tough time as it is facing a double whammy from the US-China trade war and protests at home, in addition to mainland China's economic slowdown. This has put pressure on the tourist- and consumption-related sectors, which shall be the major drag of the economy in 2020.

Meanwhile, the US and China has reached a preliminary trade deal. The trade tension between the US and China shall ease in the first half of this year, yet it remains a key uncertainty for Hong Kong's exports sector and the overall economy.

Given the deteriorating economic fundamentals and rising unemployment rate, property prices is expected to be on a downward trajectory in 2020. However, our baseline assumption is that the current social unrest will recede in the latter half of 2020. The improving sentiments, together with the chronic shortage of land supply, will help the property market to recover.

As such, we estimate that real GDP will grow at -0.5% to 0% in 2020, and subsequently recover from 2021 onwards. Meanwhile, inflation is expected to stay moderate at 2.2%, while the unemployment rate is expected to rise to 3.4% in 2020, and edge lower in subsequent years.

## (a) 信貸風險管理(續)

## (ix) 「預期信貸損失」估算中主要之處的詳述(續)

基準情景是代表本集團預期中的最具可能性的結果。其相對應的機會率反映了集團在預測基準情景中對未來不確定性的掌握置信度。

其他情景是一個樂觀情景和一個悲觀情景。在這些情景中，我們對可能性較低、卻可能發生的上行和下行狀況作出預測。這些情景及其機會率代表了集團的觀點，即當未來結果超出基準情景預期時，經濟將傾向樂觀（即出乎意料的好）或悲觀（即出乎意外的差）的可能性有多大，以及出乎意料的好或意外的壞的結果將會是怎樣，基於當前的經濟前景、潛在的國內外經濟及政治風險，及其對本集團有業務之地區／國家的影響，並且這些地區／國家的經濟面、應付危機的能力。這兩種情景的預測主要是以英倫銀行扇形圖模型為基礎再修改而來。我們假設兩種情景與基準情景的差距來自數據列的歷史波動。其中，悲觀情景的差距大於樂觀情景，反映集團對下行風險持謹慎態度。

基準、樂觀及悲觀情景會每季度更新，以及時反映當地及國際經濟情緒的變化。

*基準情景－香港*

香港經濟正面對艱難時期。除了內地的經濟放緩外，香港亦受到中美貿易戰及本地示威活動的雙重打擊。這使旅遊和消費相關的行業受壓，為2020年經濟的主要阻力。

另一方面，中美已經達成初步貿易協議。預期今年上半年，中美貿易關係將緩和。然而，貿易緊張局勢仍然是香港出口業，以致整體經濟的主要不明朗因素。

基於經濟基本面惡化和失業率上升，預計樓價將持續受壓。我們的基準預測為近期的社會事件將在2020年下半年開始緩和。市場情緒恢復，加上土地供應長期短缺，房地產市場將重上升軌。

總結來說，我們預測2020年經濟增長則為-0.5%至0%，經濟在2021年起開始復甦。通脹率將維持在2.2%溫和水平，失業率則在2020年上升至3.4%，及後回落。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### Baseline Scenario – Mainland China

Entering 2020, the export growth is expected to remain weak this year, as most of the US tariff measures targeted at China remain active despite the phase one trade agreement. Consumer sentiment remains weak under a deteriorated employment expectation amid the trade war. On the other hand, the high debt-to-GDP ratio remains a concern. These factors shall continue to affect the economy. To support the economy, the government is expected to boost infrastructure investment, adopt fiscal stimulus, and assist private companies to conduct debt restructuring. Overall, we expect China's economic growth to soften gradually during 2020 and 2022.

For the property market, the phase on US-China trade agreement has significantly lowered the risks of the negotiations falling apart, and the concerns of hard landing of the Chinese economy faded. In addition, the central government aims at stabilizing the housing price, in turn the economic growth, which implies it will avoid a drop in housing price in the short- to medium-term. The housing price is therefore expected to rise with a decelerating trend.

For the novel coronavirus impact, please refer to Note 53.

#### Forecast of Key Macroeconomic Indicators (3 years average (2020 – 2022))

#### 基準情景－內地

踏入2020年，儘管中美兩國達成首階段貿易協議共識，但大部份美國對中國徵收的關稅仍然實施，對中國出口仍然構成壓力。同時，就業預期於貿易戰下轉差，令消費者信心維持疲弱。另一方面，貸款餘額佔國內生產總值比重仍然高企，仍需要關注。這些因素會持續影響經濟。為支持經濟，預期政府會增加基礎設施投資，並採取財政刺激措施，政府亦會致力協助經營困難的企業重組債務。整體來說，我們預計中國的經濟增長將在2020年至2022年之間逐步放緩。

房地產市場方面，第一階段的中美貿易協議降低了談判破裂的風險，同時減低中國經濟硬著陸的擔憂。此外，中央政府致力維持房價穩定，以穩定經濟增長，這表示房價於中短期內不會下跌。因此，我們預期房價將持續上升，然而增幅將會減慢。

有關新型冠狀病毒的影響，請參閱註釋53。

#### 主要宏觀經濟指標預測(3年平均(2020 – 2022))

| Scenario<br>情景      | Macroeconomic Indicator<br>宏觀經濟指標                  | Hong Kong<br>香港 | China<br>中國 |
|---------------------|--|-----------------|-------------|
| Optimistic<br>樂觀情景  | GDP (YoY growth)<br>國內生產總值增長                       | 2.9%            | 6.7%        |
|                     | Property Price Index (YoY change)<br>房地產價格指數(同比變化) | 6.4%            | 5.5%        |
|                     | Unemployment Rate<br>失業率                           | 2.3%            | 3.8%        |
|                     | 3-month Interest Rate<br>3個月期利率                    | 2.4%            | 3.7%        |
| Baseline<br>基準情景    | Real GDP (YoY growth)<br>國內生產總值增長                  | 1.0%            | 5.8%        |
|                     | Property Price Index (YoY change)<br>房地產價格指數(同比變化) | 0.3%            | 3.2%        |
|                     | Unemployment Rate<br>失業率                           | 3.2%            | 3.9%        |
|                     | 3-month Interest Rate<br>3個月期利率                    | 1.6%            | 2.8%        |
| Pessimistic<br>悲觀情景 | GDP (YoY growth)<br>國內生產總值增長                       | -1.3%           | 4.6%        |
|                     | Property Price Index (YoY change)<br>房地產價格指數(同比變化) | -9.2%           | -3.7%       |
|                     | Unemployment Rate<br>失業率                           | 5.1%            | 4.0%        |
|                     | 3-month Interest Rate<br>3個月期利率                    | 1.0%            | 2.0%        |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (x) Impairment allowances reconciliation

The following tables show reconciliations from the opening to the closing balance of the impairment allowance by class of financial instrument. The reconciliation is prepared by comparing the position of impairment allowance between 1st January and 31st December at transaction level. Transfers between different stages of ECL are deemed to occur at the beginning of the year and therefore amounts transferred net to zero. The re-measurement of ECL resulting from a change in ECL stage is reported under the ECL stage in which they are transferred to.

Explanations of 12-month ECL, lifetime ECL and credit-impaired are included in Note 2.

## (a) 信貸風險管理(續)

## (x) 減值準備對賬

下表列示按金融工具的類別劃分的減值準備的期初結餘與期末結餘的對賬。編製對賬的方法是比較減值準備於1月1日至12月31日期間交易層面的狀況。預期信貸損失不同階段之間的轉撥被視為於年初發生，故金額轉撥淨額為零。因預期信貸損失階段轉變而引致的重新計量預期信貸損失會記於其所轉撥的預期信貸損失階段項下。

關於12個月內之預期信貸損失、合約期內之預期信貸損失及信貸不良的解釋見附註二。

|   |                             | 2019             |                                     |                                 |                  |       |
|---|-----------------------------|------------------|-------------------------------------|---------------------------------|------------------|-------|
|   |                             | 12-month ECL     | Lifetime ECL<br>not credit-impaired | Lifetime ECL<br>credit-impaired | Total            |       |
|   |                             | 12個月內之<br>預期信貸損失 | 非信貸不良的<br>合約期內之<br>預期信貸損失           | 信貸不良的<br>合約期內之<br>預期信貸損失        | 總額               |       |
|   |                             | HK\$ Mn<br>港幣百萬元 | HK\$ Mn<br>港幣百萬元                    | HK\$ Mn<br>港幣百萬元                | HK\$ Mn<br>港幣百萬元 | 港幣百萬元 |
| <b>Loans and advances to customers</b>  | <b>客戶貸款及墊款</b>              |                  |                                     |                                 |                  |       |
| Balance at 1st January  | 於1月1日的結餘                    | 432              | 859                                 | 1,252                           | 2,543            |       |
| Transfer to 12-month ECL  | 轉至12個月內之預期信貸損失              | 60               | (60)                                | -                               | -                |       |
| Transfer to lifetime ECL not credit-impaired  | 轉至非信貸不良的合約期內之預期信貸損失         | (20)             | 45                                  | (25)                            | -                |       |
| Transfer to lifetime ECL credit-impaired  | 轉至信貸不良的合約期內之預期信貸損失          | (49)             | (268)                               | 317                             | -                |       |
| New financial assets originated or purchased, assets derecognised, repayments and further lending | 源生或購入之新金融資產、撤銷確認資產、還款及進一步貸款 | 208              | 2                                   | 640                             | 850              |       |
| Write-offs  | 撤銷                          | -                | -                                   | (5,674)                         | (5,674)          |       |
| Changes in models   | 模型變動                        | -                | -                                   | -                               | -                |       |
| Net remeasurement of impairment allowances (including exchange adjustments)                       | 減值準備的重新計量淨額(包括外匯調整)         | (129)            | (60)                                | 6,274                           | 6,085            |       |
| Balance at 31st December  | 於12月31日的結餘                  | 502              | 518                                 | 2,784                           | 3,804            |       |
| Of which:   | 其中:                         |                  |                                     |                                 |                  |       |
| For advance to customers at amortised cost (Note 29(a))   | 就按攤銷成本的客戶墊款(附註29(a))        | 501              | 516                                 | 2,752                           | 3,769            |       |
| For related accrued interest receivable (Note 35)   | 就相關應收應計利息(附註35)             | 1                | 2                                   | 32                              | 35               |       |
|   |                             | 502              | 518                                 | 2,784                           | 3,804            |       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

|   |                                     | 2018                      |       |                           |       | Total<br>總額 |
|---|-------------------------------------|---------------------------|-------|---------------------------|-------|-------------|
|   |                                     | 12-month ECL              |       | Lifetime ECL              |       |             |
|   |                                     | 非信貸不良的<br>合約期內之<br>預期信貸損失 |       | 非信貸不良的<br>合約期內之<br>預期信貸損失 |       |             |
|   |                                     | HK\$ Mn                   | 港幣百萬元 | HK\$ Mn                   | 港幣百萬元 |             |
| <b>Loans and advances to customers</b>  | <b>客戶貸款及墊款</b>                      |                           |       |                           |       |             |
| Balance at 1st January  | 於1月1日的結餘                            | 839                       | 1,028 | 1,177                     |       | 3,044       |
| Transfer to 12-month ECL  | 轉至12個月內之預期信貸損失                      | 151                       | (151) | -                         |       | -           |
| Transfer to lifetime ECL not credit-impaired  | 轉至非信貸不良的合約期內之預期信貸損失                 | (8)                       | 23    | (15)                      |       | -           |
| Transfer to lifetime ECL credit-impaired  | 轉至信貸不良的合約期內之預期信貸損失                  | (98)                      | (203) | 301                       |       | -           |
| New financial assets originated or purchased, assets derecognised, repayments and further lending | 源生或購入之新金融資產、<br>撤銷確認資產、還款及<br>進一步貸款 | (88)                      | (230) | 376                       |       | 58          |
| Write-offs  | 撤銷                                  | -                         | -     | (1,649)                   |       | (1,649)     |
| Changes in models   | 模型變動                                | (229)                     | 287   | 17                        |       | 75          |
| Net remeasurement of impairment allowances (including exchange adjustments)                       | 減值準備的重新計量淨額<br>(包括外匯調整)             | (135)                     | 105   | 1,045                     |       | 1,015       |
| Balance at 31st December  | 於12月31日的結餘                          | 432                       | 859   | 1,252                     |       | 2,543       |
| Of which:   | 其中:                                 |                           |       |                           |       |             |
| For advance to customers at amortised cost (Note 29(a))   | 就按攤銷成本的客戶墊款<br>(附註29(a))            | 431                       | 855   | 1,061                     |       | 2,347       |
| For related accrued interest receivable (Note 35)   | 就相關應收應計利息<br>(附註35)                 | 1                         | 4     | 191                       |       | 196         |
|   |                                     | 432                       | 859   | 1,252                     |       | 2,543       |

The contractual amount outstanding on loans and advances to customers that were written off during the year ended 31st December 2019 and 2018 and that are still subject to enforcement activity is HK\$455 million (2018: HK\$1,084 million).

在截至2019年及2018年12月31日止年度內已撤銷的客戶貸款及墊款的合約餘額中仍在進行追討的貸款為港幣4.55億元(2018年:港幣10.84億元)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(x) Impairment allowances reconciliation (continued)

## (a) 信貸風險管理(續)

(x) 減值準備對賬(續)

|   |                             | 2019                                |       |                                 |       |         |
|---|-----------------------------|-------------------------------------|-------|---------------------------------|-------|---------|
|   |                             | Lifetime ECL<br>not credit-impaired |       | Lifetime ECL<br>credit-impaired |       | Total   |
|   |                             | 非信貸不良的<br>合約期內之<br>預期信貸損失           |       | 信貸不良的<br>合約期內之<br>預期信貸損失        |       | 總額      |
|   |                             | 12-month ECL<br>12個月內之<br>預期信貸損失    |       | Lifetime ECL<br>合約期內之<br>預期信貸損失 |       |         |
|   |                             | HK\$ Mn                             | 港幣百萬元 | HK\$ Mn                         | 港幣百萬元 | HK\$ Mn |
|   |                             | 港幣百萬元                               | 港幣百萬元 | 港幣百萬元                           | 港幣百萬元 | 港幣百萬元   |
| <b>Debt investment securities</b>   | <b>債務投資證券</b>               |                                     |       |                                 |       |         |
| Balance at 1st January  | 於1月1日的結餘                    | 354                                 | 7     | -                               | -     | 361     |
| Transfer to 12-month ECL  | 轉至12個月內之預期信貸損失              | -                                   | -     | -                               | -     | -       |
| Transfer to lifetime ECL not credit-impaired  | 轉至非信貸不良的合約期內之預期信貸損失         | -                                   | -     | -                               | -     | -       |
| Transfer to lifetime ECL credit-impaired  | 轉至信貸不良的合約期內之預期信貸損失          | -                                   | -     | -                               | -     | -       |
| New financial assets originated or purchased, assets derecognised, repayments and further lending | 源生或購入之新金融資產、撤銷確認資產、還款及進一步貸款 | 44                                  | 1     | -                               | -     | 45      |
| Write-offs  | 撤銷                          | -                                   | -     | -                               | -     | -       |
| Changes in models   | 模型變動                        | -                                   | -     | -                               | -     | -       |
| Net remeasurement of impairment allowances (including exchange adjustments)                       | 減值準備的重新計量淨額(包括外匯調整)         | (39)                                | (4)   | -                               | -     | (43)    |
| Balance at 31st December  | 於12月31日的結餘                  | 359                                 | 4     | -                               | -     | 363     |
| Of which:   | 其中:                         |                                     |       |                                 |       |         |
| For debt investment securities at amortised cost  | 就按攤銷成本的債務投資證券               | 73                                  | 1     | -                               | -     | 74      |
| For related accrued interest receivable (Note 35)   | 就相關應收應計利息(附註35)             | 1                                   | -     | -                               | -     | 1       |
|   |                             | 74                                  | 1     | -                               | -     | 75      |
| For debt investment securities at FVOCI   | 就按通過其他全面收益以反映公平價值的債務投資證券    | 282                                 | 3     | -                               | -     | 285     |
| For related accrued interest receivable   | 就相關應收應計利息                   | 3                                   | -     | -                               | -     | 3       |
|   |                             | 285                                 | 3     | -                               | -     | 288     |



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

|   |                             | 2018         |       |                 |       | Total<br>總額 |
|---|-----------------------------|--------------|-------|-----------------|-------|-------------|
|   |                             | 12-month ECL |       | Lifetime ECL    |       |             |
|   |                             | 非信貸不良的       |       | credit-impaired |       |             |
|   |                             | 合約期內之        |       | 合約期內之           |       |             |
| 預期信貸損失  |                             | 預期信貸損失       |       | 預期信貸損失          |       |             |
| HK\$ Mn   | 港幣百萬元                       | HK\$ Mn      | 港幣百萬元 | HK\$ Mn         | 港幣百萬元 |             |
| <b>Debt investment securities</b>   | <b>債務投資證券</b>               |              |       |                 |       |             |
| Balance at 1st January  | 於1月1日的結餘                    | 277          | 13    | -               | 290   |             |
| Transfer to 12-month ECL  | 轉至12個月內之預期信貸損失              | -            | -     | -               | -     |             |
| Transfer to lifetime ECL not credit-impaired  | 轉至非信貸不良的合約期內之預期信貸損失         | -            | -     | -               | -     |             |
| Transfer to lifetime ECL credit-impaired  | 轉至信貸不良的合約期內之預期信貸損失          | -            | -     | -               | -     |             |
| New financial assets originated or purchased, assets derecognised, repayments and further lending | 源生或購入之新金融資產、撤銷確認資產、還款及進一步貸款 | 52           | (2)   | -               | 50    |             |
| Write-offs  | 撤銷                          | -            | -     | -               | -     |             |
| Changes in models   | 模型變動                        | 61           | (1)   | -               | 60    |             |
| Net remeasurement of impairment allowances (including exchange adjustments)                       | 減值準備的重新計量淨額 (包括外匯調整)        | (36)         | (3)   | -               | (39)  |             |
| Balance at 31st December  | 於12月31日的結餘                  | 354          | 7     | -               | 361   |             |
| Of which:   | 其中:                         |              |       |                 |       |             |
| For debt investment securities at amortised cost  | 就按攤銷成本的債務投資證券               | 93           | 1     | -               | 94    |             |
| For related accrued interest receivable (Note 35)   | 就相關應收應計利息 (附註35)            | 1            | -     | -               | 1     |             |
|   |                             | 94           | 1     | -               | 95    |             |
| For debt investment securities at FVOCI   | 就按通過其他全面收益以反映公平價值的債務投資證券    | 257          | 6     | -               | 263   |             |
| For related accrued interest receivable   | 就相關應收應計利息                   | 3            | -     | -               | 3     |             |
|   |                             | 260          | 6     | -               | 266   |             |

The impairment allowances of debt investment securities at FVOCI are not recognised in the statement of financial position because the carrying amount of debt investment securities at FVOCI is their fair value.

按通過其他全面收益以反映公平價值的債務投資證券的減值準備並不在財務狀況表內確認，因按通過其他全面收益以反映公平價值的債務投資證券的賬面值是其公平價值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(x) Impairment allowances reconciliation (continued)

## (a) 信貸風險管理(續)

(x) 減值準備對賬(續)

|   |                             | 2019                                |       |                                 |       |                          |
|---|-----------------------------|-------------------------------------|-------|---------------------------------|-------|--------------------------|
|   |                             | Lifetime ECL<br>not credit-impaired |       | Lifetime ECL<br>credit-impaired |       | Total                    |
|   |                             | 12-month ECL                        |       | 非信貸不良的<br>合約期內之<br>預期信貸損失       |       | 信貨不良的<br>合約期內之<br>預期信貸損失 |
|   |                             | 12個月內之<br>預期信貸損失                    |       | 預期信貸損失                          |       | 預期信貸損失                   |
|   |                             | HK\$ Mn                             | 港幣百萬元 | HK\$ Mn                         | 港幣百萬元 | HK\$ Mn                  |
|   |                             | 港幣百萬元                               | 港幣百萬元 | 港幣百萬元                           | 港幣百萬元 | 港幣百萬元                    |
| <b>Others</b>   | <b>其他</b>                   |                                     |       |                                 |       |                          |
| Balance at 1st January  | 於1月1日的結餘                    | 114                                 | 47    | 68                              |       | 229                      |
| Transfer to 12-month ECL  | 轉至12個月內之預期信貸損失              | 3                                   | (3)   | -                               |       | -                        |
| Transfer to lifetime ECL not credit-impaired  | 轉至非信貸不良的合約期內之預期信貸損失         | (1)                                 | 1     | -                               |       | -                        |
| Transfer to lifetime ECL credit-impaired  | 轉至信貸不良的合約期內之預期信貸損失          | -                                   | -     | -                               |       | -                        |
| New financial assets originated or purchased, assets derecognised, repayments and further lending | 源生或購入之新金融資產、撤銷確認資產、還款及進一步貸款 | 5                                   | 2     | 47                              |       | 54                       |
| Write-offs  | 撤銷                          | -                                   | -     | (1)                             |       | (1)                      |
| Changes in models   | 模型變動                        | -                                   | -     | -                               |       | -                        |
| Net remeasurement of impairment allowances (including exchange adjustments)                       | 減值準備的重新計量淨額(包括外匯調整)         | (6)                                 | (15)  | (2)                             |       | (23)                     |
| Balance at 31st December  | 於12月31日的結餘                  | 115                                 | 32    | 112                             |       | 259                      |
| Of which:   | 其中:                         |                                     |       |                                 |       |                          |
| For trade bills at FVOCI  | 就按通過其他全面收益以反映公平價值的貿易票據      | 3                                   | 1     | -                               |       | 4                        |
| For related accrued interest receivable   | 就相關應收應計利息                   | -                                   | -     | -                               |       | -                        |
|   |                             | 3                                   | 1     | -                               |       | 4                        |
| For trade bills at amortised cost (Note 27)   | 就按攤銷成本的貿易票據(附註27)           | -                                   | -     | -                               |       | -                        |
| For related accrued interest receivable   | 就相關應收應計利息                   | -                                   | -     | -                               |       | -                        |
|   |                             | -                                   | -     | -                               |       | -                        |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

|   |                         | 2019                                |    |                                 |   |             |
|---|-------------------------|-------------------------------------|----|---------------------------------|---|-------------|
|   |                         | Lifetime ECL<br>not credit-impaired |    | Lifetime ECL<br>credit-impaired |   | Total<br>總額 |
|   |                         | 12-month ECL<br>12個月內之<br>預期信貸損失    |    | 非信貸不良的<br>合約期內之<br>預期信貸損失       |   |             |
|   |                         | HK\$ Mn 港幣百萬元                       |    | HK\$ Mn 港幣百萬元                   |   |             |
|   |                         | HK\$ Mn 港幣百萬元                       |    | HK\$ Mn 港幣百萬元                   |   |             |
| For placements with banks and financial institutions (Note 26)        | 就在銀行和其他金融機構的存款(附註26)    | 5                                   | -  | -                               | - | 5           |
| For related accrued interest receivable                               | 就相關應收應計利息               | -                                   | -  | -                               | - | -           |
|   |                         | 5                                   | -  | -                               | - | 5           |
| For cash and balances with banks and financial institutions (Note 25) | 就現金及在銀行和其他金融機構的結存(附註25) | 9                                   | -  | -                               | - | 9           |
| For related accrued interest receivable                               | 就相關應收應計利息               | -                                   | -  | -                               | - | -           |
|   |                         | 9                                   | -  | -                               | - | 9           |
| For loan commitments and financial guarantee contracts (Note 38)      | 就貸款承擔和財務擔保合約(附註38)      | 56                                  | 26 | -                               | - | 82          |
| For account receivables and other accounts (Note 35)                  | 就應收賬款及其他賬項(附註35)        | 42                                  | 5  | 112                             | - | 159         |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(x) Impairment allowances reconciliation (continued)

## (a) 信貸風險管理(續)

(x) 減值準備對賬(續)

|   |                             | 2018  |   | Total<br>總額 |  |
|---|-----------------------------|---|---|-------------|--|
|   |                             | 12-month ECL<br>12個月內之<br>預期信貸損失<br>HK\$ Mn 港幣百萬元 | Lifetime ECL<br>not credit-impaired<br>非信貸不良的<br>合約期內之<br>預期信貸損失<br>HK\$ Mn 港幣百萬元 |             | Lifetime ECL<br>credit-impaired<br>信貸不良的<br>合約期內之<br>預期信貸損失<br>HK\$ Mn 港幣百萬元 |
| <b>Others</b>   | <b>其他</b>                   |   |   |             |  |
| Balance at 1st January  | 於1月1日的結餘                    | 220   | 54  | 1           | 275  |
| Transfer to 12-month ECL  | 轉至12個月內之預期信貸損失              | 5   | (5)   | -           | -  |
| Transfer to lifetime ECL not credit-impaired  | 轉至非信貸不良的合約期內之預期信貸損失         | (3)   | 3   | -           | -  |
| Transfer to lifetime ECL credit-impaired  | 轉至信貸不良的合約期內之預期信貸損失          | -   | -   | -           | -  |
| New financial assets originated or purchased, assets derecognised, repayments and further lending | 源生或購入之新金融資產、撤銷確認資產、還款及進一步貸款 | 1   | (30)  | -           | (29)   |
| Write-offs  | 撤銷                          | -   | -   | -           | -  |
| Changes in models   | 模型變動                        | (76)  | (2)   | -           | (78)   |
| Net remeasurement of impairment allowances (including exchange adjustments)                       | 減值準備的重新計量淨額(包括外匯調整)         | (33)  | 27  | 67          | 61   |
| Balance at 31st December  | 於12月31日的結餘                  | 114   | 47  | 68          | 229  |
| Of which:   | 其中:                         |   |   |             |  |
| For trade bills at FVOCI  | 就按通過其他全面收益以反映公平價值的貿易票據      | 5   | -   | -           | 5  |
| For related accrued interest receivable   | 就相關應收應計利息                   | -   | -   | -           | -  |
|   |                             | 5   | -   | -           | 5  |
| For trade bills at amortised cost (Note 27)   | 就按攤銷成本的貿易票據(附註27)           | 3   | -   | 1           | 4  |
| For related accrued interest receivable   | 就相關應收應計利息                   | -   | -   | -           | -  |
|   |                             | 3   | -   | 1           | 4  |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

|   |                         | 2018                                |       |                                 |       |                          |       |
|---|-------------------------|-------------------------------------|-------|---------------------------------|-------|--------------------------|-------|
|   |                         | Lifetime ECL<br>not credit-impaired |       | Lifetime ECL<br>credit-impaired |       | Total                    |       |
|   |                         | 12-month ECL<br>12個月內之<br>預期信貸損失    |       | 非信貸不良的<br>合約期內之<br>預期信貸損失       |       | 信貨不良的<br>合約期內之<br>預期信貸損失 |       |
|   |                         | HK\$ Mn                             | 港幣百萬元 | HK\$ Mn                         | 港幣百萬元 | HK\$ Mn                  | 港幣百萬元 |
| For placements with banks and financial institutions (Note 26)        | 就在銀行和其他金融機構的存款(附註26)    | 10                                  |       | -                               |       | -                        | 10    |
| For related accrued interest receivable                               | 就相關應收應計利息               | -                                   |       | -                               |       | -                        | -     |
|   |                         | 10                                  |       | -                               |       | -                        | 10    |
| For cash and balances with banks and financial institutions (Note 25) | 就現金及在銀行和其他金融機構的結存(附註25) | 5                                   |       | -                               |       | -                        | 5     |
| For related accrued interest receivable                               | 就相關應收應計利息               | -                                   |       | -                               |       | -                        | -     |
|   |                         | 5                                   |       | -                               |       | -                        | 5     |
| For loan commitments and financial guarantee contracts (Note 38)      | 就貸款承擔和財務擔保合約(附註38)      | 66                                  |       | 45                              |       | -                        | 111   |
| For account receivables and other accounts (Note 35)                  | 就應收賬款及其他賬項(附註35)        | 25                                  |       | 2                               |       | 67                       | 94    |

The impairment allowances of trade bills at FVOCI are not recognised in the statement of financial position because the carrying amount of trade bills at FVOCI is their fair value.

按通過其他全面收益以反映公平價值的貿易票據的減值準備並不在財務狀況表內確認，因按通過其他全面收益以反映公平價值的貿易票據的賬面值是其公平價值。

## (xi) Collateral and other credit enhancements

The Group has established guidelines on the acceptability of various classes of collateral and determined the corresponding valuation parameters. The guidelines and collateral valuation parameters are subject to regular reviews to ensure their effectiveness over credit risk management.

The extent of collateral coverage over the Group's loans and advances to customer depends on the type of customers and the product offered. Types of collateral include residential properties (in the form of mortgages over property), other properties, other registered securities over assets, cash deposits, standby letters of credit and guarantees. Collateral generally is not held over balances and placements with banks and other financial institutions, and loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. The Group takes possession of collateral through court proceedings or voluntary delivery of possession by the borrowers during the course of the recovery of impaired loans and advances. These repossessed assets are reported in the statement of financial position within "other assets" (Note 2(t)). If the recovery from the repossessed assets exceeds the corresponding exposure, the surplus fund is made available either to repay the borrower's other secured loans with lower priority or is returned to the borrower.

## (xi) 抵押品及其他信用提升

本集團已制訂可接受不同類別抵押品的指引，並釐定相關估值參數。本集團會定期檢討指引及抵押品估值參數，以確保信貸風險管理的成效。

本集團客戶貸款及墊款的抵押品範圍視乎客戶類別及所提供產品而定。抵押品類別包括住宅物業(以物業按揭形式)、其他物業、其他登記抵押資產、現金存款、備用信用證及擔保。除持有用作反向回購及證券借貸活動的抵押品外，在銀行及其他金融機構的結存及存款，以及銀行貸款及墊款一般不需要抵押品。在收回減值貸款及墊款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品。該等收回資產於財務狀況表中以「其他資產」列賬(附註2(t))。倘從收回資產所得之追收額超出相關風險承擔時，則會使用盈餘資金償還借款人優先次序較低的已抵押貸款或退回予借款人。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (xi) Collateral and other credit enhancements (continued)

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-based securities and similar instruments, which are secured by pools of financial assets. However the credit risk may be implicit in the terms or reflected in the fair value of the corresponding instruments.

The Group's preferred agreement for documenting derivatives activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement, if either party defaults or following other pre-agreed termination events. It is also common for the Group to execute a Credit Support Annex in conjunction with the ISDA Master Agreement with the counterparty under which collateral is passed between the parties to mitigate the market contingent counterparty risk inherent in the outstanding position.

For contingent liabilities and commitments that are unconditionally cancellable (Note 47), the Group will assess the necessity to withdraw the credit line when there is a concern over the credit quality of the customers. Accordingly, the exposure to significant credit risk is considered as minimal. For commitments that are not unconditionally cancellable, the Group assesses the necessity of collateral depending on the type of customer and the product offered.

## (b) Market risk management

Market risk is the risk arising from adverse movements in market factors such as interest rates, foreign exchange, equity prices, debt security prices and commodity prices, which result in profits or losses for the Group. The aim in managing market risk is to reduce the Group's exposure to the volatility inherent in market factors.

The Asset and Liability Management Committee deals with all market risk-related issues of the Group. It is also responsible for conducting a regular review of interest rate trends and deciding the corresponding future business strategy. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to market risk.

The use of derivatives for trading and the sale of derivatives to customers as risk management products are integral parts of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk, as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest rate, foreign exchange, and equity-related contracts, in the form of both over-the-counter derivatives and exchange-traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

## (a) 信貸風險管理(續)

## (xi) 抵押品及其他信用提升(續)

持有用作非貸款及墊款金融資產的抵押品，是按照工具之性質決定。除以一籃子金融資產作抵押的資產融資證券及相同工具外，債務證券、庫券及其他認可票據一般俱屬無抵押的。然而，信貸風險可能隱含於相關工具的條款內或於相關工具的公平價值中反映。

ISDA的主合約為本集團處理衍生交易文件的優先合約，當中涵蓋合約框架，而在合約框架之下，本集團可進行一系列的場外產品交易活動，如其中一方違約或發生其他預先協定的終止事件，則按合約約束參與者以淨額結算合約涵蓋的所有未履行交易。本集團亦會在簽訂ISDA的主合約的同時，與交易對手簽訂信貸附約，據此，抵押品可於訂約方之間轉交，以降低出現在未履約情況下的內在市場或然交易對手風險。

對於或然負債及可無條件取消的承擔(附註47)，如本集團對客戶的信貸質素有疑慮，則會評估是否需要撤回信貸額。因此，本集團面臨重大信貸風險機會視為微乎其微。對於不可無條件取消的承擔，本集團會視乎客戶類別及所提供產品評估是否需要進行抵押。

## (b) 市場風險管理

市場風險是指由市場因素，例如利率、外匯、股票價格、債權證券及商品價格的不利變動而導致本集團溢利或虧損的風險。市場風險管理旨在減少市場因素的波動為本集團帶來的風險。

資產負債管理委員會負責處理所有與本集團市場風險有關的事項，亦負責定期檢討利率走勢及釐定相應的未來業務策略。本集團風險管理處轄下的資產負債管理部，負責監察與市場風險有關的活動。

透過衍生工具進行自營交易及向客戶出售衍生工具以用作風險管理產品，為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場內交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

In this connection, the key types of market risk that must be managed are:

(i) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing (including derivatives), commercial banking operations, and structural foreign currency exposures. The Group's non-structural foreign currency exposures are denominated in major currencies, particularly USD and RMB. All foreign currency positions are managed within limits approved by the Board or the Asset and Liability Management Committee.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries, and associated companies, are excluded from value-at-risk measurements, as related gains or losses are taken to reserves. Such foreign currency positions are held with the intention of hedging any adverse effect, partially or totally, of exchange rate movements on the capital adequacy ratio. The Group seeks to match its foreign currency denominated assets closely with corresponding liabilities in the same currencies.

The Group had the following net structural positions which were not less than 10% of the total net structural foreign currency position at the end of the reporting period:

|                         |         | 2019                           |                               |                               | 2018                           |                               |                               |
|-------------------------|---------|--------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------------|-------------------------------|
|                         |         | RMB<br>人民幣<br>HK\$ Mn<br>港幣百萬元 | MYR<br>馬幣<br>HK\$ Mn<br>港幣百萬元 | USD<br>美元<br>HK\$ Mn<br>港幣百萬元 | RMB<br>人民幣<br>HK\$ Mn<br>港幣百萬元 | MYR<br>馬幣<br>HK\$ Mn<br>港幣百萬元 | USD<br>美元<br>HK\$ Mn<br>港幣百萬元 |
| Net structural position | 結構性持倉淨額 | 15,550                         | 2,281                         | (12,365)                      | 13,829                         | 2,226                         | (6,982)                       |

(ii) Interest rate risk in trading book

The Group's trading interest rate positions arise from treasury and dynamic hedging of commercial banking activities. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The instruments used to manage interest rate risk include interest rate swaps and other derivatives. For the interest rate risk management of the Group's banking book positions, please refer to Note 45(e).

(iii) Equity risk

The Group's equity positions arise from equity investment and dynamic hedging of customer-driven business. Equity risk is managed daily by the Investment Department within the limits approved by the Board, Investment Committee, or the Asset and Liability Management Committee.

在此方面，本集團必須管理的主要市場風險包括：

(i) 貨幣風險

本集團的外幣持倉源自外匯買賣(包括衍生工具)、商業銀行業務和結構性外匯風險。本集團的非結構性外匯風險以主要貨幣計值，當中以美元及人民幣為主。所有外幣持倉均維持在董事會或資產負債管理委員會所訂定的限額內。

結構性外匯持倉主要源自於本集團分行、附屬公司和聯營公司的外匯投資，其有關的溢利或虧損因為已撥入儲備，所以未計算在風險值內。此等結構性外幣持倉的主要目的，是對沖因匯率變動而對本集團資本充足比率產生的部分或全部不利影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

於報告期結束日，本集團的以下結構性持倉淨額不低於結構性外幣淨持倉總額10%：

(ii) 交易賬冊的利率風險

本集團的交易組合中的利率持倉來自財資及商業銀行業務的動態對沖。利率風險由本集團資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。就管理本集團銀行賬冊持倉的利率風險而言，請參閱附註45(e)。

(iii) 股份風險

本集團的股份持倉來自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會、投資委員會或資產負債管理委員會批准的限額範圍進行日常管理。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (b) Market risk management (continued)

## (iii) Equity risk (continued)

Market risk control limits have been set at varying levels according to the practical requirements of different units. The Board approves the core control limits and has delegated the authority to set detailed control limits to the Asset and Liability Management Committee. Risk, return, and market conditions are considered when setting limits. Active limit monitoring is carried out.

In this connection, the Asset and Liability Management Committee monitors the related market risk arising from the risk-taking activities of the Group to ensure that market risk exposure are within the Group's risk tolerance levels. Risk exposures are monitored frequently to ensure that they are within established control limits.

The Group quantifies the market risk of the underlying trading portfolio by means of VaR. VaR is a statistical estimate that measures the potential losses in market value of a portfolio as a result of unfavourable movements in market rates and prices, assuming that positions are held unchanged over a certain horizon time period.

The Group estimates VaR for the Group's trading portfolio by the historical simulation approach, where the VaR is calculated by revaluing the portfolio for each of the market movement scenarios obtained from the historical observation period. This methodology uses movements in market rates and prices over a one-day holding period with a 99% confidence level under a two-year observation period.

The market value of listed shares, the fair value of private equity funds and unlisted equities (collectively the "Unlisted Securities"), are subject to limits and these are managed by the Investment Department of the Group. The Unlisted Securities and listed non-trading equities are not included in the VaR for the equity trading position, and are managed through delegated limits. The limits are subject to regular review by the Asset and Liability Management Committee.

## (b) 市場風險管理(續)

## (iii) 股份風險(續)

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審核核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團進行風險活動時所產生的相關市場風險，確保其市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度假設於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

本集團通過歷史模擬法評估本集團交易組合的風險值，其按從歷史觀察期中截獲的每個市場波動情景對有關組合進行重新估值以計算風險值。該方法是依據1日持倉期、99%置信水平以及過往兩年觀察期來推算市場利率與價格的波動。

上市股份的市值、私人股份基金及非上市股份(統稱「非上市證券」)的公平價值均由本集團投資部按限額管理。非上市證券及非交易上市股份是根據特定限額管理，且不包括在交易股份持倉的風險值計算內。資產負債管理委員會須定期檢討該限額。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## Value-at-risk statistics

## 風險值統計

|   |             | 2019             |               |               |               |
|---|-------------|------------------|---------------|---------------|---------------|
|   |             | At 31st December | Maximum       | Minimum       | Mean          |
|   |             | 於12月31日          | 最高            | 最低            | 平均            |
|   |             | HK\$ Mn 港幣百萬元    | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| VaR for total trading activities            | 交易活動的風險值總額  | 25               | 38            | 25            | 30            |
| VaR for foreign exchange trading positions* | 外匯交易持倉的風險值* | 6                | 16            | 4             | 9             |
| VaR for interest rate trading positions     | 利率交易持倉的風險值  | 1                | 5             | 1             | 3             |
| VaR for equity trading positions            | 股份交易持倉的風險值  | 20               | 25            | 19            | 21            |

|   |             | 2018             |               |               |               |
|---|-------------|------------------|---------------|---------------|---------------|
|   |             | At 31st December | Maximum       | Minimum       | Mean          |
|   |             | 於12月31日          | 最高            | 最低            | 平均            |
|   |             | HK\$ Mn 港幣百萬元    | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| VaR for total trading activities            | 交易活動的風險值總額  | 35               | 41            | 32            | 37            |
| VaR for foreign exchange trading positions* | 外匯交易持倉的風險值* | 16               | 18            | 7             | 12            |
| VaR for interest rate trading positions     | 利率交易持倉的風險值  | 4                | 8             | 4             | 6             |
| VaR for equity trading positions            | 股份交易持倉的風險值  | 20               | 32            | 20            | 25            |

\* Including all foreign exchange positions but excluding structural foreign exchange positions.

\* 包括所有外匯持倉但不包括結構性外匯持倉。

|   |              | 2019             |               |               |               |
|---|--------------|------------------|---------------|---------------|---------------|
|   |              | At 31st December | Maximum       | Minimum       | Mean          |
|   |              | 於12月31日          | 最高            | 最低            | 平均            |
|   |              | HK\$ Mn 港幣百萬元    | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Stressed VaR for total trading activities | 交易活動的受壓風險值總額 | 94               | 141           | 81            | 103           |

|   |              | 2018             |               |               |               |
|---|--------------|------------------|---------------|---------------|---------------|
|   |              | At 31st December | Maximum       | Minimum       | Mean          |
|   |              | 於12月31日          | 最高            | 最低            | 平均            |
|   |              | HK\$ Mn 港幣百萬元    | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Stressed VaR for total trading activities | 交易活動的受壓風險值總額 | 125              | 166           | 115           | 133           |

A stressed VaR measure is intended to replicate a VaR calculation that would be generated on current trading portfolio if the relevant market factors were experiencing a period of stress.

受壓風險值是假設相關市場因素在受壓期間下，模擬計算由現行交易組合產生的風險值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (c) Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events.

The objectives of operational risk management are to identify, assess, monitor, and report operational risk of the Group systematically and effectively; to minimise any operational loss and other impact on the Group; and to comply with the relevant regulatory requirements.

The Operational Risk Management Committee is responsible for overseeing operational risk management of the Group while the Operational Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to operational risk.

The operational risk management tools adopted include operational risk incidents reporting, risk assessments, key risk indicators, operation manuals, insurance policies, etc.

## (d) Liquidity risk management

Liquidity risk is the risk that the Group may not be able to meet its obligations as they come due because of an inability to obtain adequate funding (funding liquidity risk); or that the Group cannot easily liquidate assets quickly without significantly lowering market prices because of inadequate market depth or market disruptions (market liquidity risk).

The purpose of liquidity risk management is to ensure sufficient cash flows to meet all financial commitments and to capitalise on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to make new loans and investments as opportunities arise and, last but not least, to comply with all the statutory requirements for liquidity risk management, including Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR").

The Group reviews the risk profile through regular assessments of both qualitative and quantitative risk factors to determine its tolerance of prevailing risk levels against applicable risk appetite statement for liquidity risk approved annually by the Board. The Asset and Liability Management Committee is delegated by the Board to oversee the Group's liquidity risk management. The Asset and Liability Management Committee comprises balanced representation of senior staff from various business units, Treasury, Risk Management and Finance, who jointly formulate funding strategies. The Asset and Liability Management Committee sets the strategy, policy, and limits for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Regular meetings are held to review the compliance status of the monitoring matrix established and the need for any change in strategy and policy. Liquidity is managed daily by the Capital Markets & Liquidity Management Department under the Treasury Markets Division of the Group within the set limits. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to liquidity risk. The Internal Audit Division performs periodic reviews to ensure that the liquidity risk management functions are carried out effectively.

## (c) 營運風險管理

營運風險是指由於內部流程、人員和系統不足或缺陷，或因外部事件而導致損失的風險。

營運風險管理的目的在於有系統及有效地識別、評估、監控及匯報本集團營運風險；減少營運虧損及對本集團的其他影響；以及遵守相關監管規定的要求。

營運風險管理委員會負責監督本集團的營運風險管理，而本集團風險管理處轄下的營運風險管理部則負責監察與營運風險有關的活動。

本集團所採用的營運風險管理工具包括營運風險事件匯報、風險控制評估、主要風險指標、營運手冊、保險政策等。

## (d) 流動性風險管理

流動性風險是指本集團因未能獲得充足資金投入而可能無法履行到期責任的風險(資金流動性風險)；或因市場深度不足或市場失序，本集團非得大幅降低市場價格的情況下無法輕易迅速變現資產的風險(市場流動性風險)。

流動性風險管理是為了確保本集團維持充足的現金流量以履行所有財務承擔，並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足提款要求，在借款期滿時能夠還款，掌握貸款和投資的機會，以及符合所有有關流動性風險管理的法定規定，包括流動性覆蓋比率及穩定資金淨額比率。

本集團通過定期評估定性及定量的風險因素檢討風險狀況，根據董事會每年批准的適用於流動性風險的風險偏好釐定其現行風險承受範圍。資產負債管理委員會獲董事會授權，負責監察本集團的流動性風險管理。資產負債管理委員會由各業務單位、司庫、風險管理及財務的管理層出任以共同制定資金戰略方案。資產負債管理委員會制訂管理流動性風險的策略、政策及限額，以及確保執行有關策略與政策的措施。委員會定期舉行會議，檢討各既有監控架構的合規情況，以及是否需要改變策略及政策。流動資金狀況由本集團資金市場處轄下的資本市場及流動資金管理部每日按所訂限額範圍進行管理。本集團風險管理處轄下的資產負債管理部負責監察與流動性風險相關的活動。稽核處會定期作出檢討，確保流動性風險管理功能得以有效執行。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The LCR and NSFR statutory requirements are part of the stringent regulatory regime that covers the liquidity risk management of the Group. To ensure compliance with the regulatory requirements, internal targets for LCR and NSFR have been set above regulatory required levels, after considering the Group's liquidity risk appetite. In addition material changes in the LCR and NSFR are reviewed regularly by the Asset and Liability Management Committee together with proposed mitigation actions to cope with adverse changes arising from, but not limited to, composition of the deposit base and remaining tenor to maturity, lending activities with respect to different maturity tenors, and the Group's asset and liability mix strategy. In planning the asset and liability mix strategy, the Group's relevant business units contribute to an assessment of the impact of asset growth and funding structure on the LCR and NSFR for review and decision by the Asset and Liability Management Committee.

As part of Group efforts to manage the LCR and NSFR effectively, emphasis is placed on strengthening the deposit base by retaining loyal customers and maintaining customer relationships. The Group balances funding among retail, small business, and wholesale funding to avoid concentration in any one source. Professional markets are accessed through the issuance of certificates of deposit, medium-term notes, subordinated debt, money market placement, and borrowing for the purposes of providing additional funding, maintaining a presence in local money markets, and optimising asset and liability maturities.

In addition to observing the statutory LCR and NSFR, the Group has established different liquidity metrics – including but not limited to the loan-to-deposit ratio, cumulative maturity mismatch ratio, funding concentration ratio, intra-group exposure threshold, and cross currency funding ratio – to measure and analyse the Group's liquidity risk. The Group maintains sufficient High-quality liquid assets ("HQLAs") as a liquidity cushion that can be accessed in times of stress. The HQLAs for fulfilling the LCR consist of cash, exchange fund bills and notes, high quality government debt securities and other equivalent liquid marketable assets. The majority of HQLAs are denominated in Hong Kong dollars. Contingent funding sources are maintained to provide strategic liquidity to meet unexpected and material cash outflows.

Internally, intra-group funding transactions are carried out at arm's length and treated in a manner in line with third-party transactions, with regular monitoring and appropriate control. As a majority of the Group's liquidity risk arises from the maturity mismatch gap between the Group's asset and liability portfolios, the Group manages liquidity risk by conducting cash flow analysis and projections through the regular use of the Bank's management information system. These are carried out on a regular basis to identify funding needs arising from on and off-balance sheet items in a specific time frame over a set of time horizons.

流動性覆蓋比率及穩定資金淨額比率的法定要求是本集團對流動性風險管理的嚴格監管制度部份之一。為確保遵守監管要求，本集團考慮過其流動性風險偏好後，為流動性覆蓋比率及穩定資金淨額比率設定的內部目標均高於上述監管規定水平。此外，資產負債管理委員會會定期檢閱流動性覆蓋比率及穩定資金淨額比率的重大變動，並提出建議補救措施，以應對來自(但不限於)存款基礎及其餘下到期期限、不同到期期限的貸款活動以及本集團資產及負債組合策略所產生的不利變動。在規劃資產及負債組合策略時，本集團的相關業務單位就資產增長及資金結構對流動性覆蓋比率及穩定資金淨額比率的影響提交評估，以供資產負債管理委員會檢討和作出決策。

為有效地管理流動性覆蓋比率及穩定資金淨額比率，本集團特別著重存留忠實客戶及維持客戶關係，藉以增強存款基礎。本集團在零售、小企業以及批發市場資金之間保持平衡，避免資金集中於任何一種來源。本集團透過發行存款證、中期票據、後償債項、貨幣市場拆借及借貸進入專業市場，獲取額外資金，以此維持本行於本地金融市場的地位及優化資產及負債的期限。

除了緊守法定的流動性覆蓋比率及穩定資金淨額比率外，本集團已設立不同的流動性指標，以衡量及分析流動性風險，包括(但不限於)貸存比率、累積到期錯配比例、資金集中比率、集團內公司之間風險限額以及跨貨幣資金比率。本集團維持充足的優質流動資產，作為能夠在資金受壓時取用的流動資金緩衝。為滿足流動性覆蓋比率所需的優質流動資產包括：現金、外匯基金票據和債券、優質的政府債務票據，以及其他同等的而可供出售的流動資產，其中大部分優質流動資產以港幣計值。本集團維持應急資金來源，能提供策略性的流動資金，以應付未能預計及大量的資金需求。

內部方面，集團內公司間的融資交易乃按一般正常公平交易原則進行，處理方式與第三方交易一致，並會定期進行監察及適當控制。由於本集團大部分流動性風險來自資產與負債組合之間的期限錯配差距，本集團會透過使用本行的管理資訊系統，定期對一系列時間內的資產負債表內、外項目進行現金流量分析及預測，確定特定時間組別的資金需要，從而管理流動性風險。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (d) Liquidity risk management (continued)

The Group also conducts stress-testing regularly to analyse liquidity risk. Both on and off-balance sheet items and their impact on cash flow are considered, together with applicable hypothetical and historical assumptions. The assessment and review of market liquidity risk are included in the various control processes, including investment/trading strategy, market risk monitoring, valuation, and portfolio review. Three stress scenarios – namely an institution-specific crisis, a general market crisis, and a crisis involving a combination of the two – are adopted with minimum survival period defined according to the HKMA's Supervisory Policy Manual LM-2, "Sound Systems and Controls for Liquidity Risk Management".

With reference to the stress-testing results, the Group identifies potential vulnerabilities within the Group, establishes internal limits and formulates a contingency funding policy that sets out the Group's strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations.

The contingency funding policy is designed to be pro-active and pre-emptive, and stipulates the following three stages:

1. The Group utilises early warning indicators, which cover both qualitative and quantitative measures, and monitors both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position, the Asset and Liability Management Committee is informed. The Asset and Liability Management Committee will consider appropriate remedial actions and will consider employing crisis management if the situation warrants.
2. A Crisis Management Committee, which is chaired by the Co-Chief Executives, is formed to handle the crisis. Strategy and procedures for obtaining contingency funding, as well as roles and responsibilities of the parties concerned, are clearly stated.
3. In the final stage, a post-crisis review is carried out to recommend necessary improvements to avoid incidents of a similar nature in the future.

An annual drill test is conducted and the contingency funding policy is subject to regular review in order to accommodate any changes in the business environment. Any significant changes to the contingency funding policy are approved by the Board.

## (d) 流動性風險管理(續)

本集團亦會定期進行壓力測試，以分析流動資金風險。透過適用的虛擬及歷史假設，本集團的壓力測試均已考慮資產負債表內外項目及其對現金流量造成的影響。市場流動資金風險的評估及檢討納入各個控制環節，包括投資／交易策略、市場風險監控、估值及組合檢討。三個壓力情景－即個別銀行危機、整體市場危機，以及結合上述兩種情況的綜合危機－均採用金管局監管政策手冊LM-2「穩健的流動性風險管理系統及管控措施」界定的最短存活期。

本集團會參照壓力測試結果，確認集團內的潛在弱點，訂立內部限額，並制訂應急資金政策及計劃，當中載列了本集團處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

應急資金政策旨在提供防患未然的積極措施，並訂明以下3個階段：

1. 本集團運用預早警報指標，當中包括質性及數量性的措施，及監察內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知資產負債管理委員會。資產負債管理委員會將考慮適當的補救措施，並在情況需要時會考慮採用危機管理措施。
2. 本集團已設立危機管理委員會，並由聯席行政總裁擔任該委員會的主席，該委員會專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。
3. 於最後階段，本集團會在危機結束後對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境中的任何轉變，本集團每年進行演習測試，並定期檢討應急資金。應急資金政策如有任何重大變動，均須分別取得董事會的批准。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Analysis of assets and liabilities by remaining maturity:

資產及負債的剩餘期限分析：

|  |                  | 2019                |                |                                   |                                  |                                 |              |                    | Total   |
|--|------------------|---------------------|----------------|-----------------------------------|----------------------------------|---------------------------------|--------------|--------------------|---------|
|  |                  | Repayable on demand | Within 1 month | 3 months or less but over 1 month | 1 year or less but over 3 months | 5 years or less but over 1 year | Over 5 years | Undated or overdue |         |
|  |                  | 即時還款                | 1個月內           | 1個月以上至3個月                         | 3個月以上至1年                         | 1年以上至5年                         | 5年以上         | 無註明日期或逾期           | 總額      |
|  |                  | HK\$ Mn             | HK\$ Mn        | HK\$ Mn                           | HK\$ Mn                          | HK\$ Mn                         | HK\$ Mn      | HK\$ Mn            | HK\$ Mn |
|  |                  | 港幣百萬元               | 港幣百萬元          | 港幣百萬元                             | 港幣百萬元                            | 港幣百萬元                           | 港幣百萬元        | 港幣百萬元              | 港幣百萬元   |
| <b>Assets</b>  | <b>資產</b>        |                     |                |                                   |                                  |                                 |              |                    |         |
| Cash and balances with banks and other financial institutions          | 現金及在銀行和其他金融機構的結存 | 36,001              | 185            | 327                               | 687                              | -                               | -            | 14,325             | 51,525  |
| Placements with and advances to banks and other financial institutions | 在銀行及其他金融機構的存款及墊款 | -                   | 46,794         | 14,101                            | 1,230                            | 155                             | -            | -                  | 62,280  |
| Trade bills  | 貿易票據             | 1                   | 4,298          | 4,702                             | 3,080                            | -                               | -            | -                  | 12,081  |
| Trading assets   | 交易用途資產           | -                   | -              | -                                 | -                                | 56                              | 34           | 1,183              | 1,273   |
| Derivative assets  | 衍生工具資產           | -                   | -              | -                                 | -                                | -                               | -            | 5,693              | 5,693   |
| Loans and advances to customers  | 客戶貸款及墊款          | 3,893               | 63,352         | 29,670                            | 85,762                           | 198,224                         | 123,525      | 910                | 505,336 |
| Investment securities  | 投資證券             | -                   | 10,588         | 15,444                            | 30,949                           | 64,838                          | 38,686       | 3,009              | 163,514 |
| Investments in associates and Joint ventures                           | 聯營公司及合資企業投資      | -                   | -              | -                                 | -                                | -                               | -            | 9,970              | 9,970   |
| Fixed assets   | 固定資產             | -                   | -              | -                                 | -                                | -                               | -            | 14,328             | 14,328  |
| Goodwill and intangible assets   | 商譽及無形資產          | -                   | -              | -                                 | -                                | -                               | -            | 1,926              | 1,926   |
| Deferred tax assets  | 遞延稅項資產           | -                   | -              | -                                 | -                                | -                               | -            | 1,563              | 1,563   |
| Other assets   | 其他資產             | 96                  | 7,034          | 6,655                             | 13,019                           | 1,100                           | 245          | 7,560              | 35,709  |
| Total assets   | 資產總額             | 39,991              | 132,251        | 70,899                            | 134,727                          | 264,373                         | 162,490      | 60,467             | 865,198 |
| <b>Liabilities</b>   | <b>負債</b>        |                     |                |                                   |                                  |                                 |              |                    |         |
| Deposits and balances of banks and other financial institutions        | 銀行及其他金融機構的存款及結餘  | 2,247               | 12,133         | 7,708                             | 5,821                            | 6                               | -            | -                  | 27,915  |
| Deposits from customers  | 客戶存款             | 208,421             | 122,769        | 146,808                           | 86,254                           | 9,273                           | -            | 2                  | 573,527 |
| - Demand deposits and current accounts                                 | - 活期存款及往來賬戶      | 66,760              | -              | -                                 | -                                | -                               | -            | -                  | 66,760  |
| - Savings deposits   | - 儲蓄存款           | 139,742             | -              | -                                 | -                                | -                               | -            | -                  | 139,742 |
| - Time, call and notice deposits                                       | - 定期及通知存款        | 1,919               | 122,769        | 146,808                           | 86,254                           | 9,273                           | -            | 2                  | 367,025 |
| Derivative liabilities   | 衍生工具負債           | -                   | -              | -                                 | -                                | -                               | -            | 7,654              | 7,654   |
| Certificates of deposit issued   | 已發行存款證           | -                   | 4,073          | 20,528                            | 49,198                           | 260                             | -            | -                  | 74,059  |
| Current taxation   | 本期稅項             | -                   | -              | -                                 | 2,103                            | -                               | -            | -                  | 2,103   |
| Debt securities issued   | 已發行債務證券          | -                   | -              | -                                 | 156                              | 3,025                           | -            | -                  | 3,181   |
| Deferred tax liabilities   | 遞延稅項負債           | -                   | -              | -                                 | -                                | -                               | -            | 584                | 584     |
| Other liabilities  | 其他負債             | 891                 | 5,268          | 8,617                             | 16,153                           | 13,381                          | 5,157        | 6,832              | 56,299  |
| - Lease liabilities  | - 租賃負債           | 1                   | 33             | 62                                | 254                              | 518                             | 239          | -                  | 1,107   |
| - Other accounts   | - 其他賬項           | 890                 | 5,235          | 8,555                             | 15,899                           | 12,863                          | 4,918        | 6,832              | 55,192  |
| Loan capital   | 借貸資本             | -                   | -              | -                                 | 4,699                            | 5,539                           | -            | -                  | 10,238  |
| Total liabilities  | 負債總額             | 211,559             | 144,243        | 183,661                           | 164,384                          | 31,484                          | 5,157        | 15,072             | 755,560 |
| Net gap  | 淨差距              | (171,568)           | (11,992)       | (112,762)                         | (29,657)                         | 232,889                         | 157,333      |                    |         |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (d) Liquidity risk management (continued)

## (d) 流動性風險管理(續)

|  |                  | 2018                |                 |                                   |                                  |                                 |                |                    | Total          |
|--|------------------|---------------------|-----------------|-----------------------------------|----------------------------------|---------------------------------|----------------|--------------------|----------------|
|  |                  | Repayable on demand | Within 1 month  | 3 months or less but over 1 month | 1 year or less but over 3 months | 5 years or less but over 1 year | Over 5 years   | Undated or overdue |                |
|  |                  | HK\$ Mn             | HK\$ Mn         | HK\$ Mn                           | HK\$ Mn                          | HK\$ Mn                         | HK\$ Mn        | HK\$ Mn            | HK\$ Mn        |
|  |                  | 港幣百萬元               | 港幣百萬元           | 港幣百萬元                             | 港幣百萬元                            | 港幣百萬元                           | 港幣百萬元          | 港幣百萬元              | 港幣百萬元          |
| <b>Assets</b>  | <b>資產</b>        |                     |                 |                                   |                                  |                                 |                |                    |                |
| Cash and balances with banks and other financial institutions          | 現金及在銀行和其他金融機構的結存 | 27,033              | -               | -                                 | 1,818                            | -                               | -              | 19,255             | 48,106         |
| Placements with and advances to banks and other financial institutions | 在銀行及其他金融機構的存款及墊款 | -                   | 43,957          | 15,536                            | 802                              | 78                              | -              | -                  | 60,373         |
| Trade bills  | 貿易票據             | 16                  | 5,594           | 4,760                             | 4,276                            | -                               | -              | -                  | 14,646         |
| Trading assets   | 交易用途資產           | -                   | 114             | 148                               | 1,243                            | 402                             | 224            | 1,352              | 3,483          |
| Derivative assets  | 衍生工具資產           | -                   | -               | -                                 | -                                | -                               | -              | 10,211             | 10,211         |
| Loans and advances to customers  | 客戶貸款及墊款          | 2,899               | 56,756          | 29,843                            | 99,734                           | 191,557                         | 115,674        | 1,821              | 498,284        |
| Investment securities  | 投資證券             | -                   | 6,353           | 9,033                             | 26,354                           | 71,656                          | 27,528         | 3,805              | 144,729        |
| Investments in associates and joint ventures                           | 聯營公司及合資企業投資      | -                   | -               | -                                 | -                                | -                               | -              | 9,129              | 9,129          |
| Fixed assets   | 固定資產             | -                   | -               | -                                 | -                                | -                               | -              | 13,165             | 13,165         |
| Goodwill and intangible assets   | 商譽及無形資產          | -                   | -               | -                                 | -                                | -                               | -              | 1,940              | 1,940          |
| Deferred tax assets  | 遞延稅項資產           | -                   | -               | -                                 | -                                | -                               | -              | 481                | 481            |
| Other assets   | 其他資產             | 104                 | 7,154           | 6,415                             | 13,691                           | 713                             | 195            | 6,632              | 34,904         |
| <b>Total assets</b>  | <b>資產總額</b>      | <b>30,052</b>       | <b>119,928</b>  | <b>65,735</b>                     | <b>147,918</b>                   | <b>264,406</b>                  | <b>143,621</b> | <b>67,791</b>      | <b>839,451</b> |
| <b>Liabilities</b>   | <b>負債</b>        |                     |                 |                                   |                                  |                                 |                |                    |                |
| Deposits and balances of banks and other financial institutions        | 銀行及其他金融機構的存款及結餘  | 2,691               | 15,154          | 5,827                             | 3,818                            | -                               | -              | -                  | 27,490         |
| Deposits from customers  | 客戶存款             | 203,713             | 118,991         | 146,031                           | 88,469                           | 16,906                          | -              | 4                  | 574,114        |
| - Demand deposits and current accounts                                 | - 活期存款及往來賬戶      | 71,952              | -               | -                                 | -                                | -                               | -              | -                  | 71,952         |
| - Savings deposits   | - 儲蓄存款           | 130,477             | -               | -                                 | -                                | -                               | -              | -                  | 130,477        |
| - Time, call and notice deposits                                       | - 定期及通知存款        | 1,284               | 118,991         | 146,031                           | 88,469                           | 16,906                          | -              | 4                  | 371,685        |
| Derivative liabilities   | 衍生工具負債           | -                   | -               | -                                 | -                                | -                               | -              | 9,496              | 9,496          |
| Certificates of deposit issued   | 已發行存款證           | -                   | 3,236           | 19,976                            | 35,278                           | -                               | -              | -                  | 58,490         |
| Current taxation   | 本期稅項             | -                   | -               | -                                 | 1,437                            | -                               | -              | -                  | 1,437          |
| Debt securities issued   | 已發行債務證券          | -                   | -               | -                                 | 407                              | 157                             | -              | -                  | 564            |
| Deferred tax liabilities   | 遞延稅項負債           | -                   | -               | -                                 | -                                | -                               | -              | 483                | 483            |
| Other liabilities  | 其他負債             | 883                 | 5,339           | 7,075                             | 15,971                           | 9,881                           | 3,955          | 8,340              | 51,444         |
| Loan capital   | 借貸資本             | -                   | -               | -                                 | -                                | 12,358                          | -              | -                  | 12,358         |
| <b>Total liabilities</b>   | <b>負債總額</b>      | <b>207,287</b>      | <b>142,720</b>  | <b>178,909</b>                    | <b>145,380</b>                   | <b>39,302</b>                   | <b>3,955</b>   | <b>18,323</b>      | <b>735,876</b> |
| <b>Net gap</b>   | <b>淨差距</b>       | <b>(177,235)</b>    | <b>(22,792)</b> | <b>(113,174)</b>                  | <b>2,538</b>                     | <b>225,104</b>                  | <b>139,666</b> |                    |                |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

As the trading assets and debt instruments measured at FVOCI may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於作交易資產及反映公平價值之債務工具可能於到期前出售或客戶存款可能在到期前未被提取，合約到期日並非代表未來現金流的預計日期。

The following tables provide an analysis of the undiscounted cashflow projection of the financial liabilities of the Group at the end of the reporting period based on the dates of their contractual payment obligations:

下表展示於報告期結束日集團的未經折扣之金融負債的預計現金流按其合約支付債務之日期分析：

|   |                 | 2019            |                    |                     |                        |                           |                            |                      |         |
|---|-----------------|-----------------|--------------------|---------------------|------------------------|---------------------------|----------------------------|----------------------|---------|
|   |                 | Carrying amount | Gross cash outflow | Repayable on demand | Between                |                           |                            |                      | Undated |
|   |                 |                 |                    |                     | Less than three months | three months and one year | Between one and five years | More than five years |         |
|   |                 | 賬面值             | 總額                 | 即時還款                | 3個月或以下                 | 3個月以上至1年                  | 1年以上至5年                    | 5年以上                 | 無註明日期   |
|   |                 | HK\$ Mn         | HK\$ Mn            | HK\$ Mn             | HK\$ Mn                | HK\$ Mn                   | HK\$ Mn                    | HK\$ Mn              | HK\$ Mn |
|   |                 | 港幣百萬元           | 港幣百萬元              | 港幣百萬元               | 港幣百萬元                  | 港幣百萬元                     | 港幣百萬元                      | 港幣百萬元                | 港幣百萬元   |
| Deposits and balances of banks and other financial institutions | 銀行及其他金融機構的存款及結餘 | 27,915          | 28,062             | 2,247               | 19,923                 | 5,886                     | 6                          | -                    | -       |
| Deposits from customers   | 客戶存款            | 573,527         | 578,086            | 208,526             | 271,972                | 87,794                    | 9,792                      | -                    | 2       |
| - Demand deposits and current accounts                          | - 活期存款及往來賬戶     | 66,760          | 66,843             | 66,818              | 25                     | -                         | -                          | -                    | -       |
| - Savings deposits  | - 儲蓄存款          | 139,742         | 139,779            | 139,779             | -                      | -                         | -                          | -                    | -       |
| - Time, call and notice deposits                                | - 定期及通知存款       | 367,025         | 371,464            | 1,929               | 271,947                | 87,794                    | 9,792                      | -                    | 2       |
| Derivative liabilities  | 衍生工具負債          | 7,654           | 12,551             | -                   | 785                    | 1,826                     | 4,456                      | 1,250                | 4,234   |
| - Interest rate swaps   | - 利率掉期合約        | 3,420           | 8,317              | -                   | 785                    | 1,826                     | 4,456                      | 1,250                | -       |
| - Others  | - 其他            | 4,234           | 4,234              | -                   | -                      | -                         | -                          | -                    | 4,234   |
| Certificates of deposit issued                                  | 已發行存款證          | 74,059          | 74,906             | -                   | 24,933                 | 49,707                    | 266                        | -                    | -       |
| Current taxation  | 本期稅項            | 2,103           | 2,103              | -                   | -                      | 2,103                     | -                          | -                    | -       |
| Debt securities issued  | 已發行債務證券         | 3,181           | 3,508              | -                   | 104                    | 162                       | 3,242                      | -                    | -       |
| Loan capital  | 借貸資本            | 10,238          | 11,250             | -                   | 143                    | 5,081                     | 6,026                      | -                    | -       |
| Other liabilities   | 其他負債            | 56,883          | 53,298             | 792                 | 11,617                 | 15,073                    | 13,268                     | 5,132                | 7,416   |
| - Lease liabilities   | - 租賃負債          | 1,107           | 1,107              | 1                   | 95                     | 254                       | 518                        | 239                  | -       |
| - Other accounts  | - 其他賬項          | 55,776          | 52,191             | 791                 | 11,522                 | 14,819                    | 12,750                     | 4,893                | 7,416   |
| Total   | 總額              | 755,560         | 763,764            | 211,565             | 329,477                | 167,632                   | 37,056                     | 6,382                | 11,652  |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (d) Liquidity risk management (continued)

## (d) 流動性風險管理(續)

|   | Carrying amount | Gross cash outflow | Repayable on demand | 2018                   |                                   |                            |                      |         | Undated |
|---|-----------------|--------------------|---------------------|------------------------|-----------------------------------|----------------------------|----------------------|---------|---------|
|   |                 |                    |                     | Less than three months | Between three months and one year | Between one and five years | More than five years |         |         |
|   | 賬面值             | 總額                 | 即時還款                | 或以下                    | 至1年                               | 至5年                        | 5年以上                 | 無註明日期   |         |
|   | HK\$ Mn         | HK\$ Mn            | HK\$ Mn             | HK\$ Mn                | HK\$ Mn                           | HK\$ Mn                    | HK\$ Mn              | HK\$ Mn |         |
|   | 港幣百萬元           | 港幣百萬元              | 港幣百萬元               | 港幣百萬元                  | 港幣百萬元                             | 港幣百萬元                      | 港幣百萬元                | 港幣百萬元   |         |
| Deposits and balances of banks and other financial institutions | 銀行及其他金融機構的存款及結餘 | 27,490             | 27,649              | 2,694                  | 21,087                            | 3,868                      | -                    | -       | -       |
| Deposits from customers   | 客戶存款            | 574,114            | 579,074             | 203,823                | 266,826                           | 90,091                     | 18,330               | -       | 4       |
| - Demand deposits and current accounts                          | - 活期存款及往來賬戶     | 71,952             | 72,051              | 72,020                 | 31                                | -                          | -                    | -       | -       |
| - Savings deposits  | - 儲蓄存款          | 130,477            | 130,509             | 130,509                | -                                 | -                          | -                    | -       | -       |
| - Time, call and notice deposits                                | - 定期及通知存款       | 371,685            | 376,514             | 1,294                  | 266,795                           | 90,091                     | 18,330               | -       | 4       |
| Derivative liabilities  | 衍生工具負債          | 9,496              | 14,640              | -                      | 742                               | 1,888                      | 4,305                | 1,012   | 6,693   |
| - Interest rate swaps   | - 利率掉期合約        | 2,803              | 7,947               | -                      | 742                               | 1,888                      | 4,305                | 1,012   | -       |
| - Others  | - 其他            | 6,693              | 6,693               | -                      | -                                 | -                          | -                    | -       | 6,693   |
| Certificates of deposit issued                                  | 已發行存款證          | 58,490             | 59,192              | -                      | 23,432                            | 35,760                     | -                    | -       | -       |
| Current taxation  | 本期稅項            | 1,437              | 1,437               | -                      | -                                 | 1,437                      | -                    | -       | -       |
| Debt securities issued  | 已發行債務證券         | 564                | 581                 | -                      | 1                                 | 420                        | 160                  | -       | -       |
| Loan capital  | 借貸資本            | 12,358             | 15,185              | -                      | 144                               | 467                        | 13,938               | 636     | -       |
| Other liabilities   | 其他負債            | 51,927             | 48,648              | 798                    | 11,057                            | 14,971                     | 9,121                | 3,878   | 8,823   |
| Total   | 總額              | 735,876            | 746,406             | 207,315                | 323,289                           | 148,902                    | 45,854               | 5,526   | 15,520  |

## Certificates of Deposit, Debt Securities Issued, and Loan Capital

In 2019, BEA issued floating rate certificates of deposit and debt securities with a face value of HK\$150 million and US\$873 million; fixed rate certificates of deposit and debt securities with a face value of HK\$8,767 million, US\$1,677 million, CNY2,500 million and GBP25 million; and zero coupon certificates of deposit and debt securities with a face value of HK\$2,984 million, US\$5,177 million, CNY21,960 million, GBP261 million, EUR1,061 million and CHF100 million. The Group redeemed a quantity of certificates of deposit and debt securities amounting to HK\$92,521 million equivalent upon maturity.

At the end of December 2019, the face value of the outstanding certificates of deposit and debt securities issued was equivalent to HK\$77,802 million, with a carrying amount equivalent to HK\$77,240 million.

## 已發行存款證、債務證券及借貸資本

2019年，東亞銀行發行了面值為港幣1.50億元及8.73億美元的浮息存款證及債務證券；面值為港幣87.67億元、16.77億美元、人民幣25億元及2,500萬英鎊的定息存款證及債務證券；以及面值為港幣29.84億元、51.77億美元、人民幣219.60億元、2.61億英鎊、10.61億歐元及1.00億瑞士法郎的零息存款證及債務證券。本集團於到期時贖回的各類存款證及債務證券達等值港幣925.21億元。

於2019年12月底，已發行在外的存款證及債務證券面值相等於港幣778.02億元，賬面值則相等於港幣772.40億元。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Maturity Profile of Certificates of Deposit and Debt Securities Issued  
As at 31st December, 2019  
(All expressed in millions of dollars)

已發行存款證及債務證券的年期  
於2019年12月31日  
(以百萬元位列示)

|   | Total Face Value<br>總面值 | Year of Maturity<br>到期年份 |      |       |
|---|-------------------------|--------------------------|------|-------|
|   |                         | 2020                     | 2021 | 2022  |
| <b>Floating Rate 浮息</b>   |                         |                          |      |       |
| HKD 港元  | 150                     | 150                      |      |       |
| USD 美元  | 893                     | 863                      |      | 30    |
| <b>Fixed Rate (Note) 定息 (附註)</b>  |                         |                          |      |       |
| HKD 港元  | 5,960                   | 5,700                    | 260  |       |
| USD 美元  | 1,398                   | 1,398                    |      |       |
| CNY 人民幣   | 2,500                   |                          |      | 2,500 |
| GBP 英鎊  | 25                      | 25                       |      |       |
| <b>Zero Coupon 零息</b>   |                         |                          |      |       |
| HKD 港元  | 2,980                   | 2,980                    |      |       |
| USD 美元  | 3,475                   | 3,475                    |      |       |
| CNY 人民幣   | 15,030                  | 15,030                   |      |       |
| GBP 英鎊  | 263                     | 263                      |      |       |
| CHF 瑞士法郎  | 50                      | 50                       |      |       |
| EUR 歐元  | 99                      | 99                       |      |       |
| <b>Total Certificates of Deposit and Debt Securities issued in<br/>HKD equivalent 所有已發行存款證及債務證券(港幣等值)</b> |                         |                          |      |       |
|   | 77,802                  | 74,513                   | 260  | 3,029 |

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

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

In 2019, BEA issued fixed rate loan capital with a face value of CNY1,500 million. On the other hand, the Group redeemed the USD loan capital that was callable on 20th November, 2019 amounting to HK\$3,913 million equivalent.

2019年，東亞銀行發行了面值為人民幣15億元的借貸資本。同時，東亞銀行於2019年11月20日贖回港元等值39.13億美元的借貸資本。

At the end of December 2019, the face value of the outstanding loan capital issued was equivalent to HK\$10,243 million, with a carrying amount equivalent to HK\$10,238 million.

於2019年12月底，已發行在外的借貸資本面值相等於港幣102.43億元，賬面值則相等於港幣102.38億元。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (d) Liquidity risk management (continued)

Maturity Profile of Loan Capital  
As at 31st December, 2019  
(All expressed in millions of dollars)

|   | Total Face Value<br>總面值 | Year of Maturity<br>到期年份 |       |       |
|---|-------------------------|--------------------------|-------|-------|
|   |                         | 2020                     | 2026  | 2029  |
|   |                         | USD (Note 1) 美元(附註1)     | 1,100 | 600   |
| CNY (Note 2) 人民幣(附註2)   | 1,500                   |                          |       | 1,500 |
| <b>Total Loan Capital issued in HKD equivalent</b><br>所有已發行借貸資本(港幣等值) | 10,243                  | 4,672                    | 3,894 | 1,677 |

Notes: 1. The US\$500 million loan capital that matures in 2026 will be callable on 3rd November, 2021.  
2. The CNY1,500 million loan capital that matures in 2029 will be callable on 25th April, 2024.

## (d) 流動性風險管理(續)

借貸資本的年期  
於2019年12月31日  
(以百萬元位列示)

附註：1. 將於2026年到期的5億美元借貸資本於2021年11月3日可贖回。  
2. 將於2029年到期的人民幣15億元借貸資本於2024年4月25日可贖回。

## (e) Interest rate risk management

Interest rate risk is the risk resulting from adverse movements in interest rates that affect the earnings and economic value of the Group's banking book positions. The Asset and Liability Management Committee is delegated by the Board to oversee the Group's interest rate risk management, establish the strategy and policy for managing interest rate risk, and determine the means for ensuring that such strategies and policies are implemented. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to interest rate risk. The Internal Audit Division performs periodic reviews to ensure that the interest rate risk management functions are implemented effectively.

Interest rate risk primarily results from the timing differences in the re-pricing of interest rate-sensitive assets, liabilities, and off-balance sheet items in the banking book. In determining the level of interest rate risk, assessments are made for the gap risk, basis risk and options risk. The Group manages the interest rate risk on the banking book primarily by focusing on re-pricing mismatches. Gap analysis provides a static view of the maturity and re-pricing characteristics of the Group's interest rate-sensitive assets, liabilities, and off-balance sheet positions. Re-pricing gap position limits are set to control the Group's interest rate risk.

From 1st July, 2019, in line with the new requirements set by the HKMA, new assumptions, such as optionality and behaviour of certain products, will also be estimated in the exposure measurement.

Sensitivity analysis in relation to the impact of changes in interest rates on earnings, in terms of net interest income ("NII"), and economic value, in terms of economic value of equity ("EVE") is assessed regularly through a number of hypothetical interest rate shock scenarios prescribed by the HKMA. EVE represents an assessment of the present value of expected net cash flows, discounted to reflect market rates. As fluctuations in interest rates will affect earnings, they will also affect its net worth. Sensitivity limits are set to control the Group's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee on a regular basis.

## (e) 利率風險管理

利率風險是指本集團的銀行帳內的利率風險(簡稱「IRRBB」)受到不利的利率走勢對其盈利及經濟價值造成不利的影響所帶來的風險。資產負債管理委員會獲董事會授權，負責監察本集團的利率風險管理，訂立管理利率風險的策略與政策，並制定相應措施，以確保執行有關策略與政策。利率風險由本集團資金市場處按董事會或資產負債管理委員會批核的限額範圍進行日常管理。本集團風險管理處轄下的資產負債管理部，負責監察利率風險相關的活動。稽核處會定期作出檢討，確保利率風險管理功能得以有效執行。

利率風險主要是由銀行賬冊內利率敏感性資產、負債及資產負債表外項目在再定息時的時差所致。釐定利率風險水平時，對差距風險、息率基準風險及期權風險進行評估。本集團管理銀行賬冊上的利率風險主要集中於重訂息率的錯配。差距分析可讓本集團從靜態角度瞭解利率敏感性資產、負債和資產負債表外持倉的到期情況及重訂息率特點。本行設有重訂息率差距限額，以控制本集團的利率風險。

由2019年7月1日起，若干新假設如產品的選擇權和習性將會因應香港金融管理局的新要求於風險承擔計量中估算。

本集團每月進行敏感度分析，以估算利率變動對盈利和經濟價值的影響，包括金管局規定的不同利率衝擊假設情景。本集團設有敏感度限額，以控制本集團的盈利及經濟價值兩方面的利率風險承擔。有關結果會定期向資產負債管理委員會匯報。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The following table provides information on the changes on EVE and also the change on NII over next 12 months under each of the prescribed interest rate shock scenarios in respect of the Group's interest rate exposures arising from banking book positions for the current annual reporting date at 31st December, 2019. Since this is the first time disclosure under new requirement of HKMA, comparative figures with previous year are not available. Sensitivity analysis on interest rate risk for 2018 prepared based on the previous methodology are also presented.

Sensitivity analysis on interest rate risk at 31st December, 2019:

下表展示銀行帳內持倉在2019年12月31日於規定的利率衝擊情境下，引致EVE及NII在未來12個月的改變。由於這是香港金融管理局新規定下的首次披露，因此無法提供與上一年的比較數字。然而，以從前的方法計算的2018年利率風險敏感性分析亦有提供。

於2019年12月31日對利率風險的敏感性分析：

| (In HK\$ Mn) (港幣百萬元) |                            | Adverse<br>impact on EVE<br>對股權經濟價值<br>的不利影響 | Adverse<br>impact on NII<br>對淨利息收入<br>的不利影響 |
|----------------------|----------------------------|--|---|
|                      |                            | <b>31st December, 2019</b><br>2019年12月31日    |   |
| <b>Period 期間</b>     |                            |  |   |
| 1                    | Parallel up 平行向上           | 113  | 13  |
| 2                    | Parallel down 平行向下         | 2,339  | 2,781                                       |
| 3                    | Steeper 較傾斜                | 302  |   |
| 4                    | Flattener 較橫向              | 22   |   |
| 5                    | Short rate up 短率上升         | 62   |   |
| 6                    | Short rate down 短率下降       | 1,479  |   |
| 7                    | <b>Maximum 最高</b>          | 2,339  | 2,781                                       |
|                      |                            | <b>31st December, 2019</b><br>2019年12月31日    |   |
| <b>Period 期間</b>     |                            |  |   |
| 8                    | <b>Tier 1 capital 一級資本</b> | 89,276                                       |   |

In order to produce quantitative estimation on IRRBB, the Group has assumed shock scenarios to interest rate yield curves which allow changes in economic value and earnings to be computed with consideration of optionality and behavioural assumptions. These scenarios are applied to IRRBB exposures in each currency for which the Group has material positions.

The prescribed interest rate shock scenarios are provided by the Hong Kong Monetary Authority in their Supervisory Policy Manual IR-1, Interest Rate Risk in the Banking Book and generally described as follows:

1. Parallel up: A constant parallel shock up across all time buckets
2. Parallel down: A constant parallel shock down across all time buckets
3. Steepener: Short rates down and long rates up
4. Flattener: Short rates up and long rates down
5. Short rate up: Rates up are greatest at shortest time bucket and diminish towards current rates in longer time buckets
6. Short rate down: Rates down are greatest at shortest time bucket and diminish towards current rates in longer time buckets

為了對IRRBB進行定量估計，本集團假設利率收益率曲線受到衝擊並考慮了選擇權和習性的設定，從而計算經濟價值和盈利的變化。這些情境適用於本集團持有的IRRBB風險敞口於各種重要貨幣。

規定的利率衝擊情境是由香港金融管理局在其監管政策手冊IR-1「銀行帳內的利率風險」中提供，其一般描述如下：

1. 平行向上：利率收益率曲線在所有時間段內平行向上移動
2. 平行向下：利率收益率曲線在所有時間段內平行向下移動
3. 較傾斜：短期利率下降而長期利率上升
4. 較橫向：短期利率上升而長期利率下降
5. 短率上升：利率在最短的時間段內上升差距最大，而差距隨著較長時段減少至與當前利率相若
6. 短率下跌：利率在最短的時間段內下降差距最大，而差距隨著較長時段減少至與當前利率相若

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (e) Interest rate risk management (continued)

Sensitivity analysis on interest rate risk at 31st December, 2018

|   |                         | 31st December, 2018<br>2018年12月31日 |                         |                          |                         |
|---|-------------------------|------------------------------------|-------------------------|--------------------------|-------------------------|
|   |                         | HKD 港元<br>HK\$ Mn 港幣百萬元            | USD 美元<br>HK\$ Mn 港幣百萬元 | RMB 人民幣<br>HK\$ Mn 港幣百萬元 | GBP 英鎊<br>HK\$ Mn 港幣百萬元 |
| Impact on earnings over the next 12 months if interest rates rise by 200 basis points | 倘利率上調200個基點對未來12個月的盈利影響 | 1,077                              | 237                     | 277                      | 39                      |
| Impact on economic value if interest rates rise by 200 basis points                   | 倘利率上調200個基點對經濟價值的影響     | (278)                              | 191                     | (301)                    | 18                      |

This sensitivity analysis on interest rate risk was based on a static interest rate risk profile of assets and liabilities and was used for risk management purposes. The analysis was based on the following assumptions:

- there was a parallel shift in the yield curve and in interest rates;
- there were no other changes to the portfolio;
- no loan prepayment was assumed as the majority of loans was on a floating rate basis; and
- deposits without fixed maturity dates were assumed to be repriced on the next day.

## (f) Strategic risk management

Strategic risk is the risk of current or potential impact on the Group's earnings, capital, reputation, or standing arising from changes in the environment the Group operates in, adverse strategic decisions, improper implementation of decisions, or lack of responsiveness to industry, economic, or technological changes.

The Risk Management Division of the Group monitors the activities under the Group's prevailing interest-earning asset mix and funding strategies and regularly reports the status to the Asset and Liability Management Committee, Risk Management Committee, Risk Committee and the Board, where appropriate.

Future capital requirements are determined based on the projections of Capital Adequacy Ratio and conditions under the Internal Capital Adequacy Assessment Process, so as to assess the level and structure of capital resources needed to support the risks that the Group tolerates.

## (g) Legal risk management

Legal risk is the risk of loss arising from unenforceable contracts, lawsuits, or adverse judgements that may disrupt or otherwise negatively affect the operations or financial condition of the Group.

The objective of managing legal risk is to identify, assess, monitor and report on legal risk, and to comply with the relevant legal and regulatory requirements.

The Group provides appropriate training courses conducted by qualified internal personnel and/or external lawyers/professionals. It also issues reminders to staff members if necessary. When dealing with legal matters, the Group engages qualified internal personnel and, when necessary and appropriate, external lawyers with appropriate expertise including counsel and senior counsel.

The Operational Risk Management Committee is responsible for overseeing the management of the Group's legal risk.

## (e) 利率風險管理(續)

於2018年12月31日對利率風險的敏感性分析

以上敏感度分析乃依據資產及負債的靜態利率風險狀況作出，僅作風險管理用途。有關分析乃根據以下假設進行：

- 收益率曲線及利率平行移動；
- 組合並無其他變動；
- 假設沒有提早償還貸款，因大部分貸款屬於浮息貸款；及
- 假設沒有固定到期日的存款於翌日再定息。

## (f) 策略性風險管理

策略性風險是指因本集團營運環境變動、不良策略決策、決策實施不當或對工業、經濟或技術變動反應遲緩而對本集團盈利、資本、信譽或地位造成當前或潛在影響的風險。

本集團轄下的風險管理處監控本集團現行生息資產組合及融資策略下的活動，並於適當情況下定期向資產負債管理委員會、風險管理委員會、風險委員會及董事會匯報有關情況。

本集團亦根據資本充足比率預計及內部資本充足評估程序狀況決定未來所需的資本，以評估支援本集團在風險可承受水平上所需的資本資源水平及結構。

## (g) 法律風險管理

法律風險是指出現合約未能執行、訴訟或不利審判的情況，可能對本集團的日常運作或財務狀況造成擾亂或負面影響而導致損失的風險。

法律風險管理的目的，在於識別、評估、監控及匯報法律風險，以及遵守相關法律及監管規定的要求。

如有需要，本集團會提供由合資格內部人員及／或外聘律師／專業人士講解的適當培訓課程，並於有需要時向員工發出提示。當處理法律事宜，本集團諮詢合資格內部人員，並於必要及適當的情況下聘請具備相應專業知識的外聘律師(包括大律師及資深大律師)。

營運風險管理委員會負責監督本集團的法律風險管理。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (h) Reputation risk management

Reputation risk is the risk that the Group's reputation is damaged by one or more events that result in negative publicity about the business practices, conduct, or financial condition of the Group. Such negative publicity, whether true or not, may impair public confidence in the Group and may result in costly litigation, or lead to a decline in the Group's customer base, business, and/or revenue.

The objective of managing reputation risk is to identify, assess, monitor, report, and mitigate reputation risk, and to ensure compliance with the relevant regulatory requirements.

The Group establishes various policies, guidelines, manuals and codes to ensure compliance with applicable laws, rules and regulations, and to ensure that the Group maintains a high standard of corporate governance, which in turn helps to safeguard and enhance the Group's reputation.

The Group formulates, and adheres to, the Reputation Risk Management Manual, which outlines a systematic approach to the management of reputation risk, including a framework for reputation risk identification, assessment, monitoring, mitigation, and control, thereby protecting and enhancing the reputation of the Group. The Guidelines for Incident Response and Management are established for swift response to and management of unexpected incidents. The Media Guidelines are established to ensure effective and consistent delivery of the Group's key messages to the media.

The Operational Risk Management Committee is responsible for overseeing the management of the Group's reputation risk.

#### (i) Compliance risk management

Compliance risk is the risk of potential losses arising from legal or regulatory sanctions, fines and penalties, financial losses or damage to reputation that the Group may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its banking activities.

The Group establishes various policies, guidelines and manuals to ensure compliance with all applicable legislation, rules, codes of conduct, industry standards, and guidelines issued by the relevant regulatory authorities that govern the Group's operations. The Group formulates, and adheres to, the Group Compliance Risk Management Manual, which outlines a systematic approach to the management of compliance risk, including a framework for compliance risk identification, assessment, monitoring, mitigation and control, thereby enabling the Group to manage its compliance risk effectively. Independent regulatory compliance reviews are conducted on major functions of the Group using a risk-based approach.

#### (j) Technology risk management

Technology risk is the risk of loss to the Group due to inadequate or failed technical processes, people, and/or computing systems, or unauthorised access or disruption to technology resources, in particular relating to cyber security and e-banking.

To address increasing cyber security threats, the Group has put in place adequate security resources and proper control measures based on a defined risk appetite level. The Group has developed technology risk related policies and cyber security strategies as well as comprehensive security awareness programmes to strengthen cyber security at all levels.

#### (h) 信譽風險管理

信譽風險是指因對本集團一項或多項有關營商手法、行為或財務狀況事件的負面報導而損及本集團信譽的風險。此等負面報導，不管真確與否，有可能影響公眾對本集團的信心，並可能導致高昂的訴訟費用，或令本集團客戶基礎、業務及／或收入減少。

信譽風險管理的目的在於識別、評估、監控、匯報及降低信譽風險，以及確保符合相關監管規定的要求。

本集團制定各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的信譽。

本集團制定並遵從信譽風險管理手冊，該手冊載錄對信譽風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制信譽風險的機制，藉此保護及提升本集團的信譽。本集團已建立事件應對及管理指引，以快速應對並管理未能預期的事件。並已建立媒體指引，以確保有效及一致地將本集團的關鍵信息傳達予媒體。

營運風險管理委員會負責監督本集團的信譽風險管理。

#### (i) 合規風險管理

合規風險是指因法律及監管制裁、罰金或罰款、財務損失，或因未能遵守適用於本集團銀行業務的法例、規例、規則、相關自律組織標準及行為守則，而導致本集團損失的風險。

本集團已制定各項政策、指引及手冊，確保遵守所有適用法例、規則、行為守則、行業標準及有關監管機構發出的規管本集團營運的指引。本集團已制定並遵從集團合規風險管理手冊，該手冊載錄對合規風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制合規風險的機制，藉此令本集團有效地管理合規風險。並採用風險為本的方式對本集團主要職能進行獨立合規監察審查。

#### (j) 科技風險管理

科技風險是指因技術程序、人員及／或計算系統不足或出現故障；或因未經授權使用或破壞技術資源（尤其在涉及網絡安全及電子銀行時）導致本集團損失的風險。

為應對日漸上升的網絡安全威脅，本集團已根據既定風險偏好級別投入充足的網絡安全資源和實施適當的控制措施。本集團已制定科技風險相關政策及網絡安全策略，以及全面的安全意識計劃，以加強各個級別的網絡安全。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

##### (j) Technology risk management (continued)

The Group has established a framework for proper management of technology risk. The Board and designated committees at the top level are responsible for overall management of technology risk for the Group. They lead various working teams and the “Three lines of defence” to address specific areas of concern.

Comprehensive control policies, standards, guidelines, and procedures are maintained to ensure that adequate control measures relating to the security of internet systems and applications, customer authentication, risk assessment for new products and services, and confidentiality and integrity of information are all in place.

##### (k) New product and business risk management

New product and business risk is the risk of loss due to insufficient pre-assessment of significant potential risks introduced to the Group arising from the launch of new products, the structural change of existing products, and the establishment of new business operations (i.e. through the establishment of a new subsidiary and/or merger and acquisition). The significant potential risks include Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Legal Risk, Technology Risk, Compliance Risk, Strategic Risk, Reputation Risk and Business Continuity Risk.

The Group establishes a risk governance structure, supported by comprehensive control guidelines and procedures. A structured evaluation process ensures that before initiating a new product or business, the potential significant risks are duly assessed, vetted and documented. The process also facilitates oversight of new products and businesses by Senior Management.

Each new product launch must go through an approval process, which includes business and financial analysis and risk assessment. New products are reviewed and endorsed by the Steering Group for New Product and Business Risk Management (chaired by the Group Chief Risk Officer and comprising the division heads of supporting units), and approved by the Risk Management Committee.

##### (l) Business continuity risk management

Business continuity risk is the risk of loss arising from business disruptions in the event of an incident or crisis. Business disruption could be caused by the loss of staff members, information technology and telecommunication systems, premises, key service providers, vital records, etc.

To manage business continuity risk, the Group establishes comprehensive policies, guidelines and manuals. Business impact analysis is conducted and business continuity plans are developed by all individual functional units of the Group.

Annual drills are performed to test preparedness and effectiveness of the business continuity plans.

##### (j) 科技風險管理(續)

本集團亦已為科技風險設立妥善管理框架。處於集團頂層的董事會及其指定委員會負責對本集團科技風險的整體管理，統領各工作小組及「三道防線」解決個別領域的問題。

本集團繼續落實全面的控制政策、標準、指引及程序，確保充分實施與網絡系統及應用程式安全、客戶身份驗證、新產品及服務風險評估、以及資料保密及完整性相關的控制措施。

##### (k) 新產品及業務風險管理

新產品及業務風險是指本集團在新產品推出、現有產品結構性變動及新業務運作(即透過設立新附屬公司及／或合併及收購)時，未充分預先評估其重大潛在風險，而導致本集團損失的風險。此等重大潛在風險包括信貸風險、市場風險、營運風險、流動資金風險、利率風險、法律風險、科技風險、合規風險、策略性風險、信譽風險及持續業務運作風險。

本集團已建立風險管治架構，並以全面的控制指引及程序確保其實施。結構嚴密而有序的評估程序，確保本集團在推出新產品或業務前對潛在重大風險作出適當評估、審查及記錄。該程序亦有助高層管理人員監督新產品及業務。

每一個新產品的推出，須通過審批過程，包括業務和財務分析和風險評估。這些新產品由新產品及業務風險管理督導組認可及由風險管理委員會批准。新產品及業務風險管理督導組的主席為集團風險總監，並由支援職能的處級主管組成。

##### (l) 持續業務運作風險管理

持續業務運作風險是指事件或危機發生時業務中斷導致損失的風險。業務中斷可能由員工、資訊科技及電訊系統、行址、主要服務提供者、關鍵記錄等相關損失而引致。

為管理持續業務運作風險，本集團已制定全面的政策、指引及手冊。本集團所有個別職能單位均進行業務影響分析及制定業務持續規劃。

本集團每年進行演習以測試業務持續規劃是否備妥及有效。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (m) Capital management

The Group's primary objectives when managing capital are to meet the regulatory requirements and safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

Capital managed by the Group to achieve these objectives includes ordinary share capital, retained profits, other reserves, and non-controlling interests after deductions for goodwill and intangible assets. It also includes subordinated liabilities, impairment allowances and regulatory reserve for general banking risks as allowed under Capital Rules.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Steering Group for Capital Management and Recovery and Resolution Planning is responsible for overseeing issues related to the capital positions and monitoring the capital adequacy against all regulatory and internal reference. The capital position is also reviewed regularly by the Risk Management Committee, Risk Committee and the Board.

The HKMA supervises the Group on both a consolidated basis and a solo-consolidated basis and, as such, sets capital requirements and receives information of capital adequacy on a regular basis for the Group as a whole. Individual overseas branches and banking subsidiaries are directly regulated by respective domestic banking supervisors, who set and monitor their capital adequacy requirements. In certain jurisdictions, non-banking financial subsidiaries are also subject to the supervision and capital requirements of domestic regulatory authorities.

In implementing current capital requirements the HKMA requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets. The Group calculates requirements for market risk in its trading portfolios based upon the Group's VaR models and uses its internal gradings as the basis for risk weightings for credit risk. Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Group monitors its capital structure on the basis of the capital adequacy ratios and there have been no material changes in the Group's policy on the management of capital during the year.

The capital adequacy ratios as at 31st December, 2019 and 31st December, 2018 are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Capital Rules of the Banking Ordinance.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2019 and 31st December, 2018 and the Group's capital ratios are well above the minimum required by the HKMA.

#### (m) 資本管理

本集團管理資本的主要目的是要符合監管規定及保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

以求達至該目的，本集團管理資本包括股本、留存溢利、其他儲備，及非控股權益(已扣除商譽和無形資產)。管理資本亦包括無償負債、減值準備及資本規則所容許的一般銀行業風險的規管儲備。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

資本管理、恢復及處置規劃督導組負責監督與資本狀況相關的事項，並根據監管機構及內部指引以監控資本充足度。風險管理委員會、風險委員會及董事會亦會定期檢討資本狀況。

金管局按綜合基準及單獨綜合基準以監管本集團，並制訂資本要求及定期收集本集團整體性的資本充足資料。個別海外分行及銀行附屬公司分別由當地的銀行監管機關直接監管，並制訂及監控其資本充足要求。在某些地區，非銀行財務附屬公司是受當地監管機關規管及資本要求。

在實施現行資本要求金管局要求本集團維持特定的總資本對風險資產總額比率。本集團計算其交易組合的市場風險是按本集團風險值模式及採用內部評級作為信貸風險的加權風險基準。銀行營運分類為交易賬或銀行賬，及風險加權資產視乎可反映與資產及資產負債表以外風險不同層面風險之特定要求。

本集團以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變。

2019年12月31日及2018年12月31日的資本充足比率是依據金管局為監管目的而制定的，本行及若干附屬公司已按綜合基準計算，並符合《銀行業條例》的《資本規則》。

截至2019年12月31日及2018年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 46. FAIR VALUES OF FINANCIAL INSTRUMENTS 金融工具的公平價值

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

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

Level 1 – Quoted market price in an active market for an identical instrument.

Level 2 – Valuation techniques based on observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or counterparty quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, historical or implied volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

##### (a) 以公平價值列賬的金融工具

公平價值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。本集團以下列的分級方法計算公平價值：

第一級－參考同一工具在活躍市場取得的市場報價。

第二級－根據可觀察的參數之估值模式。為此級別估值的工具，包括以下方式：就相若工具在活躍市場取得的市場報價；就相若工具在非活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的參數，是直接或間接可從市場觀察所得的數據。

第三級－根據重要但非可觀察得到的參數之估值模式。為此級別估值的工具，其估值模式所輸入之參數為非可觀察的數據，惟該等非可觀察的數據可以對估值產生重大影響。為此級別估值的工具，也包括在活躍市場取得相若金融工具的市場報價，惟當中需要作出非可觀察之調整或假設，以反映不同金融工具之間的差別。

於活躍市場買賣的金融資產及金融負債，是根據市場報價或交易對手報價以釐定其公平價值。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式，以及其他市場廣泛應用的期權估值模式。用於估值模式之假設及參數包括無風險利率、基準利率、股票價格、外幣兌換率、指數價格、過往或預期波幅及相聯關係。採用估值模式的目的是計量公平價值，藉以在申報日能反映金融工具的價格，而該價格可被視為在正常交易下市場人士當賣出資產時可收取或當轉移負債時須支付之款項。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group uses widely recognised valuation models for determining the fair value of common and simpler financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses valuation models, which usually are developed from recognised valuation methodologies. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation control function, namely Financial Instruments Valuation Group (“FIVG”) which comprises control units independent of front office management. Procedures for price verification have been established. Any pricing models to be used would be subject to a rigorous validation and approval process.

本集團會使用廣泛應用的估值模式，以釐定一般性及較簡單金融工具的公平價值，例如僅使用可觀察市場價格、及毋須管理層耗時判斷及估計之利率及貨幣掉期。可觀察價格及模式的參數，通常可從市場上的上市債務及股份證券、在交易所買賣的衍生工具和簡單的場外交易衍生工具如利率掉期獲取。獲取可觀察市場價格及模式的參數，可以減省管理層需時判斷及估計，也可減少有關釐定公平價值的不穩定因素。是否取得可觀察市場價格及參數，視乎產品及市場性質，並會因金融市場的個別事件和一般情況而有不同變化。

至於較複雜的金融工具，本集團會使用通常由已有認受性的估值模式改動而來。部分甚或所有須予輸入模式的重要參數或未能從市場中觀察得出，而必須從市場價格或利率計算、或基於假設而估計而得出。該等須利用重要而非可觀察之參數的估值模式，需要管理層投入較多時間於判斷及估計，始能釐定金融工具的公平價值；而揀選適當的估值模式、為估值之金融工具決定其預期的未來現金流、決定交易對手方違約和提早還款的或然率，以及挑選適用的貼現率等，一般皆需要管理層的判斷和估計。

本集團已就計算公平價值設立了監控機制。此機制包括擁有產品監控功能並獨立於前線管理人員，稱為金融工具估值群組（「群組」）。價格核實的程序已經確立。任何將被採用的價格模式必須經過嚴格的檢測及審批程序。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 46. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

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

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorised:

## (a) 以公平價值列賬的金融工具(續)

下表是分析於報告期期末，在公平價值分級內金融工具之公平價值的處理方式：

|   |                            | 2019                                 |                                      |  |                                 | 2018                                 |                                      |  |                                 |
|---|----------------------------|--------------------------------------|--------------------------------------|--|---------------------------------|--------------------------------------|--------------------------------------|--|---------------------------------|
|   |                            | Level One<br>第一級<br>HK\$ Mn<br>港幣百萬元 | Level Two<br>第二級<br>HK\$ Mn<br>港幣百萬元 | Level Three<br>第三級<br>HK\$ Mn<br>港幣百萬元 | Total<br>總額<br>HK\$ Mn<br>港幣百萬元 | Level One<br>第一級<br>HK\$ Mn<br>港幣百萬元 | Level Two<br>第二級<br>HK\$ Mn<br>港幣百萬元 | Level Three<br>第三級<br>HK\$ Mn<br>港幣百萬元 | Total<br>總額<br>HK\$ Mn<br>港幣百萬元 |
| <b>Recurring fair value measurement</b>                               | <b>重覆發生的公平價值釐定</b>         |                                      |                                      |  |                                 |                                      |                                      |  |                                 |
| <b>Assets</b>   | <b>資產</b>                  |                                      |                                      |  |                                 |                                      |                                      |  |                                 |
| Trade Bills – At FVOCI  | 貿易票據 – 通過其他全面<br>收益以反映公平價值 | -                                    | 11,461                               | -                                      | 11,461                          | -                                    | 11,764                               | -                                      | 11,764                          |
| Trading assets  | 交易用途資產                     | 1,183                                | 90                                   | -                                      | 1,273                           | 1,371                                | 2,112                                | -                                      | 3,483                           |
| Derivative assets   | 衍生工具資產                     | -                                    | 5,693                                | -                                      | 5,693                           | -                                    | 10,211                               | -                                      | 10,211                          |
| Investment securities   | 投資證券                       |                                      |                                      |  |                                 |                                      |                                      |  |                                 |
| - Mandatorily measured at FVTPL                                       | - 強制按通過損益以反映<br>公平價值計量     | 1,445                                | 8,857                                | 278                                    | 10,580                          | 2,471                                | 11,251                               | 309                                    | 14,031                          |
| - Designated at FVTPL   | - 指定通過損益以反映<br>公平價值        | -                                    | 446                                  | -                                      | 446                             | -                                    | 1,630                                | -                                      | 1,630                           |
| - Measured at FVOCI   | - 通過其他全面收益以<br>反映公平價值      | 32,971                               | 100,157                              | 1,055                                  | 134,183                         | 22,125                               | 87,234                               | 688                                    | 110,047                         |
|   |                            | 35,599                               | 126,704                              | 1,333                                  | 163,636                         | 25,967                               | 124,202                              | 997                                    | 151,166                         |
| <b>Liabilities</b>  | <b>負債</b>                  |                                      |                                      |  |                                 |                                      |                                      |  |                                 |
| Derivative liabilities  | 衍生工具負債                     | -                                    | 7,654                                | -                                      | 7,654                           | -                                    | 9,496                                | -                                      | 9,496                           |
| Financial liabilities designated at fair value through profit or loss | 指定為通過損益以反映<br>公平價值的金融負債    | -                                    | 30,583                               | -                                      | 30,583                          | -                                    | 11,204                               | -                                      | 11,204                          |
|   |                            | -                                    | 38,237                               | -                                      | 38,237                          | -                                    | 20,700                               | -                                      | 20,700                          |

During the years ended 31st December, 2019 and 2018, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2019年及2018年12月31日止之年內，根據第一級及第二級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移。本集團的政策是只確認於報告期期末公平價值分級之間發生的轉移。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Information about significant unobservable inputs in Level 3 valuations

有關第三級估值的重要非可觀察參數資料

|  | Valuation technique<br>估值模式           | Significant unobservable input(s)<br>重要非可觀察參數 | Range<br>幅度                         |
|--|---------------------------------------|---|-------------------------------------|
| Unlisted equity securities and<br>investment funds<br>非上市股份證券及投資基金 | Net asset value<br>資產淨值               | N/A<br>不適用                                    | N/A<br>不適用                          |
|  | Discounted cash flow model<br>現金流折扣模式 | Discount rate<br>折扣率                          | 8.6%<br>(2018年: 11.8%)              |
|  |                                       | Marketability discount<br>市場性折扣               | 20%<br>(2018年: 20%)                 |
|  | Market-comparable approach<br>市場可類比法  | Earnings multiple<br>盈利倍數                     | 29.60–34.48<br>(2018年: 18.24–19.90) |
|  |                                       | EV/EBIT<br>企業價值/稅息前利潤                         | 25.19–35.68<br>(2018年: 22.54–23.18) |
|  |                                       | Marketability discount 市場性折扣                  | 50%<br>(2018年: 50%)                 |

The fair values of unlisted equity instruments mandatorily measured at FVTPL or measured at FVOCI are estimated using the discounted cash flow model, on the basis of an analysis of the investee's financial position and results, or with reference to multiples of comparable listed companies, adjusted for a marketability discount to reflect the fact that the shares are not actively traded. An increase in the ratio/investee's financial position and results in isolation will result in favourable movement in the fair values, while an increase in discount rate/marketability discount in isolation will result in unfavourable movement.

按強制通過損益以反映公平價值或通過其他全面收益以反映公平價值非上市股份工具的公平價值是採用現金流折扣模式作估算，根據受投資公司的財務狀況及業績之分析，或參考可比較上市公司之倍數，但須計入市場性折扣以反映該股份並非有活躍交易之調整。任何因比率/受投資公司的財務狀況及業績之個別增加對公平價值有正面影響，而因折扣率/市場性折扣之個別增加則對公平價值有負面影響。

Valuation of financial instruments in Level 3 is subject to the same valuation control framework as described above and reviewed regularly by FIVG.

在第三級之金融工具估值是受以上所述之相同估值監控機制及金融工具估值群組的定期檢視。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 46. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

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

(1) Valuation of financial instruments with significant unobservable inputs

Movements in the recognised fair values of instruments with significant unobservable inputs were as follows:

## (a) 以公平價值列賬的金融工具(續)

(1) 使用重要而非可觀察之參數的金融工具估值

已列賬並含有重要而非可觀察參數的工具，其公平價值之變動如下：

|   |   | 2019  |   | 2018  |   |
|---|---|---|---|---|---|
|   |   | Investment securities mandatorily measured at FVTPL | Investment securities measured at FVOCI | Investment securities mandatorily measured at FVTPL | Investment securities measured at FVOCI |
|   |   | 強制定按通過損益以反映公平價值計量的投資證券                              | 按通過其他全面收益以反映公平價值計量的投資證券                 | 強制定按通過損益以反映公平價值計量的投資證券                              | 按通過其他全面收益以反映公平價值計量的投資證券                 |
|   |   | HK\$ Mn 港幣百萬元                                       | HK\$ Mn 港幣百萬元                           | HK\$ Mn 港幣百萬元                                       | HK\$ Mn 港幣百萬元                           |
| <b>Assets</b>   | <b>資產</b>   |   |   |   |   |
| At 1st January  | 於1月1日   | 309   | 688                                     | 213   | 349                                     |
| Purchases   | 購入  | -   | -                                       | 124   | 43                                      |
| Settlements   | 結算  | (19)  | (15)                                    | (13)  | -                                       |
| Changes in fair value recognised in the income statement  | 公平價值變動確認於收益表  | (12)  | -                                       | (15)  | -                                       |
| Changes in fair value recognised in the other comprehensive income  | 公平價值變動確認於其他全面收益   | -   | 382                                     | -   | 296                                     |
| At 31st December  | 於12月31日年度內  | 278   | 1,055                                   | 309   | 688                                     |
| Total gains for the year included in FVOCI fair value reserve of the other comprehensive income for assets held at the end of the reporting period                              | 於報告期結束日持有按通過其他全面收益以反映公平價值資產而已計入其他全面收益的公平價值儲備之年度內收益或虧損總額 | -   | 382                                     | -   | 296                                     |
| Total losses for the year included in the income statement for assets held at the end of the reporting period recorded in net results from other financial instruments at FVTPL | 於報告期結束日持有之資產而已計入期內收益表之通過損益以反映公平價值金融工具的淨表現之年度內收益或虧損總額    | (12)  | -                                       | (15)  | -                                       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(2) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

(2) 因重要而非可觀察之假設變動至合理可行之另類假設所產生的影響

|   |                         | 2019   |                        |   |                        |
|---|-------------------------|--|------------------------|---|------------------------|
|   |                         | Effect recorded in profit or loss<br>直接記錄於損益上之影響 |                        | Effect recorded directly in equity<br>直接記錄於股東權益上之影響 |                        |
|   |                         | Favourable<br>有利                                 | (Unfavourable)<br>(不利) | Favourable<br>有利                                    | (Unfavourable)<br>(不利) |
|   |                         | HK\$ Mn<br>港幣百萬元                                 | HK\$ Mn<br>港幣百萬元       | HK\$ Mn<br>港幣百萬元                                    | HK\$ Mn<br>港幣百萬元       |
| Financial assets                                    | 金融資產                    |  |                        |   |                        |
| Investment securities mandatorily measured at FVTPL | 強制按通過損益以反映公平價值計量的投資證券   | 23   | (23)                   | -   | -                      |
| Investment securities measured at FVOCI             | 按通過其他全面收益以反映公平價值計量的投資證券 | -  | -                      | 88  | (88)                   |
|   |                         | <b>23</b>  | <b>(23)</b>            | <b>88</b>   | <b>(88)</b>            |

|   |                         | 2018   |                        |   |                        |
|---|-------------------------|--|------------------------|---|------------------------|
|   |                         | Effect recorded in profit or loss<br>直接記錄於損益上之影響 |                        | Effect recorded directly in equity<br>直接記錄於股東權益上之影響 |                        |
|   |                         | Favourable<br>有利                                 | (Unfavourable)<br>(不利) | Favourable<br>有利                                    | (Unfavourable)<br>(不利) |
|   |                         | HK\$ Mn<br>港幣百萬元                                 | HK\$ Mn<br>港幣百萬元       | HK\$ Mn<br>港幣百萬元                                    | HK\$ Mn<br>港幣百萬元       |
| Financial assets                                    | 金融資產                    |  |                        |   |                        |
| Investment securities mandatorily measured at FVTPL | 強制按通過損益以反映公平價值計量的投資證券   | 26   | (26)                   | -   | -                      |
| Investment securities measured at FVOCI             | 按通過其他全面收益以反映公平價值計量的投資證券 | -  | -                      | 57  | (57)                   |
|   |                         | <b>26</b>  | <b>(26)</b>            | <b>57</b>   | <b>(57)</b>            |

The fair values of financial instruments are in certain circumstances, measured using valuation models that incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The table above shows the sensitivity of fair values due to parallel movement of plus or minus 10 per cent in reasonably possible alternative assumptions.

在若干情況下，計算金融工具的公平價值所使用的估值模式，其含有的假設並非依據在相同工具的當前可觀察市場交易價格，亦非依賴其他可觀察的市場數據。上表顯示公平價值之敏感度，即因轉用至合理可行之另類假定所產生的正、負10%的價值的並行變動。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 46. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

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

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

- (i) The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the end of the reporting period.
- (ii) The fair value of variable rate financial instruments is assumed to be approximated by their carrying amounts and, in the case of loans and unquoted debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the impairment allowances from both the carrying amount and fair value.
- (iii) The fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value.
- (iv) The fair value of unquoted equity investments is estimated, if possible, using the applicable dividend discount model, or share of net asset value in the investment, or applying a discount to the market value of investments with a lock-up period.
- (v) The fair value of unlisted open-ended investment funds is estimated using the net asset value per share as reported by the managers of such funds.
- (vi) The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

## (b) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假定，以釐定如下的金融工具的公平價值：

- (i) 不設指定期限的活期存款和儲蓄賬戶的公平價值，乃假定為於報告期結束日可按要求而支付的金額。
- (ii) 浮息金融工具的公平價值，乃假定為與其賬面值相若。如此等工具為貸款和非上市債務證券，由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，因此其公平價值不能反映其信貸素質的改變。
- (iii) 以攤銷成本入賬的定息貸款和按揭貸款的公平價值，乃在此等貸款按相若貸款所獲提供的目前市場利率批出時，以市場利率比較的方式估計。由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，在決定公平價值總額時，貸款組合內各項貸款的信貸素質的改變均不會予以考慮。
- (iv) 非上市股票投資的公平價值是在可能情況下採用適用的股息折扣模式，或應佔投資的淨資產，或為設有禁售期之投資按其市值以折扣計算。
- (v) 非上市開放式投資基金的公平價值估計，是基於投資經理所匯報的每股資產淨值作出。
- (vi) 已發出的融資擔保之公平價值，是以參考在相若服務的公平交易所徵收費用之可取得相關資料而釐定；有關的資料也可參考利率差價而估計，亦可以就貸款機構對發出擔保所實際徵收的息率，與在沒有取得擔保之情況下而貸款機構將可能徵收的估計息率作出比較，並在當中取用較可靠的相關資料以釐定公平價值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31st December, 2019 and 2018 except as follows:

除下列者外，本集團以成本或攤銷成本入賬的金融工具賬面值，與其於2019年12月31日及2018年同日之公平價值相若。

|  |             | 2019            |            |         |         |         |
|--|-------------|-----------------|------------|---------|---------|---------|
|  |             | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 |
|  |             | 賬面值             | 公平價值       | 第一級     | 第二級     | 第三級     |
|  |             | HK\$ Mn         | HK\$ Mn    | HK\$ Mn | HK\$ Mn | HK\$ Mn |
|  |             | 港幣百萬元           | 港幣百萬元      | 港幣百萬元   | 港幣百萬元   | 港幣百萬元   |
| Financial assets                                 | 金融資產        |                 |            |         |         |         |
| Investment securities measured at amortised cost | 投資證券按攤銷成本計量 | 18,305          | 18,539     | 2,203   | 16,336  | -       |

|  |             | 2018            |            |         |         |         |
|--|-------------|-----------------|------------|---------|---------|---------|
|  |             | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 |
|  |             | 賬面值             | 公平價值       | 第一級     | 第二級     | 第三級     |
|  |             | HK\$ Mn         | HK\$ Mn    | HK\$ Mn | HK\$ Mn | HK\$ Mn |
|  |             | 港幣百萬元           | 港幣百萬元      | 港幣百萬元   | 港幣百萬元   | 港幣百萬元   |
| Financial assets                                 | 金融資產        |                 |            |         |         |         |
| Investment securities measured at amortised cost | 投資證券按攤銷成本計量 | 19,021          | 19,140     | 1,720   | 17,420  | -       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES 資產負債表以外的風險

## (a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

## (a) 或然負債及承擔

每項或然負債及承擔主要類別的合約金額摘要如下：

|   |                  | 2019           | 2018          |
|---|------------------|----------------|---------------|
|   |                  | HK\$ Mn 港幣百萬元  | HK\$ Mn 港幣百萬元 |
| Contingent liabilities  | 或然負債             |                |               |
| Direct credit substitutes   | 直接信貸代替品          | 11,705         | 14,629        |
| Transaction-related contingencies                                     | 與交易有關的或然項目       | 1,051          | 883           |
| Trade-related contingencies   | 與貿易有關的或然項目       | 2,157          | 2,997         |
|   |                  | <b>14,913</b>  | 18,509        |
| Commitments   | 承擔               |                |               |
| Commitments that are unconditionally cancellable without prior notice | 可無條件取消而毋須事先通知的承擔 | 148,791        | 141,668       |
| Other commitments with an original maturity                           | 其他承擔的原到期日        |                |               |
| – up to 1 year  | –1年或以下           | 10,038         | 9,332         |
| – over 1 year   | –1年以上            | 26,772         | 26,710        |
|   |                  | <b>185,601</b> | 177,710       |
| Total   | 總額               | <b>200,514</b> | 196,219       |
| Credit risk weighted amounts  | 信貸風險加權金額         | <b>23,193</b>  | 23,531        |

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts does not represent expected future cash flows.

或然負債及承擔是與信貸有關的工具，包括用以提供信貸的承兌票據、信用證、擔保書和承付款項。合約金額是指當合約被完全提取及客戶違約時所承擔風險的金額。由於預期擔保書及承付款項的大部分金額會在未經提取前逾期，合約金額並不代表預計未來現金流量。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

**(b) Derivatives**

## (i) Notional amount of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivative for the Group:

**(b) 衍生工具**

## (i) 衍生工具的名義金額

衍生工具是指由一項或多項潛在資產或指數價值釐定價值的財務合約。

集團的每項衍生工具主要類別的名義金額摘要如下：

|                         |      | 2019   |                          |                                    |       |                |       |
|-------------------------|------|--|--------------------------|------------------------------------|-------|----------------|-------|
|                         |      | Managed in conjunction with financial instruments designated at fair value |                          | Others, including held for trading |       | Total          |       |
|                         |      | Qualifying for hedge accounting  | through profit or loss   |                                    |       |                |       |
|                         |      | 符合對沖會計法  | 按通過損益以反映公平價值<br>金融工具模式管理 | 其他，包括<br>持有作交易用途                   |       | 總額             |       |
|                         |      | HK\$ Mn 港幣百萬元  | HK\$ Mn 港幣百萬元            | HK\$ Mn 港幣百萬元                      | 港幣百萬元 | HK\$ Mn 港幣百萬元  | 港幣百萬元 |
| Exchange rate contracts | 匯率合約 | 1,547  | 6,483                    | 441,126                            |       | 449,156        |       |
| Interest rate contracts | 利率合約 | 73,755   | 25,646                   | 272,273                            |       | 371,674        |       |
| Equity contracts        | 股份合約 | -  | -                        | 12,214                             |       | 12,214         |       |
| Others                  | 其他   | -  | -                        | 89                                 |       | 89             |       |
|                         |      | <b>75,302</b>  | <b>32,129</b>            | <b>725,702</b>                     |       | <b>833,133</b> |       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

## (i) Notional amount of derivatives (continued)

|                         |      | 2018                                  |  |  |                     |
|-------------------------|------|---------------------------------------|--|--|---------------------|
|                         |      | Qualifying<br>for hedge<br>accounting | Managed in<br>conjunction<br>with financial<br>instruments<br>designated at<br>fair value<br>through profit<br>or loss<br>按通過損益以<br>反映公平價值 | Others, including<br>held for trading<br>其他, 包括<br>持有作交易用途 | Total               |
|                         |      | 符合對沖會計法<br>HK\$ Mn 港幣百萬元              | 金融工具模式管理<br>HK\$ Mn 港幣百萬元  | HK\$ Mn 港幣百萬元  | 總額<br>HK\$ Mn 港幣百萬元 |
| Exchange rate contracts | 匯率合約 | 1,556                                 | 6,153  | 716,139  | 723,848             |
| Interest rate contracts | 利率合約 | 67,215                                | 8,592  | 335,518  | 411,325             |
| Equity contracts        | 股份合約 | -                                     | -  | 11,880   | 11,880              |
| Others                  | 其他   | -                                     | -  | 266  | 266                 |
|                         |      | 68,771                                | 14,745   | 1,063,803  | 1,147,319           |

Derivatives arise from futures, forward, swap and option transactions undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the end of the reporting period; they do not represent amounts at risk.

The fair value and credit risk weighted amounts of the aforesaid off-balance sheet exposures are as follows. These amounts do not take into account the effects of bilateral netting arrangements.

## (b) 衍生工具(續)

## (i) 衍生工具的名義金額(續)

衍生工具是由本集團及本行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在報告期結束日仍未完成的交易量，但並不代表所承受風險的金額。

前述資產負債表以外風險的公平價值及信貸風險加權金額如下。這些金額並未計入雙邊淨額安排的影響。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(ii) Fair value and credit risk weighted amounts of derivatives

(ii) 衍生工具之公平價值及信貸風險加權金額

|                         |      | 2019               |                   |                                     | 2018               |                   |                                     |
|-------------------------|------|--------------------|-------------------|-------------------------------------|--------------------|-------------------|-------------------------------------|
|                         |      | Fair value<br>公平價值 |                   | Credit risk<br>weighted<br>amounts* | Fair value<br>公平價值 |                   | Credit risk<br>weighted<br>amounts* |
|                         |      | Assets<br>資產       | Liabilities<br>負債 | 信貸風險<br>加權金額*                       | Assets<br>資產       | Liabilities<br>負債 | 信貸風險<br>加權金額*                       |
|                         |      | HK\$ Mn<br>港幣百萬元   | HK\$ Mn<br>港幣百萬元  | HK\$ Mn<br>港幣百萬元                    | HK\$ Mn<br>港幣百萬元   | HK\$ Mn<br>港幣百萬元  | HK\$ Mn<br>港幣百萬元                    |
| Exchange rate contracts | 匯率合約 | 2,887              | 3,375             | 1,743                               | 6,783              | 6,191             | 2,843                               |
| Interest rate contracts | 利率合約 | 2,037              | 3,442             | 290                                 | 2,919              | 2,816             | 414                                 |
| Equity contracts        | 股份合約 | 767                | 827               | 58                                  | 507                | 472               | 122                                 |
| Others                  | 其他   | 2                  | 10                | -                                   | 2                  | 17                | 363                                 |
|                         |      | <b>5,693</b>       | <b>7,654</b>      | <b>2,091</b>                        | <b>10,211</b>      | <b>9,496</b>      | <b>3,742</b>                        |

\* The Bank adopted the Foundation Internal Ratings Based ("IRB") approach according to Capital Rules for calculating the credit risk weighted amount as at 31st December, 2019 and 31st December, 2018.

\* 根據《資本規則》，本行採納「基礎內部評級基準計算法」計算於2019年12月31日及2018年12月31日之信貸風險之風險加權金額。

The tables above give the contractual or notional amounts, fair value and credit risk weighted amounts of off-balance sheet transactions. The fair value is calculated for the purposes of deriving the credit risk weighted amounts. These are assessed in accordance with the Capital Rules. Fair value represents the cost of replacing all contracts which have a positive value when marked to market.

上表列出資產負債表以外交易的合約或名義金額、公平價值及信貸風險加權金額。公平價值是用來計算信貸風險加權金額。該等金額是按照《資本規則》作評估。公平價值是指重置所有按市場價值計算差額時附有正值的合約成本。

Fair value is a close approximation of the credit risk for these contracts as at the end of the reporting period. The credit risk weighted amount refers to the amount as computed in accordance with the Capital Rules.

公平價值是在報告期結束日該等合約的略計信貸風險。信貸風險加權金額是指按照《資本規則》計算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

## (iii) Hedge accounting

## (a) Fair value hedges of interest rate risk

The Group uses interest rate swaps to hedge its exposure to changes in the fair values of certain fixed rate subordinated notes issued and fixed rate debt securities investment and loans and advances in respect of a benchmark interest rate. Pay-floating/receive-fixed interest rate swaps are matched to specific issuances of fixed rate subordinated notes or pay-fixed/receive-floating interest rate swaps are matched to fixed rate debt securities investment and loans and advances with terms that closely align with the critical terms of the hedged item.

The Group's approach to managing market risk, including interest rate risk, is discussed in Note 45(b). Interest rate risk to which the Group applies hedge accounting arises from fixed rate subordinated notes issued and fixed rate debt securities investment and loans and advances, whose fair value fluctuates when benchmark interest rates change. The Group hedges interest rate risk only to the extent of benchmark interest rates because the changes in fair value of a fixed rate debt security or loan are significantly influenced by changes in the benchmark interest rate. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

By using derivative financial instruments to hedge exposures to changes in interest rates, the Group also exposes itself to credit risk of the derivative counterparty, which is not offset by the hedged item. The Group minimises counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties and requiring the counterparties to post collateral. (see Note 45(a)(xi)).

Before fair value hedge accounting is applied by the Group, the Group determines whether an economic relationship between the hedged item and the hedging instrument exists based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the fair values of the hedged item and the hedging instrument respond similarly to similar risks. The Group further supports this qualitative assessment by using regression analysis to assess whether the hedging instrument is expected to be and has been highly effective in offsetting changes in the fair value of the hedged item.

The Group establishes a hedge ratio by aligning the par amount of the hedged fixed-rate loan or note and the notional amount of the interest rate swap designated as a hedging instrument. Under the Group policy, in order to conclude that a hedge relationship is effective, all of the following criteria should be met.

- The regression co-efficient (R squared), which measures the correlation between the variables in the regression, is at least 0.8.
- The slope of the regression line is within a 0.8–1.25 range.
- The confidence level of the slope is at least 95%.

## (b) 衍生工具(續)

## (iii) 對沖會計

## (a) 利率風險的公平價值對沖

本集團以利率掉期合約對沖若干其發行的定息後償票據、持有的定息債券投資及貸款和墊款因基準利率而導致的公平價值轉變的風險。對沖以支付浮動/收取固定利率掉期合約與定息後償票據的特定發行配對或以支付固定利率/收取浮動利率掉期合約與定息債券和貸款配對，其條款與被對沖項目的關鍵條款一致。

本集團管理市場風險的方法，包括利率風險詳述於附註45(b)。本集團採用對沖會計的利率風險來其發行定息後償票據、定息債券投資及貸款和墊款，其公平價值在基準利率變動時波動。因定息債券及貸款和墊款的公平價值變動受基準利率變動的顯著影響，本集團僅在基準利率範圍內對沖利率風險。對沖會計適用於符合對沖會計條件的經濟對沖關係。

通過使用衍生金融工具對沖利率變動的風險，本集團亦面對衍生工具交易對手的信貸風險，而該風險並未被被對沖項目抵銷。本集團通過與高質量交易對手進行交易，要求交易對手提供抵押品，減低衍生工具交易對手的信用風險(詳見附註45(a)(xi))。

在本集團採用公平價值對沖會計法前，本集團根據被對沖項目和對沖工具的定性特徵評估和支持對沖風險評估的定量分析，以確定被對沖項目與對沖工具之間是否存在經濟關係。本集團在評估經濟關係的存在時，會考慮被對沖項目及對沖工具的關鍵條款是否一致。本集團評估被對沖項目和對沖工具的公平價值是否對類似風險反應相似。本集團使用回歸分析評估對沖工具是否預期及非常有效地抵銷被對沖項目的公平價值變動以進一步支持定性評估。

本集團通過調整對沖定息貸款或票據的面值與指定為對沖工具的利率掉期合約的名義金額來確定對沖比率。根據本集團政策，有效對沖關係應滿足以下所有條件：

- 測量回歸中變量之間相關性的回歸係數(R平方)至少為0.8。
- 回歸線的斜率在0.8–1.25範圍內。
- 斜率的置信水平至少為95%。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate; and
- differences in maturities of the interest rate swap and the loans or the debt securities.

At 31st December, 2019 and 2018, the Group held the following interest rate swaps as hedging instruments in fair value hedges of interest risk:

在這些對沖關係中，無效對沖部份的主要來源是：

- 交易對手和本集團自身信用風險對利率掉期合約公平價值的影響未能反映在利率變動導致的被對沖項目的公平價值中；及
- 利率掉期和相關貸款或債券的到期日之差異。

於2019年及2018年12月31日，本集團持有以下利率掉期合約作為利率風險公平價值對沖的對沖工具：

|                                     |             | 2019<br>Maturity<br>到期日  |                   |                           |
|-------------------------------------|-------------|--------------------------|-------------------|---------------------------|
|                                     |             | Less than 1 year<br>少於1年 | 1-5 years<br>1-5年 | More than 5 years<br>多於5年 |
| Risk category                       | 風險類別        |                          |                   |                           |
| Interest rate risk                  | 利率風險        |                          |                   |                           |
| Hedge of subordinated notes issued  | 對沖已發行的後償債券  |                          |                   |                           |
| Nominal amount (HK\$ Mn)            | 名義金額(港幣百萬元) | 4,672                    | 3,894             | –                         |
| Average fixed interest rate         | 平均固定利率      | 6.12%                    | 4.00%             | –                         |
| Hedge of debt securities investment | 對沖債務證券投資    |                          |                   |                           |
| Nominal amount (HK\$ Mn)            | 名義金額(港幣百萬元) | 7,350                    | 37,531            | 19,708                    |
| Average fixed interest rate         | 平均固定利率      | 2.55%                    | 1.88%             | 2.25%                     |
| Hedge of loans and advances         | 對沖貸款及墊款     |                          |                   |                           |
| Nominal amount (HK\$ Mn)            | 名義金額(港幣百萬元) | –                        | 461               | 139                       |
| Average fixed interest rate         | 平均固定利率      | –                        | 3.10%             | 2.12%                     |

|                                     |             | 2018<br>Maturity<br>到期日  |                   |                           |
|-------------------------------------|-------------|--------------------------|-------------------|---------------------------|
|                                     |             | Less than 1 year<br>少於1年 | 1-5 years<br>1-5年 | More than 5 years<br>多於5年 |
| Risk category                       | 風險類別        |                          |                   |                           |
| Interest rate risk                  | 利率風險        |                          |                   |                           |
| Hedge of subordinated notes issued  | 對沖已發行的後償債券  |                          |                   |                           |
| Nominal amount (HK\$ Mn)            | 名義金額(港幣百萬元) | 3,916                    | 8,615             | –                         |
| Average fixed interest rate         | 平均固定利率      | 4.25%                    | 5.18%             | –                         |
| Hedge of debt securities investment | 對沖債務證券投資    |                          |                   |                           |
| Nominal amount (HK\$ Mn)            | 名義金額(港幣百萬元) | 4,311                    | 36,000            | 14,034                    |
| Average fixed interest rate         | 平均固定利率      | 2.18%                    | 2.28%             | 2.69%                     |
| Hedge of loans and advances         | 對沖貸款及墊款     |                          |                   |                           |
| Nominal amount (HK\$ Mn)            | 名義金額(港幣百萬元) | –                        | 125               | 214                       |
| Average fixed interest rate         | 平均固定利率      | –                        | 2.78%             | 3.96%                     |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

## (iii) Hedge accounting (continued)

## (a) Fair value hedges of interest rate risk (continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

## (b) 衍生工具(續)

## (iii) 對沖會計(續)

## (a) 利率風險的公平價值對沖(續)

指定為對沖工具及無效對沖金額如下：

|   | 2019                                       |  |         | Line item in the consolidated statement of financial position where the hedging instrument is included<br>包含對沖工具的綜合財務狀況表的項目 | Change in fair value used for calculating hedge ineffectiveness<br>公平價值變動以計算無效對沖部份 | Ineffectiveness recognised in profit or loss<br>於損益表內確認的無效對沖部份 | Line item in consolidated income statement that includes hedge ineffectiveness<br>包含無效對沖部份的綜合收益表的項目 |
|---|--|--|---------|---|--|--|---|
|   | Nominal amount<br>名義金額<br>HK\$ Mn<br>港幣百萬元 | Carrying amount<br>賬面值<br>Assets<br>資產<br>HK\$ Mn<br>港幣百萬元 |         |   |  |  |   |
| Interest rate risk<br>利率風險  |  |  |         |   |  |  |   |
| Interest rate swaps –<br>hedge of subordinated<br>notes issued<br>利率掉期 –<br>對沖已發行後償票據 | 8,566                                      | 113  | (27)    | Derivative assets/<br>(liabilities)<br>衍生工具資產/<br>(負債)  | 152  | (4)  | Net hedging<br>profit/(loss)<br>對沖盈利/<br>(虧損)淨額   |
| Interest rate swaps –<br>hedge of debt securities<br>利率掉期 –<br>對沖債務證券投資               | 64,589                                     | 158  | (1,822) | Derivative assets/<br>(liabilities)<br>衍生工具資產/<br>(負債)  | (1,717)  | 16   | Net hedging<br>profit/(loss)<br>對沖盈利/<br>(虧損)淨額   |
| Interest rate swaps –<br>hedge of loans and advances<br>利率掉期 – 對沖貸款及墊款                | 600  | -  | (19)    | Derivative assets/<br>(liabilities)<br>衍生工具資產/<br>(負債)  | (17)   | -  | Net hedging<br>profit/(loss)<br>對沖盈利/<br>(虧損)淨額   |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

|  | 2018                                       |  |       | Line item in the consolidated statement of financial position where the hedging instrument is included<br>包含對沖工具的綜合財務狀況表的項目 | Change in fair value used for calculating hedge ineffectiveness<br>公平價值變動以計算無效對沖部份 | Ineffectiveness recognised in profit or loss<br>於損益表內確認的無效對沖部份 | Line item in consolidated income statement that includes hedge ineffectiveness<br>包含無效對沖部份的綜合收益表的項目 |
|--|--|--|-------|---|--|--|---|
|  | Nominal amount<br>名義金額<br>HK\$ Mn<br>港幣百萬元 | Carrying amount<br>賬面值<br>Assets<br>資產<br>HK\$ Mn<br>港幣百萬元 |       |   |  |  |   |
| Interest rate risk<br>利率風險   |  |  |       |   |  |  |   |
| Interest rate swaps –<br>hedge of subordinated notes issued<br>利率掉期 –<br>對沖已發行後償票據 | 12,531                                     | 181  | (103) | Derivative assets/<br>(liabilities)<br>衍生工具資產/<br>(負債)  | (104)  | (4)  | Net hedging profit/(loss)<br>對沖盈利/<br>(虧損)淨額  |
| Interest rate swaps –<br>hedge of debt securities<br>利率掉期 –<br>對沖債務證券投資            | 54,345                                     | 695  | (539) | Derivative assets/<br>(liabilities)<br>衍生工具資產/<br>(負債)  | (77)   | 47   | Net hedging profit/(loss)<br>對沖盈利/<br>(虧損)淨額  |
| Interest rate swaps –<br>hedge of loans and advances<br>利率掉期 – 對沖貸款及墊款             | 339  | 9  | (2)   | Derivative assets/<br>(liabilities)<br>衍生工具資產/<br>(負債)  | –  | –  | Net hedging profit/(loss)<br>對沖盈利/<br>(虧損)淨額  |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

(iii) Hedge accounting (continued)

(a) Fair value hedges of interest rate risk (continued)

The amounts relating to items designated as hedged items were as follows:

## (b) 衍生工具(續)

(iii) 對沖會計(續)

(a) 利率風險的公平價值對沖(續)

指定為被對沖項目金額如下：

|                                      | 2019            |             |   |             |  |             |   |  |   |
|--------------------------------------|-----------------|-------------|---|-------------|--|-------------|---|--|---|
|                                      | Carrying amount |             | Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item |             |  |             | Line item in the consolidated statement of financial position where the hedged item is included | Change in value used for calculating hedge ineffectiveness | Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses |
|                                      | 賬面值             |             | 包含於被對沖項目賬面值的累計公平價值對沖調整  |             |  |             |   |  |   |
|                                      | Assets          | Liabilities | Assets  | Liabilities | Assets                                     | Liabilities |   |  |   |
|                                      | 資產              | 負債          | 資產  | 負債          | 資產   | 負債          |   |  |   |
| HK\$ Mn                              | HK\$ Mn         | HK\$ Mn     | HK\$ Mn   | HK\$ Mn     | HK\$ Mn                                    | HK\$ Mn     | HK\$ Mn   | HK\$ Mn  |   |
|                                      | 港幣百萬元           | 港幣百萬元       | 港幣百萬元   | 港幣百萬元       | 港幣百萬元                                      | 港幣百萬元       | 港幣百萬元   | 港幣百萬元  |   |
| Subordinated notes issued<br>已發行後償票據 | -               | 8,563       | -   | 5           | Loan capital<br>借貸資本                       | (156)       | -   |  |   |
| Debt securities investment<br>債務證券投資 | 66,866          | -           | 1,320   | -           | Investment securities<br>投資證券              | 1,733       | -   |  |   |
| Loans and advances<br>貸款及墊款          | 678             | -           | 15  | -           | Loans and advances to customers<br>客戶貸款及墊款 | 17          | -   |  |   |



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註 (續)

|                                   | 2018                |                |  |                |  |  | Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses 包含於財務狀況表的已終止調整對沖盈利及虧損的被對沖項目之累計公平價值對沖調整餘額 |
|-----------------------------------|---------------------|----------------|--|----------------|--|--|--|
|                                   | Carrying amount 賬面值 |                | Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item 包含於被對沖項目賬面值的累計公平價值對沖調整 |                | Line item in the consolidated statement of financial position where the hedged item is included 包含被對沖項目的綜合財務狀況表的項目 | Change in value used for calculating hedge ineffectiveness 以計算無效對沖部份 |  |
|                                   | Assets 資產           | Liabilities 負債 | Assets 資產  | Liabilities 負債 |  |  |  |
|                                   | HK\$ Mn 港幣百萬元       | HK\$ Mn 港幣百萬元  | HK\$ Mn 港幣百萬元  | HK\$ Mn 港幣百萬元  | HK\$ Mn 港幣百萬元  | HK\$ Mn 港幣百萬元  |  |
| Subordinated notes issued 已發行後償票據 | -                   | 12,358         | -  | (150)          | Loan capital 借貸資本  | 100  | -  |
| Debt securities investment 債務證券投資 | 54,222              | -              | (379)  | -              | Investment securities 投資證券   | 124  | -  |
| Loans and advances 貸款及墊款          | 338                 | -              | (2)  | -              | Loans and advances to customers 客戶貸款及墊款  | -  | -  |

The Group's fair value hedge principally consists of interest rate swaps that are used to protect against changes in the fair value of fixed rate long-term financial instruments due to movements in market interest rates.

本集團的公平價值對沖主要包括利率掉期，用於抵禦因市場利率變動而導致的定息長期金融工具公平價值變動。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

## (iii) Hedge accounting (continued)

## (b) Cash flow hedges of foreign currency risk

The Group uses exchange rate forward contracts to hedge against the variability in cash flows of certain debt securities investments denominated in US dollar held by the insurance subsidiaries. The Group hedges foreign exchange rate risk to the extent of variability in functional currency equivalent cash flows (i.e. in HK dollar) from principal payment of the debt securities attributable to movements in US dollar/HK dollar. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

The Group determines the amount of the exposure to which it applies hedge accounting by assessing the potential impact of changes in foreign currency exchange rates on the future cash flows from the debt securities investments denominated in US dollar that will result in a reduction of functional currency equivalent cash flow to meet the obligation of insurance policies at maturity. This assessment is performed using analytical techniques, such as cash flow sensitivity analysis.

As noted above for fair value hedges, the Group exposes itself to credit risk of the counterparties to the derivatives, which is not offset by the hedged items. This exposure is managed similarly to that for fair value hedges.

The Group determines whether an economic relationship exists between the cash flows of the hedged item and hedging instrument based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the cash flows of the hedged item and the hedging instrument respond similarly to the hedged risk, such as the notional amount, maturity and underlying currencies.

The Group assesses hedge effectiveness using the hypothetical derivative method, which creates a derivative instrument to serve as a proxy for the hedged transaction. The terms of the hypothetical derivative match the critical terms of the hedged item and it has a fair value of zero at inception. The dollar offset ratio, being the periodic change in fair value of the hypothetical exchange rate forward contract attributable to changes in forward rate is calculated to assess whether the hedge can achieve 0.8–1.25 cumulative dollar offset on each reporting date.

## (b) 衍生工具(續)

## (iii) 對沖會計(續)

## (b) 外匯風險的現金流對沖

本集團使用匯率遠期合約對沖保險附屬公司持有的若干以美元計值的債券投資的現金流量變動。本集團因應美元/港元變動所導致債務證券本金支付以功能貨幣(即以港元計算)計算的等值現金流量變動進行外匯風險對沖。對沖會計適用於符合對沖會計條件的經濟對沖關係。

本集團通過評估外匯變動對以美元計值的債券投資的未來現金流量可能導致相應功能貨幣減少的潛在影響，確定其應用對沖會計的風險金額現金流量，以滿足到期保險單的責任。該評估使用分析技術進行，例如現金流敏感度分析。

如上文對於公平價值對沖所述，本集團面對衍生工具交易對手的信用風險，而該風險未有被被對沖項目抵銷。這種風險與公平價值對沖的風險管理類似。

本集團根據對這些項目的定性特徵的評估以及支持的對沖風險的定量分析，以確定被對沖項目的現金流量與對沖工具之間是否存在經濟關係。本集團在評估經濟關係的存在時，會考慮被對沖項目及對沖工具的關鍵條款是否一致。本集團評估被對沖項目和對沖工具的現金流量是否就對沖風險的反應相似，例如以名義金額、到期日及相關貨幣評估。

本集團採用模擬衍生工具方法評估對沖效用，該方法建立一衍生工具作為對沖交易的代理。模擬衍生工具的條款與被對沖項目的關鍵條款一致，並且在開始時其公平價值為零。價值抵銷比率，即由遠期利率變動引起的模擬匯率遠期合約的公平價值的周期性變化，計算以評估對沖是否可在每個報告日期實現0.8–1.25的累計價值抵銷。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

At 31st December, 2019 and 2018, the Group held the following instruments to hedge exposures to changes in foreign currency:

於2019年及2018年12月31日，本集團持有以下工具對沖外匯變動風險：

|   |               | 2019<br>Maturity<br>到期日  |                   |                           |
|---|---------------|--------------------------|-------------------|---------------------------|
|   |               | Less than 1 year<br>少於1年 | 1-5 years<br>1-5年 | More than 5 years<br>多於5年 |
| Foreign currency risk                         | 外匯風險          |                          |                   |                           |
| Exchange rate forward contracts<br>(HKD: USD) | 匯率遠期合約(港幣:美元) |                          |                   |                           |
| Nominal amount (HK\$ Mn)                      | 名義金額(港幣百萬元)   | 1,304                    | 243               | -                         |
| Average forward price                         | 平均遠期金額        | 7.69                     | 7.70              | -                         |

|   |               | 2018<br>Maturity<br>到期日  |                   |                           |
|---|---------------|--------------------------|-------------------|---------------------------|
|   |               | Less than 1 year<br>少於1年 | 1-5 years<br>1-5年 | More than 5 years<br>多於5年 |
| Foreign currency risk                         | 外匯風險          |                          |                   |                           |
| Exchange rate forward contracts<br>(HKD: USD) | 匯率遠期合約(港幣:美元) |                          |                   |                           |
| Nominal amount (HK\$ Mn)                      | 名義金額(港幣百萬元)   | -                        | 1,556             | -                         |
| Average forward price                         | 平均遠期金額        | -                        | 7.71              | -                         |



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The amounts relating to items designated as hedge items were as follows:

指定為被對沖項目金額如下：

|  |   | 2019                       |                            | Balances<br>remaining in the<br>cash flow hedge<br>reserve from<br>hedging<br>relationships<br>for which hedge<br>accounting is<br>no longer applied |
|--|---|----------------------------|----------------------------|--|
| Line item in the<br>consolidated<br>statement of<br>financial position<br>where the hedged<br>item is included | Change in<br>value used for<br>calculating hedge<br>ineffectiveness | Cash flow<br>hedge reserve | Cash flow<br>hedge reserve | 不再應用對沖<br>會計法的現金流<br>對沖儲備餘額  |
| 包含被對沖項目<br>的綜合財務<br>狀況表的項目   | 公平價值變動以<br>計算無效對沖部分<br>HK\$ Mn 港幣百萬元                                | 現金流對沖儲備<br>HK\$ Mn 港幣百萬元   | 現金流對沖儲備<br>HK\$ Mn 港幣百萬元   | 對沖儲備餘額<br>HK\$ Mn 港幣百萬元  |
| Currency rate risk<br>外匯風險   |   |                            |                            |  |
| Debt securities investment<br>債務證券投資   | <b>Investment<br/>securities<br/>投資證券</b>                           | <b>(10)</b>                | <b>1</b>                   | <b>-</b>   |
|  |   | 2018                       |                            | Balances<br>remaining in the<br>cash flow hedge<br>reserve from<br>hedging<br>relationships<br>for which hedge<br>accounting is<br>no longer applied |
| Line item in the<br>consolidated<br>statement of<br>financial position<br>where the hedged<br>item is included | Change in<br>value used for<br>calculating hedge<br>ineffectiveness | Cash flow<br>hedge reserve | Cash flow<br>hedge reserve | 不再應用對沖<br>會計法的現金流<br>對沖儲備餘額  |
| 包含被對沖項目<br>的綜合財務<br>狀況表的項目   | 公平價值變動以<br>計算無效對沖部分<br>HK\$ Mn 港幣百萬元                                | 現金流對沖儲備<br>HK\$ Mn 港幣百萬元   | 現金流對沖儲備<br>HK\$ Mn 港幣百萬元   | 對沖儲備餘額<br>HK\$ Mn 港幣百萬元  |
| Currency rate risk<br>外匯風險   |   |                            |                            |  |
| Debt securities investment<br>債務證券投資   | <b>Investment<br/>securities<br/>投資證券</b>                           | <b>4</b>                   | <b>15</b>                  | <b>-</b>   |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

## (iv) Remaining life of derivatives

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the end of the reporting period.

## (b) 衍生工具(續)

## (iv) 衍生工具之剩餘期限

下表分析在報告期結束日本集團根據到期期限歸類之剩餘結算期限有關衍生工具的名義金額。

|                           |        | Notional amounts with remaining life of<br>剩餘期限的名義金額 |                           |                 |         |                   |                           |                 |           |
|---------------------------|--------|--|---------------------------|-----------------|---------|-------------------|---------------------------|-----------------|-----------|
|                           |        | 2019   |                           |                 |         | 2018              |                           |                 |           |
|                           |        | 1 year<br>or less                                    | Over 1 year<br>to 5 years | Over<br>5 years | Total   | 1 year<br>or less | Over 1 year<br>to 5 years | Over<br>5 years | Total     |
|                           |        | 1年或以下  | 1年以上<br>至5年               | 5年以上            | 總額      | 1年或以下             | 1年以上<br>至5年               | 5年以上            | 總額        |
|                           |        | HK\$ Mn  | HK\$ Mn                   | HK\$ Mn         | HK\$ Mn | HK\$ Mn           | HK\$ Mn                   | HK\$ Mn         | HK\$ Mn   |
|                           |        | 港幣百萬元  | 港幣百萬元                     | 港幣百萬元           | 港幣百萬元   | 港幣百萬元             | 港幣百萬元                     | 港幣百萬元           | 港幣百萬元     |
| Interest rate derivatives | 利率衍生工具 | 143,999  | 206,443                   | 21,232          | 371,674 | 187,106           | 209,736                   | 14,483          | 411,325   |
| Currency derivatives      | 貨幣衍生工具 | 436,903  | 10,978                    | 1,275           | 449,156 | 706,653           | 15,936                    | 1,259           | 723,848   |
| Other derivatives         | 其他衍生工具 | 7,890  | 4,413                     | -               | 12,303  | 7,611             | 4,535                     | -               | 12,146    |
|                           |        | 588,792  | 221,834                   | 22,507          | 833,133 | 901,370           | 230,207                   | 15,742          | 1,147,319 |

## (c) Capital commitments

Capital commitments outstanding at 31st December and not provided for in the financial statements were as follows:

## (c) 資本承擔

於12月31日未償付但並未在財務報表中提撥準備的資本承擔如下：

|   |           | 2019    | 2018  |
|---|-----------|---------|-------|
|   |           | HK\$ Mn | 港幣百萬元 |
|   |           | 港幣百萬元   | 港幣百萬元 |
| Expenditure authorised and contracted for     | 已核准支出並已簽約 | 305     | 284   |
| Expenditure authorised but not contracted for | 已核准支出但未簽約 | 177     | 161   |
|   |           | 482     | 445   |

## (d) Leases committed but not yet commenced

At 31st December, 2019, the total future cash outflows to which the Group (as a lessee) is exposed that are not reflected in the measurement of lease liabilities are as follows:

## (d) 已承擔但仍未開始的租賃

於2019年12月31日，本集團作為承租人所承擔但並未反映於租賃負債計量中的未來現金流出總額如下：

|   |               | 2019    |
|---|---------------|---------|
|   |               | HK\$ Mn |
|   |               | 港幣百萬元   |
| Properties                                  | 物業            |         |
| Within one year                             | 1年以內          | 10      |
| After one year but within five years        | 1年至5年內        | 32      |
| After five years                            | 5年以後          | 6       |
|   |               | 48      |
| Equipment                                   | 設備            |         |
| Within one year                             | 1年以內          | -       |
| After one year but within five years        | 1年至5年內        | -       |
|   |               | -       |
| Total lease committed but not yet commenced | 已承擔但仍未開始的租賃總額 | 48      |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (e) Operating lease commitments

Under HKFRS 16, the leases previously classified as operating leases which were kept off-balance sheet under HKAS 17 are required to be recognised on-balance sheet. The Group has initially applied HKFRS 16 using the modified retrospective approach from 1st January, 2019. Under this approach, the Group adjusted the opening balances at 1st January, 2019 to recognise lease liabilities relating to these leases (see Note 3). From 1st January, 2019 onwards, future lease payments are recognised as lease liabilities in the statement of financial position in accordance with the policies set out in Note 2(s), and the details regarding the Group's future lease payments are disclosed in Note 45(d).

Comparative information under HKAS 17

At 31st December, 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

|                                      |          | 2018          |
|--------------------------------------|----------|---------------|
|                                      |          | HK\$ Mn 港幣百萬元 |
| Properties                           | 物業       |               |
| Within one year                      | 1年以內     | 423           |
| After one year but within five years | 1年至5年內   | 581           |
| After five years                     | 5年以後     | 72            |
|                                      |          | 1,076         |
| Equipment                            | 設備       |               |
| Within one year                      | 1年以內     | 4             |
| After one year but within five years | 1年至5年內   | 5             |
|                                      |          | 9             |
| Total operating leases commitments   | 經營租賃承擔總額 | 1,085         |

#### (f) Contingencies

The Group receives legal claims against it arising in the normal courses of business. The Group considers none of these matters as material. Where appropriate the Group recognises provisions for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required and for which a reliable estimate can be made of the obligation.

#### (e) 經營租賃承擔

在《香港財務報告準則》第16號下，以往根據《香港會計準則》第17號在資產負債表外分類為經營租賃的租賃須在資產負債表內確認。本集團自2019年1月1日起採用經改良追溯模式應用《香港財務報告準則》第16號。在該模式下，本集團調整2019年1月1日的期初結餘以確認有關租賃之租賃負債(參見附註3)。自2019年1月1日起，本集團根據附註2(s)之政策將未來租賃款項在資產負債表內確認為租賃負債，有關本集團的未來租賃款項詳情已披露於附註45(d)。

根據《香港會計準則》第17號的比較資料於2018年12月31日，在不可撤銷的經營租賃內，未來最低應付租賃款項總額如下：

#### (f) 或有事項

本集團收到正常業務過程中產生的法律索賠。本集團認為這些事項均不重大。在適當情況下，本集團在很可能需要經濟利益流出並且可以對該責任作出可靠估計時確認負債準備。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 48. NOTES ON CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表附註

## (a) Cash and cash equivalents

- (i) Components of cash and cash equivalents in the consolidated cash flow statement

## (a) 現金及等同現金項目

- (i) 在綜合現金流量表內現金及等同現金項目的組成部分

|   |                                       | 2019          | 2018          |
|---|---------------------------------------|---------------|---------------|
|   |                                       | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Cash and balances with banks and other financial institutions with original maturity within three months          | 原本期限為3個月以內之現金及在銀行和其他金融機構的結存           | 36,388        | 28,179        |
| Placements with and advances to banks and other financial institutions with original maturity within three months | 原本期限為3個月以內在銀行及其他金融機構的存款及墊款            | 44,535        | 55,071        |
| Treasury bills with original maturity within three months   | 原本期限為3個月以內的國庫債券                       | 12,539        | 1,541         |
| Certificates of deposit held with original maturity within three months   | 原本期限為3個月以內之持有的存款證                     | -             | 1,109         |
| Debt securities with original maturity within three months  | 原本期限為3個月以內的債務證券                       | 1,176         | 114           |
| Add: Cash and balances with banks and other financial institutions included in "Assets held for sale" (Note 56)   | 加：包括在「持有作出售資產」(附註56)的現金及在銀行和其他金融機構的結存 | -             | 6             |
|   |                                       | <b>94,638</b> | <b>86,020</b> |



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(ii) Reconciliation with the consolidated statement of financial position

(ii) 與綜合財務狀況表的對賬

|   |                                       | 2019          | 2018          |
|---|---------------------------------------|---------------|---------------|
|   |                                       | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Cash and balances with banks and other financial institutions (Note 25)   | 現金及在銀行及其他金融機構的結存(附註25)                | 51,525        | 48,106        |
| Placements with and advances to banks and other financial institutions (Note 26)                                | 在銀行及其他金融機構的存款及墊款(附註26)                | 62,280        | 60,373        |
| Treasury bills, certificates of deposit held and debt securities  | 國庫債券、持有存款證及債務證券                       |               |               |
| – trading assets (Note 28)  | – 交易用途資產(附註28)                        | 90            | 2,131         |
| – investment securities (Note 30)   | – 投資證券(附註30)                          | 159,974       | 140,673       |
|   |                                       | 160,064       | 142,804       |
| Add: Cash and balances with banks and other financial institutions included in “Assets held for sale” (Note 56) | 加：包括在「持有作出售資產」(附註56)的現金及在銀行和其他金融機構的結存 | –             | 6             |
| Amounts shown in the consolidated statement of financial position   | 在綜合財務狀況表出現的金額                         | 273,869       | 251,289       |
| Less: Amounts with an original maturity of beyond three months  | 減：原本期限為3個月以上的金額                       | (164,085)     | (145,337)     |
| Cash balance with central bank subject to regulatory restriction  | 受規管限制的在中央銀行的現金結存                      | (15,146)      | (19,932)      |
| Cash and cash equivalents in the consolidated cash flow statement   | 在綜合現金流量表內的現金及等同現金項目                   | 94,638        | 86,020        |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 48. NOTES ON CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) 綜合現金流量表附註(續)

## (b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

## (b) 源自融資活動產生的負債之對賬

下表列載本集團由融資活動產生的負債之變動，包括現金及非現金之變動。源自融資活動產生的負債指在本集團的綜合現金流量表內分類為由融資活動產生的現金流或未來現金流產生的負債。

|   |                  | Debt securities issued | Loan capital | Debt securities accrued interest payable | Loan capital accrued interest payable | Lease liabilities | Interest rate swaps held to hedge borrowings (assets) | Interest rate swaps held to hedge borrowings (liabilities) | Total   |
|---|------------------|------------------------|--------------|--|---------------------------------------|-------------------|---|--|---------|
|   |                  | 已發行債務證券                | 借貸資本         | 已發行債務證券之應計利息                             | 借貸資本之應計利息                             | 租賃負債              | 持有作對沖借款的利率掉期合約(資產)                                    | 持有作對沖借款的利率掉期合約負債   | 總額      |
|   |                  | HK\$ Mn                | HK\$ Mn      | HK\$ Mn                                  | HK\$ Mn                               | HK\$ Mn           | HK\$ Mn   | HK\$ Mn  | HK\$ Mn |
|   |                  | 港幣百萬元                  | 港幣百萬元        | 港幣百萬元                                    | 港幣百萬元                                 | 港幣百萬元             | 港幣百萬元   | 港幣百萬元  | 港幣百萬元   |
| At 1st January, 2019  | 於2019年1月1日       | 564                    | 12,358       | 5  | 176                                   | 1,094             | (105)   | 182  | 14,274  |
| Changes from financing cash flows   | 源自融資現金流的變動       |                        |              |  |                                       |                   |   |  |         |
| Issue of debt securities  | 發行債務證券           | 3,024                  | -            | -  | -                                     | -                 | -   | -  | 3,024   |
| Issue of loan capital   | 發行借貸資本           | -                      | 1,675        | -  | -                                     | -                 | -   | -  | 1,675   |
| Redemption of debt securities issued  | 贖回已發行債務證券        | (408)                  | -            | -  | -                                     | -                 | -   | -  | (408)   |
| Redemption of loan capital  | 贖回已發行借貸資本        | -                      | (3,913)      | -  | -                                     | -                 | -   | -  | (3,913) |
| Interest paid on loan capital   | 支付借貸資本利息         | -                      | -            | -  | (653)                                 | -                 | -   | -  | (653)   |
| Interest paid on debt securities issued                                     | 支付已發行債務證券利息      | -                      | -            | (15)                                     | -                                     | -                 | -   | -  | (15)    |
| Interest paid on lease liabilities  | 支付租賃負債利息         | -                      | -            | -  | -                                     | (391)             | -   | -  | (391)   |
| Total changes from financing cash flows                                     | 源自融資現金流的變動總額     | 2,616                  | (2,238)      | (15)                                     | (653)                                 | (391)             | -   | -  | (681)   |
| Exchange adjustments  | 滙兌調整             | (1)                    | (52)         | -  | -                                     | (2)               | -   | -  | (55)    |
| Changes in fair value   | 公平價值變動           | 1                      | -            | -  | -                                     | -                 | 2   | (1)  | 2       |
| Revaluation under hedge accounting  | 對沖會計法之重估         | -                      | 156          | -  | -                                     | -                 | (10)  | (154)  | (8)     |
| Interest expenses   | 利息支出             | 1                      | 14           | 94                                       | 690                                   | 41                | -   | -  | 840     |
| Increase in lease liabilities from entering into new leases during the year | 年度內訂立新租賃引致租賃負債增加 | -                      | -            | -  | -                                     | 365               | -   | -  | 365     |
| Total other changes   | 其他變動總額           | 1                      | 118          | 94                                       | 690                                   | 404               | (8)   | (155)  | 1,144   |
| At 31st December, 2019  | 於2019年12月31日     | 3,181                  | 10,238       | 84                                       | 213                                   | 1,107             | (113)   | 27   | 14,737  |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

|  |                       | Debt securities issued | Loan capital     | Debt securities accrued interest payable | Loan capital accrued interest payable | Interest rate swaps held to hedge borrowings (assets) | Interest rate swaps held to hedge borrowings liabilities | Total            |
|--|-----------------------|------------------------|------------------|--|---------------------------------------|---|--|------------------|
|  |                       | 已發行債務證券                | 借貸資本             | 已發行債務證券之應計利息                             | 借貸資本之應計利息                             | 對沖借款的利率掉期合約(資產)                                       | 對沖借款的利率掉期合約負債  | 總額               |
|  |                       | HK\$ Mn<br>港幣百萬元       | HK\$ Mn<br>港幣百萬元 | HK\$ Mn<br>港幣百萬元                         | HK\$ Mn<br>港幣百萬元                      | HK\$ Mn<br>港幣百萬元                                      | HK\$ Mn<br>港幣百萬元   | HK\$ Mn<br>港幣百萬元 |
| <b>At 1st January, 2018 (Restated)</b>         | <b>於2018年1月1日(重報)</b> | 1,007                  | 12,413           | 7  | 176                                   | (199)   | 148  | 13,552           |
| <b>Changes from financing cash flows</b>       | <b>源自融資現金流的變動</b>     |                        |                  |  |                                       |   |  |                  |
| Issue of debt securities                       | 發行債務證券                | 114                    | -                | -  | -                                     | -   | -  | 114              |
| Redemption of debt securities issued           | 贖回已發行債務證券             | (565)                  | -                | -  | -                                     | -   | -  | (565)            |
| Redemption of loan capital                     | 贖回已發行借貸資本             | -                      | -                | -  | -                                     | -   | -  | -                |
| Interest paid on loan capital                  | 支付借貸資本利息              | -                      | -                | -  | (617)                                 | -   | -  | (617)            |
| Interest paid on debt securities issued        | 支付已發行債務證券利息           | -                      | -                | (16)                                     | -                                     | -   | -  | (16)             |
| <b>Total changes from financing cash flows</b> | <b>源自融資現金流的變動總額</b>   | <b>(451)</b>           | <b>-</b>         | <b>(16)</b>                              | <b>(617)</b>                          | <b>-</b>  | <b>-</b>   | <b>(1,084)</b>   |
| Exchange adjustments                           | 滙兌調整                  | 7                      | 30               | -  | -                                     | -   | -  | 37               |
| Changes in fair value                          | 公平價值變動                | (1)                    | -                | -  | -                                     | 3   | (2)  | -                |
| Revaluation under hedge accounting             | 對沖會計法之重估              | -                      | (101)            | -  | -                                     | 91  | 36   | 26               |
| Interest expenses                              | 利息支出                  | 2                      | 16               | 14                                       | 617                                   | -   | -  | 649              |
| <b>Total other changes</b>                     | <b>其他變動總額</b>         | <b>8</b>               | <b>(55)</b>      | <b>14</b>                                | <b>617</b>                            | <b>94</b>   | <b>34</b>  | <b>712</b>       |
| <b>At 31st December, 2018</b>                  | <b>於2018年12月31日</b>   | <b>564</b>             | <b>12,358</b>    | <b>5</b>                                 | <b>176</b>                            | <b>(105)</b>  | <b>182</b>   | <b>13,180</b>    |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 49. ASSETS PLEDGED AS SECURITY 用作抵押品的資產

The following assets have been pledged as collateral for own liabilities at the end of the reporting period.

於報告期結束日，以下資產經已用作本身負債之抵押品。

|                                 |                   | 2019          | 2018          |
|---------------------------------|-------------------|---------------|---------------|
|                                 |                   | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Secured liabilities             | 有抵押負債             | 3,790         | 8,000         |
| Assets pledged:                 | 抵押資產:             |               |               |
| Loans and advances to customers | 客戶貸款及墊款           | 954           | 812           |
| Investment securities           | 投資證券              |               |               |
| – designated at FVTPL           | – 指定為通過損益以反映公平價值  | 156           | 319           |
| – measured at FVOCI             | – 通過其他全面收益以反映公平價值 | 6,144         | 6,301         |
| – measured at amortised cost    | – 按持攤銷成本          | 354           | 272           |
|                                 |                   | 7,608         | 7,704         |

The following balances with banks have been pledged as collateral for securities borrowings and margin deposits of derivatives.

以下的銀行結餘已用作證券借貸及衍生工具孖展按金之抵押品。

|  |                  | 2019          | 2018          |
|--|------------------|---------------|---------------|
|  |                  | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Cash collateral for borrowed securities                | 用作證券借貸的現金抵押品     | 13            | 5             |
| Margin accounts for open futures and forward contracts | 用作開立期貨及遠期合約的孖展賬戶 | 3,906         | 2,351         |
|  |                  | 3,919         | 2,356         |

These transactions are conducted under terms that are usual and customary to standard lending and securities borrowing and lending activities.

此等交易之條款是按一般及慣常標準借款及證券借貸交易進行。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 50. LOANS TO DIRECTORS AND ENTITIES CONNECTED WITH DIRECTORS 董事及與董事有關連實體的貸款

The aggregate of loans to directors of the Bank and entities connected with directors disclosed pursuant to Section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

根據《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規則》第3部規定，本行董事及與董事有關連實體之貸款總額披露如下：

|  |                  | 2019          | 2018          |
|--|------------------|---------------|---------------|
|  |                  | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Aggregate amount of relevant loans outstanding at 31st December            | 相關貸款於12月31日的結欠總額 |               |               |
| By the Bank  | 由銀行借出            | 1,615         | 929           |
| By subsidiaries  | 由附屬公司借出          | -             | 2             |
|  |                  | <b>1,615</b>  | 931           |
| The maximum aggregate amount of relevant loans outstanding during the year | 年度內相關貸款之最高結欠總額   |               |               |
| By the Bank  | 由銀行借出            | 2,086         | 2,164         |
| By subsidiaries  | 由附屬公司借出          | 2             | 4             |
|  |                  | <b>2,088</b>  | 2,168         |

As at 31st December, 2019 and 2018, there was no interest due but unpaid and the impairment allowance made against these loans as required under HKFRS 9 were insignificant.

於2019年12月31日及2018年12月31日，沒有逾期未償付利息，面對該等貸款按《香港財務報告準則》第9號所作出之減值準備是不重大的。

#### 51. MATERIAL RELATED PARTY TRANSACTIONS 關聯人士的重大交易

##### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Bank's directors as disclosed in Note 22 and certain of the highest paid employees as disclosed in Note 23, is as follows:

##### (a) 主要管理人員薪酬

本集團之主要管理人員薪酬，已包括在附註22中所披露支付予本行董事及在附註23中所披露支付予本行若干最高薪酬僱員的金額如下：

|                              |        | 2019          | 2018          |
|------------------------------|--------|---------------|---------------|
|                              |        | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Short-term employee benefits | 短期僱員福利 | 141           | 169           |
| Post-employment benefits     | 僱員退休福利 | 8             | 7             |
| Equity compensation benefits | 股份補償福利 | 23            | 35            |
|                              |        | <b>172</b>    | 211           |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 51. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED) 關聯人士的重大交易(續)

(b) The Group maintains certain retirement benefit schemes for its staff as per Note 2(y)(iii). In 2019, the total amount of contributions the Group made to the schemes was HK\$189 million (2018: HK\$167 million).

The Group enters into a number of transactions with the Group's related parties, including its associates, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. All interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

The interest received from and interest paid to the Group's related parties for the year, outstanding balances of amounts due from and due to at the year end, and maximum outstanding balance of amounts due from and due to them during the year are aggregated as follows:

(b) 本集團為其職員提供若干退休保障計劃，並已於附註2(y)(iii)披露。於2019年內，本集團對該等計劃的供款總數為港幣1.89億元(2018年：港幣1.67億元)。

本集團與其關聯人士進行多項交易，該等人士包括聯營公司、及主要行政人員與其直系親屬、及受該等人士所控制或具有重大影響力的公司。該等交易包括接受該等人士存款及為他們提供信貸。所有存款及信貸的利率，均按照給予一般相若水平客戶的條款。

年度內，本集團從關聯人士所收取與支付予他們的利息，及在年末關聯人士的欠款及欠關聯人士的款項，及在年度內關聯人士最高欠款及欠關聯人士的最高款項現總結如下：

|                          |            | Key management personnel<br>主要管理人員 |                        | Associates<br>聯營公司 |                  | Shareholders with<br>significant influence<br>有重大<br>影響力之股東 |                  |
|--------------------------|------------|------------------------------------|------------------------|--------------------|------------------|---|------------------|
|                          |            | 2019                               | 2018<br>Restated<br>重報 | 2019               | 2018             | 2019  | 2018             |
|                          |            | HK\$ Mn<br>港幣百萬元                   | HK\$ Mn<br>港幣百萬元       | HK\$ Mn<br>港幣百萬元   | HK\$ Mn<br>港幣百萬元 | HK\$ Mn<br>港幣百萬元  | HK\$ Mn<br>港幣百萬元 |
| Interest income          | 利息收入       | 73                                 | 55                     | 39                 | 46               | -   | -                |
| Interest expense         | 利息支出       | 35                                 | 33                     | 2                  | 4                | -   | 1                |
| Amounts due from         | 關聯人士的欠款    | 3,741                              | 3,109                  | 1,395              | 1,128            | 818   | 953              |
| Amounts due to           | 欠關聯人士的款項   | 2,717                              | 2,343                  | 442                | 226              | 9   | 397              |
| Maximum amounts due from | 關聯人士的最高欠款  | 5,324                              | 3,638                  | 2,265              | 1,789            | 8,998   | 10,436           |
| Maximum amounts due to   | 欠關聯人士的最高款項 | 6,498                              | 5,668                  | 684                | 1,058            | 189   | 463              |
| Committed facilities to  | 給予信貸承諾     | 192                                | 1,474                  | 823                | 1,448            | -   | -                |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 52. EQUITY COMPENSATION PLANS 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees of the Group, including Executive Director and Co-Chief Executives, options to subscribe for ordinary shares of the Bank. All options were granted for nil consideration.

本行所採納的僱員認股計劃是董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及聯席行政總裁，以認購本行普通股股份。所有認股權均以無計價款形式發出。

##### (a) Particulars of share options

##### (a) 認股權詳情

| Date of grant<br>授予日期 | Vesting period<br>有效期 | Exercise period<br>行使期 | Exercise price per share<br>每股行使價<br>HK\$港幣元 |
|-----------------------|-----------------------|------------------------|--|
| 05/5/2011(T3)         | 05/5/2011–04/5/2014   | 05/5/2014–05/5/2019    | 32.00  |
| 10/5/2012(T2)         | 10/5/2012–09/5/2014   | 10/5/2014–10/5/2019    | 28.99  |
| 10/5/2012(T3)         | 10/5/2012–09/5/2015   | 10/5/2015–10/5/2020    | 28.99  |
| 03/5/2013(T1)         | 03/5/2013–02/5/2014   | 03/5/2014–03/5/2019    | 31.40  |
| 03/5/2013(T2)         | 03/5/2013–02/5/2015   | 03/5/2015–03/5/2020    | 31.40  |
| 03/5/2013(T3)         | 03/5/2013–02/5/2016   | 03/5/2016–03/5/2021    | 31.40  |
| 02/5/2014(T1)         | 02/5/2014–01/5/2015   | 02/5/2015–02/5/2020    | 32.50  |
| 02/5/2014(T2)         | 02/5/2014–01/5/2016   | 02/5/2016–02/5/2021    | 32.50  |
| 02/5/2014(T3)         | 02/5/2014–01/5/2017   | 02/5/2017–02/5/2022    | 32.50  |
| 04/5/2015(T1)         | 04/5/2015–03/5/2016   | 04/5/2016–04/5/2021    | 34.15  |
| 04/5/2015(T2)         | 04/5/2015–03/5/2017   | 04/5/2017–04/5/2022    | 34.15  |
| 04/5/2015(T3)         | 04/5/2015–03/5/2018   | 04/5/2018–04/5/2023    | 34.15  |
| 08/4/2016(T1)         | 08/4/2016–07/4/2017   | 08/4/2017–08/4/2022    | 28.45  |
| 08/4/2016(T2)         | 08/4/2016–07/4/2018   | 08/4/2018–08/4/2023    | 28.45  |
| 08/4/2016(T3)         | 08/4/2016–07/4/2019   | 08/4/2019–08/4/2024    | 28.45  |
| 07/4/2017(T1)         | 07/4/2017–06/4/2018   | 07/4/2018–07/4/2023    | 32.25  |
| 07/4/2017(T2)         | 07/4/2017–06/4/2019   | 07/4/2019–07/4/2024    | 32.25  |
| 07/4/2017(T3)         | 07/4/2017–06/4/2020   | 07/4/2020–07/4/2025    | 32.25  |
| 10/4/2018(T1)         | 10/4/2018–09/4/2019   | 10/4/2019–10/4/2024    | 32.25  |
| 10/4/2018(T2)         | 10/4/2018–09/4/2020   | 10/4/2020–10/4/2025    | 32.25  |
| 10/4/2018(T3)         | 10/4/2018–09/4/2021   | 10/4/2021–10/4/2026    | 32.25  |
| 19/7/2019(T1)         | 19/7/2019–18/7/2020   | 19/7/2020–18/7/2025    | 22.45  |
| 19/7/2019(T2)         | 19/7/2019–18/7/2021   | 19/7/2021–18/7/2026    | 22.45  |
| 19/7/2019(T3)         | 19/7/2019–18/7/2022   | 19/7/2022–18/7/2027    | 22.45  |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 52. EQUITY COMPENSATION PLANS (CONTINUED) 股份補償計劃(續)

## (b) Movement of share options during the year

## (b) 年內認股權之變動

| 2019          |         |                          | Number of share options 認股權數目 |           |           |                  |                           |
|---------------|---------|--------------------------|-------------------------------|-----------|-----------|------------------|---------------------------|
| Date of grant | Tranche | Exercise price per share | Outstanding at 1/1/2019       | Granted   | Exercised | Lapsed/Cancelled | Outstanding at 31/12/2019 |
| 授予日期          | 部分      | 每股行使價<br>HK\$港幣元         | 於2019年<br>1月1日<br>尚未行使        | 已授予       | 已行使       | 已失效/<br>已註銷      | 於2019年<br>12月31日<br>尚未行使  |
| 05/5/2011     | T3      | 32.00                    | 1,890,000                     | -         | -         | 1,890,000        | -                         |
| 10/5/2012     | T2      | 28.99                    | 1,114,000                     | -         | -         | 1,114,000        | -                         |
| 10/5/2012     | T3      | 28.99                    | 1,172,000                     | -         | -         | -                | 1,172,000                 |
| 03/5/2013     | T1      | 31.40                    | 1,114,000                     | -         | -         | 1,114,000        | -                         |
| 03/5/2013     | T2      | 31.40                    | 1,114,000                     | -         | -         | -                | 1,114,000                 |
| 03/5/2013     | T3      | 31.40                    | 1,840,000                     | -         | -         | -                | 1,840,000                 |
| 02/5/2014     | T1      | 32.50                    | 1,812,000                     | -         | -         | -                | 1,812,000                 |
| 02/5/2014     | T2      | 32.50                    | 1,942,000                     | -         | -         | -                | 1,942,000                 |
| 02/5/2014     | T3      | 32.50                    | 1,953,500                     | -         | -         | -                | 1,953,500                 |
| 04/5/2015     | T1      | 34.15                    | 2,030,000                     | -         | -         | -                | 2,030,000                 |
| 04/5/2015     | T2      | 34.15                    | 2,030,000                     | -         | -         | -                | 2,030,000                 |
| 04/5/2015     | T3      | 34.15                    | 2,005,746                     | -         | -         | -                | 2,005,746                 |
| 08/4/2016     | T1      | 28.45                    | 1,064,000                     | -         | -         | -                | 1,064,000                 |
| 08/4/2016     | T2      | 28.45                    | 1,996,000                     | -         | -         | -                | 1,996,000                 |
| 08/4/2016     | T3      | 28.45                    | 2,096,500                     | -         | -         | -                | 2,096,500                 |
| 07/4/2017     | T1      | 32.25                    | 2,130,000                     | -         | -         | -                | 2,130,000                 |
| 07/4/2017     | T2      | 32.25                    | 2,130,000                     | -         | -         | -                | 2,130,000                 |
| 07/4/2017     | T3      | 32.25                    | 2,140,000                     | -         | -         | -                | 2,140,000                 |
| 10/4/2018     | T1      | 32.25                    | 2,225,000                     | -         | -         | -                | 2,225,000                 |
| 10/4/2018     | T2      | 32.25                    | 2,225,000                     | -         | -         | -                | 2,225,000                 |
| 10/4/2018     | T3      | 32.25                    | 2,237,500                     | -         | -         | -                | 2,237,500                 |
| 19/7/2019     | T1      | 22.45                    | -                             | 1,947,000 | -         | -                | 1,947,000                 |
| 19/7/2019     | T2      | 22.45                    | -                             | 1,947,000 | -         | -                | 1,947,000                 |
| 19/7/2019     | T3      | 22.45                    | -                             | 1,956,000 | -         | -                | 1,956,000                 |
| Total 總額      |         |                          | 38,261,246                    | 5,850,000 | -         | 4,118,000        | 39,993,246                |



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

| 2018          |         |                          |                         | Number of share options 認股權數目 |           |                  |                           |
|---------------|---------|--------------------------|-------------------------|-------------------------------|-----------|------------------|---------------------------|
| Date of grant | Tranche | Exercise price per share | Outstanding at 1/1/2018 | Granted                       | Exercised | Lapsed/Cancelled | Outstanding at 31/12/2018 |
| 授予日期          | 部分      | 每股行使價<br>HK\$港幣元         | 於2018年<br>1月1日<br>尚未行使  | 已授予                           | 已行使       | 已失效/<br>已註銷      | 於2018年<br>12月31日<br>尚未行使  |
| 05/5/2011     | T2      | 32.00                    | 1,489,000               | -                             | 1,489,000 | -                | -                         |
| 05/5/2011     | T3      | 32.00                    | 1,890,000               | -                             | -         | -                | 1,890,000                 |
| 10/5/2012     | T1      | 28.99                    | 582,000                 | -                             | 582,000   | -                | -                         |
| 10/5/2012     | T2      | 28.99                    | 1,114,000               | -                             | -         | -                | 1,114,000                 |
| 10/5/2012     | T3      | 28.99                    | 1,172,000               | -                             | -         | -                | 1,172,000                 |
| 03/5/2013     | T1      | 31.40                    | 1,114,000               | -                             | -         | -                | 1,114,000                 |
| 03/5/2013     | T2      | 31.40                    | 1,164,000               | -                             | 50,000    | -                | 1,114,000                 |
| 03/5/2013     | T3      | 31.40                    | 1,890,000               | -                             | 50,000    | -                | 1,840,000                 |
| 02/5/2014     | T1      | 32.50                    | 1,942,000               | -                             | 130,000   | -                | 1,812,000                 |
| 02/5/2014     | T2      | 32.50                    | 1,942,000               | -                             | -         | -                | 1,942,000                 |
| 02/5/2014     | T3      | 32.50                    | 1,953,500               | -                             | -         | -                | 1,953,500                 |
| 04/5/2015     | T1      | 34.15                    | 2,030,000               | -                             | -         | -                | 2,030,000                 |
| 04/5/2015     | T2      | 34.15                    | 2,030,000               | -                             | -         | -                | 2,030,000                 |
| 04/5/2015     | T3      | 34.15                    | 2,040,000               | -                             | -         | 34,254           | 2,005,746                 |
| 08/4/2016     | T1      | 28.45                    | 1,064,000               | -                             | -         | -                | 1,064,000                 |
| 08/4/2016     | T2      | 28.45                    | 2,083,000               | -                             | 61,736    | 25,264           | 1,996,000                 |
| 08/4/2016     | T3      | 28.45                    | 2,096,500               | -                             | -         | -                | 2,096,500                 |
| 08/4/2016     | T1      | 32.25                    | 2,130,000               | -                             | -         | -                | 2,130,000                 |
| 08/4/2016     | T2      | 32.25                    | 2,130,000               | -                             | -         | -                | 2,130,000                 |
| 08/4/2016     | T3      | 32.25                    | 2,140,000               | -                             | -         | -                | 2,140,000                 |
| 10/4/2018     | T1      | 32.25                    | -                       | 2,225,000                     | -         | -                | 2,225,000                 |
| 10/4/2018     | T2      | 32.25                    | -                       | 2,225,000                     | -         | -                | 2,225,000                 |
| 10/4/2018     | T3      | 32.25                    | -                       | 2,237,500                     | -         | -                | 2,237,500                 |
| Total 總額      |         |                          | 33,996,000              | 6,687,500                     | 2,362,736 | 59,518           | 38,261,246                |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 52. EQUITY COMPENSATION PLANS (CONTINUED) 股份補償計劃(續)

- (c) There were no share options forfeited and cancelled during the year ended 31st December, 2019. In 2018, the following share options were forfeited and cancelled.

- (c) 截至2019年12月31止年度內未有認股權被撤銷及註銷。於2018年，被撤銷及註銷的認股權如下。

| Date of grant<br>授予日期 | Tranche<br>部分 | No. of share options forfeited and cancelled<br>被撤銷並註銷的認股權數目 | Exercise price per share<br>每股行使價<br>HK\$ 港幣元 |
|-----------------------|---------------|--|---|
| 04/5/2015             | T3            | 34,254   | 34.15   |
| 08/4/2016             | T2            | 25,264   | 28.45   |

## (d) Details of share options exercised

## (d) 已行使認股權詳情

| Exercise period<br>行使期間 | Date of grant<br>授予日期 | Number of share options<br>認股權數目 |           |
|-------------------------|-----------------------|----------------------------------|-----------|
|                         |                       | 2019                             | 2018      |
| February 2月             | 05/5/2011 (T2)        | -                                | 1,339,000 |
|                         | 10/5/2012 (T1)        | -                                | 100,000   |
|                         | 03/5/2013 (T3)        | -                                | 50,000    |
| March 3月                | 02/5/2014 (T1)        | -                                | 50,000    |
|                         | 05/5/2011 (T2)        | -                                | 70,000    |
|                         | 10/5/2012 (T1)        | -                                | 165,000   |
| April 4月                | 03/5/2013 (T2)        | -                                | 50,000    |
|                         | 02/5/2014 (T1)        | -                                | 80,000    |
|                         | 05/5/2011 (T2)        | -                                | 80,000    |
|                         | 10/5/2012 (T1)        | -                                | 317,000   |
|                         | 08/4/2016 (T2)        | -                                | 61,736    |
|                         |                       | -                                | 2,362,736 |

## 53. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

## 毋須調整的報告期結束日後的事件

After the end of the reporting period the directors declared a second interim dividend. Further details are disclosed in Note 20(a).

董事於報告期結束日後擬派發第二次中期股息。詳情已在附註20(a)作披露。

On 6th January, 2020, the Bank has entered into a sale and purchase agreement and other documentation (collectively, the "Transaction Documents") with, amongst others, Kookmin Bank Co., Ltd. ("Kookmin Bank") in relation to, inter alia, BEA's sale of shares representing 21% of the registered share capital of PRASAC Microfinance Institution Limited ("PRASAC"), to Kookmin Bank (the "Disposal"). Completion of the Disposal is conditional on, amongst other conditions, approvals from the Financial Services Commission of South Korea and the National Bank of Cambodia.

於2020年1月6日，本行與(其中包括)Kookmin Bank Co., Ltd. (「Kookmin銀行」)訂立有關東亞銀行向Kookmin銀行出售其所持有的PRASAC Microfinance Institution Limited (「PRASAC」)已註冊股本之21%的買賣協議及其他文件(合稱「交易文件」)(「出售」)。出售之完成須獲得韓國金融監督委員會(Financial Services Commission of South Korea)及柬埔寨國家銀行(National Bank of Cambodia)批准以及其他條件為前提。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Disposal will take place in two phases:

Phase 1: Each of the existing shareholders (including BEA) will sell 70% of its respective stake in PRASAC to Kookmin Bank on and subject to the terms of the Transaction Documents.

Phase 2: Each of the existing shareholders (including BEA) has a put option to sell, and Kookmin Bank has a call option to buy, the remaining 30% of each existing shareholder's (including BEA's) respective stake in PRASAC, exercisable on and subject to the terms of the Transaction Documents after the finalisation of the audited accounts of PRASAC for the financial year ending 31st December, 2021.

The novel coronavirus outbreak since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations.

The Group has been closely monitoring the impact of the developments on the Group's businesses and has put in place contingency measures. In particular, the Bank has temporarily closed 20 of its branches from 1st February, 2020, in an effort to limit the spread of novel coronavirus, as well as protect both its customers and staff members' health and safety.

The Group regularly performs stress tests on the principal risks, where appropriate, to assess the potential impact of stressed business conditions (including hypothetical situations such as a significant economic downturn in Mainland China and Hong Kong) on the Group's capital adequacy and liquidity. The test results based on the Group's latest financial position showed that both capital and liquidity levels are sufficient to absorb the impact of the stress. Whenever necessary, prompt actions will be undertaken to mitigate potential impacts. The Group will keep its contingency measures and risk management under review as the situation evolves. While the circumstances of the outbreak is evolving rapidly, an estimate of its financial impact to the Group at the current stage may not be appropriate as it will be subject to material change.

出售將分兩階段進行：

第一階段：現有各股東(包括東亞銀行)，受限於交易文件內的條款，將其各自所持有的 PRASAC 股份的70%出售予Kookmin銀行。

第二階段：現有各股東(包括東亞銀行)擁有認沽權以出售，而Kookmin銀行擁有認購權以購買，現有各股東(包括東亞銀行)在PRASAC中剩餘的30%股份。該等權利可在截至2021年12月31日止財政年度的 PRASAC 經審核賬目獲確定後行使並受限於交易文件內的條款。

自2020年初以來，新型冠狀病毒感染的肺炎疫情之爆發已對本集團的經營環境帶來不確定因素及對本集團的營運產生影響。

本集團一直密切關注事態發展對本集團業務之影響，並制定了應變措施。尤其是本行由2020年2月1日起暫停20間分行的服務，以減低新型冠狀病毒疫情擴散的風險，以及保障客戶和員工的健康。

本集團定期對相關的主要風險進行壓力測試，評估受壓營商環境(包括內地及香港出現嚴重經濟下滑等假設情景)對本集團的資本充足及流動性可能產生的影響。根據集團最新財務狀況進行的壓力測試結果顯示，本集團的資本及流動性水平均足以抵禦壓力之影響。有需要時，亦會果斷制定應對措施以減低潛在影響。本集團將因應事態發展繼續檢討應變措施及風險管理。因疫情發展迅速，在現階段估算疫情對本集團的財務影響並不合適，因其仍可能有重大變動。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 54. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**(a) Key sources of estimation uncertainty**

Notes 33, 40 and 46 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and fair values of financial instruments. Other key sources of estimation uncertainty are as follows:

**(i) Impairment losses**

Note 45(a)(ix): impairment of financial instruments involves determining inputs into the ECL measurement model, including incorporation of forward-looking information.

Note 32: impairment testing of investments in associates involves significant judgement in determining the value in use, and in particular estimating the present values of cash flows expected to arise from continuing to hold the investment.

**(ii) Valuation of financial instruments**

The Group's accounting policy for valuation of financial instruments is included in Note 2. The fair value of the financial instruments is mainly based on the quoted market price on a recognised stock exchange or a price quoted from a broker/dealer for non-exchanged traded financial instruments. The fair value of collateralised debt obligations is based on bid prices quoted by reputable brokers and has been carefully assessed for reasonableness by management. The fair value of a Special Investment Vehicle ("SIV") is based on its net asset values as provided by the SIV's manager.

在編製本綜合財務報表時，管理層經已作出若干對應用本集團會計政策及所匯報的資產、負債、收入及支出之金額披露有影響的判斷、估計和假定。最終結果與該等估計可能不盡相同。

估計及相關假定會定期作檢討。估計之修改不會被追溯確認。

**(a) 估計不穩定因素的主要來源**

附註33、40和46載述有關商譽減值、已授予股權的公平價值和金融工具的公平價值的假設及其風險因素。估計不穩定因素的其他主要來源如下：

**(i) 減值損失**

附註45(a)(ix)：金融工具減值：決定預期信貸損失計量模型的計算因素，包括植入具前瞻性的資料。

附註32：聯營公司投資的減值測試包括估計使用值的重大判斷，及估算因持續持有該投資而產生的預計現金流的現值。

**(ii) 金融工具的估值**

本集團對金融工具估值的會計政策列載於附註2。金融工具的公平價值主要根據認可之交易所的市場報價，或就非在交易所作交易的金融工具而言，則根據經紀／交易員的報價。債務抵押債券的公平價值由聲譽良好的經紀按買入價提供報價，及經已被管理層小心評估其適當性。特別投資工具的公平價值是根據特別投資工具之管理人所提供該工具的資產淨值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (b) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

##### (i) Classification of financial assets

Note 2(h)(ii): assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

##### (ii) Measurement of ECL

Note 45(a)(ix): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection of models used to measure ECL.

##### (iii) Recognition of deferred tax assets

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The Group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

#### (b) 本集團應用會計政策的重要會計判斷

本集團應用會計政策的若干重要會計判斷如下：

##### (i) 金融資產

附註2(h)(ii)：評估持有資產的商業模型，即金融資產合約期內是否純粹是本金及按本金結餘的利息支付。

##### (ii) 預期信貸損失計量

附註45(a)(ix)：訂立標準以決定金融資產的信貸風險是否比初始確認時經已大幅增加及制定方法以植入具前瞻性計量預期信貸損失的資料及選擇模型以計算預期信貸損失。

##### (iii) 遞延稅項資產之確認

須在未來可能有應課稅溢利予以抵銷遞延稅項資產的情況下，本集團才確認遞延稅項資產。在釐定未來應課稅溢利的金額及其可能性時，須估計及判斷在可見之將來該未來應課稅溢利可否支持確認該遞延稅項資產。本集團使用所有已有的資料，包括根據合理及可支持之假設和對收入及支出成本的估計，以釐定未來應課稅溢利。此等估計的變動可能對遞延稅項資產確認的時間及資產確認的金額有重大影響。

## 55. COMPARATIVE FIGURES 比較數字

Certain 2018 comparative figures have been restated to conform to current year's presentation. Please refer to consolidated cash flow statement, Note 24, Note 29(b), Note 48(b) and Note 51(b) for the effect of restatement.

若干2018年的比較數字經已重報以符合本年度的呈報方式。請參閱綜合現金流量表、附註24、29(b)、48(b)及51(b)中所述的重報影響。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 56. ASSETS HELD FOR SALE 持有作出售資產

On 29th November, 2017, the Bank and its wholly-owned subsidiary, Credit Gain Finance Company Limited entered into an equity transfer agreement with China Financial Services Holdings Limited for the sale and purchase of all equity interests in Shenzhen Credit Gain Finance Company Limited (“Shenzhen Credit Gain”), Chongqing Liangjiang New Area Credit Gain Finance Company (“Chongqing Credit Gain”) and Chongqing Dongrong Business Consultancy Company Limited (“Chongqing Dongrong”). The disposal of Shenzhen Credit Gain was completed on 12th April, 2019 and the disposals of Chongqing Credit Gain and Chongqing Dongrong were also completed on 18th October, 2019. Shenzhen Credit Gain, Chongqing Credit Gain and Chongqing Dongrong’s assets and liabilities as at 31st December, 2018 are presented separately as assets held for sale and liabilities held for sale respectively in the consolidated financial statements.

On 29th October, 2018, the Bank entered into a sale and purchase agreement with The Bank of Yokohama, Ltd. (“BOY”) for the sale of 30% of the issued shares of P.T. Bank Resona Perdania (“BRP”), held via a special purpose vehicle, East Asia Indonesian Holdings Limited, to BOY (the “Disposal”). The investment in BRP is classified and presented as assets held for sale in the consolidated financial statements as at 31st December, 2018. All the conditions precedent to completion of the Disposal have been satisfied and the Disposal was completed on 24th July, 2019.

The assets and liabilities of the disposal groups held for sale are summarised below:

2017年11月29日，本行及其全資附屬公司領達財務有限公司與中國金融投資管理有限公司簽訂一份股權轉讓協議，就買賣深圳市領達小額貸款有限公司（「深圳領達小額貸款」）、重慶兩江新區領達小額貸款有限公司（「重慶領達小額貸款」）及重慶市東榮商務諮詢有限公司（「東榮商務諮詢」）的全部股權。出售深圳領達小額貸款之交易已於2019年4月12日完成，而出售重慶領達小額貸款及東榮商務諮詢之交易亦已於2019年10月18日完成。深圳領達小額貸款、重慶領達小額貸款及東榮商務諮詢於2018年12月31日的資產及負債在綜合財務報表中分別以持有作出售資產及持有作出售負債列示。

2018年10月29日，本行與橫濱銀行（「濱銀」）訂立買賣協議，向濱銀出售透過East Asia Indonesian Holdings Limited（特定目的投資工具公司）持有的P.T. Bank Resona Perdania（「BRP」）已發行股份之30%（「出售」）。於2018年12月31日的綜合財務狀況表中，BRP投資以持有作出售資產列示。有關完成出售之所有先決條件均已達成，而該出售已於2019年7月24日完成。

持有作出售之出售組別的資產和負債摘要如下：

|   |                  | 2019    |       | 2018    |       |
|---|------------------|---------|-------|---------|-------|
|   |                  | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| <b>ASSETS</b>   | <b>資產</b>        |         |       |         |       |
| Cash and balances with banks and other financial institutions | 現金及在銀行和其他金融機構的結存 | -       |       | 6       |       |
| Loans and advances to customers                               | 客戶貸款及墊款          | -       |       | 228     |       |
| Gross loans and advances to customers                         | 客戶貸款及墊款總額        | -       |       | 230     |       |
| Less: Impairment allowances                                   | 減：減值準備           |         |       |         |       |
| – Stage 1   | – 第一階段           | -       |       | (1)     |       |
| – Stage 3   | – 第三階段           | -       |       | (1)     |       |
| Fixed assets  | 固定資產             |         |       |         |       |
| – Other properties and equipment                              | – 其他物業及設備        | -       |       | 8       |       |
| Deferred tax assets (Note 37(b))                              | 遞延稅項資產(附註37(b))  | -       |       | 18      |       |
| Other assets  | 其他資產             | -       |       | 8       |       |
| Assets held for sale  | 持有作出售資產          | -       |       | 268     |       |
| <b>LIABILITIES</b>  | <b>負債</b>        |         |       |         |       |
| Other liabilities   | 其他負債             | -       |       | 7       |       |
| Liabilities held for sale (Note 38)                           | 持有作出售負債(附註38)    | -       |       | 7       |       |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The assets held for sale and liabilities held for sale are summarised below:

持有作出售之資產及負債摘要如下：

|                                     |               | 2019          | 2018          |
|-------------------------------------|---------------|---------------|---------------|
|                                     |               | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Assets held for sale (Note 35)      | 持有作出售資產(附註35) |               |               |
| Disposal groups held for sale       | 持有作出售的組別      | -             | 268           |
| Other properties                    | 其他物業          | 39            | 57            |
| Investments in associates           | 聯營公司投資        | -             | 363           |
|                                     |               | <b>39</b>     | <b>688</b>    |
| Liabilities held for sale (Note 38) | 持有作出售負債(附註38) |               |               |
| Disposal groups held for sale       | 持有作出售的組別      | -             | 7             |

The cumulative income recognised in other comprehensive income relating to disposal groups held for sale is as follows:

有關持有作出售的組別在其他全面收益內確認之累計收入如下：

|  |                 | 2019          | 2018          |
|--|-----------------|---------------|---------------|
|  |                 | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Cumulative income recognised in other comprehensive income | 確認在其他全面收益內之累計收入 | -             | (68)          |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

### 57. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2019 在截至2019年12月31日止年度前已公布但尚未生效的修訂、新準則和詮釋所產生的可能影響

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments to standards and new standards which are not yet effective for the year ended 31st December, 2019 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

直至此等財務報表之發布日期，香港會計師公會已頒布了多項修訂及新準則；但該等修訂和新準則於截至2019年12月31日止會計年度尚未生效，因此尚未應用於此等財務報表。可能與本集團有關之修訂和新準則如下。

|   | Effective for accounting periods<br>beginning on or after<br>由會計期開始或以後起生效 |
|---|---|
| Amendments to HKFRS 3, <i>Definition of a Business</i><br>《香港財務報告準則》第3號之修訂「業務之定義」                   | 1st January, 2020<br>2020年1月1日  |
| Amendments to HKAS 1 and HKAS 8, <i>Definition of Material</i><br>《香港會計準則》第1號及《香港會計準則》第8號之修訂「重大之定義」 | 1st January, 2020<br>2020年1月1日  |
| HKFRS 17, <i>Insurance Contracts</i><br>《香港財務報告準則》第17號「保險合約」  | 1st January, 2021<br>2021年1月1日  |

The Group is in the process of making an assessment of what the impact of these amendments and new standards are expected to be in the period of initial application. So far the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

本集團正在評估該等修訂和新準則對首個應用期可能產生的影響。除以下所述外，至今所得結論是若採納該等修訂、新準則和詮釋對本集團的綜合財務報表不可能構成重大影響：

#### HKFRS 17, Insurance Contracts

HKFRS 17, which was issued in January 2018, will be effective 1st January, 2021. It sets out the requirements that an entity should apply in accounting for insurance contracts it issues and reinsurance contracts it holds. The Group is in progress of assessment of its impact.

#### 《香港財務報告準則》第17號「保險合約」

於2018年1月頒布之《香港財務報告準則》第17號將於2021年1月1日生效。它制定實體對其發出之保險合約及持有分保合約的會計要求。本集團正在評估其影響。



# UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

## 未經審核補充財務資料

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

以下所披露的資料只屬於財務報表的附帶資料而並不構成已審核財務報表之一部分。

The preparation of supplementary financial information is in accordance with the Banking (Disclosure) Rules and consolidated supervision arrangement approved by the HKMA.

編制補充財務資料是根據《銀行業(披露)規則》及金管局核準的綜合監管要求。

### (1) CAPITAL ADEQUACY 資本充足

|                                   |            | 2019          | 2018          |
|-----------------------------------|------------|---------------|---------------|
|                                   |            | HK\$ Mn 港幣百萬元 | HK\$ Mn 港幣百萬元 |
| Capital base                      | 股本基礎       |               |               |
| – Common Equity Tier 1 capital    | – 普通股權一級資本 | 75,313        | 74,513        |
| – Additional Tier 1 capital       | – 額外一級資本   | 13,963        | 10,312        |
| – Total Tier 1 capital            | – 一級資本總額   | 89,276        | 84,825        |
| – Tier 2 capital                  | – 二級資本     | 9,349         | 14,202        |
| – Total capital                   | – 資本總額     | 98,625        | 99,027        |
| Risk weighted assets by risk type | 風險加權資產類別   |               |               |
| – Credit risk                     | – 信貸風險     | 439,676       | 428,383       |
| – Market risk                     | – 市場風險     | 13,260        | 18,671        |
| – Operational risk                | – 營運風險     | 34,878        | 31,934        |
|                                   |            | 487,814       | 478,988       |
| Less: Deductions                  | 減：扣除       | (3,619)       | (3,274)       |
|                                   |            | 484,195       | 475,714       |

|                                    |            | 2019  | 2018  |
|------------------------------------|------------|-------|-------|
|                                    |            | % 百分率 | % 百分率 |
| Common Equity Tier 1 capital ratio | 普通股權一級資本比率 | 15.6  | 15.7  |
| Tier 1 capital ratio               | 一級資本比率     | 18.4  | 17.8  |
| Total capital ratio                | 總資本比率      | 20.4  | 20.8  |

Capital adequacy ratios are compiled in accordance with the Banking (Capital) Rules (“the Capital Rules”) issued by the HKMA. In accordance with the Capital Rules, the Bank has adopted the foundation internal ratings-based approach for the calculation of the risk-weighted assets for credit risk and the internal models approach for the calculation of market risk and standardised approach for operational risk.

資本充足比率乃根據金管局所頒布的《資本規則》計算。根據《資本規則》，本行選擇採納「基礎內部評級基準計算法」計算信貸風險之風險加權資產、「內部模式計算法」計算市場風險及「標準計算法」計算營運風險。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

The basis of consolidation for regulatory purposes is different from the basis of consolidation for accounting purposes. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with Section 3C of the Capital Rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and the securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Capital Rules and the Banking Ordinance. The Bank's shareholdings in these subsidiaries are deducted from its Tier 1 capital and Tier 2 capital subject to the thresholds as determined in accordance with Part 3 of the Capital Rules respectively.

The list of subsidiaries that are not included in consolidation for regulatory purposes are:

用作監管用途之綜合基礎與作會計用途之綜合基礎是不相同的。包括在用作監管用途之附屬公司乃根據金管局按《資本規則》第3C條所頒布的通知內列載。不包括在綜合基礎用作監管用途之附屬公司為非金融類公司以及已核准和受一監管機構規管的證券及保險公司，對該等公司有關維持足夠資本以支持商業活動的監管安排，與按照適用於《資本規則》及《銀行業條例》的金融機構之標準相符。本行於該等公司的權益已按《資本規則》第3部分所述之門檻規定經計算後從一級及二級資本中扣除。

以下附屬公司並未包括在用作監管用途之綜合計算內：

| Name of company<br>公司名稱                                 | Nature of business<br>業務性質  | Total assets<br>資產總額 |        | Total equity<br>股東權益總額 |       |
|---|---|----------------------|--------|------------------------|-------|
|   |   | HK\$ Mn              | 港幣百萬元  | HK\$ Mn                | 港幣百萬元 |
| Ample Delight Limited<br>承悅有限公司                         | Investment holding<br>投資控股  |                      | 344    |                        | 344   |
| BC (BVI) Holdings Limited                               | Investment holding<br>投資控股  |                      | 16     |                        | 16    |
| BEA Blue Sky Company Limited                            | Acting as the sole general partner to<br>BEA Blue Sky Real Estate Fund L.P.<br>出任BEA Blue Sky Real Estate Fund<br>L.P. 單一普通合夥人        |                      | 1      |                        | –     |
| BEA Blue Sky SLP Limited                                | Acting as a special limited partner to<br>BEA/AGRE China Real Estate Fund L.P.<br>出任BEA/AGRE China Real Estate Fund<br>L.P. 特殊有限責任合夥人 |                      | –      |                        | –     |
| BEA Consortium GS Investors L.P.                        | Acting as a limited partner for the<br>purpose of making investment in<br>private equity fund<br>出任有限責任合夥人用作投資予<br>私募基金               |                      | 48     |                        | 48    |
| BEA Insurance Agency Limited<br>東亞保險代理有限公司              | Insurance agency<br>保險代理  |                      | –      |                        | –     |
| BEA Life Limited<br>東亞人壽保險有限公司                          | Life insurance<br>人壽保險  |                      | 22,814 |                        | 2,218 |
| BEA Pacific Asia Limited                                | Dormant<br>不活動  |                      | –      |                        | –     |
| BEA Union Investment Management Limited<br>東亞聯豐投資管理有限公司 | Asset management<br>資產管理  |                      | 651    |                        | 553   |

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

| Name of company<br>公司名稱  | Nature of business<br>業務性質  | Total assets<br>資產總額 |       | Total equity<br>股東權益總額 |       |
|--|---|----------------------|-------|------------------------|-------|
|  |   | HK\$ Mn              | 港幣百萬元 | HK\$ Mn                | 港幣百萬元 |
| BEA Union Investment Management (Shenzhen) Limited<br>東亞聯豐投資管理(深圳)有限公司 | Asset management/Investment management<br>資產管理/投資管理   |                      | 7     |                        | 6     |
| Blue Care (BVI) Holdings Limited                                       | Investment holding<br>投資控股  |                      | 16    |                        | 16    |
| Blue Care JV (BVI) Holdings Limited                                    | Investment holding<br>投資控股  |                      | 20    |                        | 17    |
| Blue Care Medical Services Limited<br>寶康醫療服務有限公司                       | Medical services<br>醫療服務  |                      | 56    |                        | 45    |
| Blue Cross (Asia-Pacific) Insurance Limited<br>藍十字(亞太)保險有限公司           | Insurance<br>保險   |                      | 2,746 |                        | 766   |
| Central Town Limited<br>滙中興業有限公司                                       | Property investment<br>物業投資   |                      | 838   |                        | 683   |
| Century Able Limited<br>階潤有限公司   | Investment holding<br>投資控股  |                      | 95    |                        | 95    |
| Citiview Capital Limited   | Acting as the general partner and limited partner of a limited partnership<br>出任普通合夥人及有限責任合夥人 |                      | 3     |                        | (1)   |
| Corona Light Limited   | Investment holding<br>投資控股  |                      | 930   |                        | 930   |
| Crystal Gleaming Limited   | Investment holding<br>投資控股  |                      | 930   |                        | 930   |
| Dragon Jade Holdings Company Limited<br>卓領控股有限公司                       | Investment holding<br>投資控股  |                      | 1,127 |                        | 1,127 |
| EA Securities Limited  | Investment holding<br>投資控股  |                      | –     |                        | (63)  |
| East Asia Financial Services (BVI) Ltd.                                | Investment holding<br>投資控股  |                      | –     |                        | –     |
| East Asia Futures Limited<br>東亞期貨有限公司                                  | Futures and options trading<br>期貨及期權交易  |                      | 60    |                        | 59    |
| East Asia Indonesian Holdings Limited                                  | Investment holding<br>投資控股  |                      | 32    |                        | 2     |
| East Asia International Trustees Holdings (BVI) Limited                | Investment holding<br>投資控股  |                      | 10    |                        | 10    |
| East Asia International Trustees Limited                               | Trustee services<br>信託服務  |                      | 31    |                        | 28    |
| East Asia Properties Holding Company Limited<br>東亞物業控股有限公司             | Investment holding<br>投資控股  |                      | –     |                        | (57)  |
| East Asia Property Agency Company Limited<br>東亞物業代理有限公司                | Property agency<br>物業代理   |                      | 9     |                        | 9     |

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

| Name of company<br>公司名稱                                       | Nature of business<br>業務性質   | Total assets<br>資產總額 |       | Total equity<br>股東權益總額 |       |
|---|--|----------------------|-------|------------------------|-------|
|   |  | HK\$ Mn              | 港幣百萬元 | HK\$ Mn                | 港幣百萬元 |
| East Asia Property Holdings (Jersey) Limited                  | Property holding<br>物業持有   |                      | 28    |                        | 27    |
| East Asia Qianhai Holdings Company Limited<br>東亞前海控股有限公司      | Investment holding<br>投資控股   |                      | 205   |                        | 205   |
| East Asia Secretaries Limited<br>東亞秘書有限公司                     | Secretarial services<br>秘書服務   |                      | –     |                        | –     |
| East Asia Securities Company Limited<br>東亞證券有限公司              | Securities broking<br>證券買賣   |                      | 1,472 |                        | 893   |
| Golden Empire International Inc.                              | Property investment<br>物業投資  |                      | 1     |                        | 1     |
| High Town Limited   | Investment holding<br>投資控股   |                      | 4     |                        | 4     |
| Leader One Limited  | Investment holding<br>投資控股   |                      | 1     |                        | 1     |
| Manchester Property Holdings Ltd.                             | Property holding<br>物業持有   |                      | 34    |                        | 17    |
| Quantum Hong Kong Holdings Company Limited<br>君騰香港控股有限公司      | Investment holding<br>投資控股   |                      | 208   |                        | 208   |
| Red Phoenix Limited   | Leasing of motor vehicles<br>汽車租賃  |                      | 2     |                        | 2     |
| Shaftesbury Property Holdings Limited                         | Investment holding<br>投資控股   |                      | 67    |                        | 67    |
| Shaftesbury Property Investments Limited                      | Investment holding<br>投資控股   |                      | 50    |                        | 50    |
| Shanghai Lingxie Business Consulting Co. Ltd.<br>上海領偕商務諮詢有限公司 | Business information consulting,<br>corporate management consulting<br>商業資訊諮詢·企業管理諮詢             |                      | 202   |                        | 202   |
| Silver River International Limited                            | Acting as the general partner and limited<br>partner of a limited partnership<br>出任普通合夥人及有限責任合夥人 |                      | 43    |                        | –     |
| Silver Sunlight Limited                                       | Acting as the general partner of a limited<br>partnership<br>出任普通合夥人                             |                      | –     |                        | –     |
| Skyray Holdings Limited                                       | Investment holding 投資控股  |                      | 450   |                        | 450   |
| Speedfull Limited   | Investment holding 投資控股  |                      | 450   |                        | 450   |
| The Bank of East Asia (Nominees) Limited<br>東亞銀行受託代管有限公司      | Nominee services<br>受託代管服務   |                      | –     |                        | –     |
| The Bank of East Asia (Nominees) Private Limited              | Trustee, fiduciary and custody services<br>信託、代理及託管服務  |                      | –     |                        | –     |

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

| Name of company<br>公司名稱                        | Nature of business<br>業務性質 | Total assets<br>資產總額 |       | Total equity<br>股東權益總額 |       |
|--|----------------------------|----------------------|-------|------------------------|-------|
|  |                            | HK\$ Mn              | 港幣百萬元 | HK\$ Mn                | 港幣百萬元 |
| Travelsafe Limited                             | Dormant<br>不活動             |                      | -     |                        | -     |
| U Care Hong Kong Medical Limited<br>明康醫療香港有限公司 | Medical services<br>醫療服務   |                      | 31    |                        | (10)  |
| United Chinese (Nominee) Limited               | Dormant<br>不活動             |                      | -     |                        | -     |

There are no subsidiaries which are included within both the accounting scope of consolidation and the regulatory scope of consolidation but where the method of consolidation differs at 31st December, 2019.

並未有已包括在用會計範疇及監管範疇之綜合賬的附屬公司，而於2019年12月31日其綜合計算方法是不相同的。

There are no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation at 31st December, 2019.

於2019年12月31日，並未有附屬公司已包括在用監管範疇之綜合賬但並未包括在用會計範疇之綜合賬內。

There are no relevant capital shortfalls in any of the Group's subsidiaries as at 31st December, 2019 (31st December, 2018: Nil) which are not included in the Group's consolidation for regulatory purposes.

於2019年12月31日(2018年12月31日：無)，本集團之附屬公司並無有關資本不足而未有包括在本集團用作監管用途之綜合賬內。

The Group operates subsidiaries in a number of countries and territories where capital is governed by local rules and there may be restrictions on the transfer of regulatory capital and funds between members of the banking group.

本集團之附屬公司在多個國家及地區營運而其資本乃受當地法則約束，可能在轉移受規管資本及在銀行集團成員間的資金調配方面存在某些限制。

For the purpose of compliance with the Banking (Disclosure) Rules, the Group has established a section on the Bank's website. Additional information relating to the Group's regulatory capital and other disclosures can be found in this section of the Bank's website, accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

為符合《銀行業(披露)規則》，本集團已在本行網站內增設一節。有關本集團的監管資本工具及其他披露資料，可於本行網站該節內找到，只要瀏覽本行網站[www.hkbea.com](http://www.hkbea.com)主頁內「監管披露」的連繫或[www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html)的直接連繫。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (2) LEVERAGE RATIO 槓桿比率

|                      |        | 2019          | 2018                         |
|----------------------|--------|---------------|------------------------------|
|                      |        | HK\$ Mn 港幣百萬元 | Restated 重報<br>HK\$ Mn 港幣百萬元 |
| Total Tier 1 capital | 一級資本   | 89,276        | 84,825                       |
| Exposure measure     | 風險承擔計量 | 874,070       | 862,745                      |

|               |      | 2019  | 2018  |
|---------------|------|-------|-------|
|               |      | % 百分率 | % 百分率 |
| Leverag ratio | 槓桿比率 | 10.2  | 9.8   |

The disclosure on leverage ratio is effective since 31st March, 2015 and is computed on the same consolidated basis as specified in a notice from the HKMA in accordance with section 3C of the Capital Rules. The relevant disclosures can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

槓桿比率之披露是由2015年3月31日起生效，其計算乃按金管局根據《資本規則》第3C條頒布的通知內所指定的綜合基準。有關披露資料可瀏覽本行網站 [www.hkbea.com](http://www.hkbea.com) 主頁內「監管披露」的連繫或按 [www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html) 的直接連繫。

## (3) LIQUIDITY POSITION 流動資金狀況

|                                  |           | 2019  | 2018  |
|----------------------------------|-----------|-------|-------|
|                                  |           | % 百分率 | % 百分率 |
| Average liquidity coverage ratio | 平均流動性覆蓋比率 |       |       |
| - First quarter                  | - 第一季     | 169.8 | 137.8 |
| - Second quarter                 | - 第二季     | 171.7 | 144.8 |
| - Third quarter                  | - 第三季     | 166.9 | 153.0 |
| - Fourth quarter                 | - 第四季     | 175.7 | 180.5 |

The liquidity coverage ratio is calculated in accordance with the Banking (Liquidity) Rules effective from 1st January, 2015. The information for the regulatory disclosure can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

流動性覆蓋比率是根據由2015年1月1日起生效的《銀行業(流動性)規則》計算。相關的監管披露資料可瀏覽本行網站 [www.hkbea.com](http://www.hkbea.com) 主頁內「監管披露」的連繫或按 [www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html) 的直接連繫。

The Bank held an amount of HKD-denominated level 1 assets that was not less than 20% of its HKD-denominated total net cash outflows. There is no significant currency mismatch in the Bank's LCR at respective levels of consolidation.

本行持有以港幣計價的一級優質流動資產不少於以港幣計價的淨現金流出總額的20%。按各綜合層級的流動性覆蓋比率並沒有重大的貨幣錯配。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (4) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS

##### 逾期、經重組及收回資產

##### (a) Overdue and rescheduled advances

##### (a) 逾期及經重組墊款

|   |                 | 2019    |                                  | 2018    |                                  |
|---|-----------------|---------|----------------------------------|---------|----------------------------------|
|   |                 | HK\$ Mn | % of total advances to customers | HK\$ Mn | % of total advances to customers |
|   |                 | 港幣百萬元   | 佔客戶墊款總額的百分比                      | 港幣百萬元   | 佔客戶墊款總額的百分比                      |
| Advances to customers overdue for   | 逾期客戶墊款          |         |                                  |         |                                  |
| - 6 months or less but over 3 months  | - 3個月以上至6個月     | 1,049   | 0.2                              | 970     | 0.2                              |
| - 1 year or less but over 6 months  | - 6個月以上至1年      | 308     | 0.1                              | 428     | 0.1                              |
| - Over 1 year   | - 1年以上          | 747     | 0.1                              | 1,495   | 0.3                              |
|   |                 | 2,104   | 0.4                              | 2,893   | 0.6                              |
| Rescheduled advances to customers   | 經重組客戶墊款         | 163     | 0.0                              | 110     | 0.0                              |
| Total overdue and rescheduled advances  | 逾期及經重組墊款總額      | 2,267   | 0.4                              | 3,003   | 0.6                              |
| Covered portion of overdue advances   | 已逾期墊款涵蓋部份       | 1,408   | 0.3                              | 2,159   | 0.4                              |
| Uncovered portion of overdue advances   | 已逾期墊款非涵蓋部份      | 696     | 0.1                              | 734     | 0.2                              |
| Current market value of collateral held against the covered portion of overdue advances | 已逾期墊款涵蓋部份之抵押品市值 | 2,876   |                                  | 4,273   |                                  |
| Specific provisions made on advances overdue for more than 3 months                     | 逾期3個月以上墊款的特殊準備  | 1,190   |                                  | 789     |                                  |

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

有明確到期日之貸款，若其本金或利息已逾期，並於年結日仍未償還，則列作逾期處理。定期分期償還之貸款，若其中一次還款逾期，而於年結日仍未償還，則列作逾期處理。即時到期之貸款，若已向借款人送達還款通知，但借款人未按指示還款，或貸款已超出借款人獲通知的批准限額，而此情況持續超過有關逾期期限，亦列作逾期處理。

An asset considered as an eligible collateral should generally satisfy the following:

可視作合格抵押品的資產須符合下列條件：

- The market value of the asset is readily determinable or can be reasonably established and verified;
- The asset is marketable and there exists a readily available secondary market for disposing of the asset;
- The Bank's right to repossess the asset is legally enforceable and without impediment; and
- The Bank is able to secure control over the asset if necessary.

- 該資產的市值是可即時決定的或是可合理地確定及證實的；
- 該資產是有市價的及有二手市場可即時將該資產出售；
- 本行收回資產的權利是有法律依據及沒有障礙的；及
- 本行在有需要時可對該資產行使控制權。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (4) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS (CONTINUED)

## 逾期、經重組及收回資產(續)

## (a) Overdue and rescheduled advances (continued)

The two main types of “Eligible Collateral” are as follows:

- (i) “Eligible Financial Collateral” mainly comprises cash deposits and shares.
- (ii) “Eligible Physical Collateral” mainly comprises land and buildings, vehicles and equipment.

When the Bank’s clients face financial difficulties and fail to settle their loans, depending on different situations, the Bank usually takes the following actions to recover the debt:

- (a) Debt rescheduling/restructuring
- (b) Enforcement of security
- (c) Legal action
- (d) Recovery via debt collector

## (b) Advances to banks

## (a) 逾期及經重組墊款(續)

合格抵押品主要分為下列兩種：

- (i) 合格金融抵押品主要包括現金存款及股票。
- (ii) 合格實物抵押品主要包括土地及建築物、汽車及設備。

按不同情況下，當本行客戶面對財政困難而無力償還貸款，本行一般採用以下方式以追收欠款：

- (a) 重新編排債務還款期時間表／債務重組
- (b) 沒收抵押品
- (c) 採取法律行動
- (d) 通過收數公司追收

## (b) 銀行墊款

|  |             | 2019    |       | 2018    |       |
|--|-------------|---------|-------|---------|-------|
|  |             | HK\$ Mn | 港幣百萬元 | HK\$ Mn | 港幣百萬元 |
| Advances to banks overdue for          | 逾期銀行墊款      |         |       |         |       |
| – 6 months or less but over 3 months   | – 3個月以上至6個月 |         | –     |         | –     |
| – 1 year or less but over 6 months     | – 6個月以上至1年  |         | –     |         | –     |
| – Over 1 year                          | – 1年以上      |         | –     |         | –     |
|  |             |         | –     |         | –     |
| Rescheduled advances to banks          | 經重組銀行墊款     |         | –     |         | –     |
| Total overdue and rescheduled advances | 逾期及經重組墊款總額  |         | –     |         | –     |



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

## (c) Other overdue and rescheduled assets

## (c) 其他逾期及經重組資產

|  |              | 2019                        |                            |                           |       |
|--|--------------|-----------------------------|----------------------------|---------------------------|-------|
|  |              | Accrued<br>interest<br>應計利息 | Debt<br>securities<br>債務證券 | Other<br>assets*<br>其他資產* |       |
|  |              | HK\$ Mn<br>港幣百萬元            | HK\$ Mn<br>港幣百萬元           | HK\$ Mn<br>港幣百萬元          | 港幣百萬元 |
| Other assets overdue for                   | 其他逾期資產       |                             |                            |                           |       |
| – 6 months or less but over 3 months       | – 3個月以上至6個月  | 16                          | –                          |                           | –     |
| – 1 year or less but over 6 months         | – 6個月以上至1年   | 9                           | –                          |                           | –     |
| – Over 1 year                              | – 1年以上       | 89                          | –                          |                           | –     |
|  |              | <b>114</b>                  | –                          |                           | –     |
| Rescheduled assets                         | 經重組資產        | 1                           | –                          |                           | –     |
| Total other overdue and rescheduled assets | 其他逾期及經重組資產總額 | <b>115</b>                  | –                          |                           | –     |

|  |              | 2018                        |                            |                           |       |
|--|--------------|-----------------------------|----------------------------|---------------------------|-------|
|  |              | Accrued<br>interest<br>應計利息 | Debt<br>securities<br>債務證券 | Other<br>assets*<br>其他資產* |       |
|  |              | HK\$ Mn<br>港幣百萬元            | HK\$ Mn<br>港幣百萬元           | HK\$ Mn<br>港幣百萬元          | 港幣百萬元 |
| Other assets overdue for                   | 其他逾期資產       |                             |                            |                           |       |
| – 6 months or less but over 3 months       | – 3個月以上至6個月  | 19                          | –                          |                           | –     |
| – 1 year or less but over 6 months         | – 6個月以上至1年   | 8                           | –                          |                           | –     |
| – Over 1 year                              | – 1年以上       | 281                         | –                          |                           | 1     |
|  |              | <b>308</b>                  | –                          |                           | 1     |
| Rescheduled assets                         | 經重組資產        | 1                           | –                          |                           | –     |
| Total other overdue and rescheduled assets | 其他逾期及經重組資產總額 | <b>309</b>                  | –                          |                           | 1     |

\* Other assets refer to trade bills and receivables.

\* 其他資產是指貿易票據及應收款項。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (4) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS (CONTINUED)

##### 逾期、經重組及收回資產(續)

##### (d) Repossessed assets

|                                    |               | 2019       |       | 2018       |       |
|------------------------------------|---------------|------------|-------|------------|-------|
|                                    |               | HK\$ Mn    | 港幣百萬元 | HK\$ Mn    | 港幣百萬元 |
| Repossessed land and buildings *   | 收回土地及建築物 *    | 225        |       | 147        |       |
| Repossessed vehicles and equipment | 收回汽車及設備       | -          |       | -          |       |
| Repossessed machines               | 收回機器          | -          |       | -          |       |
| <b>Total repossessed assets</b>    | <b>收回資產總額</b> | <b>225</b> |       | <b>147</b> |       |

##### (d) 收回資產

The amount represents the estimated market value of the repossessed assets as at 31st December.

此等金額指於12月31日收回資產的估計市值。

\* The balance included HK\$4 million (2018: HK\$58 million) relating to properties that were contracted for sale but not yet completed.

\* 結餘中並包括港幣400萬元已簽約出售但仍未成交的物業(2018年:港幣5,800萬元)。

#### (5) BANKING DISCLOSURE STATEMENT 銀行業披露報表

Additional information disclosures for this year which are prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the HKMA can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

本期的額外資料披露是根據《銀行業(披露)規則》及按金管局所頒布的披露模版而編製，詳情可瀏覽本行網站[www.hkbea.com](http://www.hkbea.com)主頁內「監管披露」的連繫或按[www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html)的直接連繫。

# GLOSSARY

## 詞彙

|  |   |
|--|---|
| 100th Anniversary<br>「100周年」                   | The 100th Anniversary of the Bank<br>本行100周年  |
| 2011 Scheme<br>「2011計劃」                        | Staff Share Option Scheme approved and adopted by the shareholders of the Bank on 19th April, 2011<br>於2011年4月19日經股東批准及採納的僱員認股計劃  |
| 2016 Scheme<br>「2016計劃」                        | Staff Share Option Scheme approved by the shareholders of the Bank on 8th April, 2016 and adopted on 19th April, 2016<br>於2016年4月8日經股東批准及於2016年4月19日採納的僱員認股計劃   |
| 2019 AGM<br>「2019股東周年常會」                       | An AGM of the Bank held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Hong Kong on Friday, 3rd May, 2019 at 11:30 a.m.<br>本行於2019年5月3日星期五上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會  |
| 2020 AGM<br>「2020股東周年常會」                       | An AGM of the Bank to be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Hong Kong on Friday, 24th April, 2020 at 11:30 a.m. or any adjournment thereof<br>本行將於2020年4月24日星期五上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會，或其任何續會 |
| AC<br>「審核委員會」                                  | The Audit Committee of the Bank<br>本行的審核委員會   |
| ACM<br>「審核委員會會議」                               | Audit Committee Meeting<br>審核委員會會議  |
| AGM<br>「股東周年常會」                                | An Annual General Meeting of the Bank<br>本行的股東周年常會  |
| API<br>「API」                                   | Application Programming Interface<br>應用程式介面   |
| Article of Association<br>「組織章程細則」             | The articles of association of the Bank (as amended, modified or otherwise supplemented from time to time)<br>本行的組織章程細則，經不時修訂、修改或以其他方式補充  |
| AUM<br>「管理資產」                                  | Assets under management<br>管理資產   |
| Bank Culture Reform<br>「銀行企業文化改革」              | The circular in respect of Bank Culture Reform, issued by the HKMA on 2nd March, 2017<br>金管局於2017年3月2日發出之銀行企業文化改革通告   |
| Bank Group or BEA Group or Group<br>「集團」或「本集團」 | The Bank and its subsidiaries<br>東亞銀行及其附屬公司   |
| Bank or BEA<br>「本行」或「東亞銀行」                     | The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong<br>東亞銀行有限公司，於香港註冊成立的有限公司  |
| Banking Ordinance<br>「《銀行業條例》」                 | The Banking Ordinance (Chapter 155 of the Laws of Hong Kong)<br>《銀行業條例》(香港法例第155章)  |
| BEA App<br>「東亞銀行手機應用程式」                        | The Bank's official mobile application.<br>東亞銀行之手機應用程式  |
| BEA China<br>「東亞中國」                            | The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank<br>東亞銀行(中國)有限公司，本行的全資附屬公司  |
| BEA Life<br>「東亞人壽」                             | BEA Life Limited, a wholly-owned subsidiary of the Bank<br>東亞人壽保險有限公司，本行的全資附屬公司   |

## GLOSSARY (CONTINUED)

## 詞彙 (續)

|   |   |
|---|---|
| BEA Union Investment<br>「東亞聯豐投資」                        | BEA Union Investment Management Limited, a non-wholly-owned subsidiary of the Bank<br>東亞聯豐投資管理有限公司 · 本行的非全資附屬公司   |
| Blue Cross<br>「藍十字」                                     | Blue Cross (Asia-Pacific) Insurance Limited, a wholly-owned subsidiary of the Bank<br>藍十字 (亞太) 保險有限公司 · 本行的全資附屬公司   |
| BM<br>「董事會會議」   | Board Meeting<br>董事會會議  |
| Board<br>「董事會」  | Board of Directors of the Bank<br>本行的董事會  |
| BVI<br>「英屬處女群島」   | British Virgin Islands<br>英屬處女群島  |
| Capital Rules<br>「《資本規則》」                               | Banking (Capital) Rules issued by the HKMA<br>金管局頒布的《銀行業 (資本規則)》  |
| CAR<br>「資本充足率」  | Capital Adequacy Ratio<br>資本充足率   |
| CASA<br>「往來賬戶及儲蓄賬戶」                                     | Current and savings account<br>往來賬戶及儲蓄賬戶  |
| CG Code<br>「《企業管治守則》」                                   | Corporate Governance Code and Corporate Governance Report, Appendix 14 of the Listing Rules<br>《上市規則》附錄 14 內所載的《企業管治守則及企業管治報告》  |
| CG-1<br>「CG-1」  | Supervisory Policy Manual CG-1 on Corporate Governance of Locally Incorporated Authorized Institutions, issued by the HKMA<br>金管局頒布之監管政策手冊 CG-1 內有關《本地註冊認可機構的企業管治》                  |
| CG-5<br>「CG-5」  | Supervisory Policy Manual CG-5 on Guideline on a Sound Remuneration System, issued by the HKMA<br>金管局頒布之監管政策手冊 CG-5 內有關《穩健的薪酬制度指引》  |
| CHF<br>「瑞士法郎」   | Swiss franc<br>瑞士法定貨幣   |
| China or Mainland or Mainland China or PRC<br>「中國」或「內地」 | People's Republic of China<br>中華人民共和國   |
| Circular<br>「通函」  | The circular to the Shareholders dated 23rd March, 2020<br>日期為 2020 年 3 月 23 日的致股東通函  |
| CNY or RMB<br>「人民幣」                                     | Chinese yuan or Renminbi, the lawful currency of the PRC<br>中國法定貨幣  |
| Companies Ordinance<br>「《公司條例》」                         | The Companies Ordinance (Chapter 622 of the Laws of Hong Kong)<br>《公司條例》(香港法例第 622 章)   |
| Director(s)<br>「董事」                                     | Includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require<br>包括任何任職本行董事職位的人士 (不論其職銜如何) · 或文義另有所指的人士 |
| ED<br>「執行董事」  | Executive Director of the Bank<br>本行的執行董事   |
| ERM<br>「企業風險管理」   | Enterprise risk management<br>企業風險管理  |

## GLOSSARY (CONTINUED)

### 詞彙 (續)

|  |  |
|--|--|
| EUR<br>「歐羅」  | Euro<br>歐元區法定貨幣  |
| GBP<br>「英鎊」  | Pound sterling, the lawful currency of the UK<br>英國法定貨幣  |
| General Managers<br>「總經理」                              | All Division Heads of the Bank and Executive Director & Chief Executive of BEA China<br>本行所有分處主管及東亞中國的執行董事兼行長  |
| Greater Bay Area / GBA<br>「大灣區」                        | Guangdong-Hong Kong-Macao Greater Bay Area<br>「粵港澳大灣區」   |
| Guidance on Empowerment of INEDs<br>「提升獨立非執行董事的專業能力指引」 | The guidance on Empowerment of Independent Non-Executive Directors (INEDs) in the Banking Industry in Hong Kong, issued by the HKMA<br>金管局頒布之提升香港銀行業獨立非執行董事的專業能力指引     |
| HK\$ or HKD<br>「港幣」                                    | Hong Kong dollar, the lawful currency of Hong Kong<br>香港法定貨幣   |
| HKAS<br>「香港會計準則」                                       | Hong Kong Accounting Standards<br>香港會計準則   |
| HKEx<br>「香港交易所」  | Hong Kong Exchanges and Clearing Limited<br>香港交易及結算所有限公司   |
| HKFRS<br>「香港財務報告準則」                                    | Hong Kong Financial Reporting Standards<br>香港財務報告準則  |
| HKFRS 9<br>「財務報告第9號」                                   | Hong Kong Financial Reporting Standard 9: Financial Instruments<br>香港財務報告準則第9號：金融工具  |
| HKICPA<br>「香港會計師公會」                                    | Hong Kong Institute of Certified Public Accountants<br>香港會計師公會   |
| HKMA<br>「金管局」  | Hong Kong Monetary Authority<br>香港金融管理局  |
| Hong Kong or HK<br>「香港」                                | Hong Kong Special Administrative Region of PRC<br>中華人民共和國香港特別行政區   |
| IFTA<br>「IFTA」   | Institute of Financial Technologists of Asia<br>亞洲金融科技師學會  |
| INED(s)<br>「獨立非執行董事」                                   | Independent Non-executive Director(s) of the Bank<br>本行的獨立非執行董事  |
| Listing Rules<br>「《上市規則》」                              | The Rules Governing the Listing of Securities on the Stock Exchange (as amended, modified or otherwise supplemented from time to time)<br>聯交所《證券上市規則》，經不時修訂、修改或以其他方式補充 |
| Macau Branch<br>「澳門分行」                                 | The Bank's branch operations in Macau<br>本行的澳門分行   |
| Mobile app<br>「手機應用程式」                                 | Mobile application<br>手機應用程式   |
| MPF<br>「強積金」   | Mandatory Provident Fund<br>強制性公積金   |

## GLOSSARY (CONTINUED)

## 詞彙 (續)

|                               |   |
|-------------------------------|---|
| MYR<br>「馬幣」                   | Malaysian Ringgit, the lawful currency of Malaysia<br>馬來西亞法定貨幣                                      |
| NC<br>「提名委員會」                 | The Nomination Committee of the Bank<br>本行的提名委員會  |
| NCM<br>「提名委員會會議」              | Nomination Committee Meeting<br>提名委員會會議   |
| NED<br>「非執行董事」                | Non-executive Director of the Bank<br>本行的非執行董事  |
| NGO<br>「非政府組織」                | Non-Governmental Organisation<br>非政府組織  |
| NIM<br>「淨息差」                  | Net interest margin<br>淨息差  |
| RC<br>「薪酬委員會」                 | The Remuneration Committee of the Bank<br>本行的薪酬委員會  |
| RCM<br>「薪酬委員會會議」              | Remuneration Committee Meeting<br>薪酬委員會會議   |
| RIC<br>「風險委員會」                | The Risk Committee of the Bank<br>本行的風險委員會  |
| RICM<br>「風險委員會會議」             | Risk Committee Meeting<br>風險委員會會議   |
| Senior Management<br>「高層管理人員」 | The Co-Chief Executives and Deputy Chief Executives of the Bank<br>本行的聯席行政總裁及副行政總裁                  |
| SFO<br>「《證券及期貨條例》」            | The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)<br>《證券及期貨條例》(香港法例第571章) |
| Share(s)<br>「股」或「股份」          | Ordinary shares of the Bank<br>本行普通股  |
| SME(s)<br>「中小型企業」             | Small and medium-sized enterprise(s)<br>中小型企業   |
| Stock Exchange<br>「聯交所」       | The Stock Exchange of Hong Kong Limited<br>香港聯合交易所有限公司  |
| Taiwan Branch<br>「台灣分行」       | The Bank's branch operations in Taiwan<br>本行的台灣分行   |
| UK<br>「英國」                    | United Kingdom<br>英國  |
| US<br>「美國」                    | United States of America<br>美利堅合眾國  |
| US\$ or USD<br>「美元」           | United States dollar, the lawful currency of the US<br>美國法定貨幣                                       |

## SHAREHOLDER INFORMATION

### FINANCIAL CALENDAR

|   |   |
|---|---|
| 2019 full year results announced  | 19th February, 2020   |
| 2019 Second Interim Dividend declared   | 19th February, 2020   |
| Ex-all date for 2019 Second Interim Dividend  | 5th March, 2020   |
| Closure of register of members – 2019 Second Interim Dividend                         | 9th March, 2020 and 10th March, 2020                            |
| Record date for 2019 Second Interim Dividend  | 10th March, 2020  |
| Despatch of Scrip Dividend Circular and Form of Election                              | 10th March, 2020  |
| Despatch of dividend warrants and share certificates for 2019 Second Interim Dividend | (on or about) 1st April, 2020                                   |
| Closure of register of members – 2020 AGM   | From 17th April, 2020 to 24th April, 2020 (Both days inclusive) |
| 2020 AGM  | 24th April, 2020  |
| 2020 interim results to be announced  | August, 2020*   |

\* Subject to change

## 股東資料

### 財務日誌

|                          |                                |
|--------------------------|--------------------------------|
| 公布2019年度全年業績             | 2020年2月19日                     |
| 宣布派發2019年度第二次中期股息        | 2020年2月19日                     |
| 2019年度第二次中期股息除淨日期        | 2020年3月5日                      |
| 暫停辦理過戶登記手續—2019年度第二次中期股息 | 2020年3月9日及2020年3月10日           |
| 2019年度第二次中期股息記錄日期        | 2020年3月10日                     |
| 寄發以股代息通函及選擇表格            | 2020年3月10日                     |
| 寄發2019年度第二次中期股息單及股票      | (約於) 2020年4月1日                 |
| 暫停辦理過戶登記手續—2020股東周年常會    | 由2020年4月17日至2020年4月24日(包括首尾兩天) |
| 2020股東周年常會               | 2020年4月24日                     |
| 公布2020年度中期業績             | 2020年8月*                       |

\* 可予更改

## SHARE LISTING

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