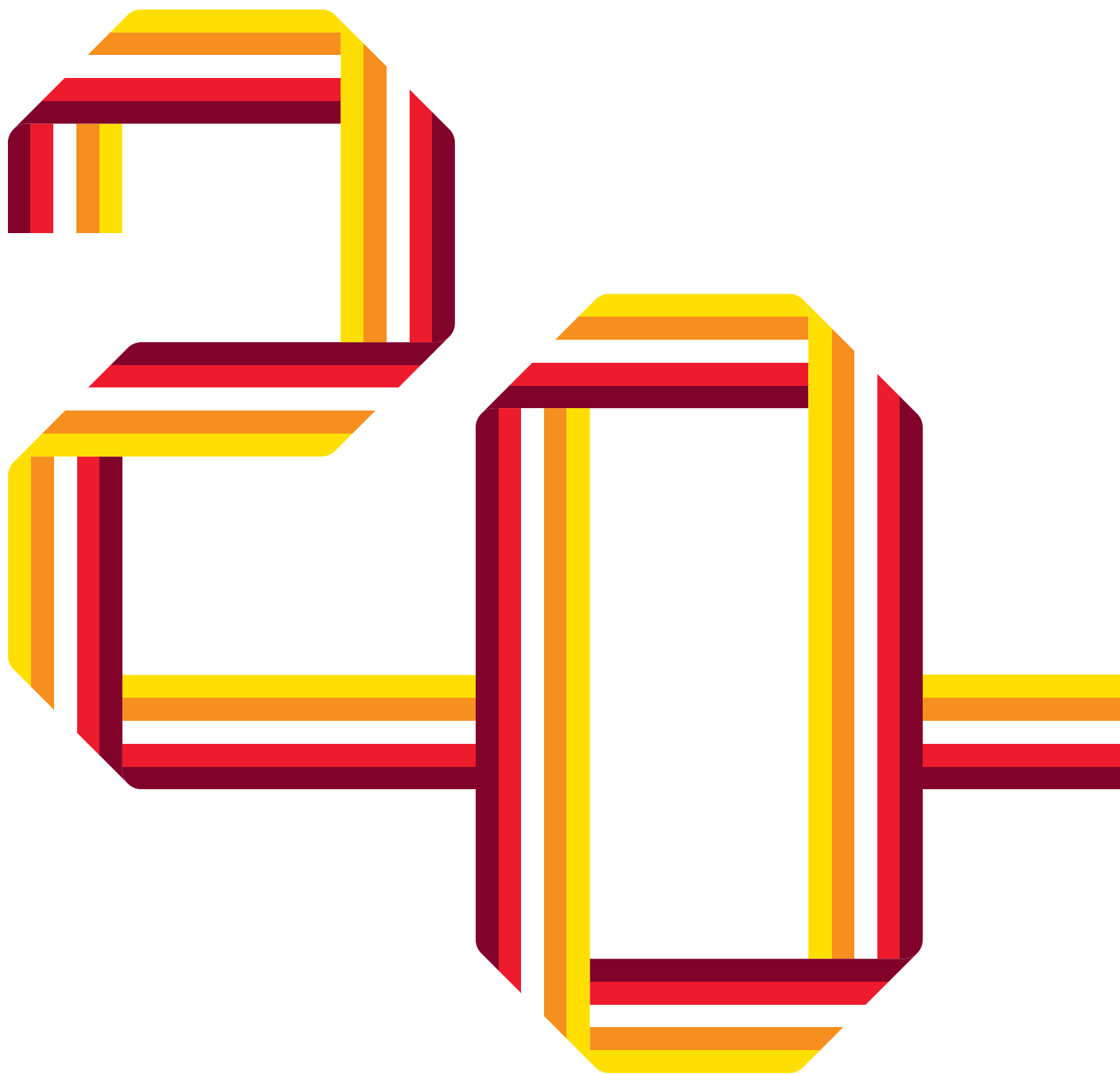




(Stock Code 股份代號 : 23)



Interim Report  
2020 中期報告

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## FINANCIAL HIGHLIGHTS

	30 June 2020	30 June 2019	31 December 2019
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### For the half year ended

<b>Profitability</b>	HK\$ Mn	HK\$ Mn	HK\$ Mn
Operating profit before impairment losses	4,124	5,283*	4,581*
Profit attributable to owners of the parent	1,532	1,000	2,260
<b>Earnings Per Share and Dividends Per Share</b>	HK\$	HK\$	HK\$
Basic earnings	0.39	0.22	0.67
Dividends	0.16	0.11	0.35
<b>Key Ratios</b>	%	%	%
Return on average assets (annualised) <sup>1</sup>	0.3	0.1	0.5
Return on average equity (annualised) <sup>2</sup>	2.5	1.4	4.1
Cost-to-income ratio <sup>3</sup>	51.3	48.2*	52.1*

### At period/year end

<b>Balance Sheet Strength</b>	HK\$ Mn	HK\$ Mn	HK\$ Mn
Total loans and advances to customers and trade bills	512,308	524,107	521,186
Total assets	848,713	876,778	865,198
Total customer deposits and certificates of deposit issued	611,229	646,008	647,586
Total equity	106,998	104,988	109,638
<b>Key Ratios</b>	%	%	%
Loan to deposit ratio <sup>4</sup>	82.0	79.1	78.6
Impaired loan ratio <sup>5</sup>	1.3	1.6	1.2
Common Equity Tier 1 capital ratio <sup>6</sup>	16.5	15.3	15.6
Tier 1 capital ratio <sup>6</sup>	19.5	17.3	18.4
Total capital ratio <sup>6</sup>	22.1	20.3	20.4

\* Restated

Notes:

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

## **CORPORATE INFORMATION**

### **SPECIAL ADVISOR TO THE BOARD**

Dr. Isidro FAINÉ CASAS

### **BOARD OF DIRECTORS**

#### **Executive Directors**

Dr. the Hon. Sir David LI Kwok-po  
*(Executive Chairman)*

Mr. Adrian David LI Man-kiu  
*(Co-Chief Executive)*

Mr. Brian David LI Man-bun  
*(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. 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

### **SENIOR ADVISOR**

Mr. CHAN Tze-ching

### **SENIOR MANAGEMENT**

Mr. Adrian David LI Man-kiu  
*Co-Chief Executive*

Mr. Brian David LI Man-bun  
*Co-Chief Executive*

Mr. Samson LI Kai-cheong  
*Deputy Chief Executive & Chief Investment Officer*

Mr. TONG Hon-shing  
*Deputy Chief Executive & Chief Operating Officer*

### **COMPANY SECRETARY**

Mr. Alson LAW Chun-tak

### **AUDITORS**

**KPMG**

*Certified Public Accountants*

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

### **SHARE LISTING**

The Stock Exchange of Hong Kong Limited

### **SHARE REGISTRAR**

Tricor Standard Limited

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Facsimile: (852) 2810 8185

### **ADR DEPOSITARY BANK**

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E-mail: [shrrelations@cpushareownerservices.com](mailto:shrrelations@cpushareownerservices.com)

### **REGISTERED OFFICE**

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## INTERIM RESULTS

The Board of Directors of the Bank is pleased to announce the unaudited results (Note 1(a)) of the Group for the six months ended 30th June, 2020. The interim financial report is prepared on a basis consistent with the accounting policies and methods adopted in the 2019 audited financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 audited financial statements. Details of these changes in accounting policies are set out in Note 2. The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the HKICPA. KPMG's independent review report to the Board is included on page 75.

### Consolidated Income Statement

		6 months ended 30/6/2020	6 months ended 30/6/2019 Restated
	Notes	HK\$ Mn	HK\$ Mn
Interest income	3	11,809	14,573
Interest income calculated using the effective interest method		11,928	14,276
Other interest (expense)/income		(119)	297
Interest expense	4	(5,695)	(7,150)
Net interest income		6,114	7,423
Fee and commission income	5	1,854	1,878
Fee and commission expense		(419)	(524)
Net fee and commission income		1,435	1,354
Net trading profit	6	453	416
Net result on financial instruments at FVTPL	7	(106)	129
Net result on financial assets measured at FVOCI	8	37	108
Net loss on sale of investments measured at amortised cost		–	(5)
Net hedging profit	9	36	17
Net insurance profit	10	268	574
Other operating income	11	237	185
Non-interest income		2,360	2,778
Operating income		8,474	10,201
Operating expenses	12	(4,350)	(4,918)
Operating profit before impairment losses		4,124	5,283
Impairment losses on financial instruments	13	(2,675)	(5,063)
Impairment losses on assets held for sale		(5)	–
Impairment losses on intangible assets		(2)	–
Impairment losses on associate	23	(220)	–
Impairment losses		(2,902)	(5,063)
Operating profit after impairment losses		1,222	220
Net profit on sale of assets held for sale	14	2	82
Net profit/(loss) on disposal of subsidiaries/associates		341	(6)
Net loss on disposal of fixed assets	15	(11)	(6)
Valuation (losses)/gains on investment properties	24	(130)	18
Share of profits less losses of associates and joint ventures		190	328
Profit for the period before taxation		1,614	636
Income tax	16	(56)	402
Profit for the period		1,558	1,038

## Consolidated Income Statement (Continued)

		6 months ended 30/6/2020	6 months ended 30/6/2019 Restated
	Notes	HK\$ Mn	HK\$ Mn
Attributable to:			
Owners of the parent		1,532	1,000
Non-controlling interests		26	38
Profit for the period		<u>1,558</u>	<u>1,038</u>
Profit for the Bank		<u>2,496</u>	<u>3,246</u>
Earnings per share			
Basic	1(b)	HK\$0.39	HK\$0.22
Diluted	1(b)	HK\$0.39	HK\$0.22

## Consolidated Statement of Comprehensive Income

		6 months ended 30/6/2020	6 months ended 30/6/2019
	<i>Notes</i>	HK\$ Mn	HK\$ Mn
Net profit		1,558	1,038
Other comprehensive income for the period:			
Items that will not be reclassified to income statement:			
Premises:			
– deferred taxes	32	1	1
Fair value reserve (equity instruments):			
– net change in fair value		(278)	418
– deferred taxes	32	6	(7)
Liability credit reserve:			
– net change in fair value attributable to Group's own credit risk		(11)	–
– deferred taxes	32	2	(1)
Items that may be reclassified subsequently to income statement:			
Fair value reserve (debt instruments):			
– net change in fair value		(1,480)	986
– amount transferred to income statement on disposal		(234)	(66)
– on amortisation		(1)	(2)
– deferred taxes	32	311	(39)
Hedging reserve (cash flow hedges):			
– effective portion of changes in fair value of hedging instruments		4	(4)
– fair value change transferred to income statement		(6)	(4)
Share of changes in equity of associates and joint ventures		(148)	71
Exchange differences arising from translation of accounts/disposal of overseas branches, subsidiaries, associates and joint ventures		(1,045)	52
Other comprehensive income		(2,879)	1,405
Total comprehensive income		(1,321)	2,443
Total comprehensive income attributable to:			
Owners of the parent		(1,347)	2,411
Non-controlling interests		26	32
		(1,321)	2,443

## Consolidated Statement of Financial Position

		30/6/2020	31/12/2019
	Notes	HK\$ Mn	HK\$ Mn
<b>ASSETS</b>			
Cash and balances with banks	17	40,462	51,525
Placements with and advances to banks	18	63,990	62,280
Trade bills	19	10,842	12,081
Trading assets	20	1,270	1,273
Derivative assets	39(a)	5,637	5,693
Loans and advances to customers	21	496,372	505,336
Investment securities	22	160,526	163,514
Investments in associates and joint ventures	23	8,481	9,970
Fixed assets	24	13,841	14,328
– Investment properties		5,202	5,333
– Other properties and equipment		7,685	7,907
– Right-of-use assets		954	1,088
Goodwill and intangible assets		1,918	1,926
Deferred tax assets	32	1,738	1,563
Other assets	25	43,636	35,709
Total Assets		848,713	865,198
<b>EQUITY AND LIABILITIES</b>			
Deposits and balances of banks		36,791	27,915
– Designated at fair value through profit or loss	26	2,979	3,182
– At amortised cost		33,812	24,733
Deposits from customers		552,558	573,527
– Demand deposits and current accounts		63,932	66,760
– Savings deposits		156,921	139,742
– Time, call and notice deposits		331,705	367,025
Trading liabilities	27	10	–
Derivative liabilities	39(a)	10,456	7,654
Certificates of deposit issued		58,671	74,059
– Designated at fair value through profit or loss	26	19,137	27,401
– At amortised cost		39,534	46,658
Current taxation		1,526	2,103
Debt securities issued		4,365	3,181
– Designated at fair value through profit or loss	26	–	–
– At amortised cost		4,365	3,181
Deferred tax liabilities	32	176	584
Other liabilities	28	62,317	56,299
Loan capital – at amortised cost	29	14,845	10,238
Total Liabilities		741,715	755,560
Share capital	1(d)	41,528	41,379
Reserves	33	51,169	53,928
Total equity attributable to owners of the parent		92,697	95,307
Additional equity instruments	34	13,963	13,963
Non-controlling interests		338	368
Total Equity		106,998	109,638
Total Equity and Liabilities		848,713	865,198



## Consolidated Statement of Changes in Equity

	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>Note</sup>	Retained profits	Total	Additional equity instruments	Non-controlling interests	Total equity
	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
At 1st January, 2020	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
Changes in equity															
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,532	1,532	-	26	1,558
Other comprehensive income	-	-	1	-	(1,045)	-	(1,676)	(2)	(9)	(148)	-	(2,879)	-	-	(2,879)
Total comprehensive income	-	-	1	-	(1,045)	-	(1,676)	(2)	(9)	(148)	1,532	(1,347)	-	26	(1,321)
Shares issued in lieu of dividend (Note 1(d))	149	-	-	-	-	-	-	-	-	-	-	149	-	-	149
Equity settled share-based transaction	-	-	-	-	-	2	-	-	-	-	-	2	-	-	2
Transfer	-	-	-	(196)	-	(17)	-	-	-	(84)	297	-	-	-	-
Distribution/Dividends declared or approved during the period	-	-	-	-	-	-	-	-	-	-	(1,414)	(1,414)	-	(53)	(1,467)
Change of ownership in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	(3)
At 30th June, 2020	<u>41,528</u>	<u>13,651</u>	<u>1,849</u>	<u>894</u>	<u>(2,674)</u>	<u>148</u>	<u>655</u>	<u>(1)</u>	<u>(16)</u>	<u>5,115</u>	<u>31,548</u>	<u>92,697</u>	<u>13,963</u>	<u>338</u>	<u>106,998</u>
At 1st January, 2019	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															
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,000	1,000	-	38	1,038
Other comprehensive income	-	-	1	-	58	-	1,290	(8)	(1)	71	-	1,411	-	(6)	1,405
Total comprehensive income	-	-	1	-	58	-	1,290	(8)	(1)	71	1,000	2,411	-	32	2,443
Shares issued in lieu of dividend	1,269	-	-	-	-	-	-	-	-	-	-	1,269	-	-	1,269
Equity settled share-based transaction	-	-	-	-	-	12	-	-	-	-	-	12	-	-	12
Transfer	-	5	(5)	95	-	(18)	-	-	-	287	(364)	-	-	-	-
Distribution/Dividends declared or approved during the period	-	-	-	-	-	-	-	-	-	-	(2,263)	(2,263)	-	(52)	(2,315)
Change of ownership in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4
At 30th June, 2019	<u>41,194</u>	<u>14,059</u>	<u>1,748</u>	<u>1,028</u>	<u>(1,368)</u>	<u>152</u>	<u>1,954</u>	<u>7</u>	<u>(4)</u>	<u>5,321</u>	<u>29,164</u>	<u>93,255</u>	<u>8,894</u>	<u>2,839</u>	<u>104,988</u>

Note: Other reserves include statutory reserve and other reserves.

## Condensed Consolidated Cash Flow Statement

		6 months ended 30/6/2020	6 months ended 30/6/2019 Restated <sup>(Note)</sup>
	Notes	HK\$ Mn	HK\$ Mn
NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS		(2,041)	13,195
Income tax paid			
Hong Kong profits tax paid		(738)	(16)
Outside Hong Kong profits tax paid		(183)	(382)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		(2,962)	12,797
INVESTING ACTIVITIES			
Dividends received from associates and joint ventures		–	1
Dividends received from equity securities measured at FVOCI		4	4
Purchase of fixed assets		(175)	(244)
Proceeds from disposal of other properties and equipment		1	16
Proceeds from sale of assets held for sale		8	372
Proceeds from disposal of associates		906	–
Additional investments in associates		–	(149)
NET CASH GENERATED FROM INVESTING ACTIVITIES		744	–
FINANCING ACTIVITIES			
Ordinary dividends paid		(921)	(689)
Distribution to Hybrid/Additional Tier 1 issue holders	1(c)	(397)	(357)
Issue of debt securities		1,393	2,841
Issue of loan capital		4,617	1,705
Payment of lease liabilities		(215)	(181)
Redemption of debt securities issued		(155)	(300)
Interest paid on loan capital		(269)	(361)
Interest paid on debt securities issued		(113)	(44)
NET CASH GENERATED FROM FINANCING ACTIVITIES		3,940	2,614
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,722	15,411
CASH AND CASH EQUIVALENTS AT 1ST JANUARY		94,638	86,020
Effect of foreign exchange rate changes		(1,212)	(74)
CASH AND CASH EQUIVALENTS AT 30TH JUNE	35	95,148	101,357
Cash flows from operating activities included:			
Interest received		12,067	14,563
Interest paid		7,006	6,909
Dividend received		15	25

Note: To conform to current period's presentation, 2019 comparative figures have been restated by reclassifying cash flows of purchase and sale of certain non-trading equity securities from investing activities and cash flows of issuing and redemption of certificates of deposit from financing activities, to operating activities.

## Notes to the Interim Financial Statements

Notes:

1. (a) This interim report has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of these changes in accounting policies are set out in Note 2 below.

The financial information relating to the financial year ended 31st December, 2019 that is included in the interim financial report as comparative information does not constitute the Bank's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Bank has delivered the financial statements for the year ended 31st December 2019 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Bank's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

- (b) (i) The calculation of basic earnings per share is based on the consolidated profit for the period attributable to owners of the parent of HK\$1,135 million (six months ended 30th June, 2019: HK\$643 million) after accounting for the distribution of HK\$397 million (six months ended 30th June, 2019: HK\$357 million) to Hybrid/Additional Tier 1 issue holders, and on the weighted average of 2,911 million (six months ended 30th June, 2019: 2,869 million) ordinary shares outstanding during the six months ended 30th June, 2020.
- (ii) The calculation of diluted earnings per share is based on the consolidated profit for the period attributable to owners of the parent of HK\$1,135 million (six months ended 30th June, 2019: HK\$643 million) after accounting for the distribution of HK\$397 million (six months ended 30th June, 2019: HK\$357 million) to Hybrid/Additional Tier 1 issue holders, and on 2,911 million (six months ended 30th June, 2019: 2,869 million) ordinary shares, being the weighted average number of ordinary shares outstanding during the six months ended 30th June, 2020, adjusted for the effects of all dilutive potential shares.
- (c) Distribution/Dividends
- (i) Dividends payable to equity owners of the parent attributable to the interim period

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Interim dividend declared after the interim period of HK\$0.16 per share on 2,915 million shares (six months ended 30th June, 2019: HK\$0.11 per share on 2,897 million shares)	466	319

The interim dividend has not been recognised as a liability at the end of the reporting period.

## Notes to the Interim Financial Statements (Continued)

### 1. (c) Distribution/Dividends (Continued)

- (ii) Dividends payable to equity owners of the parent attributable to the previous financial year, approved and paid during the interim period

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Second interim dividend of HK\$0.35 per share on 2,906 million shares (2019: HK\$0.32 per share on 2,846 million shares)	1,017	910
Special dividend of HK\$0.35 per share on 2,846 million shares	–	996
	<u>1,017</u>	<u>1,906</u>

- (iii) Distribution to holders of Hybrid/Additional Tier 1 capital instruments

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Interest paid or payable on the Hybrid Tier 1 capital instruments	–	106
Distribution paid on the Additional Tier 1 capital instruments	397	251
	<u>397</u>	<u>357</u>

### (d) Share Capital

Movement of the Bank's ordinary shares is set out below:

	At 30th June, 2020		At 31st December, 2019	
	No. of shares Mn	HK\$ Mn	No. of shares Mn	HK\$ Mn
Ordinary shares, issued and fully paid:				
At 1st January	2,907	41,379	2,846	39,925
Share issued in lieu of dividend	8	149	61	1,454
At 30th June/31st December	<u>2,915</u>	<u>41,528</u>	<u>2,907</u>	<u>41,379</u>

## Notes to the Interim Financial Statements (Continued)

### 2. Changes in Accounting Policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31st December, 2019.

The Group has initially adopted Amendments to HKFRS 9 "Financial Instruments", HKAS 39 "Financial Instruments: Recognition and Measurement" and HKFRS 7 "Financial Instruments: Disclosures" in respect of Interest Rate Benchmark Reform and early adopted Amendment to HKFRS 16 "Leases" in respect of COVID-19-Related Rent Concessions from 1st January, 2020. A number of other new standards are effective 1st January, 2020 but they do not have a material effect on the Group's financial statements. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31st December, 2020.

#### *Interest Rate Benchmark Reform: Amendments to HKFRS 9, HKAS 39 and HKFRS 7*

Interest rate benchmark reform is a global initiative to replace or reform interbank offered rates (IBORs) that are used to determine interest cash flows on financial instruments such as loans to customers, debt securities and derivatives. The objective of the reform is to replace IBORs with alternative nearly risk-free rates (RFRs) that are based on actual market transactions. Consequently, financial contracts referencing these benchmarks may need to be amended to reference the alternative RFR in the applicable currency. The Amendments to HKFRS 9, HKAS 39 and HKFRS 7 modify specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform so that entities applying those hedge accounting requirements assume that the interest rate benchmark on which the hedged cash flows and cash flows of the hedging instrument are based is not altered as a result of interest rate benchmark reform. These Amendments replace the need for specific judgements to determine whether certain hedge accounting relationships that hedge the variability of cash flows or interest rate risk exposures for periods after the interest rate benchmarks are expected to be reformed or replaced continue to qualify for hedge accounting.

Significant judgement will be required in determining when uncertainty is expected to be resolved and when the temporary exceptions will cease to apply. As at 30th June 2020, the Group believes it is too early to reliably estimate when interest rate benchmark uncertainty will be resolved for all benchmarks assumed to be in scope of the amendments and so the temporary exceptions applied to the Group's hedge accounting relationships that reference benchmarks subject to reform or replacement.

The Group enters into fixed-for-floating interest rate swaps to hedge the exposure to changes in the fair value due to movements in market interest rates on certain fixed rate financial instruments, including subordinated notes issued, debt securities investment and loans and advances to customers. As at 30th June 2020, the following populations of derivative instruments designated in fair value hedge accounting relationships were linked to IBOR reference rates:

	30/6/2020	
	Notional designated	Weighted average exposure years
	HK\$ Mn	
Interest rate swaps		
USD London Interbank Offered Rate	61,442	3.37
Bank Bill Swap Rate	6,645	0.49
The Euro Interbank Offered Rate	4,157	0.23
Hong Kong Interbank Offered Rate	915	0.03
Singapore Dollar Swap Offer Rate	745	0.02
Bank Bill Benchmark Rate	703	0.03
	<u>74,607</u>	<u>4.17</u>

## Notes to the Interim Financial Statements (Continued)

### 2. Changes in Accounting Policies (Continued)

#### *Interest Rate Benchmark Reform: Amendments to HKFRS 9, HKAS 39 and HKFRS 7 (Continued)*

The notional contract amounts of interest rate derivatives designated in qualifying hedge accounting relationships indicate the nominal value of transactions outstanding as at the reporting date; they do not represent amounts at risk.

Risks and governance regarding the impact of the market-wide benchmarks reform is set out in Transition Arrangements for Interbank Offered Rate Reform section of the Interim Report.

#### *COVID-19-Related Rent Concessions: Amendment to HKFRS 16*

The Amendment to HKFRS 16 provides practical expedient to exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modification. Practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30th June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The amendment is effective for annual reporting periods beginning on or after 1st June 2020 with early adoption permitted. The Group has early adopted the Amendment from 1st January 2020 to all rent concessions that met the conditions. A total of HK\$2 million of rent concessions was recognised as a credit to variable lease payments that were not included in the measurement of lease liabilities (Note 12) during the period.

### 3. Interest Income

	6 months ended 30/6/2020	6 months ended 30/6/2019 Restated
	HK\$ Mn	HK\$ Mn
Loans, deposits with banks, and trade bills	9,962	12,235
Investment securities		
– measured at amortised cost or FVOCI	1,724	2,095
– designated at FVTPL	23	64
– mandatory at FVTPL	86	133
Trading assets	14	46
	<u>11,809</u>	<u>14,573</u>

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 earning financial assets are first netted together and then combined with the interest income from the corresponding financial assets.

The above included HK\$11,928 million (six months ended 30th June, 2019: HK\$14,276 million) interest income, before hedging effect, for financial assets that are not recognised at fair value through profit or loss.

## Notes to the Interim Financial Statements (Continued)

### 4. Interest Expense

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Customer deposits and deposits of banks		
– at amortised cost	4,582	5,870
– designated at FVTPL	27	32
Certificates of deposit and debt securities issued		
– at amortised cost	592	659
– designated at FVTPL	226	205
Subordinated notes carried at amortised cost	248	361
Lease liabilities	18	21
Other borrowings	2	2
	5,695	7,150

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\$5,476 million (six months ended 30th June, 2019: HK\$6,881 million) interest expense, before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

### 5. Fee and Commission Income

Fee and commission income is disaggregated by services:

	6 months ended 30/6/2020	6 months ended 30/6/2019 Restated <sup>(Note)</sup>
	HK\$ Mn	HK\$ Mn
Credit cards	485	598
Loans, overdrafts and guarantees	381	347
Investment products	222	158
Securities and brokerage	167	101
Trust and other fiduciary activities	139	145
Trade finance	137	169
Other retail banking services	81	81
Sale of third party insurance policies	26	33
Financial consultancy	11	19
Others	205	227
	1,854	1,878

of which:

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

	1,442	1,362
Fee income	1,854	1,878
Fee expenses	(412)	(516)

Note: To better reflect the income nature, certain fee and commission income for 2019 has been reclassified among the categories of investment products, trust and other fiduciary activities, and other retail banking services; and certain fee income from loans for 2019 has been reclassified to interest income (Note 3).

## Notes to the Interim Financial Statements (Continued)

### 6. Net Trading Profit

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Profit on dealing in foreign currencies and funding swaps	223	163
(Loss)/Profit on trading securities	(42)	183
Net gain on derivatives	262	49
Loss on other dealing activities	(1)	–
Dividend income from trading equity securities	11	21
	<u>453</u>	<u>416</u>

### 7. Net Result on Financial Instruments at FVTPL

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Net loss from financial instruments designated at FVTPL	(88)	(44)
Net (loss)/profit from financial instruments mandatorily measured at FVTPL (other than those included in net trading profits)	(18)	173
	<u>(106)</u>	<u>129</u>

### 8. Net Result on Financial Assets Measured at FVOCI

	6 months ended 30/6/2020	6 months ended 30/6/2019 Restated <sup>(Note)</sup>
	HK\$ Mn	HK\$ Mn
Net profit on sale of debt securities	33	104
Dividend income from equity securities	4	4
	<u>37</u>	<u>108</u>

Note: To better reflect the income nature, dividend income from equity securities measured at FVOCI for 2019 has been reclassified from other operating income (Note 11) to conform to current period's presentation.

### 9. Net Hedging Profit

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Fair value hedges		
– Net profit on hedged items attributable to the hedged risk	3,067	1,649
– Net loss on hedging instruments	(3,031)	(1,632)
	<u>36</u>	<u>17</u>

There was insignificant ineffectiveness recognised in the Group's income statement arising from cash flow hedge for the six months ended 30th June, 2020 and 30th June, 2019.



## Notes to the Interim Financial Statements (Continued)

### 10. Net Insurance Profit

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
(a) Net insurance profit		
Net interest income	326	312
Net trading loss	(80)	(43)
Net (loss)/gain from other financial instruments mandatory at FVTPL	(161)	515
Net insurance premium	4,140	3,686
	4,225	4,470
Net insurance claims and expenses	(4,155)	(3,935)
	70	535
Operating expenses	(1)	(2)
Impairment loss on financial instruments	(27)	(3)
Net profit on sale of debt investment securities measured at FVOCI	226	44
	268	574
(b) Net insurance premium		
Gross insurance premium income (Note)	4,172	3,716
Reinsurer's share of gross insurance premium income	(32)	(30)
	4,140	3,686
(c) Net insurance claims and expenses		
Claims, benefits and surrenders paid	1,478	1,797
Movement in provisions	2,625	2,060
	4,103	3,857
Reinsurers' share of claim, benefits and surrenders paid	(36)	(251)
Reinsurers' share of movement in provisions	12	249
	(24)	(2)
Net insurance commission expenses	4,079	3,855
	76	80
	4,155	3,935

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.

## Notes to the Interim Financial Statements (Continued)

### 11. Other Operating Income

	6 months ended 30/6/2020	6 months ended 30/6/2019 Restated
	HK\$ Mn	HK\$ Mn
Rental from safe deposit boxes	61	59
Rental income on properties	80	88
Government subsidy – Employment Support Scheme	42	–
Others	54	38
	<u>237</u>	<u>185</u>

### 12. Operating Expenses

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Contributions to defined contribution plan		
– Hong Kong	94	84
– Outside Hong Kong	54	119
Equity-settled share-based payment expenses	2	12
Salaries and other staff costs	2,292	2,433
	<u>2,442</u>	<u>2,648</u>
Total staff costs		
Premises and equipment expenses excluding depreciation		
– Expenses relating to short-term leases	8	47
– Variable lease payments not included in the measurement of lease liabilities	–	3
– Maintenance, repairs and others	322	293
	<u>330</u>	<u>343</u>
Total premises and equipment expenses excluding depreciation		
Depreciation on		
– Bank premises, furniture, fixture and office equipment	274	263
– Right-of-use assets	218	186
	<u>492</u>	<u>449</u>
Amortisation of intangible assets	7	7
Other operating expenses		
– Internet platform charges	291	476
– Legal and professional fees	218	219
– Communications, stationery and printing	130	128
– Advertising expenses	89	129
– Card related expenses	73	96
– Insurance expenses	65	64
– Stamp duty, withholding taxes and value added taxes	49	70
– Business promotions and business travel	24	48
– Others	140	241
	<u>1,079</u>	<u>1,471</u>
Total other operating expenses		
Total operating expenses	<u>4,350</u>	<u>4,918</u>

## Notes to the Interim Financial Statements (Continued)

### 13. Impairment Losses on Financial Instruments

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Loans and advances to customers	2,552	5,015
Others	123	48
	<u>2,675</u>	<u>5,063</u>

### 14. Net Profit on Sale of Assets Held for Sale

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Net profit/(loss) on sale of disposal group	2	(26)
Net profit on sale of properties	–	108
	<u>2</u>	<u>82</u>

### 15. Net Loss on Disposal of Fixed Assets

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Net loss on disposal of bank premises, furniture, fixtures and equipment	(11)	(6)

## Notes to the Interim Financial Statements (Continued)

### 16. Income Tax

Taxation in the consolidated income statement represents:

	6 months ended 30/6/2020	6 months ended 30/6/2019
	HK\$ Mn	HK\$ Mn
Current tax – Hong Kong		
Tax for the year	332	518
Over-provision in respect of prior years	(139)	(147)
	<u>193</u>	<u>371</u>
Current tax – outside Hong Kong		
Tax for the year	156	346
Over-provision in respect of prior years	(2)	(68)
	<u>154</u>	<u>278</u>
Deferred tax		
Origination and reversal of temporary differences	(291)	(1,051)
	<u>56</u>	<u>(402)</u>

The provision for Hong Kong profits tax is calculated at 16.5% (six months ended 30th June, 2019: 16.5%) of the estimated assessable profits for the six months ended 30th June, 2020.

Taxation for overseas branches and subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

### 17. Cash and Balances with Banks

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Cash in hand	1,104	1,228
Balances with central banks	25,716	35,252
Balances with other banks	13,649	15,054
	40,469	51,534
Less: Impairment allowances	(7)	(9)
– Stage 1	(7)	(9)
– Stage 2	–	–
– Stage 3	–	–
	<u>40,462</u>	<u>51,525</u>

## Notes to the Interim Financial Statements (Continued)

### 18. Placements with and Advances to Banks

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Placements with and advances to banks		
Maturing		
– within one month	60,252	46,796
– after one month but within one year	3,740	15,333
– after one year	–	156
	63,992	62,285
Less: Impairment allowances	(2)	(5)
– Stage 1	(2)	(5)
– Stage 2	–	–
– Stage 3	–	–
	63,990	62,280
Of which:		
Placements with and advances to central banks	–	–

### 19. Trade Bills

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Measured at amortised cost	74	620
Less: Impairment allowances	(1)	–
– Stage 1	(1)	–
– Stage 2	–	–
– Stage 3	–	–
	73	620
Measured at FVOCI	10,769	11,461
	10,842	12,081

### 20. Trading Assets

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	–	34
Debt securities	462	56
Equity securities	808	1,183
	1,270	1,273

## Notes to the Interim Financial Statements (Continued)

### 21. Loans and Advances to Customers

#### (a) Loans and advances to customers

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Loans and advances to customers at amortised cost	501,465	509,105
Less: Impairment allowances	(5,093)	(3,769)
– Stage 1	(876)	(501)
– Stage 2	(1,022)	(516)
– Stage 3	(3,195)	(2,752)
	<u>496,372</u>	<u>505,336</u>

#### (b) Loans and advances to customers – by industry sectors

The analysis of loans and advances to customers and the percentage of secured advances by industry sector is based on the categories and definitions used by the HKMA.

	30/6/2020		31/12/2019 Restated <sup>(Note)</sup>	
	Gross advances	% of gross advances covered by collateral	Gross advances	% of gross advances covered by collateral
	HK\$ Mn	%	HK\$ Mn	%
Loans for use in Hong Kong				
Industrial, commercial and financial				
– Property development	24,464	57.57	25,243	59.07
– Property investment	50,305	89.41	49,904	89.77
– Financial concerns	15,250	54.38	15,322	63.71
– Stockbrokers	3,493	92.77	1,694	70.22
– Wholesale and retail trade	6,247	53.12	7,156	53.63
– Manufacturing	3,796	49.54	3,510	50.49
– Transport and transport equipment	5,570	57.30	4,736	64.85
– Recreational activities	85	71.87	99	71.92
– Information technology	394	4.36	655	2.19
– Others	19,202	53.61	17,256	58.99
– Sub-total	<u>128,806</u>	69.37	<u>125,575</u>	71.36
Individuals				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	1,197	100.00	1,124	100.00
– Loans for the purchase of other residential properties	88,827	100.00	89,319	100.00
– Credit card advances	4,333	0.00	4,696	0.00
– Others	25,781	81.57	26,599	80.73
– Sub-total	<u>120,138</u>	92.44	<u>121,738</u>	91.93
Total loans for use in Hong Kong	248,944	80.50	247,313	81.49
Trade finance	3,958	50.82	3,686	53.24
Loans for use outside Hong Kong*	<u>248,563</u>	38.34	<u>258,106</u>	41.29
Total advances to customers	<u>501,465</u>	59.37	<u>509,105</u>	60.90

## Notes to the Interim Financial Statements (Continued)

### 21. Loans and Advances to Customers (Continued)

#### (b) Loans and advances to customers – by industry sectors (Continued)

Note: To conform to current period's presentation, 2019 comparative figures have been restated by reclassifying certain advances from Others categories to Property development, Property investment and Loans for the purchase of other residential properties categories.

\* Loans for use outside Hong Kong include the following loans for use in Mainland China.

	30/6/2020		31/12/2019	
	Gross advances	% of gross advances covered by collateral	Gross advances	% of gross advances covered by collateral
	HK\$ Mn	%	HK\$ Mn	%
Loans for use in PRC				
Industrial, commercial and financial				
– Property development	40,148	31.17	41,117	34.72
– Property investment	14,260	84.60	16,957	90.50
– Financial concerns	34,345	1.53	32,658	3.43
– Wholesale and retail trade	6,449	33.49	7,771	46.21
– Manufacturing	6,054	13.84	5,556	13.30
– Transport and transport equipment	1,709	54.89	2,315	73.20
– Recreational activities	85	65.00	560	2.89
– Information technology	1,023	1.11	1,326	0.90
– Others	16,512	24.57	16,341	27.53
– Sub-total	120,585	27.50	124,601	33.14
Individuals				
– Loans for the purchase of other residential properties	13,030	99.97	13,360	99.97
– Credit card advances	7,422	0.00	8,631	0.00
– Others	13,725	2.05	17,838	1.48
– Sub-total	34,177	38.94	39,829	34.20
Total loans for use in PRC	154,762	30.03	164,430	33.40

## Notes to the Interim Financial Statements (Continued)

### 21. Loans and Advances to Customers (Continued)

#### (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 of the Group are as follows:

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
(i) Property development		
a. Individually impaired loans	1,324	1,329
b. Specific provisions	448	257
c. Collective provisions	124	139
d. New provision charged to income statement	284	1,745
e. Written off	–	2,058
(ii) Property investment		
a. Individually impaired loans	1,057	1,076
b. Specific provisions	470	301
c. Collective provisions	502	289
d. New provision charged to income statement	562	1,327
e. Written off	–	1,657
(iii) Loans for purchase of residential properties		
a. Individually impaired loans	310	264
b. Specific provisions	14	19
c. Collective provisions	161	71
d. New provision charged to income statement	129	68
e. Written off	–	6
(iv) Financial concerns		
a. Individually impaired loans	–	48
b. Specific provisions	–	–
c. Collective provisions	211	101
d. New provision charged to income statement	136	58
e. Written off	–	–

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.



## Notes to the Interim Financial Statements (Continued)

### 21. Loans and Advances to Customers (Continued)

#### (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 30 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.

	30/6/2020				
	Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Specific provisions	Collective provisions
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Hong Kong	257,023	522	1,320	455	530
Mainland China	170,443	2,839	4,703	2,646	1,154
Other Asian Countries and Regions	30,942	74	119	44	127
Others	43,057	7	332	50	87
<b>Total</b>	<b>501,465</b>	<b>3,442</b>	<b>6,474</b>	<b>3,195</b>	<b>1,898</b>
% of total advances to customers			1.29%		
Market value of collateral held against impaired advances to customers			5,021		

## Notes to the Interim Financial Statements (Continued)

### 21. Loans and Advances to Customers (Continued)

#### (c) Loans and advances to customers – by geographical areas (Continued)

	31/12/2019				
	Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Specific provisions	Collective provisions
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Hong Kong	252,488	391	716	176	396
Mainland China	186,380	1,603	4,997	2,508	533
Other Asian Countries and Regions	30,255	110	156	68	62
Others	39,982	–	320	–	26
<b>Total</b>	<b>509,105</b>	<b>2,104</b>	<b>6,189</b>	<b>2,752</b>	<b>1,017</b>
% of total advances to customers			<u>1.22%</u>		
Market value of collateral held against impaired advances to customers			<u>4,958</u>		

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.

## Notes to the Interim Financial Statements (Continued)

### 22. Investment Securities

	30/6/2020				
	Mandatorily measured at FVTPL	Designated at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	–	–	25,756	2,829	28,585
Certificates of deposits held	–	–	1,053	1,186	2,239
Debt securities	6,241	–	106,749	12,195	125,185
Equity securities	2,830	–	777	–	3,607
Investment funds	910	–	–	–	910
	<u>9,981</u>	<u>–</u>	<u>134,335</u>	<u>16,210</u>	<u>160,526</u>
	31/12/2019				
	Mandatorily measured at FVTPL	Designated at FVTPL	Measured at FVOCI	Measured at amortised cost	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Treasury bills (including Exchange Fund Bills)	–	–	35,719	3,008	38,727
Certificates of deposits held	–	–	1,141	1,604	2,745
Debt securities	8,095	446	96,268	13,693	118,502
Equity securities	1,972	–	1,055	–	3,027
Investment funds	513	–	–	–	513
	<u>10,580</u>	<u>446</u>	<u>134,183</u>	<u>18,305</u>	<u>163,514</u>

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.

#### **Equity securities designated at FVOCI**

	30/6/2020		31/12/2019	
	Fair value at 30/6/2020	Dividend income recognised	Fair value at 31/12/2019	Dividend income recognised
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Equity investments held for long-term strategic purposes	<u>777</u>	<u>4</u>	<u>1,055</u>	<u>12</u>

## Notes to the Interim Financial Statements (Continued)

### 23. Investments in Associates and Joint Ventures

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Share of net assets	8,647	9,579
Goodwill	451	788
	9,098	10,367
Less: Impairment allowances	(617)	(397)
	<u>8,481</u>	<u>9,970</u>

At 30th June 2020, 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 HK\$3,365 million. An additional impairment charge of HK\$220 million was recorded at 30th June 2020, making an aggregated impairment allowance of HK\$617 million for AFFIN. 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 for the next five years and extrapolating in perpetuity using a long-term growth rate of 3% to derive a terminal value. Discount rate of 11.5% (31/12/2019: 10.3%) which is based on a Capital Asset Pricing Model calculation for AFFIN is used in the VIU calculation.

## Notes to the Interim Financial Statements (Continued)

### 24. Fixed Assets

	30/6/2020							
	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
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Cost or valuation								
At 1st January, 2020	5,333	8,160	5,962	14,122	1,457	23	1,480	20,935
Additions	-	3	172	175	113	-	113	288
Revaluation deficit	(130)	-	-	-	-	-	-	(130)
Disposals	-	-	(77)	(77)	-	-	-	(77)
Remeasurement	-	-	-	-	3	-	3	3
Expiry/termination of lease contracts	-	-	-	-	(71)	-	(71)	(71)
Transfer to asset classified as assets held for sale	-	(34)	-	(34)	-	-	-	(34)
Exchange adjustments	(1)	(100)	(46)	(146)	(23)	-	(23)	(170)
At 30th June, 2020	5,202	8,029	6,011	14,040	1,479	23	1,502	20,744
Accumulated depreciation and amortisation								
At 1st January, 2020	-	2,049	4,166	6,215	388	4	392	6,607
Charge for the period	-	75	199	274	215	3	218	492
Expiry/termination of lease contracts	-	-	-	-	(59)	-	(59)	(59)
Written off on disposal	-	-	(65)	(65)	-	-	-	(65)
Transfer to asset classified as assets held for sale	-	(13)	-	(13)	-	-	-	(13)
Exchange adjustments	-	(25)	(31)	(56)	(3)	-	(3)	(59)
At 30th June, 2020	-	2,086	4,269	6,355	541	7	548	6,903
Net book value at 30th June, 2020	5,202	5,943	1,742	7,685	938	16	954	13,841
Net book value at 31st December, 2019	5,333	6,111	1,796	7,907	1,069	19	1,088	14,328
The gross amounts of the above assets are stated:								
At cost	-	7,281	6,011	13,292	1,479	23	1,502	14,794
At Directors' valuation – 1989	-	748	-	748	-	-	-	748
At professional valuation – 2020	5,202	-	-	-	-	-	-	5,202
	5,202	8,029	6,011	14,040	1,479	23	1,502	20,744

## Notes to the Interim Financial Statements (Continued)

### 25. Other Assets

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Accrued interest	2,776	3,034
Customer liabilities under acceptances	23,280	21,513
Other accounts*	17,731	11,318
Less: Impairment allowances	(199)	(195)
– Stage 1	(18)	(44)
– Stage 2	(3)	(7)
– Stage 3	(178)	(144)
	<u>43,588</u>	<u>35,670</u>
Assets held for sale (Note 44)	48	39
	<u>43,636</u>	<u>35,709</u>

\* Include nil contract assets (31/12/2019: nil) from contracts with customers under HKFRS 15.

### 26. Financial Liabilities Designated at Fair Value through Profit or Loss

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Deposits and balances of banks	2,979	3,182
Certificates of deposits issued	19,137	27,401
	<u>22,116</u>	<u>30,583</u>

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.

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.

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Balance at 1st January	(7)	(3)
Recognised in other comprehensive income during the period	(9)	(4)
Balance at 30th June/31st December	<u>(16)</u>	<u>(7)</u>

There was no transfer of cumulative gain or loss within equity due to de-recognition of liabilities designated at FVTPL during first half of 2020 (31/12/2019: 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 at 30 June 2020 was HK\$18 million lower than the contractual amount due at maturity (31/12/2019: HK\$164 million lower).

## Notes to the Interim Financial Statements (Continued)

### 27. Trading Liabilities

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Shares sold	10	–

### 28. Other Liabilities

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Accrued interest payable	2,274	3,585
Acceptance draft payable	23,280	21,513
Impairment allowances	98	82
– Financial guarantee contracts issued	6	8
– Loan commitments issued	92	74
Lease liabilities	991	1,107
Other accounts*	35,674	30,012
	<u>62,317</u>	<u>56,299</u>

\* Include contract liabilities of HK\$615 million (31/12/2019: HK\$616 million) from contracts with customers under HKFRS 15.

### 29. Loan Capital

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Subordinated notes, at amortised cost with fair value hedge adjustments		
USD600 million fixed rate subordinated notes due 16th July, 2020 (1)	4,656	4,699
USD500 million fixed rate subordinated notes due 3rd November, 2026 (2)	3,928	3,864
Subordinated notes, at amortised cost without hedging		
USD600 million fixed rate subordinated notes due 29th May, 2030 (3)	4,618	–
RMB1,500 million fixed rate subordinated notes due 25th April, 2029 (4)	1,643	1,675
	<u>14,845</u>	<u>10,238</u>

## Notes to the Interim Financial Statements (Continued)

### 29. Loan Capital (Continued)

The Group has not had any defaults of principal, interest or other breaches with respect to its debt securities during the period/year ended 30th June, 2020 and 31st December, 2019.

- (1) Two tranches of loan capital of face value totalling HK\$4,650 million (USD600 million) and carrying amount totalling HK\$4,656 million (31/12/2019: HK\$4,699 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% p.a. 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 a hedge ineffectiveness of HK\$4 million loss was recorded in first half of 2020 (first half of 2019: HK\$3 million loss).
- (2) Loan capital of face value of HK\$3,875 million (USD500 million) and carrying amount of HK\$3,928 million (31/12/2019: HK\$3,864 million) represents subordinated notes (under the Euro Medium Term Note Programme) carrying a coupon rate of 4% p.a. 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 a hedge ineffectiveness of HK\$1 million loss was recorded in first half of 2020 (first half of 2019: HK\$0.7 million loss).
- (3) Loan capital of face value of HK\$4,650 million (USD600 million) and carrying amount of HK\$4,618 million represents subordinated notes carrying a coupon of 4% p.a. qualifying as Tier 2 capital and meeting the loss-absorbing capacity requirements issued on 29th May, 2020 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 29th May, 2030.
- (4) Loan capital of face value of HK\$1,645 million (RMB1,500 million) and carrying amount of HK\$1,643 million (31/12/2019: HK\$1,675 million) represents subordinated notes carrying a coupon of 4.94% p.a. 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.



## Notes to the Interim Financial Statements (Continued)

### 30. Segment Reporting

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 nine reportable segments.

#### *Hong Kong operations*

Hong Kong operations include Hong Kong banking business carrying out by the Bank and other business operations, dividing into the following six 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, investment products & advisory and trusts & fiduciary services in Hong Kong.
- **Centralised operations** include supporting units of banking operations in Hong Kong.
- **Others** mainly include insurance business, trust business, securities & futures broking and corporate financial advisory carried out by subsidiaries operated in Hong Kong and other supporting units of Hong Kong operations located outside Hong Kong.

#### *Mainland 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 for Hong Kong operations in Mainland China.

#### *Overseas operations*

**Overseas operations** mainly 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.

#### *Corporate management*

**Corporate management** absorbs the regulatory capital cost of loan capital issued by the Bank and receives from Hong Kong operations the interest income on capital instruments issued by the Bank.

For the purposes of assessing segment performance and allocating resources among 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 joint ventures 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.

## Notes to the Interim Financial Statements (Continued)

### 30. Segment Reporting (Continued)

	Hong Kong operations												
	Hong Kong banking business							Mainland China operations	Overseas operations	Corporate management	Inter-segment elimination	Total	
	Personal banking	Corporate banking	Treasury markets	Wealth management	Centralised operations	Total	Others						Total
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	
6 months ended 30th June, 2020													
Net interest income/(expense)	1,562	1,192	156	169	(57)	3,022	82	3,104	2,060	737	213	-	6,114
Non-interest income/(expense)	493	274	(18)	222	212	1,183	465	1,648	571	160	-	(19)	2,360
Operating income	2,055	1,466	138	391	155	4,205	547	4,752	2,631	897	213	(19)	8,474
Operating expenses	(838)	(152)	(84)	(112)	(1,039)	(2,225)	(219)	(2,444)	(1,580)	(345)	-	19	(4,350)
Operating profit/(loss) before impairment losses	1,217	1,314	54	279	(884)	1,980	328	2,308	1,051	552	213	-	4,124
(Charge for)/Write back of impairment losses on financial instruments	(117)	(564)	(73)	5	(2)	(751)	(3)	(754)	(1,715)	(206)	-	-	(2,675)
Impairment losses on assets held for sale	-	-	-	-	-	-	-	-	(5)	-	-	-	(5)
Impairment losses on intangible assets	-	-	-	-	-	-	-	-	(2)	-	-	-	(2)
Impairment losses on associates	-	-	-	-	-	-	-	-	-	(220)	-	-	(220)
Operating profit/(loss) after impairment losses	1,100	750	(19)	284	(886)	1,229	325	1,554	(671)	126	213	-	1,222
Net profit on sale of assets held for sale	-	-	-	-	-	-	-	-	1	1	-	-	2
Net profit on disposal of subsidiaries/associates	-	-	-	-	-	-	-	-	-	341	-	-	341
Net profit/(loss) on sale of fixed assets	(7)	-	-	-	1	(6)	-	(6)	(4)	(1)	-	-	(11)
Valuation losses on investment properties	-	-	-	-	(110)	(110)	(20)	(130)	-	-	-	-	(130)
Share of profits less losses of associates and joint ventures	-	-	-	-	-	-	(4)	(4)	72	122	-	-	190
Profit/(Loss) before taxation	1,093	750	(19)	284	(995)	1,113	301	1,414	(602)	589	213	-	1,614
Depreciation for the period	(172)	(3)	(3)	(2)	(105)	(285)	(20)	(305)	(153)	(34)	-	-	(492)
At 30th June, 2020													
Segment assets	116,316	159,922	200,418	27,766	12,233	516,655	31,647	548,302	221,402	110,772	-	(40,292)	840,184
Investments in associates and joint ventures	-	-	-	-	-	-	74	74	3,758	4,649	-	-	8,481
Other assets – Assets held for sale	-	-	-	-	25	25	-	25	23	-	-	-	48
Total assets	116,316	159,922	200,418	27,766	12,258	516,680	31,721	548,401	225,183	115,421	-	(40,292)	848,713
Total liabilities	315,026	38,558	74,116	24,944	3,916	456,560	26,054	482,614	196,343	102,229	-	(39,471)	741,715

## Notes to the Interim Financial Statements (Continued)

### 30. Segment Reporting (Continued)

	Hong Kong operations												
	Hong Kong banking business							Mainland China operations	Overseas operations	Corporate management	Inter-segment elimination	Total	
	Personal banking	Corporate banking	Treasury markets	Wealth management	Centralised operations	Total	Others						Total
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	
6 months ended 30th June, 2019 Restated <sup>(Note)</sup>													
Net interest income/(expense)	1,689	1,143	536	201	(62)	3,507	74	3,581	2,845	818	179	-	7,423
Non-interest income	461	229	248	206	148	1,292	805	2,097	559	139	-	(17)	2,778
Operating income	2,150	1,372	784	407	86	4,799	879	5,678	3,404	957	179	(17)	10,201
Operating expenses	(816)	(160)	(72)	(109)	(1,021)	(2,178)	(230)	(2,408)	(2,181)	(346)	-	17	(4,918)
Operating profit/(loss) before impairment losses	1,334	1,212	712	298	(935)	2,621	649	3,270	1,223	611	179	-	5,283
(Charge for)/Write back of impairment losses on financial instruments	(98)	12	21	(1)	1	(65)	(2)	(67)	(5,066)	70	-	-	(5,063)
Operating profit/(loss) after impairment losses	1,236	1,224	733	297	(934)	2,556	647	3,203	(3,843)	681	179	-	220
Net profit/(loss) on sale of assets held for sale	-	-	-	-	105	105	-	105	(23)	-	-	-	82
Loss on disposal of subsidiaries/ associates	-	-	-	-	-	-	-	-	-	(6)	-	-	(6)
Net loss on sale of fixed assets	(6)	-	-	-	-	(6)	-	(6)	-	-	-	-	(6)
Valuation gains on investment properties	-	-	-	-	15	15	2	17	-	1	-	-	18
Share of profits less losses of associates and joint ventures	-	-	-	-	-	-	3	3	63	262	-	-	328
Profit/(Loss) before taxation	1,230	1,224	733	297	(814)	2,670	652	3,322	(3,803)	938	179	-	636
Depreciation for the period	(146)	(1)	(3)	(1)	(99)	(250)	(14)	(264)	(152)	(33)	-	-	(449)
At 31st December, 2019 Restated <sup>(Note)</sup>													
Segment assets	117,815	160,856	199,827	28,342	11,694	518,534	29,169	547,703	241,082	113,978	-	(47,574)	855,189
Investments in associates and joint ventures	-	-	-	-	-	-	79	79	3,741	6,150	-	-	9,970
Other assets – Assets held for sale	-	-	-	-	5	5	-	5	34	-	-	-	39
Total assets	117,815	160,856	199,827	28,342	11,699	518,539	29,248	547,787	244,857	120,128	-	(47,574)	865,198
Total liabilities	325,912	38,606	68,813	22,709	3,060	459,100	23,594	482,694	213,666	105,872	-	(46,672)	755,560

Note: During the reporting period, the segmental approach has been revised to provide a fair comparison of performance among operating segments in order to facilitate the Senior Management to have a better decision making about allocating resource to and assessing the performance of individual operating segments. 2019 comparative figures have been restated to conform to current year's presentation.

## Notes to the Interim Financial Statements (Continued)

### 31. Analysis of Assets and Liabilities by Remaining Maturity

	30/6/2020							
	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	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>								
Cash and balances with banks	27,616	19	252	500	–	–	12,075	40,462
Placements with and advances to banks	–	60,251	3,400	339	–	–	–	63,990
Trade bills	2	2,502	4,469	3,869	–	–	–	10,842
Trading assets	–	–	318	–	144	–	808	1,270
Derivative assets	–	–	–	–	–	–	5,637	5,637
Loans and advances to customers	3,496	66,483	30,181	87,011	189,745	118,267	1,189	496,372
Investment securities	–	5,118	10,275	32,469	60,374	48,133	4,157	160,526
Investments in associates and joint ventures	–	–	–	–	–	–	8,481	8,481
Fixed assets	–	–	–	–	–	–	13,841	13,841
Goodwill and intangible assets	–	–	–	–	–	–	1,918	1,918
Deferred tax assets	–	–	–	–	–	–	1,738	1,738
Other assets	365	9,326	7,110	13,702	632	313	12,188	43,636
<b>Total assets</b>	<b>31,479</b>	<b>143,699</b>	<b>56,005</b>	<b>137,890</b>	<b>250,895</b>	<b>166,713</b>	<b>62,032</b>	<b>848,713</b>
<b>Liabilities</b>								
Deposits and balances of banks	2,919	15,405	15,147	3,320	–	–	–	36,791
Deposits from customers	222,268	101,961	130,028	89,766	8,535	–	–	552,558
– Demand deposits and current accounts	63,932	–	–	–	–	–	–	63,932
– Savings deposits	156,921	–	–	–	–	–	–	156,921
– Time, call and notice deposits	1,415	101,961	130,028	89,766	8,535	–	–	331,705
Trading liabilities	–	–	–	–	–	–	10	10
Derivative liabilities	–	–	–	–	–	–	10,456	10,456
Certificates of deposit issued	–	4,506	15,659	35,691	2,815	–	–	58,671
Current taxation	–	–	–	1,526	–	–	–	1,526
Debt securities issued	–	–	–	–	4,365	–	–	4,365
Deferred tax liabilities	–	–	–	–	–	–	176	176
Other liabilities	830	8,226	7,585	18,641	13,648	5,618	7,769	62,317
– Lease liabilities	2	34	64	257	425	209	–	991
– Other accounts	828	8,192	7,521	18,384	13,223	5,409	7,769	61,326
Loan capital	–	4,656	–	–	10,189	–	–	14,845
<b>Total liabilities</b>	<b>226,017</b>	<b>134,754</b>	<b>168,419</b>	<b>148,944</b>	<b>39,552</b>	<b>5,618</b>	<b>18,411</b>	<b>741,715</b>
<b>Net gap</b>	<b>(194,538)</b>	<b>8,945</b>	<b>(112,414)</b>	<b>(11,054)</b>	<b>211,343</b>	<b>161,095</b>		

## Notes to the Interim Financial Statements (Continued)

### 31. Analysis of Assets and Liabilities by Remaining Maturity (Continued)

	31/12/2019							
	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	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>								
Cash and balances with banks	36,001	185	327	687	–	–	14,325	51,525
Placements with and advances to banks	–	46,794	14,101	1,230	155	–	–	62,280
Trade bills	1	4,298	4,702	3,080	–	–	–	12,081
Trading assets	–	–	–	–	56	34	1,183	1,273
Derivative assets	–	–	–	–	–	–	5,693	5,693
Loans and advances to customers	3,893	63,352	29,670	85,762	198,224	123,525	910	505,336
Investment securities	–	10,588	15,444	30,949	64,838	38,686	3,009	163,514
Investments in associates and joint ventures	–	–	–	–	–	–	9,970	9,970
Fixed assets	–	–	–	–	–	–	14,328	14,328
Goodwill and intangible assets	–	–	–	–	–	–	1,926	1,926
Deferred tax assets	–	–	–	–	–	–	1,563	1,563
Other assets	96	7,034	6,655	13,019	1,100	245	7,560	35,709
<b>Total assets</b>	<b>39,991</b>	<b>132,251</b>	<b>70,899</b>	<b>134,727</b>	<b>264,373</b>	<b>162,490</b>	<b>60,467</b>	<b>865,198</b>
<b>Liabilities</b>								
Deposits and balances of banks	2,247	12,133	7,708	5,821	6	–	–	27,915
Deposits from customers	208,421	122,769	146,808	86,254	9,273	–	2	573,527
– Demand deposits and current accounts	66,760	–	–	–	–	–	–	66,760
– Savings deposits	139,742	–	–	–	–	–	–	139,742
– Time, call and notice deposits	1,919	122,769	146,808	86,254	9,273	–	2	367,025
Derivative liabilities	–	–	–	–	–	–	7,654	7,654
Certificates of deposit issued	–	4,073	20,528	49,198	260	–	–	74,059
Current taxation	–	–	–	2,103	–	–	–	2,103
Debt securities issued	–	–	–	156	3,025	–	–	3,181
Deferred tax liabilities	–	–	–	–	–	–	584	584
Other liabilities	891	5,268	8,617	16,153	13,381	5,157	6,832	56,299
– Lease liabilities	1	33	62	254	518	239	–	1,107
– Other accounts	890	5,235	8,555	15,899	12,863	4,918	6,832	55,192
Loan capital	–	–	–	4,699	5,539	–	–	10,238
<b>Total liabilities</b>	<b>211,559</b>	<b>144,243</b>	<b>183,661</b>	<b>164,384</b>	<b>31,484</b>	<b>5,157</b>	<b>15,072</b>	<b>755,560</b>
<b>Net gap</b>	<b>(171,568)</b>	<b>(11,992)</b>	<b>(112,762)</b>	<b>(29,657)</b>	<b>232,889</b>	<b>157,333</b>		

## Notes to the Interim Financial Statements (Continued)

### 32. 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 period are as follows:

Deferred tax arising from:	Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of financial assets at FVOCI	Tax losses	Others	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
At 1st January, 2020	326	111	(1,227)	206	(334)	(61)	(979)
Charged/(Credited) to income statement	18	-	(285)	-	82	(106)	(291)
Credited to reserve	-	(1)	-	(317)	-	(2)	(320)
Exchange and other adjustments	-	-	21	(1)	6	2	28
At 30th June, 2020	<u>344</u>	<u>110</u>	<u>(1,491)</u>	<u>(112)</u>	<u>(246)</u>	<u>(167)</u>	<u>(1,562)</u>
Balance as at 31st December, 2019	<u>326</u>	<u>111</u>	<u>(1,227)</u>	<u>206</u>	<u>(334)</u>	<u>(61)</u>	<u>(979)</u>

Deferred tax assets and liabilities are offset on an individual entity basis when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position:

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Net deferred tax assets recognised on the statement of financial position	(1,738)	(1,563)
Net deferred tax liabilities recognised on the statement of financial position	176	584
	<u>(1,562)</u>	<u>(979)</u>

### 33. Reserves

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
General reserve	13,651	13,651
Revaluation reserve on bank premises	1,849	1,848
Capital reserve	894	1,090
Exchange revaluation reserve	(2,674)	(1,629)
Capital reserve – staff share options issued	148	163
Fair value reserve	655	2,331
Hedging reserve	(1)	1
Liability credit reserve	(16)	(7)
Other reserves	5,115	5,347
Retained profits*	31,548	31,133
	<u>51,169</u>	<u>53,928</u>
Proposed dividends, not provided for	466	1,017

\* A regulatory reserve is maintained to satisfy the provisions of the 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 30th June, 2020, the effect of this requirement is to restrict the amount of reserves which can be distributed by the Bank to shareholders by HK\$1,679 million (31/12/2019: HK\$5,162 million).

## Notes to the Interim Financial Statements (Continued)

### 34. Additional Equity Instruments

		30/6/2020	31/12/2019
		HK\$ Mn	HK\$ Mn
USD650 million undated non-cumulative subordinated capital securities	(1)	5,016	5,016
USD500 million undated non-cumulative subordinated capital securities	(2)	3,878	3,878
USD650 million undated non-cumulative subordinated capital securities	(3)	5,069	5,069
		<u>13,963</u>	<u>13,963</u>

- (1) On 2nd December, 2015, the Bank issued undated non-cumulative subordinated capital securities ("Additional Tier 1 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% p.a. 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% p.a.. 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.
- (2) On 18th May, 2017, the Bank issued undated non-cumulative subordinated capital securities ("Additional Tier 1 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% p.a. 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% p.a.. 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.
- (3) On 19th September, 2019, the Bank issued undated non-cumulative subordinated capital securities ("Additional Tier 1 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% p.a. 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% p.a.. 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, and meet the loss-absorbing capacity requirements.

## Notes to the Interim Financial Statements (Continued)

### 35. Consolidated Cash Flow Statement

#### *Cash and cash equivalents*

	30/6/2020	30/6/2019
	HK\$ Mn	HK\$ Mn
(i) Components of cash and cash equivalents in the consolidated cash flow statement		
Cash and balances with banks with original maturity within three months	27,771	32,474
Placements with and advances to banks with original maturity within three months	60,419	63,975
Treasury bills with original maturity within three months	4,034	3,995
Certificates of deposit held with original maturity within three months	–	148
Debt securities with original maturity within three months	2,924	763
Add: Cash and balances with banks included in “Assets held for sale”	–	2
	<u>95,148</u>	<u>101,357</u>
(ii) Reconciliation with the consolidated statement of financial position		
Cash and balances with banks	40,462	52,823
Placements with and advances to banks	63,990	69,720
Treasury bills, certificates of deposit held and debt securities		
– trading assets	462	2,844
– investment securities	156,009	153,785
	156,471	156,629
Add: Cash and balances with banks included in “Assets held for sale”	–	2
	<u>260,923</u>	<u>279,174</u>
Amount shown in the consolidated statement of financial position	260,923	279,174
Less: Amounts with an original maturity of beyond three months	(153,077)	(157,460)
Cash balance with central bank subject to regulatory restriction	(12,698)	(20,357)
	<u>95,148</u>	<u>101,357</u>
Cash and cash equivalents in the consolidated cash flow statement	<u>95,148</u>	<u>101,357</u>



## Notes to the Interim Financial Statements (Continued)

### 36. Offsetting Financial Instruments

The following tables present details of financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements.

	At 30th June, 2020				
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related financial instruments that are not set off	Net amount
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>					
Derivative assets	65	–	65	(60)	5
Other assets	570	(570)	–	–	–
Total	635	(570)	65	(60)	5

	At 30th June, 2020				
	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
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Liabilities</b>					
Derivative liabilities	69	–	69	(60)	9
Other liabilities	649	(570)	79	–	79
Total	718	(570)	148	(60)	88

## Notes to the Interim Financial Statements (Continued)

### 36. Offsetting Financial Instruments (Continued)

	At 31st December, 2019				
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related financial instruments that are not set off	Net amount
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Assets</b>					
Derivative assets	35	–	35	(19)	16
Other assets	854	(422)	432	–	432
<b>Total</b>	<b>889</b>	<b>(422)</b>	<b>467</b>	<b>(19)</b>	<b>448</b>
	At 31st December, 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
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Liabilities</b>					
Derivative liabilities	23	–	23	(19)	4
Other liabilities	422	(422)	–	–	–
<b>Total</b>	<b>445</b>	<b>(422)</b>	<b>23</b>	<b>(19)</b>	<b>4</b>

## Notes to the Interim Financial Statements (Continued)

### 36. Offsetting Financial Instruments (Continued)

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.

	30/6/2020		31/12/2019	
	Derivative assets	Other assets	Derivative assets	Other assets
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Net amount of financial assets after offsetting as stated above	65	–	35	432
Financial assets not in scope of offsetting disclosure	5,572	43,835	5,658	35,472
Impairment allowances	–	(199)	–	(195)
	<u>5,637</u>	<u>43,636</u>	<u>5,693</u>	<u>35,709</u>
	30/6/2020		31/12/2019	
	Derivative liabilities	Other liabilities	Derivative liabilities	Other liabilities
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Net amount of financial liabilities after offsetting as stated above	69	79	23	–
Financial liabilities not in scope of offsetting disclosure	10,387	62,238	7,631	56,299
	<u>10,456</u>	<u>62,317</u>	<u>7,654</u>	<u>56,299</u>

## Notes to the Interim Financial Statements (Continued)

### 37. Fair Values of Financial Instruments

#### (a) *Financial instruments carried at fair value*

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following 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 that are 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, including net present value and discounted cash flow models and various market-wide 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 which would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

The Group uses widely recognised valuation models for determining the fair value of 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.

## Notes to the Interim Financial Statements (Continued)

### 37. Fair Values of Financial Instruments (Continued)

#### (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.

	30/6/2020				31/12/2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Recurring fair value measurement</b>								
<b>Assets</b>								
Trade Bills – At FVOCI	–	10,769	–	10,769	–	11,461	–	11,461
Trading assets	808	462	–	1,270	1,183	90	–	1,273
Derivative assets	93	5,544	–	5,637	–	5,693	–	5,693
Investment securities								
– Mandatorily measured at FVTPL	2,013	7,178	790	9,981	1,445	8,857	278	10,580
– Designated at FVTPL	–	–	–	–	–	446	–	446
– At FVOCI	24,670	108,888	777	134,335	32,971	100,157	1,055	134,183
	<u>27,584</u>	<u>132,841</u>	<u>1,567</u>	<u>161,992</u>	<u>35,599</u>	<u>126,704</u>	<u>1,333</u>	<u>163,636</u>
<b>Liabilities</b>								
Trading liabilities	10	–	–	10	–	–	–	–
Derivative liabilities	64	10,392	–	10,456	–	7,654	–	7,654
Financial liabilities designated at FVTPL	–	22,116	–	22,116	–	30,583	–	30,583
	<u>74</u>	<u>32,508</u>	<u>–</u>	<u>32,582</u>	<u>–</u>	<u>38,237</u>	<u>–</u>	<u>38,237</u>

During the period ended 30th June, 2020 and year ended 31st December, 2019, 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.

## Notes to the Interim Financial Statements (Continued)

### 37. Fair Values of Financial Instruments (Continued)

#### (a) Financial instruments carried at fair value (Continued)

Information about significant unobservable inputs in Level 3 valuations:

	Valuation technique	Significant unobservable input(s)	Value or range
Unlisted equity securities and investment funds	Net asset value	N/A	N/A
	Discounted cash flow model	Discount rate	30/6/2020: 12.0% (2019: 8.6%)
		Marketability discount	30/6/2020: 20% (2019: 20%)
	Market-comparable approach	Earnings multiple	30/6/2020: 31.09 – 33.95 (2019: 29.60 – 34.48)
		EV/EBIT	30/6/2020: 24.76 – 30.91 (2019: 25.19 – 35.68)
		Marketability discount	30/6/2020: 50% (2019: 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, such as price/earning ratio of comparables, 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.

Valuation of financial instruments in Level 3 are subject to the same valuation control framework as described above and reviewed regularly by FIVG.

## Notes to the Interim Financial Statements (Continued)

### 37. Fair Values of Financial Instruments (Continued)

#### (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:

	30/6/2020		31/12/2019	
	Investment securities mandatorily measured at FVTPL HK\$ Mn	Investment securities at FVOCI HK\$ Mn	Investment securities mandatorily measured at FVTPL HK\$ Mn	Investment securities at FVOCI HK\$ Mn
<b>Assets</b>				
At 1st January	278	1,055	309	688
Purchases/Additions	526	–	–	–
Settlements	(2)	–	(19)	(15)
Changes in fair value recognised in the income statement	(12)	–	(12)	–
Changes in fair value recognised in the other comprehensive income	–	(278)	–	382
At 30th June/31st December	<u>790</u>	<u>777</u>	<u>278</u>	<u>1,055</u>
Total gains or losses for the period included in FVOCI fair value reserve of the other comprehensive income for assets held at the end of the reporting period	<u>–</u>	<u>(278)</u>	<u>–</u>	<u>382</u>
Total gains or losses for the period 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	<u>(12)</u>	<u>–</u>	<u>(12)</u>	<u>–</u>

## Notes to the Interim Financial Statements (Continued)

### 37. Fair Values of Financial Instruments (Continued)

#### (a) Financial instruments carried at fair value (Continued)

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

	30/6/2020			
	Effect recorded in profit or loss		Effect recorded directly in equity	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Financial assets				
Investment securities mandatorily measured at FVTPL	66	(66)	–	–
Investment securities measured at FVOCI	–	–	65	(65)
	<u>66</u>	<u>(66)</u>	<u>65</u>	<u>(65)</u>
	31/12/2019			
	Effect recorded in profit or loss		Effect recorded directly in equity	
	Favourable	(Unfavourable)	Favourable	(Unfavourable)
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Financial assets				
Investment securities mandatorily measured at FVTPL	23	(23)	–	–
Investment securities measured at FVOCI	–	–	88	(88)
	<u>23</u>	<u>(23)</u>	<u>88</u>	<u>(88)</u>

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% in reasonably possible alternative assumptions.



## Notes to the Interim Financial Statements (Continued)

### 37. Fair Values of Financial Instruments (Continued)

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

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented 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 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 when reliable estimates of such information can be made. The interest rate differentials could be estimated as the difference between the actual rates charged by lenders when the guarantee is made available and the estimated rates that lenders would have charged had the guarantees not been available.

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 30th June, 2020 and 31st December, 2019 except as follows:

	30/6/2020		31/12/2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Financial assets				
Investment securities measured at amortised cost	16,210	16,420	18,305	18,539

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk

The Group adopts the criteria of stage allocation as follows:

HKMA's 5-Grade Asset		Stage allocation
Pass	General (i.e. do not meet the Bank's criteria of "Significant Increase of Credit Risk")	1
	Meet the Bank's criteria of "Significant Increase of Credit Risk"	2
Special Mention		2
Substandard		3
Doubtful		
Loss		

The criteria of "significant increase of credit risk" has taken into consideration of two key factors:

- 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".

#### (a) Credit Quality Analysis

##### *Credit quality of loans and advances*

The following tables set out information about the credit quality of loans and advances to customers. Unless specifically indicated, the amounts in the table represent gross carrying amounts.

	30/6/2020							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Loans and advances to customers at amortised cost</b>								
– Grades 1 – 15: Pass	460,919	818	23,342	106	–	–	484,261	924
– Grades 16 – 17: Special Mention	–	–	10,730	61	–	–	10,730	61
– Grade 18: Substandard	–	–	–	–	3,498	19	3,498	19
– Grade 19: Doubtful	–	–	–	–	2,818	140	2,818	140
– Grade 20: Loss	–	–	–	–	158	3	158	3
Total gross carrying amount	460,919	818	34,072	167	6,474	162	501,465	1,147
Impairment allowances	(876)	(2)	(1,022)	(3)	(3,195)	(21)	(5,093)	(26)
Carrying amount	<u>460,043</u>	<u>816</u>	<u>33,050</u>	<u>164</u>	<u>3,279</u>	<u>141</u>	<u>496,372</u>	<u>1,121</u>

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (a) Credit Quality Analysis (Continued)

Credit quality of loans and advances (Continued)

	31/12/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Loans and advances to customers at amortised cost</b>								
– Grades 1 – 15: Pass	477,603	998	14,257	58	–	–	491,860	1,056
– Grades 16 – 17: Special Mention	–	–	11,056	52	–	–	11,056	52
– Grade 18: Substandard	–	–	–	–	4,757	46	4,757	46
– Grade 19: Doubtful	–	–	–	–	1,314	99	1,314	99
– Grade 20: Loss	–	–	–	–	118	5	118	5
Total gross carrying amount	477,603	998	25,313	110	6,189	150	509,105	1,258
Impairment allowances	(501)	(1)	(516)	(2)	(2,752)	(32)	(3,769)	(35)
Carrying amount	<u>477,102</u>	<u>997</u>	<u>24,797</u>	<u>108</u>	<u>3,437</u>	<u>118</u>	<u>505,336</u>	<u>1,223</u>

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 amount in the table represent the amounts committed or guaranteed, respectively.

	30/6/2020							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Trade bills at amortised cost</b>								
– Grades 1 – 15: Pass	70	–	–	–	–	–	70	–
– Grades 16 – 17: Special Mention	–	–	4	–	–	–	4	–
– Grade 18: Substandard	–	–	–	–	–	–	–	–
– Grade 19: Doubtful	–	–	–	–	–	–	–	–
– Grade 20: Loss	–	–	–	–	–	–	–	–
Total gross carrying amount	70	–	4	–	–	–	74	–
Impairment allowances	(1)	–	–	–	–	–	(1)	–
Carrying amount	<u>69</u>	<u>–</u>	<u>4</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>73</u>	<u>–</u>

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (a) Credit Quality Analysis (Continued)

Credit quality of financial assets other than loans and advances (Continued)

	31/12/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Trade bills at amortised cost</b>								
– Grades 1 – 15: Pass	620	4	–	–	–	–	620	4
– Grades 16 – 17: Special Mention	–	–	–	–	–	–	–	–
– Grade 18: Substandard	–	–	–	–	–	–	–	–
– Grade 19: Doubtful	–	–	–	–	–	–	–	–
– Grade 20: Loss	–	–	–	–	–	–	–	–
Total gross carrying amount	620	4	–	–	–	–	620	4
Impairment allowances	–	–	–	–	–	–	–	–
Carrying amount	620	4	–	–	–	–	620	4
	30/6/2020							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Trade bills at FVOCI</b>								
– Grades 1 – 15: Pass	10,723	–	46	–	–	–	10,769	–
Total carrying amount at fair value	10,723	–	46	–	–	–	10,769	–
Impairment allowances	(3)	–	–	–	–	–	(3)	–
	31/12/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Trade bills at FVOCI</b>								
– Grades 1 – 15: Pass	10,927	1	534	–	–	–	11,461	1
Total carrying amount at fair value	10,927	1	534	–	–	–	11,461	1
Impairment allowances	(3)	–	(1)	–	–	–	(4)	–

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (a) Credit Quality Analysis (Continued)

Credit quality of financial assets other than loans and advances (Continued)

	30/6/2020							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Placements with and advances to banks</b>								
– Grades 1 – 15: Pass	63,992	17	–	–	–	–	63,992	17
Total gross carrying amount	63,992	17	–	–	–	–	63,992	17
Impairment allowances	(2)	–	–	–	–	–	(2)	–
Carrying amount	<u>63,990</u>	<u>17</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>63,990</u>	<u>17</u>
	31/12/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Placements with and advances to banks</b>								
– Grades 1 – 15: Pass	62,285	88	–	–	–	–	62,285	88
Total gross carrying amount	62,285	88	–	–	–	–	62,285	88
Impairment allowances	(5)	–	–	–	–	–	(5)	–
Carrying amount	<u>62,280</u>	<u>88</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>62,280</u>	<u>88</u>

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (a) Credit Quality Analysis (Continued)

*Credit quality of financial assets other than loans and advances (Continued)*

	30/6/2020			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Loan commitments</b>				
– Grades 1 – 15: Pass	109,716	4,892	–	114,608
– Grades 16 – 17: Special Mention	–	231	–	231
– Grade 18: Substandard	–	–	14	14
<b>Total</b>	<b>109,716</b>	<b>5,123</b>	<b>14</b>	<b>114,853</b>
Impairment allowances	(68)	(14)	(10)	(92)
<b>Financial guarantee contracts</b>				
– Grades 1 – 15: Pass	11,658	4,254	–	15,912
– Grades 16 – 17: Special Mention	–	335	–	335
– Grade 18: Substandard	–	–	–	–
<b>Total</b>	<b>11,658</b>	<b>4,589</b>	<b>–</b>	<b>16,247</b>
Impairment allowances	(5)	(1)	–	(6)
	31/12/2019 (Restated)			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Loan commitments</b>				
– Grades 1 – 15: Pass	111,986	1,041	–	113,027
– Grades 16 – 17: Special Mention	–	5,014	–	5,014
– Grade 18: Substandard	–	–	5	5
<b>Total</b>	<b>111,986</b>	<b>6,055</b>	<b>5</b>	<b>118,046</b>
Impairment allowances	(51)	(23)	–	(74)
<b>Financial guarantee contracts</b>				
– Grades 1 – 15: Pass	13,552	822	–	14,374
– Grades 16 – 17: Special Mention	–	45	–	45
<b>Total</b>	<b>13,552</b>	<b>867</b>	<b>–</b>	<b>14,419</b>
Impairment allowances	(5)	(3)	–	(8)

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (a) 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 manages 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:

	30/6/2020							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Debt investment securities measured at amortised cost</b>								
Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	2,921	-	-	-	-	-	2,921	-
A1 to A3	4,698	71	-	-	-	-	4,698	71
Baa1 to Baa3	2,335	23	-	-	-	-	2,335	23
Below Baa3	1,169	20	-	-	-	-	1,169	20
Unrated	5,180	52	-	-	-	-	5,180	52
Total gross carrying amount	16,303	166	-	-	-	-	16,303	166
Impairment allowances	(93)	(1)	-	-	-	-	(93)	(1)
Carrying amount	16,210	165	-	-	-	-	16,210	165
	31/12/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Debt investment securities measured at amortised cost</b>								
Aaa	-	-	-	-	-	-	-	-
Aa1 to Aa3	3,078	1	-	-	-	-	3,078	1
A1 to A3	5,144	78	-	-	-	-	5,144	78
Baa1 to Baa3	2,703	30	-	-	-	-	2,703	30
Below Baa3	844	13	804	14	-	-	1,648	27
Unrated	5,778	65	28	-	-	-	5,806	65
Total gross carrying amount	17,547	187	832	14	-	-	18,379	201
Impairment allowances	(73)	(1)	(1)	-	-	-	(74)	(1)
Carrying amount	17,474	186	831	14	-	-	18,305	200

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (a) Credit Quality Analysis (Continued)

Credit quality of financial assets other than loans and advances (Continued)

	30/6/2020							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Debt investment securities measured at FVOCI</b>								
Aaa	6,944	9	-	-	-	-	6,944	9
Aa1 to Aa3	21,327	11	-	-	-	-	21,327	11
A1 to A3	56,593	705	-	-	-	-	56,593	705
Baa1 to Baa3	40,943	417	-	-	-	-	40,943	417
Below Baa3	1,051	13	-	-	-	-	1,051	13
Unrated	6,670	76	30	-	-	-	6,700	76
Total carrying amount at fair value	<u>133,528</u>	<u>1,231</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,558</u>	<u>1,231</u>
Impairment allowances	<u>(386)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(386)</u>	<u>(4)</u>
	31/12/2019							
	12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
	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
<b>Debt investment securities measured at FVOCI</b>								
Aaa	6,577	8	-	-	-	-	6,577	8
Aa1 to Aa3	29,487	6	-	-	-	-	29,487	6
A1 to A3	50,602	714	102	2	-	-	50,704	716
Baa1 to Baa3	37,326	375	-	-	-	-	37,326	375
Below Baa3	461	5	505	7	-	-	966	12
Unrated	7,414	81	654	15	-	-	8,068	96
Total carrying amount at fair value	<u>131,867</u>	<u>1,189</u>	<u>1,261</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>133,128</u>	<u>1,213</u>
Impairment allowances	<u>(282)</u>	<u>(3)</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(285)</u>	<u>(3)</u>



## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (a) Credit Quality Analysis (Continued)

*Credit quality of financial assets other than loans and advances (Continued)*

The following table sets out the credit analysis for non-trading financial assets measured at FVTPL.

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
<b>Debt investment securities</b>		
Aaa	–	–
Aa1 to Aa3	–	1,341
A1 to A3	558	1,061
Baa1 to Baa3	4,945	5,221
Below Baa3	215	–
Unrated	523	918
	<u>6,241</u>	<u>8,541</u>
Total carrying amount at fair value	<u>6,241</u>	<u>8,541</u>

The following table sets out the credit analysis for trading debt securities.

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
<b>Debt investment securities</b>		
Aaa	–	–
Aa1 to Aa3	–	–
A1 to A3	154	90
Baa1 to Baa3	308	–
Below Baa3	–	–
Unrated	–	–
	<u>462</u>	<u>90</u>
Total carrying amount at fair value	<u>462</u>	<u>90</u>

The following table shows the credit quality of the counterparties to which there were exposures arising from derivative asset transactions.

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
<b>Derivative assets</b>		
Aa1 to Aa3	121	92
A1 to A3	2,365	1,937
Baa1 to Baa3	1,367	1,731
Below Baa3	418	347
Unrated	1,366	1,586
	<u>5,637</u>	<u>5,693</u>
Total carrying amount at fair value	<u>5,637</u>	<u>5,693</u>

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (a) Credit Quality Analysis (Continued)

##### Cash and balances with banks

The Group held cash and balances with banks of HK\$40,469 million at 30th June, 2020 (31st December, 2019: HK\$51,534 million), of which 96% (31st December, 2019: 96%) of cash and balances with banks counterparties that are rated at investment grade, based on Moody's Investor Services, or equivalent ratings.

#### (b) 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 30th June/31st December at transaction level.

	30/6/2020			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Loans and advances to customers</b>				
Balance at 1st January	502	518	2,784	3,804
Transfer to 12-month ECL	20	(20)	–	–
Transfer to lifetime ECL not credit-impaired	(14)	16	(2)	–
Transfer to lifetime ECL credit-impaired	(1)	(21)	22	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	288	2	61	351
Write-offs	–	–	(1,237)	(1,237)
Changes in models	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	83	530	1,588	2,201
Balance at 30th June	<u>878</u>	<u>1,025</u>	<u>3,216</u>	<u>5,119</u>
Of which:				
For advance to customers at amortised cost	876	1,022	3,195	5,093
For related accrued interest receivable	2	3	21	26
	<u>878</u>	<u>1,025</u>	<u>3,216</u>	<u>5,119</u>

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (b) Impairment Allowances Reconciliation (Continued)

	31/12/2019			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Loans and advances to customers</b>				
Balance at 1st January	432	859	1,252	2,543
Transfer to 12-month ECL	60	(60)	–	–
Transfer to lifetime ECL not credit-impaired	(20)	45	(25)	–
Transfer to lifetime ECL credit-impaired	(49)	(268)	317	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	208	2	640	850
Write-offs	–	–	(5,674)	(5,674)
Changes in models	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(129)	(60)	6,274	6,085
Balance at 31st December	<u>502</u>	<u>518</u>	<u>2,784</u>	<u>3,804</u>
Of which:				
For advance to customers at amortised cost	501	516	2,752	3,769
For related accrued interest receivable	1	2	32	35
	<u>502</u>	<u>518</u>	<u>2,784</u>	<u>3,804</u>

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (b) Impairment Allowances Reconciliation (Continued)

	30/6/2020			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Debt investment securities</b>				
Balance at 1st January	359	4	–	363
Transfer to 12-month ECL	–	–	–	–
Transfer to lifetime ECL not credit-impaired	–	–	–	–
Transfer to lifetime ECL credit-impaired	–	–	–	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	110	(4)	–	106
Write-offs	–	–	–	–
Changes in models	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	15	–	–	15
Balance at 30th June	<u>484</u>	<u>–</u>	<u>–</u>	<u>484</u>
Of which:				
For debt investment securities measured at amortised cost	93	–	–	93
For related accrued interest receivable	1	–	–	1
	<u>94</u>	<u>–</u>	<u>–</u>	<u>94</u>
For debt investment securities measured at FVOCI	386	–	–	386
For related accrued interest receivable	4	–	–	4
	<u>390</u>	<u>–</u>	<u>–</u>	<u>390</u>

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (b) Impairment Allowances Reconciliation (Continued)

	31/12/2019			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Debt investment securities</b>				
Balance at 1st January	354	7	–	361
Transfer to 12-month ECL	–	–	–	–
Transfer to lifetime ECL not credit-impaired	–	–	–	–
Transfer to lifetime ECL credit-impaired	–	–	–	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	44	1	–	45
Write-offs	–	–	–	–
Changes in models	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(39)	(4)	–	(43)
Balance at 31st December	<u>359</u>	<u>4</u>	<u>–</u>	<u>363</u>
Of which:				
For debt investment securities measured at amortised cost	73	1	–	74
For related accrued interest receivable	1	–	–	1
	<u>74</u>	<u>1</u>	<u>–</u>	<u>75</u>
For debt investment securities measured at FVOCI	282	3	–	285
For related accrued interest receivable	3	–	–	3
	<u>285</u>	<u>3</u>	<u>–</u>	<u>288</u>

The impairment allowances of debt securities measured at FVOCI is not separately recognised in the statement of financial position because the carrying amount of debt investment securities measured at FVOCI is their fair value.

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (b) Impairment Allowances Reconciliation (Continued)

	30/6/2020			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Others</b>				
Balance at 1st January	115	32	112	259
Transfer to 12-month ECL	5	(5)	–	–
Transfer to lifetime ECL not credit-impaired	–	–	–	–
Transfer to lifetime ECL credit-impaired	–	–	–	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	7	(7)	46	46
Write-offs	–	–	–	–
Changes in models	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(26)	(5)	9	(22)
Balance at 30th June	<u>101</u>	<u>15</u>	<u>167</u>	<u>283</u>
Of which:				
For trade bills measured at FVOCI	3	–	–	3
For related accrued interest receivable	–	–	–	–
	<u>3</u>	<u>–</u>	<u>–</u>	<u>3</u>
For trade bills measured at amortised cost	1	–	–	1
For related accrued interest receivable	–	–	–	–
	<u>1</u>	<u>–</u>	<u>–</u>	<u>1</u>
For placements with and advances to banks	2	–	–	2
For related accrued interest receivable	–	–	–	–
	<u>2</u>	<u>–</u>	<u>–</u>	<u>2</u>
For cash and balances with banks	7	–	–	7
For related accrued interest receivable	–	–	–	–
	<u>7</u>	<u>–</u>	<u>–</u>	<u>7</u>
For loan commitments and financial guarantee contracts	<u>73</u>	<u>15</u>	<u>10</u>	<u>98</u>
For account receivables and other accounts	<u>15</u>	<u>–</u>	<u>157</u>	<u>172</u>

## Notes to the Interim Financial Statements (Continued)

### 38. Credit Risk (Continued)

#### (b) Impairment Allowances Reconciliation (Continued)

	31/12/2019			
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit- impaired	Total
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
<b>Others</b>				
Balance at 1st January	114	47	68	229
Transfer to 12-month ECL	3	(3)	–	–
Transfer to lifetime ECL not credit-impaired	(1)	1	–	–
Transfer to lifetime ECL credit-impaired	–	–	–	–
New financial assets originated or purchased, assets derecognised, repayments and further lending	5	2	47	54
Write-offs	–	–	(1)	(1)
Changes in models	–	–	–	–
Net remeasurement of impairment allowances (including exchange adjustments)	(6)	(15)	(2)	(23)
Balance at 31st December	<u>115</u>	<u>32</u>	<u>112</u>	<u>259</u>
Of which:				
For trade bills measured at FVOCI	3	1	–	4
For related accrued interest receivable	–	–	–	–
	<u>3</u>	<u>1</u>	<u>–</u>	<u>4</u>
For trade bills measured at amortised cost	–	–	–	–
For related accrued interest receivable	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
For placements with and advances to banks	5	–	–	5
For related accrued interest receivable	–	–	–	–
	<u>5</u>	<u>–</u>	<u>–</u>	<u>5</u>
For cash and balances with banks	9	–	–	9
For related accrued interest receivable	–	–	–	–
	<u>9</u>	<u>–</u>	<u>–</u>	<u>9</u>
For loan commitments and financial guarantee contracts	<u>56</u>	<u>26</u>	<u>–</u>	<u>82</u>
For account receivables and other accounts	<u>42</u>	<u>5</u>	<u>112</u>	<u>159</u>

The impairment allowances of trade bills measured at FVOCI is not recognised in the statement of financial position because the carrying amount of trade bills measured at FVOCI is their fair value.

## Notes to the Interim Financial Statements (Continued)

### 39. Off-balance Sheet Exposures

(a) *The following is a summary of each significant class of off-balance sheet exposures:*

	30/6/2020 HK\$ Mn	31/12/2019 HK\$ Mn
Contractual amounts of contingent liabilities		
Direct credit substitutes	6,528	11,705
Transaction-related contingencies	1,093	1,051
Trade-related contingencies	3,207	2,157
	10,828	14,913
Contractual amounts of commitments		
Commitments that are unconditionally cancellable without prior notice	151,063	148,791
Other commitments with an original maturity		
– up to 1 year	5,930	10,038
– over 1 year	30,980	26,772
	187,973	185,601
Total	198,801	200,514
Credit risk weighted amounts	21,338	23,193
Fair value of derivatives		
Assets		
Exchange rate contracts	1,290	2,887
Interest rate contracts	3,181	2,037
Equity contracts	1,165	767
Others	1	2
	5,637	5,693
Liabilities		
Exchange rate contracts	1,300	3,375
Interest rate contracts	7,974	3,442
Equity contracts	1,167	827
Others	15	10
	10,456	7,654
Notional amounts of derivatives		
Exchange rate contracts	396,922	449,156
Interest rate contracts	412,581	371,674
Equity contracts	16,488	12,214
Others	89	89
	826,080	833,133
Credit risk weighted amounts*		
Exchange rate contracts	1,369	1,743
Interest rate contracts	482	290
Equity contracts	181	58
	2,032	2,091

The fair value and credit risk weighted amounts of the off-balance sheet exposures do not take into account the effects of bilateral netting arrangements.

\* *The Bank adopted the Foundation Internal Ratings Based approach according to Capital Rules for calculating the credit risk weighted amount as at 30th June, 2020 and 31st December, 2019.*



## Notes to the Interim Financial Statements (Continued)

### 39. Off-balance Sheet Exposures (Continued)

#### (b) Capital commitments

Capital commitments on purchase of property, plant and equipment outstanding as at 30th June and 31st December and not provided for in the accounts were as follows:

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Expenditure authorised and contracted for	277	305
Expenditure authorised but not contracted for	159	177
	<u>436</u>	<u>482</u>

#### (c) 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.

### 40. Material Related Party Transactions

#### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Directors and certain of the highest paid employees, is as follows:

	30/6/2020	30/6/2019
	HK\$ Mn	HK\$ Mn
Short-term employee benefits	67	71
Post-employment benefits	4	3
Equity compensation benefits	2	12
	<u>73</u>	<u>86</u>

## Notes to the Interim Financial Statements (Continued)

### 40. Material Related Party Transactions (Continued)

- (b) The Group maintains certain retirement benefit schemes for its staff. In the six months ended 30th June, 2020, the total amount of contributions the Group made to the schemes was HK\$99 million (six months ended 30th June, 2019: HK\$91 million).

The Group enters into a number of transactions with the Group's related parties, including its associates, shareholders with significant influence, 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 six months ended 30th June, 2020, outstanding balances of amounts due from and due to them at 30th June, 2020 and maximum outstanding balance of amounts due from and due to them for the six months ended 30th June, 2020 are aggregated as follows:

	Key management personnel		Associates		Shareholders with significant influence	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
Interest income	31	28	34	24	–	2
Interest expense	7	25	2	1	–	8
Amounts due from	2,246	2,347	1,440	695	1,208	2,458
Amounts due to	1,003	2,540	451	49	25	972
Maximum amounts due from	3,452	3,730	1,862	1,803	8,102	5,391
Maximum amounts due to	3,481	4,698	619	555	803	2,542
Committed facilities to	1,187	1,370	951	1,313	–	–

## Notes to the Interim Financial Statements (Continued)

### 41. Basis of Consolidation

Unless otherwise stated, all financial information contained in this interim report is prepared according to the consolidation basis for accounting purposes.

The capital adequacy ratio and liquidity position of the Group are prepared according to the basis of consolidation for regulatory purposes. The main difference between the consolidation base for accounting and regulatory purposes is that the former includes the Bank and all its subsidiaries, associates and joint ventures whereas the latter includes the Bank and only some of the Group's subsidiaries which mainly conduct banking business or other businesses incidental to banking business.

#### List of subsidiaries for financial reporting consolidation as at reporting date:

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Ample Delight Limited	Investment holding	339	339
* Bank of East Asia (Trustees) Limited	Trustee service	246	231
BC (BVI) Holdings Limited	Investment holding	16	16
BEA Blue Sky Company Limited	Liquidation in progress	–	–
BEA Blue Sky SLP Limited	Liquidation in progress	–	–
BEA Consortium GS Investors L.P.	Acting as a limited partner for the purpose of making investment in private equity fund	45	45
BEA Insurance Agency Limited	Insurance agency	–	–
BEA Life Limited	Life insurance	25,389	2,284
BEA Pacific Asia Limited	Liquidation in progress	–	–
BEA Union Investment Management Limited	Asset management	559	493
BEA Union Investment Management (Shenzhen) Limited	Asset management/Investment management	18	17
Blue Care (BVI) Holdings Limited	Investment holding	16	16
Blue Care JV (BVI) Holdings Limited	Investment holding	20	17
Blue Care Medical Services Limited	Medical services	49	42
Blue Cross (Asia-Pacific) Insurance Limited	Insurance	2,879	822
Central Town Limited	Property investment	818	672
Century Able Limited	Investment holding	92	92

## Notes to the Interim Financial Statements (Continued)

### 41. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Citiview Capital Limited	Acting as the general partner and limited partner of a limited partnership	2	2
Corona Light Limited	Investment holding	930	930
* Credit Gain Finance Company Limited	Money lenders	684	683
Crystal Gleaming Limited	Investment holding	930	930
Dragon Jade Holdings Company Limited	Investment holding	1,127	1,127
EA Securities Limited	Investment holding	–	(63)
* East Asia Digital Information Services (Guangdong) Limited	Servicing	192	138
* East Asia Facility Management Limited	Facility management	32	16
East Asia Financial Services (BVI) Ltd.	Investment holding	–	–
East Asia Futures Limited	Futures and options trading	59	59
* East Asia Holding Company, Inc.	Bank holding company	625	609
East Asia Indonesian Holdings Limited	Investment holding	2	2
East Asia International Trustees Holdings (BVI) Limited	Investment holding	10	10
East Asia International Trustees Limited	Trustee service	35	31
* East Asia Properties (US), Inc.	Funding support	14	12
East Asia Properties Holding Company Limited	Investment holding	–	(52)
East Asia Property Agency Company Limited	Property agency	8	8
East Asia Qianhai Holdings Company Limited	Investment holding	201	201
East Asia Secretaries Limited	Secretarial services	–	–
East Asia Securities Company Limited	Securities broking	1,391	888
* East Asia Services (Holdings) Limited	Holding company	24	–

## Notes to the Interim Financial Statements (Continued)

### 41. Basis of Consolidation (Continued)

Name of company	Nature of business	Total assets HK\$ Mn	Total equity HK\$ Mn
Golden Empire International Inc.	Property investment	1	1
High Town Limited	Investment holding	4	3
Leader One Limited	Investment holding	1	1
Manchester Property Holdings Ltd.	Property holding	30	15
Quantum Hong Kong Holdings Company Limited	Investment holding	77	77
Red Phoenix Limited	Leasing of motor vehicles	2	2
Shaftesbury Property Holdings Limited	Investment holding	58	58
Shaftesbury Property Investments Limited	Investment holding	42	42
Shanghai Lingxie Business Consulting Co. Ltd.	Business information consulting, corporate management consulting	198	198
Silver River International Limited	Acting as the general partner and limited partner of a limited partnership	42	42
Silver Sunlight Limited	Acting as the general partner of a limited partnership	–	–
Skyray Holdings Limited	Investment holding	450	450
Speedfull Limited	Investment holding	450	450
<sup>*/#</sup> The Bank of East Asia (China) Limited	Banking and related financial services	220,189	23,868
The Bank of East Asia (Nominees) Limited	Nominee services	–	–
The Bank of East Asia (Nominees) Private Limited	Trustee, fiduciary and custody services	–	–
Travelsafe Limited	Dormant	–	–
U Care Hong Kong Medical Limited	Medical services	32	(11)
United Chinese (Nominee) Limited	Dormant	–	–

\* "regulated financial entities" as defined by the Capital Rules and included in the basis of consolidation for regulatory reporting purpose.

# "associated entities" as defined by the Banking (Liquidity) Rules and included in the basis of consolidation for regulatory reporting purpose.

## Notes to the Interim Financial Statements (Continued)

### 42. Comparative Figures

Certain 2019 comparative figures have been restated to conform to current period's presentation. Please refer to Consolidated Income statement, Condensed Consolidated Cash Flow Statements, Notes 3, 5, 8, 11, 21(b), 30 and 38(a) for the effect of the restatement.

### 43. Statement of Compliance

The Interim Report has been prepared in accordance with the applicable disclosure provisions of the Listing Rules and in compliance with HKAS 34, "Interim Financial Reporting", issued by the HKICPA. It was authorised for issue on 20th August, 2020.

The Banking Disclosure Statement (refer to Note E of Supplementary Financial Information), together with the disclosures in the interim financial report, contained all the disclosures required by the Banking (Disclosure) Rules issued by the HKMA.

### 44. Assets Held for Sale

The assets held for sale and liabilities held for sale are summarised below:

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Assets held for sale (Note 25)		
Other properties	48	39

## Supplementary Financial Information

### A. Capital Adequacy

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Capital base		
– Common Equity Tier 1 capital	76,716	75,313
– Additional Tier 1 capital	13,963	13,963
	<hr/>	<hr/>
– Total Tier 1 capital	90,679	89,276
– Tier 2 capital	12,534	9,349
	<hr/>	<hr/>
– Total capital	103,213	98,625
	<hr/> <hr/>	<hr/> <hr/>
Risk weighted assets by risk type		
– Credit risk	425,741	439,676
– Market risk	11,050	13,260
– Operational risk	32,589	34,878
	<hr/>	<hr/>
	469,380	487,814
Less: Deductions	(3,187)	(3,619)
	<hr/>	<hr/>
	466,193	484,195
	<hr/> <hr/>	<hr/> <hr/>
	30/6/2020	31/12/2019
	%	%
Common Equity Tier 1 capital ratio	16.5	15.6
Tier 1 capital ratio	19.5	18.4
Total capital ratio	22.1	20.4

Capital adequacy ratios are compiled in accordance with 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.

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.

## Supplementary Financial Information (Continued)

### A. Capital Adequacy (Continued)

The subsidiaries that are included in consolidation for regulatory purposes are listed in Note 41 of the Interim Report.

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 Group.

The information relating to the Group's regulatory capital and other 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).

### B. Leverage Ratio

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Total Tier 1 capital	90,679	89,276
Exposure measure	857,730	874,070
	30/6/2020	31/12/2019
	%	%
Leverage ratio	10.6	10.2

The disclosure on leverage ratio has been 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).

### C. Liquidity Position

#### *Liquidity coverage ratio*

	30/6/2020	31/12/2019
	%	%
Average liquidity coverage ratio – First quarter	178.1	169.8
– Second quarter	177.7	171.7
– Third quarter	N/A	166.9
– Fourth quarter	N/A	175.7

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).

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.



## Supplementary Financial Information (Continued)

### C. Liquidity Position (Continued)

#### Net stable funding ratio

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Total available stable funding	512,156	525,048
Total required stable funding	445,902	464,523
	30/6/2020	31/12/2019
	%	%
Net stable funding ratio	114.9	113.0

The net stable funding ratio is calculated in accordance with the Banking (Liquidity) Rules effective from 1st January, 2018. 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).

### D. Overdue, Rescheduled and Repossessed Assets

#### (a) Overdue and rescheduled advances

	30/6/2020		31/12/2019	
	HK\$ Mn	% of total advances to customers	HK\$ Mn	% of total advances to customers
Advances to customers overdue for				
– 6 months or less but over 3 months	776	0.1	1,049	0.2
– 1 year or less but over 6 months	1,829	0.4	308	0.1
– Over 1 year	837	0.2	747	0.1
	3,442	0.7	2,104	0.4
Rescheduled advances to customers	510	0.1	163	0.0
Total overdue and rescheduled advances	3,952	0.8	2,267	0.4
Covered portion of overdue advances	2,477	0.5	1,408	0.3
Uncovered portion of overdue advances	965	0.2	696	0.1
Current market value of collateral held against the covered portion of overdue advances	6,892		2,876	
Specific provisions made on advances overdue for more than 3 months	1,987		1,190	

## Supplementary Financial Information (Continued)

### D. Overdue, Rescheduled and Repossessed Assets (Continued)

#### (a) Overdue and rescheduled advances (Continued)

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the period-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at period-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.

An asset considered as an eligible collateral should generally satisfy the following:

- (a) The market value of the asset is readily determinable or can be reasonably established and verified;
- (b) The asset is marketable and there exists a readily available secondary market for disposing of the asset;
- (c) The Bank's right to repossess the asset is legally enforceable and without impediment; and
- (d) The Bank is able to secure control over the asset if necessary.

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

## Supplementary Financial Information (Continued)

### D. Overdue, Rescheduled and Repossessed Assets (Continued)

#### (b) Advances to banks

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Advances to banks overdue for		
– 6 months or less but over 3 months	–	–
– 1 year or less but over 6 months	–	–
– Over 1 year	–	–
	–	–
Rescheduled advances to banks	–	–
Total overdue and rescheduled advances	–	–

#### (c) Other overdue and rescheduled assets

	30/6/2020		
	Accrued interest	Debt securities	Other assets*
	HK\$ Mn	HK\$ Mn	HK\$ Mn
Other assets overdue for			
– 6 months or less but over 3 months	5	–	–
– 1 year or less but over 6 months	46	–	–
– Over 1 year	95	–	–
	146	–	–
Rescheduled assets	11	–	–
Total other overdue and rescheduled assets	157	–	–
	31/12/2019		
	Accrued Interest	Debt securities	Other assets*
	HK\$ Mn	HK\$ Mn	HK\$ Mn
Other assets overdue for			
– 6 months or less but over 3 months	16	–	–
– 1 year or less but over 6 months	9	–	–
– Over 1 year	89	–	–
	114	–	–
Rescheduled assets	1	–	–
Total other overdue and rescheduled assets	115	–	–

\* Other assets refer to trade bills and receivables.

## Supplementary Financial Information (Continued)

### D. Overdue, Rescheduled and Repossessed Assets (Continued)

#### (d) Repossessed assets

	30/6/2020	31/12/2019
	HK\$ Mn	HK\$ Mn
Reposessed land and buildings*	249	225
Reposessed vehicles and equipment	33	–
Reposessed machines	–	–
	<hr/>	<hr/>
Total reposessed assets	<u>282</u>	<u>225</u>

The amount represents the estimated market value of the reposessed assets as at 30th June, 2020 and 31st December, 2019.

\* *The balance included HK\$74 million (31/12/2019: HK\$4 million) relating to properties that were contracted for sale but not yet completed.*

### E. Banking Disclosure Statement

Additional information disclosures for this period which are prepared in accordance with the Banking (Disclosure) Rules, the disclosure requirements in Part 6 of Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) 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).

## **INDEPENDENT REVIEW REPORT**



### **TO THE BOARD OF DIRECTORS OF THE BANK OF EAST ASIA, LIMITED**

#### **INTRODUCTION**

We have reviewed the interim financial report set out on pages 3 to 68 which comprises the consolidated statement of financial position of The Bank of East Asia, Limited as of 30th June, 2020 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

#### **SCOPE OF REVIEW**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

#### **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30th June, 2020 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, "Interim financial reporting".

#### **KPMG**

Certified Public Accountants  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

20th August, 2020

## **INTERIM DIVIDEND**

The Board is pleased to declare an interim dividend of HK\$0.16 per share (the “2020 Interim Dividend”) (2019 Interim Dividend: HK\$0.11 per share) for the six months ended 30th June, 2020. The 2020 Interim Dividend will be paid in cash with an option to receive new, fully paid Shares in lieu of cash (the “Scrip Dividend Scheme”), to shareholders whose names appear on the Register of Members of the Bank at the close of business on Tuesday, 8th September, 2020. For the purpose of calculating the number of new Shares to be allotted under the Scrip Dividend Scheme, the market value of the new Shares means 95% of the average closing price of the Shares on the Stock Exchange from Thursday, 3rd September, 2020 (being the first day that the Shares were traded ex-dividend) to Wednesday, 9th September, 2020 (both days inclusive). Details of the Scrip Dividend Scheme and the election form will be sent to shareholders on or about Tuesday, 8th September, 2020. The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the new Shares to be issued under the Scrip Dividend Scheme. The dividend warrants and the share certificates for the scrip dividend will be sent to shareholders by ordinary mail on or about Wednesday, 30th September, 2020.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Bank will be closed on Monday, 7th September, 2020 and Tuesday, 8th September, 2020. In order to qualify for the 2020 Interim Dividend, all transfer documents should be lodged for registration with Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, by 4:00 p.m. on Friday, 4th September, 2020.

## **FINANCIAL REVIEW**

### **Financial Performance**

For the first six months of 2020, The Bank of East Asia, Limited (“the Bank” or “BEA”) and its subsidiaries (collectively “BEA Group”, “the Bank Group” or “the Group”) earned a profit attributable to owners of the parent of HK\$1,532 million, representing an increase of HK\$532 million or 53.2%, compared with the HK\$1,000 million earned in the same period in 2019. Pre-provision operating profit of the Group was down by HK\$1,159 million, or 21.9%, to HK\$4,124 million. The increase in attributable profit was mainly due to a significant decrease in impairment losses in Mainland China.

Basic earnings per share were HK\$0.39 in the first half of 2020, compared to HK\$0.22 for the corresponding period in 2019.

Annualised return on average assets and annualised return on average equity stood at 0.3% and 2.5%, respectively, compared to 0.1% and 1.4% in the first half of 2019.

Net interest income (“NII”) for the Group decreased by HK\$1,309 million, or 17.6%, to HK\$6,114 million. Net interest margin (“NIM”) decreased from 1.90% to 1.59%, and average interest earning assets fell by 1.7%.

Net fee and commission income rose by HK\$81 million, or 6.0%, to HK\$1,435 million. Net commission income from loans, overdrafts and guarantees, securities and brokerage and investment products grew, while net commission income from trade finance and trust and other fiduciary activities decreased.

Taken together, net trading and hedging results and net results from other financial instruments fell by HK\$245 million to HK\$420 million. Net insurance profit was down by HK\$306 million. The declines were mainly due to unfavourable mark-to-market valuations on financial instruments. Overall, non-interest income fell by 15.1% to HK\$2,360 million. Total operating income decreased by 16.9% to HK\$8,474 million.

Total operating expenses fell by 11.6% to HK\$4,350 million, mainly attributable to declines in staff costs and expenses incurred for credit card and online retail lending businesses in China. Given that operating income decreased by HK\$1,727 million, or 16.9%, the cost-to-income ratio for the first half of 2020 was 51.3% versus 48.2% in the first half of 2019.

Operating profit before impairment losses stood at HK\$4,124 million, a decrease of HK\$1,159 million, or 21.9%, when compared with the corresponding period in 2019.

The net charge for impairment losses on financial instruments fell sharply from HK\$5,063 million in 2019, to HK\$2,675 million in 2020, mainly due to a reduction in impairment losses recorded by Mainland China operations. The Group's impaired loan ratio rose from 1.22% at the end of December 2019 to 1.29% at the end of June 2020. The impaired loan ratio for Hong Kong operations rose from 0.25% to 0.46%, while that for Mainland China operations rose from 3.80% to 3.91%. In addition, there was an impairment loss of HK\$220 million on the Group's interest in an associate operating in Malaysia in the first half of 2020.

Operating profit after impairment losses amounted to HK\$1,222 million, an increase of HK\$1,002 million, or 455.0%.

Net profit on sale of assets held for sale decreased by HK\$80 million, or 97.9%. A profit of HK\$105 million on the disposal of properties in Hong Kong was recorded in the first half of 2019 that was not repeated. Net profit on sale of subsidiaries and associates increased by HK\$347 million, mainly due to a profit of HK\$349 million on the disposal and reclassification of the Group's 21% interest in Prasac Microfinance Institution Limited in Cambodia in the first half of 2020. The valuation on investment properties recorded a net loss of HK\$130 million.

The Group shared after-tax profits from associates and joint ventures of HK\$190 million, a decrease of HK\$138 million, or 42.1% compared to the same period in 2019. The decrease was partially due to the aforementioned disposal and reclassification of Prasac Microfinance Institution Limited in the first half of 2020.

After accounting for income taxes, profit after taxation increased to HK\$1,558 million, an increase of 50.1% compared to the HK\$1,038 million recorded in the first half of 2019.

## **Financial Position**

Total consolidated assets of the Group stood at HK\$848,713 million at the end of June 2020, a decrease of 1.9% compared to HK\$865,198 million at the end of 2019.

Gross advances to customers fell by 1.5% to HK\$501,465 million, while trade bills negotiated declined by 10.2% to HK\$10,843 million.

Total equity attributable to owners of the parent declined to HK\$92,697 million, a fall of 2.7%, mainly due to the adverse movement on the fair value of investment securities measured at fair value through other comprehensive income and foreign exchange positions. The decline was partially offset by the net profit of HK\$1,532 million earned during the first six months of 2020.

Total deposits from customers decreased by 3.7% to HK\$552,558 million. Of the total, demand deposits and current account balances decreased by HK\$2,828 million, or 4.2%; savings deposits increased by HK\$17,179 million, or 12.3%; and time deposits decreased by HK\$35,320 million, or 9.6%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, decreased by 5.6% to HK\$611,229 million.

The loan-to-deposit ratio stood at 82.0% at the end of June 2020, compared to 78.6% at the end of 2019.

As at 30th June, 2020, the total capital ratio, tier 1 capital ratio, and common equity tier 1 capital ratio were 22.1%, 19.5%, and 16.5%, respectively. The average liquidity coverage ratio for the quarter ended 30th June, 2020 was 177.7%, which was well above the statutory minimum of 100%.

## **BUSINESS REVIEW**

The first major global pandemic in a century – COVID-19 – has caused unpredictable global havoc and had unforeseeable economic consequences worldwide. Government-instituted lockdowns, severe restrictions on travel, strains on health services, and disruptions to business and economic activities have led to unprecedented job losses in much of the world. To encourage companies to retain workers and keep economies afloat, governments and central banks around the globe launched sizable monetary and fiscal stimuli.

Hong Kong's domestic economy was hit hard by the pandemic. In the first half of 2020, tourist arrivals dropped 89.9% year-on-year; retail sales plunged by an annualised rate of 33.3%; and exports slid by 6.9%. Facing both internal and external stress, the economy contracted by 9.1%. Unemployment surged to 6.2% in June. Bucking the trend due to ultra-low interest rates and supply shortages, property prices rose by a modest 1.8% during the first half of the year.

In the short term, the various support measures provided by the Hong Kong government may mitigate and delay the pandemic's impact on companies and individuals. For the longer term, economic performance will depend on the development of the pandemic. The Bank expects a rise in business downsizing and closures in the coming months, pushing unemployment higher. This will, in turn, put further pressure on consumer spending. The Bank expects Hong Kong's gross domestic product ("GDP") to contract by 6.2% in 2020, and inflation to soften to 1.3%.

On the Mainland, due to weak external demand, exports fell by 6.2% year-on-year in the first half of 2020. Meanwhile, domestic retail sales contracted by 11.4% as compared to the same period in 2019.

To stabilise the economy, the Central Government has launched a series of fiscal and monetary stimulus measures, including acceleration of infrastructure projects and financing programmes that assist small and medium-sized companies.

Looking ahead, although the Mainland economy has resumed positive growth, it will take time for consumer confidence to recover. Furthermore, external demand will remain weak, as global economies are still struggling to cope with the adverse impact of the pandemic. Mainland economic growth is expected to decelerate to around 1.9% for 2020. Inflation will slow to 2.8%.

### **COVID-19 Response**

The Bank acted quickly to protect customers and staff while maintaining business continuity under the COVID-19 outbreak.

In Hong Kong, the Bank's emergency response protocol for infectious disease was implemented at the end of January. A number of measures were taken to minimise the risk of infection, including the temporary closure of approximately one third of the branch network, split-team operations, work-from-home arrangements and procurement of sanitary items and protective equipment. These measures have been effective, with no confirmed cases of infection among the Bank's staff.

BEA has also supported local businesses. The Bank launched its first wave of relief measures – including principal moratoriums, loan tenor extensions and temporary conversion of unutilised trade facilities to overdrafts – in early February. Since then, the Bank has given its full support to government initiatives for personal and corporate customers, such as principal payment holidays and the 100% SME Financing Guarantee Scheme.

BEA China cared for the residents and businesses of Hubei province, the centre of the COVID-19 outbreak, by providing service fee exemptions to enterprises and individuals in the province. Furthermore, in accordance with national and regulatory directives, the Bank offered extensions to payment deadlines for enterprises and individual customers most directly and severely affected by the pandemic.



## Strategic Priorities

The COVID-19 outbreak has heightened several key challenges facing the banking industry as a whole. In response, the Bank's immediate focus has been to stabilise operations, maintain resilience and develop the competencies required for future success.

First, the outbreak has accelerated the adoption of digital channels. BEA has long recognised the importance of digital technology, and provided convenient access to services through its online and mobile platform. This was particularly important when certain branch services had to be suspended. To ensure BEA remains at the forefront of the industry, the Bank's newly established Digital & Innovation Office is spearheading digital banking development and upgrading data analytics capabilities to enable customised solutions. Initiatives are focused on three areas: enhancing customer experience by increasing the range of easy-to-use digital services; improving data science and governance capabilities by upgrading the Bank's digital infrastructure; and enriching the Bank's ecosystem by expanding open banking partnerships.

Sustained public lockdowns have seen a drastic decline in consumption. With the resultant loss in revenue and rise in unemployment, certain businesses and individuals are facing increasing difficulty in repaying their debt. While the Bank has supported its clients, as noted above, continued efforts have been made to proactively manage asset quality. Various stress testing and scenario planning exercises have been undertaken to tighten risk management, and lending exposure to clients in affected industries has been closely monitored.

Meanwhile, central banks worldwide have cut interest rates to stimulate economic growth, resulting in strong NIM compression. In Hong Kong, interbank rates have trended downwards significantly following substantial cuts to the US federal funds target rate in March. As a result, loan yields and contribution from net free funds have declined, while funding costs have remained high due to competition for deposits. Margins have also narrowed in China following rate cuts and liquidity injections from the People's Bank of China ("PBOC").

In this difficult operating environment, BEA is transitioning towards a more asset-light business model with a greater focus on fee income. Capabilities are being upgraded in areas including wealth management, transaction banking, trade finance and hedging solutions to generate more fee-based revenue. Meanwhile, the Bank is actively absorbing low-cost current and savings account ("CASA") balances across all business units to reduce funding costs.

At the same time, concerted efforts are being made to control operating expenses and enhance productivity. The Bank is refining its service delivery model to enable paperless, straight-through processing wherever possible. Options are being explored to further rationalise the branch network, as well as deploying new regulatory technology to reduce compliance costs. Together, these efforts will reduce manual tasks and enable staff to focus on client-facing activities. The Bank continues to ensure that its staff have the right tools, skills and incentives to drive sales performance.

In March 2020, the Bank announced that it would conduct a strategic review of its portfolio of businesses and assets, to ensure alignment with its strategic priorities and increase shareholder value. Since then, good progress has been made with the Bank's financial advisor, Goldman Sachs. An update regarding the status of the review is scheduled to be announced by 30th September, 2020.

## **Business – Hong Kong**

In the six months to 30th June, 2020, BEA's customer loans in Hong Kong increased by 0.8% to HK\$292,256 million. Total deposits dropped by 4.2% to HK\$411,062 million, while debt investments declined by 2.7% to HK\$120,266 million.

Profit before tax for Hong Kong operations declined to HK\$1,414 million, as the effects of the COVID-19 outbreak were felt in the following three areas.

Firstly, higher provisions for downgraded loans and updates to economic variables in the Bank's expected credit loss ("ECL") model resulted in a significant increase in impairment losses compared to the subdued level seen for the same period in 2019.

Secondly, the aforementioned NIM compression resulted in a drop in NII to HK\$3,104 million.

Thirdly, financial market movements led to mark-to-market revaluation losses on the debt and equity securities portfolios of the Bank and its insurance subsidiaries. As a result, non-interest income declined to HK\$1,648 million.

Due to the above factors, operating income fell to HK\$4,752 million. Nevertheless, operating expenses were well contained. The Bank will maintain a cautious stance in Hong Kong in the second half of 2020, prioritising operational resilience and productivity.

### ***Corporate & Commercial Banking***

Operating circumstances for Corporate Banking were extremely challenging due to the impact COVID-19 has had on the economy and businesses. Before impairment, operating income rose by 6.9% year-on-year with growth in NII while double-digit growth was recorded in non-interest income.

Local loan demand weakened as business activity declined. With higher liquidity on the Mainland, there was also lower demand for cross-border lending. The Bank focussed on providing relief to customers, and was cautious in taking on new loan business. Overall, the corporate loan book saw a low single-digit increase.

The rise in non-interest income was driven by successfully expanding fee-generating business. Account opening and credit-related handling fees rose notably. The Bank's focus on mid-cap companies resulted in higher commission from sales of hedging, insurance and other wealth management products.

However, net profit was impacted by higher impairment losses, as explained earlier. The Bank will maintain a prudent approach to lending, while working with clients to resolve problem loans and uphold asset quality. Meanwhile, sector-specific solutions are being developed to identify pain points across value chains and provide holistic solutions, with promising initial results.

### ***Retail Banking***

Operating income for the Bank's retail operations declined by 4.4% year-on-year. A drop in NII was partly offset by growth in non-interest income, driven by higher fees from retail wealth management.

To mitigate the pressure on NIM, the Bank kept a tight control on deposit pricing and continued to bring in CASA deposits from existing and new-to-bank clients to maintain a healthy deposit portfolio. The retail CASA ratio improved to 45.6%. The loan portfolio was held at a stable level, with a continued focus on higher-yield lending products.

Meanwhile, retail wealth income recorded growth of 12.5% year-on-year. A slow market for investment products was offset by strong commission income from insurance sales, with the product mix re-balanced towards long-term life products. The Bank has enhanced wealth management services for affluent clients in order to drive new fee income opportunities. The relationship management team has been strengthened, supported by a diversified product suite and an improved value proposition.

Retail operations were affected by COVID-19 as temporary branch closures and community social distancing measures hindered customer acquisition and engagement. Access to services was maintained via the Bank's online and mobile platforms, which offer comprehensive wealth management solutions and a full range of daily banking services. Use of digital services picked up significantly during the period under review. Financial transactions via online and mobile channels increased by 22.2% year-on-year. In particular, investment transactions rose by 68.5%.

The Bank made headway in its acquisition strategy to drive growth in targeted segments. The affluent and emerging affluent customer bases grew by 13.4% and 9.9% respectively year-on-year. BEA launched a new campaign featuring the SupremeGold all-in-one account in May, with enhanced features including access to mortgage services in the United Kingdom ("UK") and Greater Bay Area ("GBA").

Asset quality for retail operations remains sound. In particular, with low loan-to-value and debt servicing ratios, BEA's retail mortgage portfolio is secure. Nevertheless, net profit from retail operations was lower due to the significant drag on NII. The Bank shall continue to differentiate its services by offering unique propositions for target segments to drive acquisition and revenue growth.

### ***Wealth Management***

Private Banking's assets under management ("AUM") and loan portfolio were impacted by market movements during the first half of the year, as clients generally sought to deleverage and reduce their investment positions.

With a high trading volume, revenue from stock broking improved significantly year-on-year. Double digit growth in non-interest income offset a decline in NII. Overall, operating income was flat.

In this period of extreme volatility, relationship managers worked closely with clients to review portfolios and suggest wealth management and asset protection solutions. Even at the height of the crisis, there was no significant deterioration in asset quality or shortfall in clients' margin positions.

Particular focus was placed on communicating and maintaining relationships with Mainland clients via digital channels, in order to mitigate the impact of the COVID-19 travel restrictions. Customers were receptive to these approaches. Income from Mainland clients – particularly those in the GBA – increased year-on-year.

With strong government fiscal and monetary stimulus and much of the world emerging from lockdown, market sentiment is expected to continue to improve in the second half of the year, although volatility will remain. The Bank will advance thematic investment strategies to assist clients in taking advantage of these market trends. BEA aims to expand AUM, acquire new clients and deepen wallet share over the remainder of 2020.

In order to achieve this goal, the Bank will continue to invest in the capacity and capability of its relationship managers while at the same time upgrading the skillsets and productivity of frontline staff. To further strengthen the Bank's product capabilities and better serve clients, the Bank is streamlining processes in order to accelerate approval of new products while meeting all compliance requirements.

### ***Insurance & MPF Services***

Excluding mark-to-market revaluations and release of policy reserves, profit from BEA's core insurance business grew by 39.4% year-on-year, reflecting strong underwriting results. Significant market movements led to losses in the debt and equity portfolios of the Bank's insurance subsidiaries. Net insurance profit, which is susceptible to market volatility, was impacted as a result.

BEA Life Limited, the Bank's wholly-owned life insurance arm ("BEA Life"), shifted focus to long-term products which have a smaller average case size but contribute higher business margins. The Bank's commission income from sales of BEA Life products increased by 49.2%, despite a drop in new premium income. BEA Life will continue to improve its insurance product mix to cater to policyholder needs while optimising returns for the Bank.

Blue Cross (Asia-Pacific) Insurance Limited, BEA's wholly-owned general insurance arm ("Blue Cross"), maintained its robust market share in Hong Kong during the period under review. Underwriting profit almost doubled year-on-year due to a marked improvement in medical claims ratios. Premium income was lower following a decline in demand for travel insurance due to COVID-19 travel restrictions. However, group medical insurance performed well, with strong demand for renewals.

To further strengthen its digital platform, Blue Cross launched a 24/7 chatbot via its mobile app and corporate website in December 2019. After six months of operation, the chatbot accounted for 20% of all customer enquiries. Around one third of chatbot enquiries were made outside of office hours, demonstrating the added convenience of this function.

Total membership of BEA's Mandatory Provident Fund ("MPF") schemes grew to 829,000 at the end of June 2020, while AUM stood at HK\$27.8 billion. Lower contributions were received under the three BEA MPF schemes, particularly the Industry Scheme, as sectors including construction and catering services experienced underemployment and business closures. BEA has actively promoted the convenience of its digital MPF service channels to both employers and employees, and recorded a 26% upturn in digital usage during the period under review.

## **Business – Mainland China**

Mainland China took decisive actions to contain the COVID-19 outbreak, introducing various lockdown measures. While the outbreak was quickly brought under control, economic activity suffered. The Mainland's GDP shrank by 1.6% year-on-year in the first half of 2020. Retail sales fell by 11.4%, investment by 3.1% and exports by 3.2%.

Export performance was further hampered by the continuing impact of US tariffs on goods from Mainland China, most of which remain in place despite the signing of the first-phase trade agreement between the two sides in January 2020.

The bold measures taken to contain COVID-19 had an impact on the performance of BEA China in the first half of the year. Some customers of BEA have experienced a drop in business and lower financing appetite, nevertheless pre-provision operating profit for BEA China remains stable at HK\$1,098 million. Amid the worsening credit and business environment, the tightened de-risking measures in place since last year allowed the Bank to lower its credit cost to 2.75%, an improvement on a half-on-half basis.

The total loan balance for BEA China stood at HK\$119,397 million as at 30th June, 2020. NIM narrowed by 22 basis points, as the PBOC continuously lowered Loan Prime Rates during first half of 2020. With a more constrained loan balance and a suppressed NIM, NII for the first half of 2020 fell by 18.6% half-on-half. Meanwhile, customer deposits were managed lower to HK\$133,787 million by 30th June 2020.

As of June 2020, the impaired loan ratio of BEA China remains at an elevated level at 3.92%. This high non-performing loan ("NPL") ratio is mainly a result of delayed recovery efforts due to COVID-19 rather than new NPL formation.

BEA China further diversified its income portfolios by strengthening cross-selling and business referrals. Accordingly, its non-interest income remains steady at HK\$576 million, contributing over 20% of total operating income.

Thanks to effective cost management, underlying operating expenses at BEA China for the first half of 2020 decreased to HK\$1,535 million. This figure has continuously trended downwards since 2019. The cost-to-income ratio fell to 58.3%, resulting in positive operating jaws.

BEA China intensified its network repositioning in the first half of 2020, with five sub-branches merging with other outlets. At the end of June 2020, BEA China operated 31 branches and 61 sub-branches in 43 cities across the country – still one of the most extensive networks of any foreign bank on the Mainland.

The outlook for the Mainland economy at mid-year is considerably worse than that at the start of the year and the impact of COVID-19 on economic activity is still being evaluated. BEA China will continue to actively manage its asset quality in this challenging macro environment.

Building on the successful retail transformation over the past few years, retail business contributions to BEA China's loan portfolio and non-interest income reached 29% and 38% respectively during the first half of this year. Going forward, BEA China will deepen its partnerships with leading internet platforms and focus on cross-selling opportunities within its extensive retail customer base. As part of this strategy, BEA China will accelerate its digital transformation and service and product offerings. An area of focus will be the GBA, where the Bank's extensive onshore and offshore presence is well positioned to capture new opportunities stemming from cross-border mortgage as well as the impending Wealth Management Connect.

As for corporate banking, BEA China is well prepared to help its clients fulfil their needs through transactional banking services, lending products and cross-border solutions. Furthermore, BEA China will expand its investment banking services in syndicated loan originations, debt capital markets, and sales of treasury products in order to continue its fee income momentum and capture more operating cash flow from its clients.

### **Business – International, Macau and Taiwan**

In the first half of 2020, the Bank's overseas operations endured unprecedented adverse market conditions and substantial economic uncertainties arising from COVID-19. To help the local community weather this challenging period and facilitate the implementation of various government relief measures, BEA's overseas branches launched a series of debt relief programmes and support measures for the Bank's customers.

During the period under review, BEA's overseas branches remained prudent about onboarding new business and continued to exit problematic relationships. Overall, the Bank's overseas operations still managed to achieve a modest growth of 2.2% in loans as compared to the end of 2019.

BEA's overseas branches recorded an 11.4% year-on-year decrease in pre-provision operating profit. This was mainly due to the NIM compression for interest bearing assets resulting from interest rate cuts by the US Federal Reserve Board and the Bank of England, as well as the depreciation of the Pound Sterling ("GPB") and Singapore Dollar ("SGD") against the Hong Kong Dollar ("HKD") over the reporting period.

Net profit after tax dropped 52.7% year-on-year, mainly attributable to a spike in impairment loss allowance, which was triggered by the economic repercussions of COVID-19. In spite of the unstable business environment, asset quality of the Bank's overseas branches remained sound and their impaired loan ratio improved to 0.49% as at 30th June, 2020 from 0.54% as at the end of last year.

Despite the continued surge in risk and compliance costs, BEA's overseas operations managed their expenses tightly, registering a slight reduction of 0.8% in operating expenses. For the first half of 2020, the cost-to-income ratio increased to 37.2% from 34.6% for the same period last year on the back of a decrease in total operating income.

Looking ahead, the Bank's overseas operations will face various challenges amidst the ongoing impact of the coronavirus pandemic, growing geopolitical tensions, and lingering Brexit issues. All branches will continue to maintain a prudent stance, optimise their loan portfolios to balance risk and return, and help customers prosper when the economy recovers.

Last but not least, BEA's overseas operations will step up their efforts to rationalise physical branch networks, streamline operating procedures, and automate processes in order to enhance efficiency and further control costs.

### **BEA Union Investment Management Limited**

In the first half of 2020, BEA Union Investment launched the first actively managed Securities and Futures Commission-authorized public fund under the Open-ended Fund Company structure in Hong Kong, the BU APAC Bond Fund. The fund is positioned to offer BEA Union Investment's competence in Asian investment grade bonds to institutional investors wanting to capture income opportunities at a lower risk.

In response to the continued demand from retail investors for Asian bond funds with a fixed investment tenor, the Asian Corporate Target Maturity Fund 2023 was reopened for subscription in May 2020.

Looking ahead, the company's wholly-owned subsidiary, BEA Union Investment Management (Shenzhen) Limited, will launch its first private fund catering to Mainland professional investors in the second half of the year.

## Our People

As of 30th June, 2020, the BEA Group employed 9,670 people:

	As of 30th June, 2020	As of 31st December, 2019	As of 30th June, 2019 (restated)
Hong Kong	5,560	5,564	5,446
Mainland China	3,511	3,681	3,833
Macau & Taiwan	154	158	161
Overseas	445	443	439
Total	<u>9,670</u>	<u>9,846</u>	<u>9,879</u>

*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 30th June, 2019 have been restated for comparison purposes.*

In support of the government's initiative to help companies retain their employees in the face of COVID-19 and contribute positively toward the recovery of Hong Kong's economy, the Bank and its subsidiaries in Hong Kong have applied for a grant under the Employment Support Scheme, showing the Bank's commitment to its staff during the recession. The Bank will continue to fill positions and hire new staff, and invest in training and development in order to ensure that it is ready to meet the evolving needs of its customers now and in the future.

In early 2020, the Bank implemented a revised performance management and reward mechanism to foster a performance-driven culture that is aligned with the Bank's core values, namely excellence, integrity, commitment, customer focus, teamwork and innovation. Division and department scorecards and rewards are now more closely tied to the Group's financial and non-financial performance, with an enhanced modifier to reflect the departments' risk and compliance performance.

The Bank also rolled out a new talent development programme aimed at grooming mid-career high-potential staff members into future leaders. The programme provides a series of structured development interventions that support growth and career development, including on-the-job development, coaching and mentoring, and leadership training. The Bank also continued to develop young talent through various graduate development programmes, including the bank-wide Management Trainee Programme and several business-specific functional trainee programmes.

To promote the continuous professional development of staff in general, the Bank supported staff members in their pursuit of professional qualifications as guided by the Hong Kong Monetary Authority's ("HKMA") Enhanced Competency Framework. BEA also invested in a wide spectrum of training, ranging from technical know-how to soft skills training.

## Outlook

Globally, a potent cocktail of COVID-19 and escalating political tensions has thrown economic growth into reverse. With the coronavirus still raging, a rapid V-shaped global recovery is looking increasingly unlikely.

The picture appears somewhat brighter in BEA's core markets. Mainland China was the first to lock down in response to the virus, but also the first to reopen. Although it has quickly returned to modest growth, the recovery is fragile and at risk of losing steam unless core export markets recover. Hong Kong has managed to avoid a complete lockdown – so far. The market is cautiously optimistic that economic activity in the region will improve in the second half of the year.

The Bank continues to see good prospects for long-term business growth in Greater China, and particularly in the GBA. As companies diversify their production lines across Asia, BEA has provided banking facilities and other services to help them repurpose their GBA premises. The Bank has also supported start-ups as they scale up for growth opportunities in the region.

Schemes such as Wealth Management Connect will further develop the market for wealth management and retirement planning services in the GBA. In anticipation of further integration, the Bank has strengthened its cross-boundary relationship management team and introduced technologies such as remote account opening. BEA will continue to cater to customers' needs for banking and financial solutions across the GBA, while providing global support through its overseas network and strategic partnerships.

## **RISK MANAGEMENT**

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 Risk Committee (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 adopts 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 Group has implemented an ERM framework to identify and manage potential risks in a holistic and effective manner. As BEA is designated as a Domestic Systemically Important Bank, the HKMA requires that the risk management of the Group achieves the high standard demanded by such designation. The ERM framework assists the Group in meeting this requirement, and reinforces 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.

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.

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 with authority delegation from the Board 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 executes daily activities relating to policy formulation, assessment, controls & monitoring, MIS, and problem credit management according to the mandate and above all, prevailing credit policies of the Bank and statutory requirements. The Group identifies and manages credit risk by defining the target market segment, formulating appropriate credit policies, and 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.

**(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 that 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. Market 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 activities relating to market risk. The Internal Audit Division performs periodic reviews to ensure that the market risk management functions are performed effectively.

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.

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 daily by the Treasury Markets Division of the Group 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.

*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.

### 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 Treasury Markets Division of the Group within the limits or strategy approved by the Board, Investment Committee or the Asset and Liability Management Committee.

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.

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 and 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.

#### Value-at-risk statistics

	2020 – First Half			
	At 30th June	Maximum	Minimum	Mean
	HKD Mn	HKD Mn	HKD Mn	HKD Mn
VaR for total trading activities	30	32	23	28
VaR for foreign exchange trading positions*	6	8	5	6
VaR for interest rate trading positions	1	4	1	2
VaR for equity trading positions	25	26	18	22

	2019 – First Half			
	At 30th June	Maximum	Minimum	Mean
	HKD Mn	HKD Mn	HKD Mn	HKD Mn
VaR for total trading activities	29	38	29	33
VaR for foreign exchange trading positions*	7	16	6	11
VaR for interest rate trading positions	2	5	1	3
VaR for equity trading positions	22	25	20	22

\* Including all foreign exchange positions but excluding structural foreign exchange positions.

The average daily profit for all trading activities (including foreign exchange, interest rate, and equity trading activities) for the first six months of 2020 was HKD1.19 million (average daily profit of HKD2.74 million for the first six months of 2019). The standard deviation of the daily profit/loss for the period was HKD10.33 million (standard deviation of HKD8.44 million for the same period in 2019).

**(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.

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 other borrowings 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. 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 regular cash flow analysis and projections through the use of the Bank's management information system so as to facilitate the identification of funding needs arising from on and off-balance sheet items over a set of time horizons.

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.

### **Certificates of Deposit, Debt Securities Issued, and Loan Capital**

In the first half of 2020, BEA issued floating rate certificates of deposit and debt securities with a face value of USD590 million; fixed rate certificates of deposit and debt securities with a face value of HKD3,740 million and USD995 million; and zero coupon certificates of deposit and debt securities with a face value of HKD3,505 million, USD1,975 million, CNY9,000 million, GBP269 million and CHF30 million. The Group redeemed a quantity of certificates of deposit and debt securities amounting to HKD63,083 million equivalent upon maturity.

At the end of June 2020, the face value of the outstanding certificates of deposit and debt securities issued was equivalent to HKD63,254 million, with a carrying amount equivalent to HKD63,036 million.

In the first half of 2020, BEA issued fixed rate loan capital with a face value of USD600 million.

At the end of June 2020, the face value of the outstanding loan capital issued was equivalent to HKD14,820 million, with a carrying amount equivalent to HKD14,845 million.

## Maturity Profile of Certificates of Deposit and Debt Securities Issued

As at 30th June, 2020

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity			
		2020	2021	2022	2023
<b>Floating Rate</b>					
USD	947	327	140	30	450
<b>Fixed Rate (Note)</b>					
HKD	5,130	3,530	1,600		
USD	1,015	915	100		
CNY	2,500			2,500	
GBP	25	25			
<b>Zero Coupon</b>					
HKD	3,285	1,895	1,390		
USD	2,883	2,129	734	20	
CNY	10,630	8,330	2,300		
GBP	210	210			
CHF	80	50	30		
<b>Total Certificates of Deposit and Debt Securities issued in HKD equivalent</b>					
	63,254	43,332	13,305	3,129	3,488

Note:

Associated interest rate swaps are arranged in order to manage interest rate risk from long-term certificates of deposit and debt securities issued, if deemed necessary.

## Maturity Profile of Loan Capital

As at 30th June, 2020

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity			
		2020	2026	2029	2030
USD (Notes 1 & 3)	1,700	600	500		600
CNY (Note 2)	1,500			1,500	
<b>Total Loan Capital issued in HKD equivalent</b>					
	14,820	4,650	3,875	1,645	4,650

Notes:

1. The USD500 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.
3. The USD600 million loan capital that matures in 2030 will be callable on 29th May, 2025.

**(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 requirements set by the HKMA, new assumptions, such as optionality and behaviour of certain products, are also 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 would affect earnings, they would 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.

**(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.

**(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 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 business 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.

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, integrity and availability 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.

To cope with the outbreak of COVID-19 pandemic in the early 2020, the Group has implemented a series of precautionary measures including but not limited to maintaining stringent workplace environmental hygiene, self-quarantine, social distancing, work-from-home and split-operations. These measures are proven effective as no significant adverse impact on the Group’s operations due to the COVID-19 pandemic has been identified so far.

## Transition Arrangements for Interbank Offered Rate Reform

For many years, interbank offered rates (“IBORs”) were accepted as interest-rate benchmarks across a wide range of products including loans, bonds, and derivatives. They have also been used extensively in valuation and risk management processes.

However, the 2008 financial crisis revealed critical limitations and weaknesses in the use of IBORs. Declining liquidity in unsecured interbank funding markets since the crisis has further undermined confidence in the reliability and robustness of IBORs as a benchmarking tool. In response, major regulators around the world have advocated a shift away from reliance on IBORs.

In 2014, the Financial Stability Board (“FSB”) published a report on interest rate benchmark reform, proposing that a new benchmark tool – alternative risk-free rates (“ARRs”) – replace IBORs. This was followed in 2017 by the announcement that, from 2021, the Financial Conduct Authority (“FCA”) of the UK would no longer require banks to submit reports used to fix the London Interbank Offered Rate (“LIBOR”). This is expected to result in a marked decline in submissions.

As the 2021 deadline approaches, IBOR reform efforts have been stepped up. In January and April 2020, the FCA – together with the Bank of England and the Working Group on Sterling Risk-Free Reference Rates – set out a roadmap for IBOR reform. The roadmap addresses critical issues such as fallback provisions, phasing out of GBP LIBOR cash products, and transition to the ARR-compatible benchmark tool Sterling Overnight Interbank Average Rate (“SONIA”).

Similarly, the Alternative Reference Rates Committee of the United States has set out a roadmap for transition of USD LIBOR products to the ARR-compatible Secured Overnight Financing Rate (“SOFR”). The Hong Kong Monetary Authority is following developments closely, and will ensure local compliance with overseas standards.

In preparation for the adoption of ARR-compatible regimes such as SONIA and SOFR, the Bank has set up a group-wide IBOR Reform Project (the “Project”) to oversee all the transition activities. The Project is led by the Group Chief Financial Officer and includes all relevant functional heads, namely treasury and other business units, operation support, risk management, legal, information technology and accounting.

In order to ensure that customers are informed of developments related to IBOR reform, the Bank posted information on the reform proposals and the Bank’s corresponding actions on its website in June 2020. The Bank also mailed relevant information to clients.

The transition from IBORs to ARR-ARRs involves legal risk and market risk. The legal risk arises as existing contracts do not envision the discontinuation of IBOR. The Bank is reviewing relevant contracts and will make appropriate arrangements to protect the interests of customers. All actions taken will comply with relevant regulatory requirements and be in line with market conventions.

Concerning the market risk arisen from IBOR transition, the Bank is preparing for the necessary process and system changes. Validation will be conducted on all valuation methods and risk exposure calculations for new or changed product features, valuation parameters and models that arise from IBOR reform. The Bank will also monitor the IBOR reform process and adjust its risk management strategy accordingly.

In the second half of 2020, the Bank will conduct an in-depth assessment of the impact of IBOR reform (subsequent to its preliminary high-level assessment performed in late 2019). BEA will then take appropriate action in accordance with assessment results and relevant regulatory requirements and expectations.

## **SUSTAINABILITY**

Given the complex social and environmental issues faced by all companies operating today, during the period under review, BEA placed renewed focus on strengthening governance to support collaborative, cross-divisional environmental, social, and governance (“ESG”) decision-making.

BEA is in the process of forming a Board-level ESG Committee, to be established by the end of 2020. The ESG Committee will oversee the work of the Bank’s ESG Steering Group (“Steering Group”), which is comprised of General Managers from divisions that shape BEA’s ESG development. The Steering Group held its first meeting in May 2020, and is responsible for setting ESG strategy and driving performance.

Reporting to the Steering Group, the ESG Working Group (“Working Group”) is responsible for implementing the strategies set out by the Steering Group. The ESG Working Group is already addressing the Bank’s ESG goals for 2020, including establishment of a Group emission reduction target and identification of BEA’s ESG and climate-related risks. The Working Group has also assumed the duties of the former CSR Working Group, which mainly focusses on reporting. To foster an ESG-conscious culture, the Bank held an ESG workshop in April 2020 for all Hong Kong-based General Managers and Department Heads.

As COVID-19 spread globally during the first half of 2020, BEA reacted quickly to protect customers, employees and the public alike. By reducing opening times in branches in all markets and emphasising digital services, the Bank kept branch traffic to a minimum so as to reduce opportunities for spread of the virus. To further protect customers and staff, floor markings were introduced to promote social-distancing in queues. Hand sanitiser was made readily available at all locations. For the convenience of customers on the Mainland, BEA China issued regular announcements via social media regarding branch operating hours and available customer service channels.

Staff were also asked to work from home where appropriate, and split-team operations went into effect early on. Thanks to the Bank’s robust IT infrastructure and thorough contingency planning, operations continued smoothly despite the sudden implementation of these measures.

On the Mainland, BEA China organised counselling services to support employees’ physical and mental health. All staff members were encouraged to view an online talk prepared by medical professionals on preventive measures against COVID-19, and to make use of an online tool to monitor their health. Across the Group, staff members were advised to practise social distancing by conducting meetings electronically as much as possible.

The Bank of East Asia Charitable Foundation (“BEA Foundation”) celebrated its tenth anniversary in 2020. As many of the BEA Foundation’s planned charitable activities were impacted by COVID-19, it redirected its efforts to provide support during the pandemic. The BEA Foundation donated HK\$2.6 million to 13 non-governmental organisations (“NGOs”) in Hong Kong that helped distribute epidemic aid to the underprivileged, elderly, sick, and disabled in the form of packs containing daily and sanitary necessities, benefitting around 24,000 people. Meanwhile, BEA China provided CNY3 million to the Red Cross Society of China Wuhan Branch and epidemic prevention supplies such as disinfectants, hand sanitisers, and digital thermometers to rural schools in China. In March and April 2020, East Asia Digital Information Services volunteers donated nearly 4,000 face masks to elderly residents of Guangzhou and neighbouring areas.

On the environmental front, recycling rates for metals and plastics at Head Office increased by 170% and 420%, respectively, year on year, following the introduction of recycling bins on every floor in 2019. In addition, the Bank continued to adopt LED lighting at Head Office, resulting in monthly savings of 1,251kWh during the period under review.

For more information on BEA’s ESG performance and community investment initiatives, please refer to the Group’s ESG Report, which is available via the Bank’s corporate website at [www.hkbea.com](http://www.hkbea.com) (About BEA/ Corporate Social Responsibility).

## **CHANGES TO INFORMATION IN RESPECT OF DIRECTORS**

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since publication of the Bank's Annual Report 2019 up to 20th August, 2020 (being the date of approval of the Bank's Interim Report 2020) are set out below:

### **Changes in positions held with the Bank Group**

Dr. Isidro FAINÉ CASAS resigned as a Non-executive Director and ceased as a Member of the Nomination Committee of the Bank with effect from the conclusion of the Bank's Annual General Meeting held on 24th April, 2020. He was appointed as a Special Advisor to the Board.

Dr. the Hon. Henry TANG Ying-yen retired as an Independent Non-executive Director of BEA China and ceased as Chairman of its risk management committee and a member of its audit committee and remuneration & nomination committee with effect from 3rd April, 2020. He has been appointed as the Supervisor of BEA China.

Mr. Meocre LI Kwok-wing, an Independent Non-executive Director of BEA China, the chairman of its audit committee and a member of its risk management committee, ceased to be the acting chairman of and remains as a member of its connected transactions control committee.

Mr. William Junior Guilherme DOO has resigned as an Independent Non-executive Director of BEA China and will cease as a member of its audit committee and remuneration & nomination committee with effect from 1st September, 2020.

### **Changes in experience including other directorships and major appointments**

<u>Name of Directors</u>	<u>Other directorships and appointments</u>
Dr. Allan WONG Chi-yun	Retired as an Independent Non-executive Director of MTR Corporation Limited (listed in Hong Kong) and ceased to be an Independent Non-executive Director of Li & Fung Limited (listing in Hong Kong withdrawn on 27th May, 2020)
Mr. Aubrey LI Kwok-sing	Ceased to be an Independent Non-executive Director of Kunlun Energy Company Limited and Tai Ping Carpets International Limited (both listed in Hong Kong)
Dr. Daryl NG Win-kong	Appointed as the President of Hong Kong United Youth Association, a Council Member of the Employers' Federation of Hong Kong, a Member of the Board of Hong Kong Science and Technology Parks Corporation and a member of the Cyberport Advisory Panel of Hong Kong Cyberport Management Company Limited and ceased to be a co-opted member of the Community Care Fund Task Force of Commission on Poverty of the Government of Hong Kong Special Administrative Region
Mr. Masayuki OKU	Ceased to be an Independent Non-executive Director of Komatsu Ltd. and an Auditor of Nankai Electric Railway Co. Ltd. (both listed in Japan)

Other than those disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## DIRECTORS' AND CO-CHIEF EXECUTIVES' INTERESTS

As at 30th June, 2020, 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	100,321,209 <sup>1</sup>	3.44
	Interest of spouse	2,215,755		
	Interest of corporation	458,594		
	Executor of estate	11,438,500		
Arthur LI Kwok-cheung	Beneficial owner	13,085,663	41,961,456 <sup>2</sup>	1.44
	Interest of corporation	17,437,293		
	Executor of estate	11,438,500		
Allan WONG Chi-yun	Beneficial owner	464,393	17,879,763 <sup>3</sup>	0.61
	Interest of spouse	136		
	Founder and beneficiary of discretionary trust	17,415,234		
Aubrey LI Kwok-sing	Beneficial owner	825,304	18,666,815 <sup>4</sup>	0.64
	Interest of spouse	24,913		
	Interest of corporation	17,816,598		
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		
Adrian David LI Man-kiu	Beneficial owner	1,085,277	3,177,512 <sup>6</sup>	0.11
	Interest of child	7,909		
	Settlor/Founder of discretionary trust	2,084,326		
Brian David LI Man-bun	Beneficial owner	2,579,902	3,400,184 <sup>7</sup>	0.12
	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

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 11,438,500 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 11,438,500 shares as one of the executors of the estate (please refer to Note 2 below).*
- 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 11,438,500 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 11,438,500 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 825,304 shares and he was deemed to be interested in 24,913 shares through the interests of his spouse, Elizabeth WOO. He was also deemed to be interested in 17,816,598 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 7,909 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 2,579,902 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 six months ended 30th June, 2020 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.

## 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 six months ended 30th June, 2020:

Name	Date of Grant	Number of Share Options				Outstanding at 30/6/2020	
		Outstanding at 01/1/2020	Granted	Exercised	Lapsed/Cancelled		
David LI Kwok-po	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	0	
	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>	–	–	167,000 <sup>#</sup>	501,000	
	10/4/2018 <sup>a</sup>	666,000 <sup>T1</sup>	–	–	–	666,000	
	10/4/2018 <sup>a</sup>	666,000 <sup>T2</sup>	–	–	166,500 <sup>#</sup>	499,500	
	10/4/2018 <sup>a</sup>	668,000 <sup>T3</sup>	–	–	167,000 <sup>#</sup>	501,000	
	19/7/2019 <sup>a</sup>	666,000 <sup>T1</sup>	–	–	166,500 <sup>#</sup>	499,500	
	19/7/2019 <sup>a</sup>	666,000 <sup>T2</sup>	–	–	166,500 <sup>#</sup>	499,500	
	19/7/2019 <sup>a</sup>	668,000 <sup>T3</sup>	–	–	167,000 <sup>#</sup>	501,000	
	07/4/2020 <sup>b</sup>	–	–	346,115 <sup>T1</sup>	–	–	346,115
	07/4/2020 <sup>b</sup>	–	–	347,802 <sup>T2</sup>	–	–	347,802
07/4/2020 <sup>b</sup>	–	–	354,090 <sup>T3</sup>	–	–	354,090	
Adrian David LI Man-kiu	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	218,000	0	
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	216,000	0	
	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	0	
	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>	–	–	54,500 <sup>#</sup>	163,500	
	10/4/2018 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000	
	10/4/2018 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	54,000 <sup>#</sup>	162,000	
	10/4/2018 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	54,500 <sup>#</sup>	163,500	
	19/7/2019 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	54,000 <sup>#</sup>	162,000	
	19/7/2019 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	54,000 <sup>#</sup>	162,000	
19/7/2019 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	54,500 <sup>#</sup>	163,500		
07/4/2020 <sup>b</sup>	–	–	268,360 <sup>T1</sup>	–	–	268,360	
07/4/2020 <sup>b</sup>	–	–	271,648 <sup>T2</sup>	–	–	271,648	
07/4/2020 <sup>b</sup>	–	–	282,769 <sup>T3</sup>	–	–	282,769	

Name	Date of Grant	Number of Share Options				
		Outstanding at 01/1/2020	Granted	Exercised	Lapsed/Cancelled	Outstanding at 30/6/2020
Brian David Li Man-bun	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	218,000	0
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	216,000	0
	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	0
	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>	–	–	109,000 <sup>#</sup>	109,000
	10/4/2018 <sup>a</sup>	216,000 <sup>T1</sup>	–	–	–	216,000
	10/4/2018 <sup>a</sup>	216,000 <sup>T2</sup>	–	–	108,000 <sup>#</sup>	108,000
	10/4/2018 <sup>a</sup>	218,000 <sup>T3</sup>	–	–	109,000 <sup>#</sup>	109,000
	07/4/2020 <sup>b</sup>	–	286,690 <sup>T1</sup>	–	–	286,690
	07/4/2020 <sup>b</sup>	–	288,878 <sup>T2</sup>	–	–	288,878
07/4/2020 <sup>b</sup>	–	297,977 <sup>T3</sup>	–	–	297,977	
Aggregate of other Employees*	10/5/2012 <sup>a</sup>	636,000 <sup>T3</sup>	–	–	636,000	0
	03/5/2013 <sup>a</sup>	632,000 <sup>T2</sup>	–	–	632,000	0
	03/5/2013 <sup>a</sup>	686,000 <sup>T3</sup>	–	–	–	686,000
	02/5/2014 <sup>a</sup>	652,000 <sup>T1</sup>	–	–	652,000	0
	02/5/2014 <sup>a</sup>	782,000 <sup>T2</sup>	–	–	–	782,000
	02/5/2014 <sup>a</sup>	786,000 <sup>T3</sup>	–	–	–	786,000
	04/5/2015 <sup>a</sup>	782,000 <sup>T1</sup>	–	–	–	782,000
	04/5/2015 <sup>a</sup>	782,000 <sup>T2</sup>	–	–	–	782,000
	04/5/2015 <sup>a</sup>	786,000 <sup>T3</sup>	–	–	–	786,000
	08/4/2016 <sup>a</sup>	582,000 <sup>T1</sup>	–	–	–	582,000
	08/4/2016 <sup>a</sup>	798,000 <sup>T2</sup>	–	–	–	798,000
	08/4/2016 <sup>a</sup>	842,500 <sup>T3</sup>	–	–	–	842,500
	07/4/2017 <sup>a</sup>	882,000 <sup>T1</sup>	–	–	–	882,000
	07/4/2017 <sup>a</sup>	882,000 <sup>T2</sup>	–	–	–	882,000
	07/4/2017 <sup>a</sup>	886,000 <sup>T3</sup>	–	–	196,500 <sup>#</sup>	689,500
	10/4/2018 <sup>a</sup>	927,000 <sup>T1</sup>	–	–	–	927,000
	10/4/2018 <sup>a</sup>	927,000 <sup>T2</sup>	–	–	183,000 <sup>#</sup>	744,000
	10/4/2018 <sup>a</sup>	933,500 <sup>T3</sup>	–	–	184,000 <sup>#</sup>	749,500
	19/7/2019 <sup>a</sup>	965,000 <sup>T1</sup>	–	–	183,000 <sup>#</sup>	782,000
	19/7/2019 <sup>a</sup>	965,000 <sup>T2</sup>	–	–	183,000 <sup>#</sup>	782,000
19/7/2019 <sup>a</sup>	970,000 <sup>T3</sup>	–	–	184,000 <sup>#</sup>	786,000	
07/4/2020 <sup>b</sup>	–	827,000 <sup>T1</sup>	–	–	827,000	
07/4/2020 <sup>b</sup>	–	827,000 <sup>T2</sup>	–	–	827,000	
07/4/2020 <sup>b</sup>	–	833,500 <sup>T3</sup>	–	–	833,500	



Name	Date of Grant	Number of Share Options				Outstanding at 30/6/2020	
		Outstanding at 01/1/2020	Granted	Exercised	Lapsed/Cancelled		
Other Participants**	10/5/2012 <sup>a</sup>	100,000 <sup>T3</sup>	–	–	100,000	0	
	03/5/2013 <sup>a</sup>	50,000 <sup>T2</sup>	–	–	50,000	0	
	03/5/2013 <sup>a</sup>	50,000 <sup>T3</sup>	–	–	–	50,000	
	02/5/2014 <sup>a</sup>	62,000 <sup>T1</sup>	–	–	62,000	0	
	02/5/2014 <sup>a</sup>	62,000 <sup>T2</sup>	–	–	–	62,000	
	02/5/2014 <sup>a</sup>	63,500 <sup>T3</sup>	–	–	–	63,500	
	04/5/2015 <sup>a</sup>	150,000 <sup>T1</sup>	–	–	–	150,000	
	04/5/2015 <sup>a</sup>	150,000 <sup>T2</sup>	–	–	–	150,000	
	04/5/2015 <sup>a</sup>	115,746 <sup>T3</sup>	–	–	–	115,746	
	08/4/2016 <sup>a</sup>	50,000 <sup>T1</sup>	–	–	–	50,000	
	08/4/2016 <sup>a</sup>	100,000 <sup>T2</sup>	–	–	–	100,000	
	08/4/2016 <sup>a</sup>	150,000 <sup>T3</sup>	–	–	–	150,000	
	07/4/2017 <sup>a</sup>	150,000 <sup>T1</sup>	–	–	–	150,000	
	07/4/2017 <sup>a</sup>	150,000 <sup>T2</sup>	–	–	–	150,000	
	07/4/2017 <sup>a</sup>	150,000 <sup>T3</sup>	–	–	12,500 <sup>#</sup>	137,500	
	10/4/2018 <sup>a</sup>	200,000 <sup>T1</sup>	–	–	–	200,000	
	10/4/2018 <sup>a</sup>	200,000 <sup>T2</sup>	–	–	50,000	150,000	
	10/4/2018 <sup>a</sup>	200,000 <sup>T3</sup>	–	–	50,000	150,000	
	19/7/2019 <sup>a</sup>	100,000 <sup>T1</sup>	–	–	–	100,000	
	19/7/2019 <sup>a</sup>	100,000 <sup>T2</sup>	–	–	–	100,000	
	19/7/2019 <sup>a</sup>	100,000 <sup>T3</sup>	–	–	–	100,000	
	07/4/2020 <sup>b</sup>	–	–	50,000 <sup>T1</sup>	–	–	50,000
	07/4/2020 <sup>b</sup>	–	–	50,000 <sup>T2</sup>	–	–	50,000
07/4/2020 <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 6 former employees of the Bank. The share options were offered/granted to them prior to their cessation as employees of the Bank.

# Share options were forfeited and cancelled. Please refer to paragraph (3) under this section for the details.

Notes:

a Particulars of share options granted in years 2012 to 2019:

<u>Date of Grant</u>	<u>Tranche</u>	<u>Vesting Period</u>	<u>Exercise Period</u>	<u>Exercise Price Per Share</u> HK\$
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
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 – 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

b Share options granted in year 2020:

(i) Particulars:

<u>Date of Grant</u>	<u>Tranche</u>	<u>Vesting Period</u>	<u>Exercise Period</u>	<u>Exercise Price Per Share</u> HK\$
07/4/2020	T1	07/4/2020 – 06/4/2021	07/4/2021 – 07/4/2026	16.58
07/4/2020	T2	07/4/2020 – 06/4/2022	07/4/2022 – 07/4/2027	16.58
07/4/2020	T3	07/4/2020 – 06/4/2023	07/4/2023 – 07/4/2028	16.58

(ii) The closing price of the shares of the Bank on 6th April, 2020 (being the business day immediately preceding 7th April, 2020 on which the options were granted) was HK\$16.50.

- (iii) Fair value of share options granted during the six months ended 30th June, 2020 and assumptions are as follows:

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 option granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

	6 months ended 30/6/2020
Fair value at measurement date	
– Tranche 1	HK\$3.08
– Tranche 2	HK\$3.03
– Tranche 3	HK\$2.87
Share price at measurement date	HK\$16.58
Exercise price	HK\$16.58
Expected volatility	30.62%
Option life	
– Tranche 1	6 years
– Tranche 2	7 years
– Tranche 3	8 years
Expected dividends	9.40%-11.25%
Risk-free interest rate (based on Hong Kong Government Bonds)	0.66%-0.68%

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.

- (2) No share options were exercised during the six months ended 30th June, 2020.
- (3) The following share options were forfeited and cancelled during the six months ended 30th June, 2020:

Date of Grant	Tranche	No. of share options Forfeited and Cancelled	Exercise Price Per Share HK\$
07/4/2017	T3	539,500	32.25
10/4/2018	T2	511,500	32.25
10/4/2018	T3	514,500	32.25
19/7/2019	T1	403,500	22.45
19/7/2019	T2	403,500	22.45
19/7/2019	T3	405,500	22.45

(4) The accounting policy adopted for share based payment:

The option exercise price is equal to the higher of:

- (a) the closing price of the Bank's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of the relevant options; and
- (b) 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.

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.

Save as disclosed above, as at 30th June, 2020, 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.

## INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30th June, 2020, 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

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 30th June, 2020, they stood at 574,516,317 shares (equivalent to approximately 19.71% of the issued shares of the Bank as at 30th June, 2020). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

2 As at 30th June, 2020, 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 30th June, 2020, they stood at 508,519,684 shares (equivalent to approximately 17.45% of the issued shares of the Bank as at 30th June, 2020). 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 12.69% of the issued shares of the Bank as at 30th June, 2020). 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 12.69% of the issued shares of the Bank as at 30th June, 2020) 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 7.48% of the issued shares of the Bank as at 30th June, 2020) 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.

## **PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SECURITIES**

There was no purchase, sale or redemption by the Bank or any of its subsidiaries, of the listed securities of the Bank during the six months ended 30th June, 2020.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

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.

Throughout the six months ended 30th June, 2020, the Bank has complied with all the Code Provisions set out in the CG Code in Appendix 14 of the Listing Rules.

During the six months ended 30th June, 2020, 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.

The Bank received confirmations from Directors that they have spent sufficient time performing their responsibilities as Directors of the Bank and have given sufficient time and attention to the Bank's affairs. All Directors acknowledged that they have participated, from time to time, in continuous professional development to develop and refresh their knowledge and skills for carrying out their duties and responsibilities as Directors of the Bank.

The AC of the Bank has reviewed the results of the Bank for the six months ended 30th June, 2020 and the Bank's Interim Report 2020.

## **COMPLIANCE WITH MODEL CODE**

The Bank has adopted its own code of securities transactions by the 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.

The Bank has also adopted 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.

Following specific enquiries by the Bank, all Directors (including the Director who resigned during the six months ended 30th June, 2020) confirmed that they had complied with the required standard set out in the Model Code and the Bank's Policy at all the applicable time during the six months ended 30th June, 2020.

## **PUBLICATION OF INTERIM REPORT**

The Interim Report 2020 in both English and Chinese is now available in printed form and on the websites of the Bank ([www.hkbea.com](http://www.hkbea.com)) and HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)). Shareholders are encouraged to rely on website version to help reduce the quantity of printed copies of corporate communications of the Bank and hence the impact on the environment. Notwithstanding any choice of means for the receipt of corporate communications (i.e. either receiving a printed copy or by electronic means through the Bank's website) previously made by Shareholders and communicated to the Bank, Shareholders may at any time change their choice, free of charge, by giving reasonable notice in writing to the Bank's Share Registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or by fax to (852) 2810 8185 or by email to [BEA0023-ecom@hk.tricorglobal.com](mailto:BEA0023-ecom@hk.tricorglobal.com) specifying your request together with your full name and contact telephone number.

By order of the Board

**Adrian David LI Man-kiu**  
Co-Chief Executive

**Brian David LI Man-bun**  
Co-Chief Executive

Hong Kong, 20th August, 2020

*As at the date of this report, the Board of Directors of the Bank comprises Dr. the Hon. Sir David LI Kwok-po<sup>#</sup> (Executive Chairman), Professor Arthur LI Kwok-cheung\* (Deputy Chairman), Dr. Allan WONG Chi-yun\*\* (Deputy Chairman), Mr. Aubrey LI Kwok-sing\*, Mr. Winston LO Yau-lai\*, Mr. Stephen Charles LI Kwok-sze\*, Mr. Adrian David LI Man-kiu<sup>#</sup> (Co-Chief Executive), Mr. Brian David LI Man-bun<sup>#</sup> (Co-Chief Executive), Dr. Daryl NG Win-kong\*, Mr. Masayuki OKU\*, Dr. the Hon. Rita FAN HSU Lai-tai\*\*, Mr. Meocre LI Kwok-wing\*\*, Dr. the Hon. Henry TANG Ying-yen\*\*, Dr. Delman LEE\*\* and Mr. William Junior Guilherme DOO\*\*.*

<sup>#</sup> Executive Director

<sup>\*</sup> Non-executive Director

<sup>\*\*</sup> Independent Non-executive Director



## 財務摘要

	2020年 6月30日	2019年 6月30日	2019年 12月31日
<b>半年期內</b>			
<b>盈利能力</b>	港幣百萬元	港幣百萬元	港幣百萬元
未扣除減值損失之經營溢利	4,124	5,283*	4,581*
可歸屬於本集團股東溢利	1,532	1,000	2,260
<b>每股盈利及每股股息</b>	港幣元	港幣元	港幣元
基本盈利	0.39	0.22	0.67
股息	0.16	0.11	0.35
<b>主要比率</b>	%	%	%
平均資產回報率（年率） <sup>1</sup>	0.3	0.1	0.5
平均股東權益回報率（年率） <sup>2</sup>	2.5	1.4	4.1
成本對收入比率 <sup>3</sup>	51.3	48.2*	52.1*

## 於期末／年末

	港幣百萬元	港幣百萬元	港幣百萬元
<b>資產負債狀況</b>			
客戶貸款及墊款及貿易票據總額	512,308	524,107	521,186
資產總額	848,713	876,778	865,198
客戶存款及已發行存款證總額	611,229	646,008	647,586
股東權益總額	106,998	104,988	109,638
<b>主要比率</b>	%	%	%
貸款對存款比率 <sup>4</sup>	82.0	79.1	78.6
減值貸款比率 <sup>5</sup>	1.3	1.6	1.2
普通股權一級資本比率 <sup>6</sup>	16.5	15.3	15.6
一級資本比率 <sup>6</sup>	19.5	17.3	18.4
總資本比率 <sup>6</sup>	22.1	20.3	20.4

\*重報

附註：

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

## 公司資料

董事會特別顧問  
范禮賢博士

董事會  
執行董事  
李國寶爵士  
(執行主席)  
李民橋先生  
(聯席行政總裁)  
李民斌先生  
(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  
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

高級顧問  
陳子政先生

高層管理人員  
李民橋先生  
聯席行政總裁

李民斌先生  
聯席行政總裁

李繼昌先生  
副行政總裁兼投資總監

唐漢城先生  
副行政總裁兼營運總監

公司秘書  
羅春德先生

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

股份上市  
香港聯合交易所有限公司

股份登記處  
卓佳標準有限公司  
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BNY Mellon  
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傳真：(852) 3608 6000  
網站：www.hkbea.com  
電郵：info@hkbea.com

## 中期業績

本行董事會欣然宣布本集團截至2020年6月30日止6個月未經審核的業績(附註1(a))。除預計需要反映在2020年已審核賬項內的會計政策變動外，編製此中期財務報表的基礎，跟2019年度已審核賬項所採納的會計政策及方法是一致的。會計政策變動之詳情已列載於附註2。此中期財務報表是未經審核的，但畢馬威會計師事務所已按照香港會計師公會頒布之《香港審閱工作準則》第2410號「獨立核數師對中期財務信息的審閱」，審閱此中期財務報表。畢馬威會計師事務所致本行董事會之獨立審閱報告刊載於第185頁。

### 綜合收益表

		截至30/6/2020 止6個月	截至30/6/2019 止6個月 重報
	附註	港幣百萬元	港幣百萬元
利息收入	3	11,809	14,573
按有效利率方法計算的利息收入		11,928	14,276
其他利息(支出)／收入		(119)	297
利息支出	4	(5,695)	(7,150)
淨利息收入		6,114	7,423
服務費及佣金收入	5	1,854	1,878
服務費及佣金支出		(419)	(524)
服務費及佣金收入淨額		1,435	1,354
交易溢利淨額	6	453	416
通過損益以反映公平價值金融工具的淨表現	7	(106)	129
通過全面收益以反映公平價值金融資產的淨表現	8	37	108
出售按攤銷成本計量投資之淨虧損		—	(5)
對沖溢利淨額	9	36	17
保險業務淨收入	10	268	574
其他經營收入	11	237	185
非利息收入		2,360	2,778
經營收入		8,474	10,201
經營支出	12	(4,350)	(4,918)
未扣除減值損失之經營溢利		4,124	5,283
金融工具減值損失	13	(2,675)	(5,063)
持有作出售資產減值損失		(5)	—
無形資產減值損失		(2)	—
聯營公司減值損失	23	(220)	—
減值損失		(2,902)	(5,063)
已扣除減值損失後之經營溢利		1,222	220
出售持有作出售資產之淨溢利	14	2	82
出售附屬公司／聯營公司之淨溢利／(虧損)		341	(6)
出售固定資產之淨虧損	15	(11)	(6)
重估投資物業(虧損)／盈利	24	(130)	18
應佔聯營公司及合資企業溢利減虧損		190	328
期內除稅前溢利		1,614	636
所得稅	16	(56)	402
期內溢利		1,558	1,038

綜合收益表(續)

		截至30/6/2020 止6個月	截至30/6/2019 止6個月 重報
	附註	港幣百萬元	港幣百萬元
可歸屬於：			
本集團股東		1,532	1,000
非控股權益		26	38
期內溢利		<u>1,558</u>	<u>1,038</u>
本行的溢利		<u>2,496</u>	<u>3,246</u>
每股盈利			
基本	1(b)	港幣0.39元	港幣0.22元
攤薄	1(b)	港幣0.39元	港幣0.22元

## 綜合全面收益表

		截至30/6/2020 止6個月	截至30/6/2019 止6個月
	附註	港幣百萬元	港幣百萬元
淨溢利		1,558	1,038
期內其他全面收益：			
不可轉回收益表的項目：			
行址：			
－遞延稅項	32	1	1
公平價值儲備(股份工具)：			
－公平價值變動		(278)	418
－遞延稅項	32	6	(7)
負債信貸儲備：			
－因集團自身信貸風險而引致的公平價值變動		(11)	–
－遞延稅項	32	2	(1)
以後可能轉回收益表的項目：			
公平價值儲備(債務工具)：			
－公平價值變動		(1,480)	986
－於出售時轉入收益表的金額		(234)	(66)
－攤銷		(1)	(2)
－遞延稅項	32	311	(39)
對沖儲備(現金流對沖)：			
－對沖工具公平價值變動的有效部分		4	(4)
－轉入收益表的公平價值變動		(6)	(4)
應佔聯營公司及合資企業權益的變動		(148)	71
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		(1,045)	52
其他全面收益		(2,879)	1,405
全面收益總額		(1,321)	2,443
全面收益總額可歸屬於：			
本集團股東		(1,347)	2,411
非控股權益		26	32
		(1,321)	2,443

綜合財務狀況表

		30/6/2020	31/12/2019
	附註	港幣百萬元	港幣百萬元
<b>資產</b>			
現金及在銀行的結存	17	40,462	51,525
在銀行的存款及墊款	18	63,990	62,280
貿易票據	19	10,842	12,081
交易用途資產	20	1,270	1,273
衍生工具資產	39(a)	5,637	5,693
客戶貸款及墊款	21	496,372	505,336
投資證券	22	160,526	163,514
聯營公司及合資企業投資	23	8,481	9,970
固定資產	24	13,841	14,328
— 投資物業		5,202	5,333
— 其他物業及設備		7,685	7,907
— 使用權資產		954	1,088
商譽及無形資產		1,918	1,926
遞延稅項資產	32	1,738	1,563
其他資產	25	43,636	35,709
<b>資產總額</b>		<b>848,713</b>	<b>865,198</b>
<b>股東權益及負債</b>			
銀行的存款及結餘		36,791	27,915
— 指定為通過損益以反映公平價值	26	2,979	3,182
— 攤銷成本		33,812	24,733
客戶存款		552,558	573,527
— 活期存款及往來賬戶		63,932	66,760
— 儲蓄存款		156,921	139,742
— 定期及通知存款		331,705	367,025
交易用途負債	27	10	—
衍生工具負債	39(a)	10,456	7,654
已發行存款證		58,671	74,059
— 指定為通過損益以反映公平價值	26	19,137	27,401
— 攤銷成本		39,534	46,658
本期稅項		1,526	2,103
已發行債務證券		4,365	3,181
— 指定為通過損益以反映公平價值	26	—	—
— 攤銷成本		4,365	3,181
遞延稅項負債	32	176	584
其他負債	28	62,317	56,299
借貸資本—攤銷成本	29	14,845	10,238
<b>負債總額</b>		<b>741,715</b>	<b>755,560</b>
股本	1(d)	41,528	41,379
儲備	33	51,169	53,928
歸屬於本集團股東權益總額		92,697	95,307
額外股本工具	34	13,963	13,963
非控股權益		338	368
<b>股東權益總額</b>		<b>106,998</b>	<b>109,638</b>
<b>股東權益及負債總額</b>		<b>848,713</b>	<b>865,198</b>

## 綜合權益變動表

	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 備具 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	
	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
於2020年1月1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	
權益變動																
期內溢利	-	-	-	-	-	-	-	-	-	-	1,532	1,532	-	26	1,558	
其他全面收益	-	-	1	-	(1,045)	-	(1,676)	(2)	(9)	(148)	-	(2,879)	-	-	(2,879)	
全面收益總額	-	-	1	-	(1,045)	-	(1,676)	(2)	(9)	(148)	1,532	(1,347)	-	26	(1,321)	
以股代息發行的股份(附註1(c))	149	-	-	-	-	-	-	-	-	-	-	149	-	-	149	
以股份為基礎作支付之交易	-	-	-	-	-	2	-	-	-	-	-	2	-	-	2	
轉賬	-	-	-	(196)	-	(17)	-	-	-	(84)	297	-	-	-	-	
期內的分派及已宣布或 核准派發股息	-	-	-	-	-	-	-	-	-	-	(1,414)	(1,414)	-	(53)	(1,467)	
附屬公司之擁有權變動	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	(3)	
於2020年6月30日	41,528	13,651	1,849	894	(2,674)	148	655	(1)	(16)	5,115	31,548	92,697	13,963	338	106,998	
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	
權益變動																
期內溢利	-	-	-	-	-	-	-	-	-	-	1,000	1,000	-	38	1,038	
其他全面收益	-	-	1	-	58	-	1,290	(8)	(1)	71	-	1,411	-	(6)	1,405	
全面收益總額	-	-	1	-	58	-	1,290	(8)	(1)	71	1,000	2,411	-	32	2,443	
以股代息發行的股	1,269	-	-	-	-	-	-	-	-	-	-	1,269	-	-	1,269	
以股份為基礎作支付之交易	-	-	-	-	-	12	-	-	-	-	-	12	-	-	12	
轉賬	-	5	(5)	95	-	(18)	-	-	-	287	(364)	-	-	-	-	
期內的分派及已宣布或 核准派發股息	-	-	-	-	-	-	-	-	-	-	(2,263)	(2,263)	-	(52)	(2,315)	
附屬公司之擁有權變動	-	-	-	-	-	-	-	-	-	-	-	-	-	4	4	
於2019年6月30日	41,194	14,059	1,748	1,028	(1,368)	152	1,954	7	(4)	5,321	29,164	93,255	8,894	2,839	104,988	

註： 其他儲備包括法定儲備及其他儲備。

## 簡略綜合現金流量表

		截至30/6/2020 止6個月	截至30/6/2019 止6個月 重報 <sup>(註)</sup>
	附註	港幣百萬元	港幣百萬元
經營活動現金(流出)／流入淨額		(2,041)	13,195
已付所得稅			
已付香港利得稅		(738)	(16)
已付海外利得稅		(183)	(382)
(用於)／源自經營活動之現金淨額		(2,962)	12,797
投資活動			
收取聯營公司及合資企業股息		–	1
收取通過全面收益以反映公平價值股份證券股息		4	4
購入固定資產		(175)	(244)
出售其他物業及設備所得款項		1	16
出售持有作出售資產所得款項		8	372
出售聯營公司所得款項		906	–
增加持有聯營公司權益		–	(149)
源自投資活動之現金淨額		744	–
融資活動			
支付普通股股息		(921)	(689)
分派予混合／額外一級資本工具持有人	1(c)	(397)	(357)
發行債務證券		1,393	2,841
發行借貸資本		4,617	1,705
支付租賃負債		(215)	(181)
贖回已發行債務證券		(155)	(300)
支付已發行借貸資本利息		(269)	(361)
支付已發行債務證券利息		(113)	(44)
源自融資活動之現金淨額		3,940	2,614
現金及等同現金項目淨增額		1,722	15,411
於1月1日之現金及等同現金項目		94,638	86,020
匯率變動的影響		(1,212)	(74)
於6月30日之現金及等同現金項目	35	95,148	101,357
源自經營活動的現金流量包括：			
利息收入		12,067	14,563
利息支出		7,006	6,909
股息收入		15	25

註：以符合本期的呈報方式，若干2019年之比較數字經已重報，包括若干源自購入及出售非交易用途股份證券的現金流，經已由投資活動重新分類為經營活動，而源自發行及贖回已發行存款證的現金流，則由融資活動重新分類為經營活動。



## 中期財務報表附註

附註：

1. (a) 除預計需要反映在2020年年度財務報表內的會計政策變動外，編製此中期報告的會計政策與編製2019年年度財務報表是一致的。會計政策變動之詳情已列載於附註2。

作為比較信息被納入2020年中期報告的、與截至2019年12月31日止年度有關的財務信息雖然來源於本行的法定年度綜合財務報表，但不構成本行的法定年度綜合財務報表。《公司條例》第436條要求披露的與這些法定財務報表有關的更多信息如下：

按照《公司條例》第662(3)條及附表6第3部的要求，本行已向香港公司註冊處遞交截至2019年12月31日止年度的財務報表。

本行的核數師已就這些財務報表出具核數師報告。該核數師報告為無保留意見的核數師報告；其中不包含核數師在不出具保留意見的情況下以強調的方式提請使用者注意的任何事項；亦不包含根據《公司條例》第406(2)條及第407(2)或(3)條作出的聲明。

- (b) (i) 每股基本盈利乃按照已分派予混合／額外一級資本工具持有人港幣3.97億元（截至2019年6月30日止6個月：港幣3.57億元）後的可歸屬於本集團股東之期內溢利港幣11.35億元（截至2019年6月30日止6個月：港幣6.43億元）及截至2020年6月30日止6個月內已發行普通股份的加權平均數29.11億股（截至2019年6月30日止6個月：28.69億股）計算。
- (ii) 每股攤薄盈利乃按照已分派予混合／額外一級資本工具持有人港幣3.97億元（截至2019年6月30日止6個月：港幣3.57億元）後的可歸屬於本集團股東之期內溢利港幣11.35億元（截至2019年6月30日止6個月：港幣6.43億元）及就截至2020年6月30日止6個月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29.11億股（截至2019年6月30日止6個月：28.69億股）計算。

(c) 分派／股息

- (i) 可歸屬於本中期而應付予本集團股東的股息

	截至30/6/2020 止6個月 港幣百萬元	截至30/6/2019 止6個月 港幣百萬元
在中期後已宣布派發中期股息予29.15億股 每股港幣0.16元（截至2019年6月30日止6個月： 28.97億股每股港幣0.11元）	466	319

於報告期結束日該中期股息並未確認為負債。

中期財務報表附註(續)

1. (c) 分派／股息(續)

(ii) 已核准及在本中期支付可歸屬於上年度應付予本集團股東的股息

	截至30/6/2020 止6個月 港幣百萬元	截至30/6/2019 止6個月 港幣百萬元
第二次中期股息予29.06億股每股港幣0.35元 (2019年：28.46億股每股港幣0.32元)	1,017	910
特別股息予28.46億股每股港幣0.35元	—	996
	<u>1,017</u>	<u>1,906</u>

(iii) 分派予混合／額外一級資本工具持有人

	截至30/6/2020 止6個月 港幣百萬元	截至30/6/2019 止6個月 港幣百萬元
已付或應付予混合一級資本工具的利息	—	106
已付予額外一級資本工具的分派	397	251
	<u>397</u>	<u>357</u>

(d) 股本

本行普通股的變動列示如下：

	於30/6/2020		於31/12/2019	
	股份數目 百萬	港幣百萬元	股份數目 百萬	港幣百萬元
已發行及繳足普通股：				
於1月1日	2,907	41,379	2,846	39,925
以股代息發行的股份	8	149	61	1,454
	<u>2,915</u>	<u>41,528</u>	<u>2,907</u>	<u>41,379</u>
於6月30日／12月31日				

## 2. 會計政策之變動

除下文所述者外，編製此中期財務報表時所採納的會計政策與本集團於2019年12月31日及截至該日止年度的綜合財務報表相同。

本集團自2020年1月1日起初始採用《香港財務報告準則》第9號「金融工具」、《香港會計準則》第39號「金融工具：確認與計量」及《香港財務報告準則》第7號「金融工具：披露」有關利率基準改革之修訂，並提前採用《香港財務報告準則》第16號「租賃」有關2019冠狀病毒病相關租金寬免之修訂。若干其他新準則已於2020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。預期這些會計政策變動亦將在本集團於2020年12月31日及截至該日止年度的綜合財務報表內反映。

*利率基準改革：《香港財務報告準則》第9號、《香港會計準則》第39號及《香港財務報告準則》第7號之修訂*

利率基準改革是一項全球倡議，旨在取代或改革銀行間同業拆借利率，該等利率用於釐定金融工具的利息現金流量，例如客戶貸款、債務證券及衍生工具。改革的目的是以基於實際市場交易的其他近似無風險利率取代銀行間同業拆借利率。因此，參考該等銀行間同業拆借利率為基準的財務合約可能需要更改參考適用貨幣之其他近似無風險利率。《香港財務報告準則》第9號、《香港會計準則》第39號及《香港財務報告準則》第7號之修訂對特定對沖會計的規定作出修改，以減輕因利率基準改革所引起的不確定因素之潛在影響，以使實體採用該等對沖會計規定時，假設被對沖的現金流及用作對沖工具的現金流所依據的利率基準並無因利率基準改革而改變。有關修訂豁免了對利率基準預計被改革或取代後的期間，處理對沖現金流或利率風險承擔變動的若干對沖會計關係時運用特定判斷以釐定該等關係是否仍合資格採用對沖會計法的需要。

於釐定何時能解決因利率基準改革所引起的不確定因素，並停止應用暫時性豁免，須運用重大判斷。於2020年6月30日，本集團認為尚無法可靠地估計所有假設在修訂範圍之內以利率基準為參考基準的不確定因素何時得到解決。故此，暫時性豁免適用於本集團所有對沖會計關係，當中的參考基準可予改革或取代。

本集團訂立固定浮動利率掉期以對沖若干定息金融工具因市場利率波動而出現公平價值變動的影響，當中包括已發行的後償票據、債券投資及客戶貸款及墊款。於2020年6月30日，下列按公平價值對沖會計關係指定的衍生工具與銀行間同業拆借參考利率相關：

	30/6/2020	
	指定名義金額	加權平均 承擔年期
	港幣百萬元	
利率掉期合約		
美元銀行間同業拆借利率相關	61,442	3.37
澳元銀行票據掉期利率相關	6,645	0.49
歐元銀行間同業拆借利率相關	4,157	0.23
香港銀行間同業拆借利率相關	915	0.03
新加坡元掉期利率相關	745	0.02
紐西蘭元銀行票據參考利率相關	703	0.03
	<u>74,607</u>	<u>4.17</u>

## 中期財務報表附註(續)

### 2. 會計政策之變動(續)

利率基準改革：《香港財務報告準則》第9號、《香港會計準則》第39號及《香港財務報告準則》第7號之修訂(續)

指定按合資格對沖會計法列賬的利率衍生工具之名義合約金額顯示於報告日未平倉交易的面值，並不代表所承擔的風險額。

關於市場利率基準改革影響的風險及管治載於中期報告的「有關銀行同業拆借利率改革的過渡安排」一節。

2019冠狀病毒病相關租金寬免：《香港財務報告準則》第16號之修訂

《香港財務報告準則》第16號之修訂提供務實權宜方法，豁免承租人考慮個別租賃合約因2019冠狀病毒病大流行而直接產生的租金寬免是否屬於租賃修改。務實權宜方法僅適用於2019冠狀病毒病大流行直接產生的租金寬免，並且必須符合以下所有條件：

- 因租賃款項變動而經修訂的租賃代價大致相同或小於緊接變動前的租賃代價；
- 任何減免的租賃款項僅影響原於2021年6月30日或之前到期的付款；和
- 租賃的其他條款並沒有重大變化。

該修訂自2020年6月1日或之後開始的年度報告期間生效，並容許提前採納。本集團於2020年1月1日提前應用該修訂於所有符合條件之租金寬免。期內已確認並包括在「不包括計量租賃負債的可變租賃款項」(附註12)的租金寬免為港幣200萬元。

### 3. 利息收入

	截至30/6/2020 止6個月	截至30/6/2019 止6個月 重報
	港幣百萬元	港幣百萬元
貸款、在銀行的存款、及貿易票據	9,962	12,235
投資證券		
— 按攤銷成本或通過其他全面收益以反映公平價值	1,724	2,095
— 指定為通過損益以反映公平價值	23	64
— 強制按通過損益以反映公平價值	86	133
交易用途資產	14	46
	<u>11,809</u>	<u>14,573</u>

就已對沖利率風險的交易而言，作為賺取利息金融資產的合格對沖工具或可個別地與賺取利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119.28億元(截至2019年6月30日止6個月：港幣142.76億元)。

中期財務報表附註(續)

4. 利息支出

	截至30/6/2020 止6個月 港幣百萬元	截至30/6/2019 止6個月 港幣百萬元
客戶存款及銀行的存款		
—按攤銷成本	4,582	5,870
—指定為通過損益以反映公平價值	27	32
已發行存款證及債務證券		
—按攤銷成本	592	659
—指定為通過損益以反映公平價值	226	205
按攤銷成本列賬的後償票據	248	361
租賃負債	18	21
其他借款	2	2
	<u>5,695</u>	<u>7,150</u>

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54.76億元(截至2019年6月30日止6個月：港幣68.81億元)。

5. 服務費及佣金收入

服務費及佣金收入分類如下：

	截至30/6/2020 止6個月 港幣百萬元	截至30/6/2019 止6個月 重報 <sup>(註)</sup> 港幣百萬元
信用卡	485	598
貸款、透支及擔保	381	347
投資產品	222	158
證券及經紀	167	101
信託及其他代理業務	139	145
貿易融資	137	169
其他零售銀行服務	81	81
銷售第三者發行的保單	26	33
財務諮詢	11	19
其他	205	227
	<u>1,854</u>	<u>1,878</u>

其中：

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金融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)

服務費收入  
服務費支出

	1,442	1,362
	<u>1,854</u>	<u>1,878</u>
	<u>(412)</u>	<u>(516)</u>

註：由於須更準確地反映收入的性質，若干2019年的投資產品、信託及其他代理業務及其他零售銀行服務類別的服務費及佣金收入經已重新分類，及若干2019年來自貸款的服務費收入經已重新分類為利息收入(附註3)。

中期財務報表附註(續)

6. 交易溢利淨額

	截至30/6/2020 止6個月 港幣百萬元	截至30/6/2019 止6個月 港幣百萬元
外幣買賣及外匯掉期溢利	223	163
交易用途證券(虧損)/溢利	(42)	183
衍生工具淨盈利	262	49
其他交易業務虧損	(1)	-
交易用途股份證券的股息收入	11	21
	<u>453</u>	<u>416</u>

7. 通過損益以反映公平價值金融工具的淨表現

	截至30/6/2020 止6個月 港幣百萬元	截至30/6/2019 止6個月 港幣百萬元
來自指定為通過損益以反映公平價值金融工具的淨虧損	(88)	(44)
來自強制按通過損益以反映公平價值金融工具的淨 (虧損)/溢利(除已包括在交易溢利淨額內)	(18)	173
	<u>(106)</u>	<u>129</u>

8. 通過全面收益以反映公平價值金融資產的淨表現

	截至30/6/2020 止6個月 港幣百萬元	截至30/6/2019 止6個月 重報 <sup>(註)</sup> 港幣百萬元
出售債務證券之淨溢利	33	104
股份證券股息收入	4	4
	<u>37</u>	<u>108</u>

註：由於須更準確地反映收入的性質，若干2019年中來自按通過全面收益以反映公平價值股份證券的股息收入經已由其他經營收入(附註11)重新分類至此項下，以符合本期的呈報方式。

9. 對沖溢利淨額

	截至30/6/2020 止6個月 港幣百萬元	截至30/6/2019 止6個月 港幣百萬元
公平價值對沖		
—可歸屬於被對沖項目之對沖風險產生的淨溢利	3,067	1,649
—用作對沖工具的淨虧損	(3,031)	(1,632)
	<u>36</u>	<u>17</u>

截至2020年6月30日止6個月及2019年6月30日止6個月，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。

中期財務報表附註(續)

10. 保險業務淨收入

	截至30/6/2020 止6個月 港幣百萬元	截至30/6/2019 止6個月 港幣百萬元
(a) 保險業務淨收入		
淨利息收入	326	312
交易虧損淨額	(80)	(43)
來自強制按通過損益以反映公平價值 其他金融工具的淨(虧損)/溢利	(161)	515
淨保費	(b) 4,140	3,686
	4,225	4,470
保險索償及支出淨額	(c) (4,155)	(3,935)
	70	535
經營支出	(1)	(2)
金融工具減值損失支銷	(27)	(3)
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	226	44
	268	574
(b) 淨保費		
保費收入總額(註)	4,172	3,716
保費收入總額之分保份額	(32)	(30)
	4,140	3,686
(c) 保險索償及支出淨額		
已付索償、利益及退保 準備金變動	1,478	1,797
	2,625	2,060
	4,103	3,857
	(36)	(251)
已付索償、利益及退保之分保份額 準備金變動之分保份額	12	249
	(24)	(2)
	4,079	3,855
保險佣金支出淨額	76	80
	4,155	3,935

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。

中期財務報表附註(續)

11. 其他經營收入

	截至30/6/2020 止6個月	截至30/6/2019 止6個月 重報
	港幣百萬元	港幣百萬元
保險箱租金收入	61	59
物業租金收入	80	88
政府補貼—「保就業」計劃	42	—
其他	54	38
	<u>237</u>	<u>185</u>

12. 經營支出

	截至30/6/2020 止6個月	截至30/6/2019 止6個月
	港幣百萬元	港幣百萬元
定額供款公積金供款		
–香港	94	84
–香港以外	54	119
以股份為基礎作支付的費用	2	12
薪金及其他員工成本	2,292	2,433
員工成本總額	<u>2,442</u>	<u>2,648</u>
不包括折舊的物業及設備支出		
–有關短期租賃支出	8	47
–不包括計量租賃負債的可變租賃款項	—	3
–保養、維修及其他	322	293
不包括折舊的物業及設備支出總額	<u>330</u>	<u>343</u>
折舊		
–行址、傢俬、裝修及設備	274	263
–使用權資產	218	186
	<u>492</u>	<u>449</u>
無形資產攤銷	7	7
其他經營支出		
–互聯網平台費用	291	476
–法律及專業服務費	218	219
–通訊、文具及印刷	130	128
–廣告費	89	129
–有關信用卡支出	73	96
–保險費	65	64
–印花稅、預提稅及增值稅	49	70
–業務推廣及商務旅遊	24	48
–其他	140	241
其他經營支出總額	<u>1,079</u>	<u>1,471</u>
經營支出總額	<u>4,350</u>	<u>4,918</u>



中期財務報表附註(續)

13. 金融工具減值損失

	截至30/6/2020 止6個月	截至30/6/2019 止6個月
	港幣百萬元	港幣百萬元
客戶貸款及墊款	2,552	5,015
其他	123	48
	<u>2,675</u>	<u>5,063</u>

14. 出售持有作出售資產之淨溢利

	截至30/6/2020 止6個月	截至30/6/2019 止6個月
	港幣百萬元	港幣百萬元
出售出售組別之淨溢利／(虧損)	2	(26)
出售物業之淨溢利	-	108
	<u>2</u>	<u>82</u>

15. 出售固定資產之淨虧損

	截至30/6/2020 止6個月	截至30/6/2019 止6個月
	港幣百萬元	港幣百萬元
出售行址、傢俬、裝修及設備之淨虧損	<u>(11)</u>	<u>(6)</u>

中期財務報表附註(續)

16. 所得稅

綜合收益表內的稅項指：

	截至30/6/2020 止6個月 港幣百萬元	截至30/6/2019 止6個月 港幣百萬元
本期稅項－香港		
本年度稅項	332	518
往年度過剩的回撥	(139)	(147)
	<u>193</u>	<u>371</u>
本期稅項－香港以外		
本年度稅項	156	346
往年度過剩的回撥	(2)	(68)
	<u>154</u>	<u>278</u>
遞延稅項		
暫時性差異的源生及轉回	(291)	(1,051)
	<u>56</u>	<u>(402)</u>

香港利得稅款是以截至2020年6月30日止6個月預計應課稅溢利按稅率16.5% (截至2019年6月30日止6個月：16.5%)計算。

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。

17. 現金及在銀行的結存

	30/6/2020 港幣百萬元	31/12/2019 港幣百萬元
現金	1,104	1,228
在中央銀行的結存	25,716	35,252
在其他銀行的結存	13,649	15,054
	<u>40,469</u>	<u>51,534</u>
減：減值準備	(7)	(9)
－第一階段	(7)	(9)
－第二階段	—	—
－第三階段	—	—
	<u>40,462</u>	<u>51,525</u>

中期財務報表附註(續)

18. 在銀行的存款及墊款

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
在銀行的存款及墊款		
到期期限		
-1個月內	60,252	46,796
-1個月至1年內	3,740	15,333
-1年後	-	156
	<u>63,992</u>	<u>62,285</u>
減：減值準備	(2)	(5)
-第一階段	(2)	(5)
-第二階段	-	-
-第三階段	-	-
	<u>63,990</u>	<u>62,280</u>
其中：		
在中央銀行的存款及墊款	-	-

19. 貿易票據

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
按攤銷成本	74	620
減：減值準備	(1)	-
-第一階段	(1)	-
-第二階段	-	-
-第三階段	-	-
	<u>73</u>	<u>620</u>
按通過其他全面收益以反映公平價值	10,769	11,461
	<u>10,842</u>	<u>12,081</u>

20. 交易用途資產

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
國庫債券(包括外匯基金票據)	-	34
債務證券	462	56
股份證券	808	1,183
	<u>1,270</u>	<u>1,273</u>

中期財務報表附註(續)

21. 客戶貸款及墊款

(a) 客戶貸款及墊款

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
按攤銷成本計量的客戶貸款及墊款	501,465	509,105
減：減值準備	(5,093)	(3,769)
— 第一階段	(876)	(501)
— 第二階段	(1,022)	(516)
— 第三階段	(3,195)	(2,752)
	<u>496,372</u>	<u>505,336</u>

(b) 客戶貸款及墊款—按行業分類

按行業分類的客戶貸款及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。

	30/6/2020		31/12/2019 重報 <sup>(註)</sup>	
	墊款總額	有抵押墊款 的百分比	墊款總額	有抵押墊款 的百分比
	港幣百萬元	百分率	港幣百萬元	百分率
在香港使用的貸款				
工商金融				
— 物業發展	24,464	57.57	25,243	59.07
— 物業投資	50,305	89.41	49,904	89.77
— 金融企業	15,250	54.38	15,322	63.71
— 股票經紀	3,493	92.77	1,694	70.22
— 批發與零售業	6,247	53.12	7,156	53.63
— 製造業	3,796	49.54	3,510	50.49
— 運輸與運輸設備	5,570	57.30	4,736	64.85
— 娛樂活動	85	71.87	99	71.92
— 資訊科技	394	4.36	655	2.19
— 其他	19,202	53.61	17,256	58.99
— 小計	<u>128,806</u>	69.37	<u>125,575</u>	71.36
個人				
— 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」 樓宇貸款	1,197	100.00	1,124	100.00
— 購買其他住宅物業的貸款	88,827	100.00	89,319	100.00
— 信用卡墊款	4,333	0.00	4,696	0.00
— 其他	25,781	81.57	26,599	80.73
— 小計	<u>120,138</u>	92.44	<u>121,738</u>	91.93
在香港使用的貸款總額	248,944	80.50	247,313	81.49
貿易融資	3,958	50.82	3,686	53.24
在香港以外使用的貸款*	<u>248,563</u>	38.34	<u>258,106</u>	41.29
客戶墊款總額	<u>501,465</u>	59.37	<u>509,105</u>	60.90

中期財務報表附註(續)

21. 客戶貸款及墊款(續)

(b) 客戶貸款及墊款—按行業分類(續)

註：以符合本期的呈報方式，若干2019年之比較數字經已重報，包括若干在「其他」類別的墊款，經已重新分類為「物業發展」、「物業投資」及「購買其他住宅物業的貸款」之類別。

\* 在香港以外使用的貸款包括以下在內地使用的貸款。

	30/6/2020		31/12/2019	
	墊款總額	有抵押墊款的百分比	墊款總額	有抵押墊款的百分比
	港幣百萬元	百分率	港幣百萬元	百分率
在內地使用的貸款				
工商金融				
—物業發展	40,148	31.17	41,117	34.72
—物業投資	14,260	84.60	16,957	90.50
—金融企業	34,345	1.53	32,658	3.43
—批發與零售業	6,449	33.49	7,771	46.21
—製造業	6,054	13.84	5,556	13.30
—運輸與運輸設備	1,709	54.89	2,315	73.20
—娛樂活動	85	65.00	560	2.89
—資訊科技	1,023	1.11	1,326	0.90
—其他	16,512	24.57	16,341	27.53
—小計	120,585	27.50	124,601	33.14
個人				
—購買其他住宅物業的貸款	13,030	99.97	13,360	99.97
—信用卡墊款	7,422	0.00	8,631	0.00
—其他	13,725	2.05	17,838	1.48
—小計	34,177	38.94	39,829	34.20
在內地使用的貸款總額	154,762	30.03	164,430	33.40

中期財務報表附註(續)

21. 客戶貸款及墊款(續)

(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：

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
(i) 物業發展		
a. 已個別減值的貸款	1,324	1,329
b. 特殊準備	448	257
c. 整體準備	124	139
d. 於收益表支銷的準備	284	1,745
e. 撇銷	—	2,058
(ii) 物業投資		
a. 已個別減值的貸款	1,057	1,076
b. 特殊準備	470	301
c. 整體準備	502	289
d. 於收益表支銷的準備	562	1,327
e. 撇銷	—	1,657
(iii) 購買其他住宅物業的貸款		
a. 已個別減值的貸款	310	264
b. 特殊準備	14	19
c. 整體準備	161	71
d. 於收益表支銷的準備	129	68
e. 撇銷	—	6
(iv) 金融企業		
a. 已個別減值的貸款	—	48
b. 特殊準備	—	—
c. 整體準備	211	101
d. 於收益表支銷的準備	136	58
e. 撇銷	—	—

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。

中期財務報表附註(續)

21. 客戶貸款及墊款(續)

(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30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。

	30/6/2020				
	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
	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
香港	257,023	522	1,320	455	530
內地	170,443	2,839	4,703	2,646	1,154
其他亞洲國家及地區	30,942	74	119	44	127
其他	43,057	7	332	50	87
總額	<u>501,465</u>	<u>3,442</u>	<u>6,474</u>	<u>3,195</u>	<u>1,898</u>
佔客戶墊款總額的百分比			<u>1.29%</u>		
減值客戶墊款抵押品市值			<u>5,021</u>		

中期財務報表附註(續)

21. 客戶貸款及墊款(續)

(c) 客戶貸款及墊款-按區域分類(續)

	31/12/2019				
	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
	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
香港	252,488	391	716	176	396
內地	186,380	1,603	4,997	2,508	533
其他亞洲國家及地區	30,255	110	156	68	62
其他	39,982	-	320	-	26
總額	<u>509,105</u>	<u>2,104</u>	<u>6,189</u>	<u>2,752</u>	<u>1,017</u>
佔客戶墊款總額的百分比			<u>1.22%</u>		
減值客戶墊款抵押品市值			<u>4,958</u>		

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。以上按國家或區域的分類的資料，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。



中期財務報表附註(續)

22. 投資證券

	30/6/2020				
	強制按 通過損益 以反映公平 價值計量	指定為通過 損益以反映 公平價值	按通過其他 全面收益 以反映公平 價值計量	按攤銷 成本計量	總額
	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
國庫債券(包括外匯基金票據)	-	-	25,756	2,829	28,585
持有存款證	-	-	1,053	1,186	2,239
債務證券	6,241	-	106,749	12,195	125,185
股份證券	2,830	-	777	-	3,607
投資基金	910	-	-	-	910
	<u>9,981</u>	<u>-</u>	<u>134,335</u>	<u>16,210</u>	<u>160,526</u>
	31/12/2019				
	強制按 通過損益 以反映公平 價值計量	指定為通過 損益以反映 公平價值	按通過其他 全面收益 以反映公平 價值計量	按攤銷 成本計量	總額
	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
國庫債券(包括外匯基金票據)	-	-	35,719	3,008	38,727
持有存款證	-	-	1,141	1,604	2,745
債務證券	8,095	446	96,268	13,693	118,502
股份證券	1,972	-	1,055	-	3,027
投資基金	513	-	-	-	513
	<u>10,580</u>	<u>446</u>	<u>134,183</u>	<u>18,305</u>	<u>163,514</u>

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。

**指定為通過全面收益以反映公平價值的股份證券**

	30/6/2020		31/12/2019	
	於30/6/2020 的公平價值	已確認 股息收入	於31/12/2019 的公平價值	已確認 股息收入
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
持有作長期策略用途的股份投資	<u>777</u>	<u>4</u>	<u>1,055</u>	<u>12</u>

中期財務報表附註(續)

23. 聯營公司及合資企業投資

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
應佔淨資產	8,647	9,579
商譽	451	788
	9,098	10,367
減：減值準備	(617)	(397)
	<u>8,481</u>	<u>9,970</u>

於2020年6月30日，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為港幣33.65億元，並於2020年6月30日確認額外減值損失港幣2.20億元，使對AFFIN的減值準備總額達6.17億港元。使用價值計算方法使用了集團管理層基於AFFIN最新對財務業績的預測以及對未來五年的估計的折現現金流量預測，並使用3%長期增長率永久性推算得出終端價值。在價值計算方法中使用基於AFFIN的資本資產定價模型計算得出的11.5%(於2019年12月31日：10.3%)的折現率。

中期財務報表附註(續)

24. 固定資產

	30/6/2020							
	投資物業	行址	傢俬、裝修 及設備	小計	使用權資產 —行址	使用權資產 —傢俬、 裝修及設備	小計	總額
	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
成本或估值								
於2020年1月1日	5,333	8,160	5,962	14,122	1,457	23	1,480	20,935
增置	-	3	172	175	113	-	113	288
重估虧損	(130)	-	-	-	-	-	-	(130)
出售	-	-	(77)	(77)	-	-	-	(77)
重新計量	-	-	-	-	3	-	3	3
租約屆滿/終止	-	-	-	-	(71)	-	(71)	(71)
轉入持有作出售資產	-	(34)	-	(34)	-	-	-	(34)
匯兌調整	(1)	(100)	(46)	(146)	(23)	-	(23)	(170)
於2020年6月30日	5,202	8,029	6,011	14,040	1,479	23	1,502	20,744
累計折舊及攤銷								
於2020年1月1日	-	2,049	4,166	6,215	388	4	392	6,607
期內支銷	-	75	199	274	215	3	218	492
租約屆滿/終止	-	-	-	-	(59)	-	(59)	(59)
出售時撇銷	-	-	(65)	(65)	-	-	-	(65)
轉入持有作出售資產	-	(13)	-	(13)	-	-	-	(13)
匯兌調整	-	(25)	(31)	(56)	(3)	-	(3)	(59)
於2020年6月30日	-	2,086	4,269	6,355	541	7	548	6,903
賬面淨值於2020年6月30日	5,202	5,943	1,742	7,685	938	16	954	13,841
賬面淨值於2019年12月31日	5,333	6,111	1,796	7,907	1,069	19	1,088	14,328
上述資產的總額列示如下：								
按成本	-	7,281	6,011	13,292	1,479	23	1,502	14,794
按董事估值								
—1989	-	748	-	748	-	-	-	748
按專業估值								
—2020	5,202	-	-	-	-	-	-	5,202
	5,202	8,029	6,011	14,040	1,479	23	1,502	20,744

中期財務報表附註(續)

25. 其他資產

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
應計利息	2,776	3,034
承兌客戶負債	23,280	21,513
其他賬項*	17,731	11,318
減：減值準備	(199)	(195)
— 第一階段	(18)	(44)
— 第二階段	(3)	(7)
— 第三階段	(178)	(144)
	<u>43,588</u>	<u>35,670</u>
持有作出售資產(附註44)	<u>48</u>	<u>39</u>
	<u><u>43,636</u></u>	<u><u>35,709</u></u>

\* 包括由《香港財務報告準則》第15號所產生的合約資產為無(2019年12月31日：無)。

26. 指定為通過損益以反映公平價值的金融負債

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
銀行存款及結餘	2,979	3,182
已發行存款證	19,137	27,401
	<u>22,116</u>	<u>30,583</u>

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。

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。

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
於1月1日結餘	(7)	(3)
期內在其他全面收益表內確認的金額	(9)	(4)
於6月30日/12月31日結餘	<u>(16)</u>	<u>(7)</u>

在2020年上半年期內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(2019年12月31日：無)。

計算可歸屬於金融負債信貸風險的公平價值變動是根據於報告日該等金融負債的公平價值與經調整資產掉期利差之現值後的差額。

於2020年6月30日，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1,800萬元(2019年12月31日：低於港幣1.64億元)。

中期財務報表附註(續)

27. 交易用途負債

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
股份空倉	10	-

28. 其他負債

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
應計應付利息	2,274	3,585
應付承兌票據	23,280	21,513
減值準備	98	82
—已發出財務擔保合約	6	8
—已發出貸款承擔	92	74
租賃負債	991	1,107
其他賬項*	35,674	30,012
	62,317	56,299

\* 包括由《香港財務報告準則》第15號所產生的合約負債港幣6.15億元(2019年12月31日：港幣6.16億元)。

29. 借貸資本

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
按攤銷成本及經公平價值對沖調整後列賬的後償票據		
在2020年7月16日到期的定息6億美元後償票據 (1)	4,656	4,699
在2026年11月3日到期的定息5億美元後償票據 (2)	3,928	3,864
按攤銷成本列賬及並未對沖的後償票據		
在2030年5月29日到期的定息6億美元後償票據 (3)	4,618	-
在2029年4月25日到期的定息人民幣15億元後償票據 (4)	1,643	1,675
	14,845	10,238

29. 借貸資本(續)

截至2020年6月30日及2019年12月31日止期內／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) 兩宗票面值總額港幣46.50億元(6億美元)及賬面總額港幣46.56億元(於2019年12月31日：港幣46.99億元)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2020年上半年，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400萬元(2019年上半年：港幣300萬元虧損)。
- (2) 票面值港幣38.75億元(5億美元)及賬面值港幣39.28億元(於2019年12月31日：港幣38.64億元)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2020年上半年，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100萬元(2019年上半年：港幣70萬元虧損)。
- (3) 票面值港幣46.50億元(6億美元)及賬面值港幣46.18億元的借貸資本，是指由本行於2020年5月29日發行年息4%，並評定為二級資本及符合吸收虧損能力之要求。該等票據於聯交所上市，並將於2030年5月29日到期。
- (4) 票面值港幣16.45億元(人民幣15億元)及賬面值港幣16.43億元(於2019年12月31日：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。

### 30. 分部報告

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。本集團列報以下九個可匯報分部。

#### 香港業務

香港業務包括本行在香港經營的銀行業務及其他業務，分類為以下六個可匯報分部。

- **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、按揭貸款及個人信用卡業務。
- **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、投資產品和諮詢及信託及其他代理業務。
- **中央營運**包括在香港業務之後勤單位。
- **其他業務**主要包括由在香港附屬公司經營之保險業務、信託業務、證券及期貨經紀及企業財務諮詢，及在香港以外但支援香港業務之後勤單位。

#### 內地業務

內地業務主要包括在香港支援中國內地業務之後勤單位、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香港業務之附屬公司。

#### 國際業務

國際業務包括在香港支援國際銀行業務之後勤單位、所有在海外經營的分行包括澳門及台灣、附屬公司及聯營公司。

#### 企業管理

企業管理承擔本行發行借貸資本的監管資本成本及向香港業務收取由本行發行資本工具的利息。

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：

除聯營公司及合資企業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。

中期財務報表附註(續)

30. 分部報告(續)

	香港業務													
	香港銀行業務							其他	總額	內地業務	國際業務	企業管理	分部間之 交易抵銷	總額
	個人銀行	企業銀行	財資市場	財富管理	中央營運	總額	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	
截至2020年6月30日止6個月														
淨利息收入/(支出)	1,562	1,192	156	169	(57)	3,022	82	3,104	2,060	737	213	-	6,114	
非利息收入/(支出)	493	274	(18)	222	212	1,183	465	1,648	571	160	-	(19)	2,360	
經營收入	2,055	1,466	138	391	155	4,205	547	4,752	2,631	897	213	(19)	8,474	
經營支出	(838)	(152)	(84)	(112)	(1,039)	(2,225)	(219)	(2,444)	(1,580)	(345)	-	19	(4,350)	
未扣除減值損失之 經營溢利/(虧損)	1,217	1,314	54	279	(884)	1,980	328	2,308	1,051	552	213	-	4,124	
金融工具的減值損失 (支銷)/回撥	(117)	(564)	(73)	5	(2)	(751)	(3)	(754)	(1,715)	(206)	-	-	(2,675)	
持有作出售資產減值損失	-	-	-	-	-	-	-	-	(5)	-	-	-	(5)	
無形資產減值損失	-	-	-	-	-	-	-	-	(2)	-	-	-	(2)	
聯營公司減值損失	-	-	-	-	-	-	-	-	-	(220)	-	-	(220)	
已扣除減值損失後之 經營溢利/(虧損)	1,100	750	(19)	284	(886)	1,229	325	1,554	(671)	126	213	-	1,222	
出售持有作出售資產 之淨溢利	-	-	-	-	-	-	-	-	1	1	-	-	2	
出售附屬公司/聯營公司 之淨溢利	-	-	-	-	-	-	-	-	-	341	-	-	341	
出售固定資產之 淨溢利/(虧損)	(7)	-	-	-	1	(6)	-	(6)	(4)	(1)	-	-	(11)	
重估投資物業虧損	-	-	-	-	(110)	(110)	(20)	(130)	-	-	-	-	(130)	
應佔聯營公司及合資企業 溢利減虧損	-	-	-	-	-	-	(4)	(4)	72	122	-	-	190	
除稅前溢利/(虧損)	1,093	750	(19)	284	(995)	1,113	301	1,414	(602)	589	213	-	1,614	
期內折舊	(172)	(3)	(3)	(2)	(105)	(285)	(20)	(305)	(153)	(34)	-	-	(492)	
於2020年6月30日														
分部資產	116,316	159,922	200,418	27,766	12,233	516,655	31,647	548,302	221,402	110,772	-	(40,292)	840,184	
聯營公司及合資企業投資	-	-	-	-	-	-	74	74	3,758	4,649	-	-	8,481	
其他資產-持有作出售資產	-	-	-	-	25	25	-	25	23	-	-	-	48	
資產總額	116,316	159,922	200,418	27,766	12,258	516,680	31,721	548,401	225,183	115,421	-	(40,292)	848,713	
負債總額	315,026	38,558	74,116	24,944	3,916	456,560	26,054	482,614	196,343	102,229	-	(39,471)	741,715	



中期財務報表附註(續)

30. 分部報告(續)

	香港業務												
	香港銀行業務											分部間之 交易抵銷	總額
	個人銀行	企業銀行	財資市場	財富管理	中央營運	總額	其他	總額	內地業務	國際業務	企業管理		
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
截至2019年6月30日止6個月 重報 <sup>(E)</sup>													
淨利息收入/(支出)	1,689	1,143	536	201	(62)	3,507	74	3,581	2,845	818	179	-	7,423
非利息收入	461	229	248	206	148	1,292	805	2,097	559	139	-	(17)	2,778
經營收入	2,150	1,372	784	407	86	4,799	879	5,678	3,404	957	179	(17)	10,201
經營支出	(816)	(160)	(72)	(109)	(1,021)	(2,178)	(230)	(2,408)	(2,181)	(346)	-	17	(4,918)
未扣除減值損失之 經營溢利/(虧損)	1,334	1,212	712	298	(935)	2,621	649	3,270	1,223	611	179	-	5,283
金融工具的減值 損失(支銷)/回撥	(98)	12	21	(1)	1	(65)	(2)	(67)	(5,066)	70	-	-	(5,063)
已扣除減值損失後之經營 溢利/(虧損)	1,236	1,224	733	297	(934)	2,556	647	3,203	(3,843)	681	179	-	220
出售持有作出售資產 之淨溢利/(虧損)	-	-	-	-	105	105	-	105	(23)	-	-	-	82
出售附屬公司/聯營公司 之淨虧損	-	-	-	-	-	-	-	-	-	(6)	-	-	(6)
出售固定資產之淨虧損	(6)	-	-	-	-	(6)	-	(6)	-	-	-	-	(6)
重估投資物業盈利	-	-	-	-	15	15	2	17	-	1	-	-	18
應佔聯營公司及合資企業 溢利減虧損	-	-	-	-	-	-	3	3	63	262	-	-	328
除稅前溢利/(虧損)	1,230	1,224	733	297	(814)	2,670	652	3,322	(3,803)	938	179	-	636
期內折舊	(146)	(1)	(3)	(1)	(99)	(250)	(14)	(264)	(152)	(33)	-	-	(449)
於2019年12月31日 重報 <sup>(E)</sup>													
分部資產	117,815	160,856	199,827	28,342	11,694	518,534	29,169	547,703	241,082	113,978	-	(47,574)	855,189
聯營公司及合資企業投資	-	-	-	-	-	-	79	79	3,741	6,150	-	-	9,970
其他資產-持有作出售資產	-	-	-	-	5	5	-	5	34	-	-	-	39
資產總額	117,815	160,856	199,827	28,342	11,699	518,539	29,248	547,787	244,857	120,128	-	(47,574)	865,198
負債總額	325,912	38,606	68,813	22,709	3,060	459,100	23,594	482,694	213,666	105,872	-	(46,672)	755,560

註：在報告期間，分部之處理方法有所修訂以提供可較公正地比較各營運分部的表現，以方便高層管理人員作出有關於更有效分配資源及評估個別營運分部表現之決策，2019年的比較數字已經重報以符合本期的呈報方式。

中期財務報表附註(續)

31. 資產及負債的剩餘期限分析

	30/6/2020							總額 港幣百萬元
	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	
	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>資產</b>								
現金及在銀行的結存	27,616	19	252	500	-	-	12,075	40,462
在銀行的存款及墊款	-	60,251	3,400	339	-	-	-	63,990
貿易票據	2	2,502	4,469	3,869	-	-	-	10,842
交易用途資產	-	-	318	-	144	-	808	1,270
衍生工具資產	-	-	-	-	-	-	5,637	5,637
客戶貸款及墊款	3,496	66,483	30,181	87,011	189,745	118,267	1,189	496,372
投資證券	-	5,118	10,275	32,469	60,374	48,133	4,157	160,526
聯營公司及合資企業投資	-	-	-	-	-	-	8,481	8,481
固定資產	-	-	-	-	-	-	13,841	13,841
商譽及無形資產	-	-	-	-	-	-	1,918	1,918
遞延稅項資產	-	-	-	-	-	-	1,738	1,738
其他資產	365	9,326	7,110	13,702	632	313	12,188	43,636
<b>資產總額</b>	<b>31,479</b>	<b>143,699</b>	<b>56,005</b>	<b>137,890</b>	<b>250,895</b>	<b>166,713</b>	<b>62,032</b>	<b>848,713</b>
<b>負債</b>								
銀行的存款及結餘	2,919	15,405	15,147	3,320	-	-	-	36,791
客戶存款	222,268	101,961	130,028	89,766	8,535	-	-	552,558
— 活期存款及往來賬戶	63,932	-	-	-	-	-	-	63,932
— 儲蓄存款	156,921	-	-	-	-	-	-	156,921
— 定期及通知存款	1,415	101,961	130,028	89,766	8,535	-	-	331,705
交易用途負債	-	-	-	-	-	-	10	10
衍生工具負債	-	-	-	-	-	-	10,456	10,456
已發行存款證	-	4,506	15,659	35,691	2,815	-	-	58,671
本期稅項	-	-	-	1,526	-	-	-	1,526
已發行債務證券	-	-	-	-	4,365	-	-	4,365
遞延稅項負債	-	-	-	-	-	-	176	176
其他負債	830	8,226	7,585	18,641	13,648	5,618	7,769	62,317
— 租賃負債	2	34	64	257	425	209	-	991
— 其他賬項	828	8,192	7,521	18,384	13,223	5,409	7,769	61,326
借貸資本	-	4,656	-	-	10,189	-	-	14,845
<b>負債總額</b>	<b>226,017</b>	<b>134,754</b>	<b>168,419</b>	<b>148,944</b>	<b>39,552</b>	<b>5,618</b>	<b>18,411</b>	<b>741,715</b>
<b>淨差距</b>	<b>(194,538)</b>	<b>8,945</b>	<b>(112,414)</b>	<b>(11,054)</b>	<b>211,343</b>	<b>161,095</b>		

中期財務報表附註(續)

31. 資產及負債的剩餘期限分析(續)

	31/12/2019							總額 港幣百萬元
	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	
	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>資產</b>								
現金及在銀行的結存	36,001	185	327	687	-	-	14,325	51,525
在銀行的存款及墊款	-	46,794	14,101	1,230	155	-	-	62,280
貿易票據	1	4,298	4,702	3,080	-	-	-	12,081
交易用途資產	-	-	-	-	56	34	1,183	1,273
衍生工具資產	-	-	-	-	-	-	5,693	5,693
客戶貸款及墊款	3,893	63,352	29,670	85,762	198,224	123,525	910	505,336
投資證券	-	10,588	15,444	30,949	64,838	38,686	3,009	163,514
聯營公司及合資企業投資	-	-	-	-	-	-	9,970	9,970
固定資產	-	-	-	-	-	-	14,328	14,328
商譽及無形資產	-	-	-	-	-	-	1,926	1,926
遞延稅項資產	-	-	-	-	-	-	1,563	1,563
其他資產	96	7,034	6,655	13,019	1,100	245	7,560	35,709
<b>資產總額</b>	<b>39,991</b>	<b>132,251</b>	<b>70,899</b>	<b>134,727</b>	<b>264,373</b>	<b>162,490</b>	<b>60,467</b>	<b>865,198</b>
<b>負債</b>								
銀行的存款及結餘	2,247	12,133	7,708	5,821	6	-	-	27,915
客戶存款	208,421	122,769	146,808	86,254	9,273	-	2	573,527
—活期存款及往來賬戶	66,760	-	-	-	-	-	-	66,760
—儲蓄存款	139,742	-	-	-	-	-	-	139,742
—定期及通知存款	1,919	122,769	146,808	86,254	9,273	-	2	367,025
衍生工具負債	-	-	-	-	-	-	7,654	7,654
已發行存款證	-	4,073	20,528	49,198	260	-	-	74,059
本期稅項	-	-	-	2,103	-	-	-	2,103
已發行債務證券	-	-	-	156	3,025	-	-	3,181
遞延稅項負債	-	-	-	-	-	-	584	584
其他負債	891	5,268	8,617	16,153	13,381	5,157	6,832	56,299
—租賃負債	1	33	62	254	518	239	-	1,107
—其他賬項	890	5,235	8,555	15,899	12,863	4,918	6,832	55,192
借貸資本	-	-	-	4,699	5,539	-	-	10,238
<b>負債總額</b>	<b>211,559</b>	<b>144,243</b>	<b>183,661</b>	<b>164,384</b>	<b>31,484</b>	<b>5,157</b>	<b>15,072</b>	<b>755,560</b>
<b>淨差距</b>	<b>(171,568)</b>	<b>(11,992)</b>	<b>(112,762)</b>	<b>(29,657)</b>	<b>232,889</b>	<b>157,333</b>		

中期財務報表附註(續)

32. 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)/負債的組成部分及期內之變動如下：

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	按通過其他 全面收益以 反映公平價值 金融資產重估	稅損	其他	總額
	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
於2020年1月1日	326	111	(1,227)	206	(334)	(61)	(979)
收益表內支銷/(存入)	18	-	(285)	-	82	(106)	(291)
儲備內存入	-	(1)	-	(317)	-	(2)	(320)
匯兌及其他調整	-	-	21	(1)	6	2	28
於2020年6月30日	<u>344</u>	<u>110</u>	<u>(1,491)</u>	<u>(112)</u>	<u>(246)</u>	<u>(167)</u>	<u>(1,562)</u>
於2019年12月31日結餘	<u>326</u>	<u>111</u>	<u>(1,227)</u>	<u>206</u>	<u>(334)</u>	<u>(61)</u>	<u>(979)</u>

當有法定權利可將現有稅項資產與現有稅項負債抵銷，而遞延稅項涉及同一稅務機關，則可將個別實體的遞延稅項資產與遞延稅項負債互相抵銷。下列在綜合財務狀況表內列賬之金額，已計入適當抵銷。

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
於財務狀況表確認的遞延稅項資產淨額	(1,738)	(1,563)
於財務狀況表確認的遞延稅項負債淨額	176	584
	<u>(1,562)</u>	<u>(979)</u>

33. 儲備

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
一般儲備	13,651	13,651
行址重估儲備	1,849	1,848
資本儲備	894	1,090
匯兌重估儲備	(2,674)	(1,629)
資本儲備—已發行僱員認股權	148	163
公平價值儲備	655	2,331
對沖儲備	(1)	1
負債信貸儲備	(16)	(7)
其他儲備	5,115	5,347
留存溢利*	31,548	31,133
	<u>51,169</u>	<u>53,928</u>
未入賬擬派股息	466	1,017

\* 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墊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2020年6月30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16.79億元(2019年12月31日：港幣51.62億元)。

34. 額外股本工具

		30/6/2020	31/12/2019
		港幣百萬元	港幣百萬元
6.5億美元無到期日非累積後償資本證券	(1)	5,016	5,016
5億美元無到期日非累積後償資本證券	(2)	3,878	3,878
6.5億美元無到期日非累積後償資本證券	(3)	5,069	5,069
		<u>13,963</u>	<u>13,963</u>

- (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年息5.50%，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。
- (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年息5.625%，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。
- (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年息5.875%，直至2024年9月19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，及符合吸收虧損能力之要求。

中期財務報表附註(續)

35. 綜合現金流量表

現金及等同現金項目

	30/6/2020	30/6/2019
	港幣百萬元	港幣百萬元
(i) 在綜合現金流量表內現金及等同現金項目的組成部分		
現金及原本期限為3個月以內在銀行的結存	27,771	32,474
原本期限為3個月以內在銀行的存款及墊款	60,419	63,975
原本期限為3個月以內的國庫債券	4,034	3,995
原本期限為3個月以內之持有的存款證	-	148
原本期限為3個月以內之債務證券	2,924	763
加：持有作出售資產中包括現金及在銀行的結存	-	2
	<u>95,148</u>	<u>101,357</u>
(ii) 與綜合財務狀況表的對賬		
現金及在銀行的結存	40,462	52,823
在銀行的存款及墊款	63,990	69,720
國庫債券、持有的存款證及債務證券		
— 交易用途資產	462	2,844
— 投資證券	156,009	153,785
	156,471	156,629
加：持有作出售資產中包括現金及在銀行結存	-	2
	<u>260,923</u>	<u>279,174</u>
在綜合財務狀況表列示的金額	260,923	279,174
減：原本期限為3個月以上的金額	(153,077)	(157,460)
受監管限制的在中央銀行之現金結存	(12,698)	(20,357)
	<u>95,148</u>	<u>101,357</u>
在綜合現金流量表內的現金及等同現金項目	<u>95,148</u>	<u>101,357</u>

36. 抵銷金融工具

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。

	於2020年6月30日				
	已確認 金融資產 總額	於財務狀況 表中抵銷之 已確認金融 負債總額	於財務狀況 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
	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>資產</b>					
衍生工具資產	65	-	65	(60)	5
其他資產	570	(570)	-	-	-
總額	<u>635</u>	<u>(570)</u>	<u>65</u>	<u>(60)</u>	<u>5</u>
	於2020年6月30日				
	已確認 金融負債 總額	於財務狀況 表中抵銷之 已確認金融 資產總額	於財務狀況 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
	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>負債</b>					
衍生工具負債	69	-	69	(60)	9
其他負債	649	(570)	79	-	79
總額	<u>718</u>	<u>(570)</u>	<u>148</u>	<u>(60)</u>	<u>88</u>

中期財務報表附註(續)

36. 抵銷金融工具(續)

	於2019年12月31日				
	已確認 金融資產 總額	於財務狀況 表中抵銷之 已確認金融 負債總額	於財務狀況 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
	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>資產</b>					
衍生工具資產	35	-	35	(19)	16
其他資產	854	(422)	432	-	432
總額	889	(422)	467	(19)	448
<b>於2019年12月31日</b>					
	已確認 金融負債 總額	於財務狀況 表中抵銷之 已確認金融 資產總額	於財務狀況 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
	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>負債</b>					
衍生工具負債	23	-	23	(19)	4
其他負債	422	(422)	-	-	-
總額	445	(422)	23	(19)	4



中期財務報表附註(續)

36. 抵銷金融工具(續)

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綜合財務狀況表列賬的衍生工具、其他資產、衍生工具負債及其他負債之對賬。

	30/6/2020		31/12/2019	
	衍生工具 資產	其他資產	衍生工具 資產	其他資產
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
如上述抵銷後的金融資產淨額	65	–	35	432
不在披露範疇的金融資產	5,572	43,835	5,658	35,472
減值準備	–	(199)	–	(195)
	<u>5,637</u>	<u>43,636</u>	<u>5,693</u>	<u>35,709</u>
	30/6/2020		31/12/2019	
	衍生工具 負債	其他負債	衍生工具 負債	其他負債
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
如上述抵銷後的金融負債淨額	69	79	23	–
不在披露範疇的金融負債	10,387	62,238	7,631	56,299
	<u>10,456</u>	<u>62,317</u>	<u>7,654</u>	<u>56,299</u>

### 37. 金融工具的公平價值

#### (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，藉以在報告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。

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」)。價格核賣的程序已經確立。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。

中期財務報表附註(續)

37. 金融工具的公平價值(續)

(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。

	30/6/2020				31/12/2019			
	第一級	第二級	第三級	總額	第一級	第二級	第三級	總額
	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>重覆發生的公平價值釐定</b>								
<b>資產</b>								
貿易票據—通過其他全面								
收益以反映公平價值	-	10,769	-	10,769	-	11,461	-	11,461
交易用途資產	808	462	-	1,270	1,183	90	-	1,273
衍生工具資產	93	5,544	-	5,637	-	5,693	-	5,693
投資證券								
—強制按通過損益以反映								
公平價值計量	2,013	7,178	790	9,981	1,445	8,857	278	10,580
—指定通過損益以								
反映公平價值	-	-	-	-	-	446	-	446
—通過其他全面收益以								
反映公平價值	24,670	108,888	777	134,335	32,971	100,157	1,055	134,183
	<u>27,584</u>	<u>132,841</u>	<u>1,567</u>	<u>161,992</u>	<u>35,599</u>	<u>126,704</u>	<u>1,333</u>	<u>163,636</u>
<b>負債</b>								
交易用途負債	10	-	-	10	-	-	-	-
衍生工具負債	64	10,392	-	10,456	-	7,654	-	7,654
指定為通過損益以反映								
公平價值的金融負債	-	22,116	-	22,116	-	30,583	-	30,583
	<u>74</u>	<u>32,508</u>	<u>-</u>	<u>32,582</u>	<u>-</u>	<u>38,237</u>	<u>-</u>	<u>38,237</u>

截至2020年6月30日止期內及2019年12月31日止年度內，根據第一級及第二級分級方法釐定公平價值之金融工具，兩者之間均並無重大的轉移。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。

中期財務報表附註(續)

37. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

有關在第三級估值的重要非可觀察參數資料：

	估值模式	重要非可觀察參數	價值或幅度
非上市股份證券及 投資基金	資產淨值	不適用	不適用
	現金流折扣模式	折扣率	30/6/2020: 12.0% (2019: 8.6%)
		市場性折扣	30/6/2020: 20% (2019: 20%)
	市場可類比法	盈利倍數	30/6/2020: 31.09 – 33.95 (2019: 29.60 – 34.48)
		企業價值／稅息前利潤	30/6/2020: 24.76 – 30.91 (2019: 25.19 – 35.68)
		市場性折扣	30/6/2020: 50% (2019: 50%)

強制按通過損益以反映公平價值計量或按通過其他全面收益以反映公平價值的非上市股份工具，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(如價格／盈利率的比較)，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。

在第三級之金融工具估值是受上述相同估值監控機制及金融工具估值群組的定期檢視。

中期財務報表附註(續)

37. 金融工具的公平價值(續)

(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：

	30/6/2020		31/12/2019	
	強制按通過 損益以反映 公平價值計量 的投資證券 港幣百萬元	按通過其他 全面收益以 反映公平價值 的投資證券 港幣百萬元	強制按通過 損益以反映 公平價值計量 的投資證券 港幣百萬元	按通過其他 全面收益以 反映公平價值 的投資證券 港幣百萬元
<b>資產</b>				
於1月1日	278	1,055	309	688
購入／增置	526	—	—	—
結算	(2)	—	(19)	(15)
公平價值變動確認於收益表	(12)	—	(12)	—
公平價值變動確認於 其他全面收益	—	(278)	—	382
於6月30日／12月31日	<u>790</u>	<u>777</u>	<u>278</u>	<u>1,055</u>
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期內 收益或虧損總額	<u>—</u>	<u>(278)</u>	<u>—</u>	<u>382</u>
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 具的淨表現之期內收益或虧 損總額	<u>(12)</u>	<u>—</u>	<u>(12)</u>	<u>—</u>

中期財務報表附註(續)

37. 金融工具的公平價值(續)

(a) 以公平價值列賬的金融工具(續)

(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

	30/6/2020			
	直接記錄於損益上 之影響		直接記錄於股東權益上 之影響	
	有利	(不利)	有利	(不利)
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
金融資產				
强制按通過損益以 反映公平價值計量 的投資證券	66	(66)	-	-
按通過其他全面收益以 反映公平價值的 投資證券	-	-	65	(65)
	<u>66</u>	<u>(66)</u>	<u>65</u>	<u>(65)</u>
	31/12/2019			
	直接記錄於損益上 之影響		直接記錄於股東權益上 之影響	
	有利	(不利)	有利	(不利)
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
金融資產				
强制按通過損益以反映 公平價值計量的 投資證券	23	(23)	-	-
按通過其他全面收益以 反映公平價值的 投資證券	-	-	88	(88)
	<u>23</u>	<u>(23)</u>	<u>88</u>	<u>(88)</u>

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。

37. 金融工具的公平價值(續)

(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) 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中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，並在當中取用較可靠的相關資料以釐定公平價值。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息率作估算。

除下列者外，以成本或攤銷成本入賬的金融工具賬面值，與其於2020年6月30日及2019年12月31日之公平價值相若：

	30/6/2020		31/12/2019	
	賬面值	公平價值	賬面值	公平價值
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
金融資產				
投資證券按攤銷成本	16,210	16,420	18,305	18,539

### 38. 信貸風險

本集團採納階段分配準則如下：

金管局的5級資產		階段分配
合格	一般 (即不符合本行的「信貸風險顯著增加」的準則)	1
	符合本行的「信貸風險顯著增加」的準則	2
需要關注		2
次級		3
呆滯		
虧損		

「信貸風險顯著增加」的準則已計及兩個關鍵因素：

- 風險的內部或外部評級與風險源生之時的評級相比顯著轉差；及
- 風險的評級不再等同於國際通用的「投資級別」定義的「低信貸風險界限」。

#### (a) 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。

	30/6/2020							
	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	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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>按攤銷成本的客戶</b>								
<b>貸款及墊款</b>								
-1-15級：合格	460,919	818	23,342	106	-	-	484,261	924
-16-17級：需要關注	-	-	10,730	61	-	-	10,730	61
-18級：次級	-	-	-	-	3,498	19	3,498	19
-19級：呆滯	-	-	-	-	2,818	140	2,818	140
-20級：虧損	-	-	-	-	158	3	158	3
賬面值總額	460,919	818	34,072	167	6,474	162	501,465	1,147
減值準備	(876)	(2)	(1,022)	(3)	(3,195)	(21)	(5,093)	(26)
賬面值	460,043	816	33,050	164	3,279	141	496,372	1,121



中期財務報表附註(續)

38. 信貸風險(續)

(a) 信貸質素分析(續)

貸款及墊款的信貸質素(續)

	31/12/2019							
	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	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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>按攤銷成本的</b>								
<b>客戶貸款及墊款</b>								
-1-15級：合格	477,603	998	14,257	58	-	-	491,860	1,056
-16-17級：需要關注	-	-	11,056	52	-	-	11,056	52
-18級：次級	-	-	-	-	4,757	46	4,757	46
-19級：呆滯	-	-	-	-	1,314	99	1,314	99
-20級：虧損	-	-	-	-	118	5	118	5
賬面值總額	477,603	998	25,313	110	6,189	150	509,105	1,258
減值準備	(501)	(1)	(516)	(2)	(2,752)	(32)	(3,769)	(35)
賬面值	477,102	997	24,797	108	3,437	118	505,336	1,223

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。

	30/6/2020							
	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	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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>按攤銷成本的貿易票據</b>								
-1-15級：合格	70	-	-	-	-	-	70	-
-16-17級：需要關注	-	-	4	-	-	-	4	-
-18級：次級	-	-	-	-	-	-	-	-
-19級：呆滯	-	-	-	-	-	-	-	-
-20級：虧損	-	-	-	-	-	-	-	-
賬面值總額	70	-	4	-	-	-	74	-
減值準備	(1)	-	-	-	-	-	(1)	-
賬面值	69	-	4	-	-	-	73	-

中期財務報表附註(續)

38. 信貸風險(續)

(a) 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)

	31/12/2019							
	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	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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
按攤銷成本的貿易票據								
–1-15級：合格	620	4	-	-	-	-	620	4
–16-17級：需要關注	-	-	-	-	-	-	-	-
–18級：次級	-	-	-	-	-	-	-	-
–19級：呆滯	-	-	-	-	-	-	-	-
–20級：虧損	-	-	-	-	-	-	-	-
賬面值總額	620	4	-	-	-	-	620	4
減值準備	-	-	-	-	-	-	-	-
賬面值	620	4	-	-	-	-	620	4
	30/6/2020							
	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	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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
按通過其他全面收益以 反映公平價值的貿易票據								
–1-15級：合格	10,723	-	46	-	-	-	10,769	-
賬面值總額—按公平價值	10,723	-	46	-	-	-	10,769	-
減值準備	(3)	-	-	-	-	-	(3)	-
	31/12/2019							
	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 之預期信貸損失		總額	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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
按通過其他全面收益以 反映公平價值的貿易票據								
–1-15級：合格	10,927	1	534	-	-	-	11,461	1
賬面值總額—按公平價值	10,927	1	534	-	-	-	11,461	1
減值準備	(3)	-	(1)	-	-	-	(4)	-

中期財務報表附註(續)

38. 信貸風險(續)

(a) 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)

	30/6/2020							
	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	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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
在銀行的存款及墊款 -1-15級:合格	63,992	17	-	-	-	-	63,992	17
賬面值總額	63,992	17	-	-	-	-	63,992	17
減值準備	(2)	-	-	-	-	-	(2)	-
賬面值	63,990	17	-	-	-	-	63,990	17
	31/12/2019							
	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	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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
在銀行的存款及墊款 -1-15級:合格	62,285	88	-	-	-	-	62,285	88
賬面值總額	62,285	88	-	-	-	-	62,285	88
減值準備	(5)	-	-	-	-	-	(5)	-
賬面值	62,280	88	-	-	-	-	62,280	88

中期財務報表附註(續)

38. 信貸風險(續)

(a) 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)

	30/6/2020			
	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
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>貸款承擔</b>				
–1-15級：合格	109,716	4,892	–	114,608
–16-17級：需要關注	–	231	–	231
–18級：次級	–	–	14	14
<b>總額</b>	<b>109,716</b>	<b>5,123</b>	<b>14</b>	<b>114,853</b>
減值準備	(68)	(14)	(10)	(92)
<b>財務擔保合約</b>				
–1-15級：合格	11,658	4,254	–	15,912
–16-17級：需要關注	–	335	–	335
–18級：次級	–	–	–	–
<b>總額</b>	<b>11,658</b>	<b>4,589</b>	<b>–</b>	<b>16,247</b>
減值準備	(5)	(1)	–	(6)
	31/12/2019(重報)			
	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
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>貸款承擔</b>				
–1-15級：合格	111,986	1,041	–	113,027
–16-17級：需要關注	–	5,014	–	5,014
–18級：次級	–	–	5	5
<b>總額</b>	<b>111,986</b>	<b>6,055</b>	<b>5</b>	<b>118,046</b>
減值準備	(51)	(23)	–	(74)
<b>財務擔保合約</b>				
–1-15級：合格	13,552	822	–	14,374
–16-17級：需要關注	–	45	–	45
<b>總額</b>	<b>13,552</b>	<b>867</b>	<b>–</b>	<b>14,419</b>
減值準備	(5)	(3)	–	(8)

中期財務報表附註(續)

38. 信貸風險(續)

(a) 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：

	30/6/2020							
	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	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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
按攤銷成本的 債務投資證券								
Aaa	-	-	-	-	-	-	-	-
Aa1至Aa3	2,921	-	-	-	-	-	2,921	-
A1至A3	4,698	71	-	-	-	-	4,698	71
Baa1至Baa3	2,335	23	-	-	-	-	2,335	23
Baa3以下	1,169	20	-	-	-	-	1,169	20
無評級	5,180	52	-	-	-	-	5,180	52
賬面值總額	16,303	166	-	-	-	-	16,303	166
減值準備	(93)	(1)	-	-	-	-	(93)	(1)
賬面值	16,210	165	-	-	-	-	16,210	165
	31/12/2019							
	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	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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
按攤銷成本的 債務投資證券								
Aaa	-	-	-	-	-	-	-	-
Aa1至Aa3	3,078	1	-	-	-	-	3,078	1
A1至A3	5,144	78	-	-	-	-	5,144	78
Baa1至Baa3	2,703	30	-	-	-	-	2,703	30
Baa3以下	844	13	804	14	-	-	1,648	27
無評級	5,778	65	28	-	-	-	5,806	65
賬面值總額	17,547	187	832	14	-	-	18,379	201
減值準備	(73)	(1)	(1)	-	-	-	(74)	(1)
賬面值	17,474	186	831	14	-	-	18,305	200

中期財務報表附註(續)

38. 信貸風險(續)

(a) 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)

	30/6/2020							
	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	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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
通過其他全面收益以 反映公平價值的債務 投資證券								
Aaa	6,944	9	-	-	-	-	6,944	9
Aa1至Aa3	21,327	11	-	-	-	-	21,327	11
A1至A3	56,593	705	-	-	-	-	56,593	705
Baa1至Baa3	40,943	417	-	-	-	-	40,943	417
Baa3以下	1,051	13	-	-	-	-	1,051	13
無評級	6,670	76	30	-	-	-	6,700	76
賬面值總額 —按公平價值	133,528	1,231	30	-	-	-	133,558	1,231
減值準備	(386)	(4)	-	-	-	-	(386)	(4)
	31/12/2019							
	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	
	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	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
通過其他全面收益以 反映公平價值的債務 投資證券								
Aaa	6,577	8	-	-	-	-	6,577	8
Aa1至Aa3	29,487	6	-	-	-	-	29,487	6
A1至A3	50,602	714	102	2	-	-	50,704	716
Baa1至Baa3	37,326	375	-	-	-	-	37,326	375
Baa3以下	461	5	505	7	-	-	966	12
無評級	7,414	81	654	15	-	-	8,068	96
賬面值總額 —按公平價值	131,867	1,189	1,261	24	-	-	133,128	1,213
減值準備	(282)	(3)	(3)	-	-	-	(285)	(3)

38. 信貸風險(續)

(a) 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)

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。

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
<b>債務投資證券</b>		
Aaa	-	-
Aa1至Aa3	-	1,341
A1至A3	558	1,061
Baa1至Baa3	4,945	5,221
Baa3以下	215	-
無評級	523	918
	<u>6,241</u>	<u>8,541</u>
賬面值總額—按公平價值	<u>6,241</u>	<u>8,541</u>

下表載列作交易用途債務證券的信貸分析。

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
<b>債務投資證券</b>		
Aaa	-	-
Aa1至Aa3	-	-
A1至A3	154	90
Baa1至Baa3	308	-
Baa3以下	-	-
無評級	-	-
	<u>462</u>	<u>90</u>
賬面值總額—按公平價值	<u>462</u>	<u>90</u>

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。

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
<b>衍生工具資產</b>		
Aa1至Aa3	121	92
A1至A3	2,365	1,937
Baa1至Baa3	1,367	1,731
Baa3以下	418	347
無評級	1,366	1,586
	<u>5,637</u>	<u>5,693</u>
賬面值總額—按公平價值	<u>5,637</u>	<u>5,693</u>

中期財務報表附註(續)

38. 信貸風險(續)

(a) 信貸質素分析(續)

現金及在銀行的結存

於2020年6月30日，本集團持有現金及在銀行的結存為港幣404.69億元(2019年12月31日：港幣515.34億元)。基於穆迪投資服務或相當的評級，其中96%(2019年12月31日：96%)的現金及在銀行交易對手的結存評級為投資評級。

(b) 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6月30日/12月31日期間交易層面的狀況。

	30/6/2020			總額 港幣百萬元
	12個月內之 預期信貸損失 港幣百萬元	非信貸不良的 合約期內之 預期信貸損失 港幣百萬元	信貸不良的 合約期內之 預期信貸損失 港幣百萬元	
<b>客戶貸款及墊款</b>				
於1月1日的結餘	502	518	2,784	3,804
轉至12個月內之預期信貸損失	20	(20)	-	-
轉至非信貸不良的合約期內 之預期信貸損失	(14)	16	(2)	-
轉至信貸不良的合約期內 之預期信貸損失	(1)	(21)	22	-
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	288	2	61	351
撇銷	-	-	(1,237)	(1,237)
模型變動	-	-	-	-
減值準備的重新計量淨額 (包括外匯調整)	83	530	1,588	2,201
於6月30日的結餘	878	1,025	3,216	5,119
其中：				
就按攤銷成本的客戶墊款	876	1,022	3,195	5,093
就相關應收應計利息	2	3	21	26
	878	1,025	3,216	5,119



中期財務報表附註(續)

38. 信貸風險(續)

(b) 減值準備對賬(續)

	31/12/2019			總額 港幣百萬元
	12個月內之 預期信貸損失 港幣百萬元	非信貸不良的 合約期內之 預期信貸損失 港幣百萬元	信貸不良的 合約期內之 預期信貸損失 港幣百萬元	
<b>客戶貸款及墊款</b>				
於1月1日的結餘	432	859	1,252	2,543
轉至12個月內之預期信貸損失	60	(60)	-	-
轉至非信貸不良的合約期內 之預期信貸損失	(20)	45	(25)	-
轉至信貸不良的合約期內 之預期信貸損失	(49)	(268)	317	-
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
撤銷	-	-	(5,674)	(5,674)
模型變動	-	-	-	-
減值準備的重新計量淨額 (包括外匯調整)	(129)	(60)	6,274	6,085
於12月31日的結餘	<u>502</u>	<u>518</u>	<u>2,784</u>	<u>3,804</u>
其中：				
就按攤銷成本的客戶墊款	501	516	2,752	3,769
就相關應收應計利息	1	2	32	35
	<u>502</u>	<u>518</u>	<u>2,784</u>	<u>3,804</u>

中期財務報表附註(續)

38. 信貸風險(續)

(b) 減值準備對賬(續)

	30/6/2020			總額 港幣百萬元
	12個月內之 預期信貸損失 港幣百萬元	非信貸不良的 合約期內之 預期信貸損失 港幣百萬元	信貸不良的 合約期內之 預期信貸損失 港幣百萬元	
<b>債務投資證券</b>				
於1月1日的結餘	359	4	-	363
轉至12個月內之預期信貸損失	-	-	-	-
轉至非信貸不良的合約期內 之預期信貸損失	-	-	-	-
轉至信貸不良的合約期內 之預期信貸損失	-	-	-	-
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	110	(4)	-	106
撤銷	-	-	-	-
模型變動	-	-	-	-
減值準備的重新計量淨額 (包括外匯調整)	15	-	-	15
	<u>484</u>	<u>-</u>	<u>-</u>	<u>484</u>
於6月30日的結餘				
其中：				
就按攤銷成本的債務投資證券	93	-	-	93
就相關應收應計利息	1	-	-	1
	<u>94</u>	<u>-</u>	<u>-</u>	<u>94</u>
就按通過其他全面收益以 反映公平價值的 債務投資證券	386	-	-	386
就相關應收應計利息	4	-	-	4
	<u>390</u>	<u>-</u>	<u>-</u>	<u>390</u>

38. 信貸風險(續)

(b) 減值準備對賬(續)

	31/12/2019			總額 港幣百萬元
	12個月內之 預期信貸損失 港幣百萬元	非信貸不良的 合約期內之 預期信貸損失 港幣百萬元	信貸不良的 合約期內之 預期信貸損失 港幣百萬元	
<b>債務投資證券</b>				
於1月1日的結餘	354	7	–	361
轉至12個月內之預期信貸損失	–	–	–	–
轉至非信貸不良的合約期內 之預期信貸損失	–	–	–	–
轉至信貸不良的合約期內 之預期信貸損失	–	–	–	–
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
撤銷	–	–	–	–
模型變動	–	–	–	–
減值準備的重新計量淨額(包括 外匯調整)	(39)	(4)	–	(43)
於12月31日的結餘	<u>359</u>	<u>4</u>	<u>–</u>	<u>363</u>
其中：				
就按攤銷成本的債務投資證券	73	1	–	74
就相關應收應計利息	1	–	–	1
	<u>74</u>	<u>1</u>	<u>–</u>	<u>75</u>
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
就相關應收應計利息	3	–	–	3
	<u>285</u>	<u>3</u>	<u>–</u>	<u>288</u>

按通過其他全面收益以反映公平價值的債務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。

中期財務報表附註(續)

38. 信貸風險(續)

(b) 減值準備對賬(續)

	30/6/2020			總額 港幣百萬元
	12個月內之 預期信貸損失 港幣百萬元	非信貸不良的 合約期內之 預期信貸損失 港幣百萬元	信貸不良的 合約期內之 預期信貸損失 港幣百萬元	
<b>其他</b>				
於1月1日的結餘	115	32	112	259
轉至12個月內之預期信貸損失	5	(5)	-	-
轉至非信貸不良的合約期內 之預期信貸損失	-	-	-	-
轉至信貸不良的合約期內 之預期信貸損失	-	-	-	-
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	7	(7)	46	46
撇銷	-	-	-	-
模型變動	-	-	-	-
減值準備的重新計量淨額 (包括外匯調整)	(26)	(5)	9	(22)
於6月30日的結餘	101	15	167	283
其中：				
就按通過其他全面收益以 反映公平價值的貿易票據 就相關應收應計利息	3	-	-	3
	-	-	-	-
	3	-	-	3
就按攤銷成本的貿易票據 就相關應收應計利息	1	-	-	1
	-	-	-	-
	1	-	-	1
就在銀行的存款及墊款 就相關應收應計利息	2	-	-	2
	-	-	-	-
	2	-	-	2
就現金及在銀行的結存 就相關應收應計利息	7	-	-	7
	-	-	-	-
	7	-	-	7
就貸款承擔和財務擔保合約	73	15	10	98
就應收賬款及其他賬項	15	-	157	172

中期財務報表附註(續)

38. 信貸風險(續)

(b) 減值準備對賬(續)

	31/12/2019			總額 港幣百萬元
	12個月內之 預期信貸損失 港幣百萬元	非信貸不良的 合約期內之 預期信貸損失 港幣百萬元	信貸不良的 合約期內之 預期信貸損失 港幣百萬元	
<b>其他</b>				
於1月1日的結餘	114	47	68	229
轉至12個月內之預期信貸損失	3	(3)	–	–
轉至非信貸不良的合約期內之 預期信貸損失	(1)	1	–	–
轉至信貸不良的合約期內之 預期信貸損失	–	–	–	–
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
撤銷	–	–	(1)	(1)
模型變動	–	–	–	–
減值準備的重新計量淨額 (包括外匯調整)	(6)	(15)	(2)	(23)
於12月31日的結餘	115	32	112	259
其中：				
就按通過其他全面收益以 反映公平價值的貿易票據 就相關應收應計利息	3	1	–	4
	–	–	–	–
	3	1	–	4
就按攤銷成本的貿易票據 就相關應收應計利息	–	–	–	–
	–	–	–	–
	–	–	–	–
就在銀行的存款及墊款 就相關應收應計利息	5	–	–	5
	–	–	–	–
	5	–	–	5
就現金及在銀行的結存 就相關應收應計利息	9	–	–	9
	–	–	–	–
	9	–	–	9
就貸款承擔和財務擔保合約	56	26	–	82
就應收賬款及其他賬項	42	5	112	159

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。

中期財務報表附註(續)

39. 資產負債表以外的風險

(a) 每項資產負債表以外風險的主要類別摘要如下：

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
或然負債的合約金額		
直接信貸代替品	6,528	11,705
與交易有關的或然項目	1,093	1,051
與貿易有關的或然項目	3,207	2,157
	<u>10,828</u>	<u>14,913</u>
承擔的合約金額		
可無條件取消而毋須事先通知的承擔	151,063	148,791
其他承擔的原到期日		
-1年或以下	5,930	10,038
-1年以上	30,980	26,772
	<u>187,973</u>	<u>185,601</u>
總額	<u>198,801</u>	<u>200,514</u>
信貸風險加權金額	<u>21,338</u>	<u>23,193</u>
衍生工具的公平價值		
資產		
匯率合約	1,290	2,887
利率合約	3,181	2,037
股份合約	1,165	767
其他	1	2
	<u>5,637</u>	<u>5,693</u>
負債		
匯率合約	1,300	3,375
利率合約	7,974	3,442
股份合約	1,167	827
其他	15	10
	<u>10,456</u>	<u>7,654</u>
衍生工具的名義金額		
匯率合約	396,922	449,156
利率合約	412,581	371,674
股份合約	16,488	12,214
其他	89	89
	<u>826,080</u>	<u>833,133</u>
信貸風險加權金額*		
匯率合約	1,369	1,743
利率合約	482	290
股份合約	181	58
	<u>2,032</u>	<u>2,091</u>

資產負債表以外風險的公平價值及信貸風險加權金額，並未計及雙邊淨額結算安排的影響。

\* 根據《資本規則》，本行選擇採納「基礎內部評級基準計算法」計算於2020年6月30日及2019年12月31日之信貸風險之風險加權金額。

39. 資產負債表以外的風險(續)

(b) 資本承擔

於6月30日及12月31日並未在賬項中提撥準備有關購買物業、廠房及設備的資本承擔如下：

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
已核准支出並已簽約	277	305
已核准支出但未簽約	159	177
	<u>436</u>	<u>482</u>

(c) 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。

40. 關聯人士的重大交易

(a) 主要管理人員薪酬

本集團之主要管理人員薪酬，包括支付予本行董事及若干最高薪酬僱員的金額如下：

	30/6/2020	30/6/2019
	港幣百萬元	港幣百萬元
短期僱員福利	67	71
僱員退休福利	4	3
股份補償福利	2	12
	<u>73</u>	<u>86</u>

## 中期財務報表附註(續)

### 40. 關聯人士的重大交易(續)

- (b) 本集團為其職員提供若干退休保障計劃。截至2020年6月30日止6個月，本集團對該等計劃的供款總額為港幣9,900萬元(截至2019年6月30日止6個月：港幣9,100萬元)。

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，有重大影響力之股東，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。

截至2020年6月30日止6個月，本集團從關聯人士所收取與支付予他們的利息，及於2020年6月30日關聯人士的欠款及欠關聯人士的款項，及截至2020年6月30日止6個月關聯人士的最高欠款及欠關聯人士的最高款項總額總結如下：

	主要管理人員		聯營公司		有重大影響力之股東	
	30/6/2020	30/6/2019	30/6/2020	30/6/2019	30/6/2020	30/6/2019
	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
利息收入	31	28	34	24	-	2
利息支出	7	25	2	1	-	8
關聯人士的欠款	2,246	2,347	1,440	695	1,208	2,458
欠關聯人士的款項	1,003	2,540	451	49	25	972
關聯人士的最高欠款	3,452	3,730	1,862	1,803	8,102	5,391
欠關聯人士的最高款項	3,481	4,698	619	555	803	2,542
給予信貸承諾	1,187	1,370	951	1,313	-	-



## 中期財務報表附註(續)

### 41. 綜合基準

除特別說明外，此中期報告所載的財務資料是按用作會計用途之綜合基準編製。

編製集團的資本充足比率及流動性狀況，是按用作監管用途之綜合基準編製。而編製用作會計用途及監管用途之綜合基準之最大分別是前者包括本行及其所有附屬公司，而後者只包括本行及本集團部分從事銀行業務或其他與銀行業務有關的附屬公司。

於報告日已包括在綜合財務報表內的附屬公司列示如下：

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
承悅有限公司	投資控股	339	339
* 東亞銀行(信託)有限公司	信託服務	246	231
BC (BVI) Holdings Limited	投資控股	16	16
BEA Blue Sky Company Limited	清盤中	—	—
BEA Blue Sky SLP Limited	清盤中	—	—
BEA Consortium GS Investors L.P.	出任有限責任合夥人 用作投資私募基金	45	45
東亞保險代理有限公司	保險代理	—	—
東亞人壽保險有限公司	人壽保險	25,389	2,284
BEA Pacific Asia Limited	清盤中	—	—
東亞聯豐投資管理有限公司	資產管理	559	493
東亞聯豐投資管理(深圳) 有限公司	資產管理／投資管理	18	17
Blue Care (BVI) Holdings Limited	投資控股	16	16
Blue Care JV (BVI) Holdings Limited	投資控股	20	17
寶康醫療服務有限公司	醫療服務	49	42
藍十字(亞太)保險有限公司	保險	2,879	822
滙中興業有限公司	物業投資	818	672
階潤有限公司	投資控股	92	92

中期財務報表附註(續)

41. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Citiview Capital Limited	普通合夥人及 有限責任合夥人	2	2
Corona Light Limited	投資控股	930	930
* 領達財務有限公司	放債人	684	683
Crystal Gleaming Limited	投資控股	930	930
卓領控股有限公司	投資控股	1,127	1,127
EA Securities Limited	投資控股	—	(63)
* 東亞數據信息服務(廣東) 有限公司	服務	192	138
* 東亞設施管理有限公司	設施管理	32	16
East Asia Financial Services (BVI) Ltd.	投資控股	—	—
東亞期貨有限公司	期貨及期權交易	59	59
* East Asia Holding Company, Inc.	銀行控股公司	625	609
East Asia Indonesian Holdings Limited	投資控股	2	2
East Asia International Trustees Holdings (BVI) Limited	投資控股	10	10
East Asia International Trustees Limited	信託服務	35	31
* East Asia Properties (US), Inc.	資金支持	14	12
東亞物業控股有限公司	投資控股	—	(52)
東亞物業代理有限公司	物業代理	8	8
東亞前海控股有限公司	投資控股	201	201
東亞秘書有限公司	秘書服務	—	—
東亞證券有限公司	證券買賣	1,391	888
* 東亞服務(控股)有限公司	控股公司	24	—

中期財務報表附註(續)

41. 綜合基準(續)

公司名稱	業務性質	資產總額 港幣百萬元	股東權益總額 港幣百萬元
Golden Empire International Inc.	物業投資	1	1
High Town Limited	投資控股	4	3
Leader One Limited	投資控股	1	1
Manchester Property Holdings Ltd.	物業控股	30	15
君騰香港控股有限公司	投資控股	77	77
Red Phoenix Limited	汽車租賃	2	2
Shaftesbury Property Holdings Limited	投資控股	58	58
Shaftesbury Property Investments Limited	投資控股	42	42
上海領偕商務諮詢有限公司	商業資訊諮詢及 企業管理諮詢	198	198
Silver River International Limited	出任普通合夥人及 有限責任合夥人	42	42
Silver Sunlight Limited	出任普通合夥人	—	—
Skyray Holdings Limited	投資控股	450	450
Speedfull Limited	投資控股	450	450
*# 東亞銀行(中國)有限公司	銀行及有關的金融服務	220,189	23,868
東亞銀行受託代管有限公司	受託代管服務	—	—
The Bank of East Asia (Nominees) Private Limited	信託、代理及託管服務	—	—
Travelsafe Limited	不活動	—	—
明康醫療香港有限公司	醫療服務	32	(11)
United Chinese (Nominee) Limited	不活動	—	—

\* 「規管金融實體」是按照《資本規則》之定義及已包括在用作監管用途之綜合基準內。

# 「聯營實體」是按照《銀行業(流動性)規則》之定義及已包括在用作監管用途之綜合基準內。

## 中期財務報表附註(續)

### 42. 比較數字

若干2019年的比較數字經已重報以符合本期的呈報方式。請參閱綜合收益表、簡略綜合現金流量表、附註3、5、8、11、21(b)、30及38(a)中所述的重報影響。

### 43. 符合指引

此中期財務報表經已按照有關《上市規則》的披露規定，包括符合香港會計師公會頒布《香港會計準則》第34號「中期財務報告」而編製。此中期財務報表已於2020年8月20日獲授權發布。

銀行業披露報表(即補充財務資料的附註E所載)以及此中期財務報表所列載的披露資料，亦已根據金管局所頒布的《銀行業(披露)規則》之要求作披露。

### 44. 持有作出售資產

持有作出售之資產及負債摘要如下：

	<u>30/6/2020</u>	<u>31/12/2019</u>
	港幣百萬元	港幣百萬元
持有作出售資產(附註25)		
其他物業	<u>48</u>	<u>39</u>

## 補充財務資料

### A. 資本充足

	30/6/2020 港幣百萬元	31/12/2019 港幣百萬元
股本基礎		
— 普通股權一級資本	76,716	75,313
— 額外一級資本	13,963	13,963
— 一級資本總額	90,679	89,276
— 二級資本	12,534	9,349
— 資本總額	103,213	98,625
風險加權資產類別		
— 信貸風險	425,741	439,676
— 市場風險	11,050	13,260
— 營運風險	32,589	34,878
減：扣除	469,380 (3,187)	487,814 (3,619)
	466,193	484,195
	30/6/2020 百分率	31/12/2019 百分率
普通股權一級資本比率	16.5	15.6
一級資本比率	19.5	18.4
總資本比率	22.1	20.4

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。

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。

## 補充財務資料(續)

### A. 資本充足(續)

包括在用作監管用途的綜合基礎之主要附屬公司已於中期報告之附註41列示。

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。

有關本集團的監管資本工具及其他披露資料，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。

### B. 槓桿比率

	<u>30/6/2020</u>	<u>31/12/2019</u>
	港幣百萬元	港幣百萬元
一級資本	90,679	89,276
風險承擔計量	857,730	874,070
	<u>30/6/2020</u>	<u>31/12/2019</u>
	百分率	百分率
槓桿比率	10.6	10.2

槓桿比率之披露是由2015年3月31日起生效，其計算按金管局《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。

### C. 流動性狀況

#### 流動性覆蓋比率

		<u>30/6/2020</u>	<u>31/12/2019</u>
		百分率	百分率
平均流動性覆蓋比率	— 第一季度	178.1	169.8
	— 第二季度	177.7	171.7
	— 第三季度	不適用	166.9
	— 第四季度	不適用	175.7

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。

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。

補充財務資料(續)

C. 流動性狀況(續)

穩定資金淨額比率

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
可用穩定資金總額	512,156	525,048
所需穩定資金總額	445,902	464,523
	30/6/2020	31/12/2019
	百分率	百分率
穩定資金淨額比率	114.9	113.0

穩定資金淨額比率是根據由2018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主頁內「監管披露」的連繫或按www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html的直接連繫。

D. 逾期、經重組及收回資產

(a) 逾期及經重組墊款

	30/6/2020		31/12/2019	
	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
逾期客戶墊款				
- 3個月以上至6個月	776	0.1	1,049	0.2
- 6個月以上至1年	1,829	0.4	308	0.1
- 1年以上	837	0.2	747	0.1
	3,442	0.7	2,104	0.4
經重組客戶墊款	510	0.1	163	0.0
逾期及經重組客戶墊款總額	3,952	0.8	2,267	0.4
已逾期墊款涵蓋部份	2,477	0.5	1,408	0.3
已逾期墊款非涵蓋部份	965	0.2	696	0.1
已逾期墊款涵蓋部份之抵押品市值	6,892		2,876	
逾期3個月以上墊款的特殊準備	1,987		1,190	

## 補充財務資料(續)

### D. 逾期、經重組及收回資產(續)

#### (a) 逾期及經重組墊款(續)

有明確到期日之貸款及墊款，若其本金或利息已逾期，並於期結日仍未償還，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，而於期結日仍未償還，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。

可視作合格抵押品的資產須符合下列條件：

- (a) 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；
- (b) 該資產是有市價的及有二手市場可即時將該資產出售；
- (c) 本行收回資產的權利是有法律依據及沒有障礙的；及
- (d) 本行在有需要時可對該資產行使控制權。

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



補充財務資料(續)

D. 逾期、經重組及收回資產(續)

(b) 銀行墊款

	30/6/2020 港幣百萬元	31/12/2019 港幣百萬元
逾期銀行墊款		
—3個月以上至6個月	—	—
—6個月以上至1年	—	—
—1年以上	—	—
	—	—
經重組銀行墊款	—	—
逾期及經重組墊款總額	—	—

(c) 其他逾期及經重組資產

	30/6/2020		
	應計利息 港幣百萬元	債務證券 港幣百萬元	其他資產* 港幣百萬元
其他逾期資產			
—3個月以上至6個月	5	—	—
—6個月以上至1年	46	—	—
—1年以上	95	—	—
	146	—	—
經重組資產	11	—	—
其他逾期及經重組資產總額	157	—	—
	31/12/2019		
	應計利息 港幣百萬元	債務證券 港幣百萬元	其他資產* 港幣百萬元
其他逾期資產			
—3個月以上至6個月	16	—	—
—6個月以上至1年	9	—	—
—1年以上	89	—	—
	114	—	—
經重組資產	1	—	—
其他逾期及經重組資產總額	115	—	—

\* 其他資產是指貿易票據及應收款項。

## 補充財務資料(續)

### D. 逾期、經重組及收回資產(續)

#### (d) 收回資產

	30/6/2020	31/12/2019
	港幣百萬元	港幣百萬元
收回土地及建築物*	249	225
收回汽車及設備	33	-
收回機器	-	-
收回資產總額	<u>282</u>	<u>225</u>

此等金額指於2020年6月30日及2019年12月31日收回資產的估計市值。

\* 結餘中包括港幣7,400萬元(2019年12月31日：港幣400萬元)已簽約出售但仍未成交的物業。

### E. 銀行業披露報表

本期的額外資料披露是根據《銀行業(披露)規則》、《金融機構(處置機制)(吸收虧損能力規定—銀行界)規則》第6部之披露要求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。

## 獨立審閱報告



致東亞銀行有限公司董事會

### 引言

我們已審閱 貴集團列載於第113頁至第178頁的中期財務報告，此中期財務報告包括於2020年6月30日的綜合財務狀況表與截至該日止6個月期間有關的綜合收益表、綜合全面收益表、綜合權益變動表和簡略綜合現金流量表以及附註解釋。根據《上市規則》，上市公司必須符合《上市規則》中的相關規定和香港會計師公會頒布的《香港會計準則》第34號「中期財務報告」的規定編製中期財務報告。董事須負責根據《香港會計準則》第34號編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照我們雙方所協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

### 審閱範圍

我們已根據香港會計師公會所頒布的《香港審閱工作準則》第2410號「獨立核數師對中期財務信息的審閱」進行審閱。中期財務報告審閱工作包括主要向負責財務會計事項的人員詢問、並實施分析和其他審閱程序。由於審閱的範圍遠較按照《香港審核準則》進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

### 結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於2020年6月30日的中期財務報告在所有重大方面沒有按照《香港會計準則》第34號「中期財務報告」的規定編製。

### 畢馬威會計師事務所

執業會計師

香港中環

遮打道10號

太子大廈8樓

2020年8月20日

## 中期股息

董事會欣然宣布派發截至2020年6月30日止6個月的中期股息每股港幣0.16元（「2020中期股息」）（2019中期股息：每股港幣0.11元），2020中期股息將以現金派發予於2020年9月8日（星期二）辦公時間結束時在本行股東名冊上已登記的股東，股東亦可選擇收取已繳足股款的新股以代替現金（「以股代息計劃」）。在計算股東所應獲發給的新股份數目時，新股份的市值將按股份在聯交所於2020年9月3日（星期四）（股份除息後首個交易日）至2020年9月9日（星期三）（包括首尾兩天）的平均收市價之95%計算。以股代息計劃的詳情將連同有關選擇表格約於2020年9月8日（星期二）寄予各股東。以股代息計劃須待聯交所上市委員會批准所發行的新股上市及買賣方可作實。有關的股息單和以股代息的股票將約於2020年9月30日（星期三）以平郵寄予股東。

## 過戶日期

本行將於2020年9月7日（星期一）及2020年9月8日（星期二）暫停辦理股票過戶登記。如欲享有2020中期股息，股東須於2020年9月4日（星期五）下午4時前，將過戶文件送達卓佳標準有限公司，地址為香港皇后大道東183號合和中心54樓辦理登記手續。

## 財務回顧

### 財務表現

於2020年首6個月，東亞銀行有限公司（「本行」或「東亞銀行」）及其附屬公司（統稱「集團」或「本集團」）錄得可歸屬於本集團股東溢利達港幣15.32億元，較2019年同期錄得的港幣10億元，增加港幣5.32億元或53.2%。本集團的撥備前經營溢利下跌港幣11.59億元或21.9%至港幣41.24億元。應佔溢利增加，主要是由於內地的減值損失大幅減少所致。

2020年上半年的每股基本盈利為港幣0.39元，而2019年同期則為港幣0.22元。

年度平均資產回報率及年度平均股東權益回報率分別為0.3%及2.5%，而2019年上半年則分別為0.1%及1.4%。

本集團的淨利息收入減少港幣13.09億元，或17.6%，至港幣61.14億元。淨息差由1.90%收窄至1.59%，而賺取利息之平均資產減少1.7%。

服務費及佣金收入淨額增加港幣8,100萬元，或6.0%，至港幣14.35億元。來自貸款、透支及擔保、證券以及經紀及投資產品的佣金收入淨額均錄得增長，而貿易融資及信託及其他代理業務的佣金收入淨額則錄得下跌。

交易及對沖淨額，以及其他金融工具的淨表現下跌港幣2.45億元，至港幣4.20億元，另保險業務淨溢利亦減少港幣3.06億元，上述減幅主要是由於金融工具按市價計量的不利估值所致。整體而言，非利息收入減少15.1%，至港幣23.60億元，而經營收入下跌16.9%，至港幣84.74億元。

經營支出總額下降11.6%，至港幣43.50億元，主要是由於員工成本及內地信用卡及網上零售貸款業務所產生的支出減少所致。經營收入減少港幣17.27億元，或16.9%，2020年上半年的成本對收入比率為51.3%，而2019年上半年則為48.2%。

未扣除減值損失之經營溢利達港幣41.24億元，較2019年同期減少港幣11.59億元，或21.9%。

金融資產之減值損失支銷淨額由2019年的港幣50.63億元大幅下降至2020年的港幣26.75億元，主要是由於中國內地業務錄得的減值損失減少所致。本集團的減值貸款比率由2019年12月底的1.22%，上升至2020年6月底的1.29%。香港業務的減值貸款比率由0.25%上升至0.46%，而內地業務的減值貸款比率則由3.80%上升至3.91%。另外，在2020年上半年本集團錄得位於馬來西亞營運的一所聯營公司之投資減值損失，金額為港幣2.20億元。

扣除減值損失後之經營溢利為港幣12.22億元，增加港幣10.02億元，或455.0%。

出售持有作出售資產之淨溢利減少港幣8,000萬元，或97.9%，主要是2019年上半年出售數項香港物業錄得溢利港幣1.05億元，而2020年上半年未有再發生。出售附屬及聯營公司之淨溢利增加港幣3.47億元，主要是由於出售及重新分類本集團於柬埔寨Prasac Microfinance Institution Limited所持的21%股權而錄得的溢利港幣3.49億元所致。投資物業估值錄得淨虧損港幣1.30億元。

集團應佔聯營公司及合資企業之除稅後溢利為港幣1.90億元，較2019年同期減少港幣1.38億元，或42.1%。溢利減少部分是因為上述在2020年上半年出售及重新分類Prasac Microfinance Institution Limited所致。

經計及所得稅後，除稅後溢利增至港幣15.58億元，較2019年上半年錄得的港幣10.38億元上升50.1%。

## 財務狀況

於2020年6月底，本集團綜合資產總額達港幣8,487.13億元，較2019年底的港幣8,651.98億元減少1.9%。

客戶墊款總額下降1.5%，至港幣5,014.65億元，而貿易票據貼現則減少10.2%，至港幣108.43億元。

可歸屬於本集團股東權益總額下跌至港幣926.97億元，跌幅為2.7%，主要是來自通過其他全面收益以反映公平價值投資證券及外匯持倉出現不利變動所致。而2020年首6個月錄得的淨溢利港幣15.32億元已抵銷部分跌幅。

客戶存款總額下跌3.7%，至港幣5,525.58億元。其中，活期存款和往來存款賬戶結餘減少港幣28.28億元，跌幅為4.2%；儲蓄存款增加港幣171.79億元，增幅為12.3%；而定期存款則減少港幣353.20億元，跌幅為9.6%。包括客戶存款及所有已發行存款證的存款總額減少5.6%，至港幣6,112.29億元。

於2020年6月底，貸款對存款比率為82.0%，而2019年底則為78.6%。

於2020年6月30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22.1%、19.5%及16.5%。截至2020年6月30日止季度的平均流動性覆蓋比率為177.7%，遠高於100%的法定下限。

## 業務回顧

2019冠狀病毒病(COVID-19)（「冠狀病毒病」）是本世紀首個肆虐全球的疫症，至今已造成無法估算的損失，並為全球經濟帶來前所未見的衝擊。政府實施的封鎖措施、旅遊限制、對醫療系統構成的巨大壓力，以及對商業和經濟活動造成的嚴重干擾，均導致全球多個地區出現空前的失業潮。各國政府及央行均推出規模龐大的貨幣及財政刺激措施，以鼓勵企業繼續聘用員工，避免經濟陷入停頓。

香港經濟亦遭受疫情重創。2020年上半年，訪港旅客人次按年暴跌89.9%，而零售銷售亦按年大跌33.3%，出口則按年下跌6.9%。在內外因素雙重影響下，經濟收縮9.1%，而失業率更於6月飆升至6.2%。然而，由於香港處於極低息環境，加上房屋供應短缺，因此今年上半年樓價仍微升1.8%。

短期來說，香港政府推出的各項支援措施或可為企業及市民紓困，把疫情的影響延後，但較長遠而言，經濟表現將視乎疫情的演變。本行預期，未來數月商業機構縮減規模或倒閉的情況將會加劇，導致失業率上升，進一步打擊消費。香港2020年本地生產總值預計將會收縮6.2%，而通脹率則回落至1.3%。

內地方面，由於環球需求疲弱，2020年上半年出口按年下跌6.2%，而零售銷售亦較2019年同期大跌11.4%。

為穩定經濟，中央政府已推出一系列財政及貨幣刺激措施，包括加快基建項目，以及推出扶持中小企業的融資計劃。

展望未來，內地經濟已重拾增長動力，但消費信心仍需一段時間才能恢復。此外，由於世界各地的經濟體仍在努力應對疫情，因此外需將持續疲弱。本行預期，2020年內地經濟增長將放緩至1.9%左右，而通脹率亦將回落至2.8%。

## 應對冠狀病毒病疫情

於冠狀病毒病爆發期間，東亞銀行迅速採取應變措施，務求在維持業務營運的同時，保障客戶及僱員的安全。

香港方面，本行於1月底啟動應對傳染病的緊急應變機制，採取多項防疫措施以盡量減低感染病毒的風險，包括暫停約三分之一分行的服務、安排同事分開地點上班或在家工作、採購衛生防疫用品及防護設備等。有關措施行之有效，期間本行並無員工確診。

東亞銀行亦致力支援本地企業。2月初，本行推出第一輪紓困措施，包括客戶可申請還息不還本、延長貸款期限，以及將其可供使用的貿易融資額度暫時轉換為透支額等。其後，本行更響應政府呼籲，為個人及企業客戶推出更多紓困措施，包括提供還息不還本安排，以及中小企融資擔保計劃的百分百擔保特惠貸款服務等。

至於針對疫情重災區湖北省，東亞中國亦推出豁免企業和個人服務費等措施，以支持當地居民及企業。此外，東亞中國亦根據國家及監管機構指示，為受疫情直接及嚴重影響的企業和個人客戶延長還款限期。

## 策略重點

冠狀病毒病的爆發為整個銀行業帶來多項重大挑戰。就此，本行的首要任務是維持穩定營運、保持強韌，以及發展多方面能力為未來作好準備。

首先，疫症爆發促使更多客戶轉用各種電子渠道。東亞銀行一直深明數碼科技的重要性，因此致力透過其網上及流動平台為客戶提供便捷的銀行服務，電子渠道在部分分行暫停服務期間顯得尤其重要。另外，為保持業內的領先優勢，本行最新成立的數碼創新辦公室現正帶領推動數碼銀行發展的項目，以及提高數據分析能力，希望為客戶度身訂造貼心的方案，而有關項目包括以下三大範疇：為客戶提供更多方便易用的數碼服務，以提升客戶體驗；透過提升本行的數碼基建，改善數據運用和管治能力；以及加強與數碼夥伴的合作，令本行生態系統的服務範疇更趨多元化。

持續的社區抗疫措施導致消費急劇下降。隨著收入減少，加上失業率上升，令部分企業及個人客戶難以償還債務。如上文所述，本行為客戶提供支援，亦同時積極管理資產質素。為加強風險管理，本行已進行各種壓力測試及情景規劃，並密切監察從事受影響行業的客戶。

各地央行紛紛調低利率，以刺激經濟增長，亦同時對銀行的淨息差構成巨大壓力。由於美國聯邦基金利率的目標區間於3月大幅下調，香港的銀行同業拆借利率亦隨之而下降，導致貸款收益率及無利息成本資金的收益減少，而資金成本卻因為銀行爭奪存款競爭激烈而高企不下。另外，中國人民銀行（「人行」）減息以及為市場注入流動資金的措施，亦令內地的淨息差進一步收窄。

面對艱難的經營環境，東亞銀行現正將業務轉型至輕資產模式，並聚焦服務費收入。本行會加強提供財富管理、交易銀行、貿易融資和對沖產品等方面的能力，從而增加服務費及佣金收入。此外，本行亦正透過各業務部門吸納較低成本的往來及儲蓄存款，藉以降低資金成本。

與此同時，全行上下致力控制經營成本以及提高生產力，亦正優化服務模式，在各可行的範疇推動無紙化、直通式的工作流程。本行正探討進一步優化分行網絡的方案，以及採用先進的監管科技以降低合規成本。整體而言，以上措施將減省人手操作，讓員工可更集中處理面向客戶的工作。本行將繼續確保員工具備合適的工具、技能及獎勵以推動銷售表現。

2020年3月，本行宣布對其業務和資產組合進行全面檢討，以確保與其策略重點保持一致，並藉以增加股東價值。本行就是次檢討委任高盛作為財務顧問，有關的工作進展良好。本行將在2020年9月30日之前公布有關檢討的最新情況。

## 香港業務

截至2020年6月30日止6個月，東亞銀行香港的客戶貸款增加0.8%至港幣2,922.56億元。存款總額下降4.2%至港幣4,110.62億元，而債券投資則下跌2.7%至港幣1,202.66億元。

香港業務的除稅前溢利回落至港幣14.14億元，主要由於冠狀病毒病從以下三方面帶來的影響。

首先，本行需為已降級的貸款作足夠撥備，加上預期信貸損失模型中的經濟變量更新，以致減值損失由2019年同期的較低水平顯著上升。

第二，前文所述的淨息差收窄，令淨利息收入下跌至港幣31.04億元。

第三，由於金融市場波動，令本行及其保險附屬公司的債務和股權投資組合，錄得按市值計量的估值虧損，非利息收入因而減少至港幣16.48億元。

基於上述因素，經營收入下跌至港幣47.52億元，然而，本行有效地控制了經營成本。於2020年下半年，本行會繼續持守審慎態度，尤其以保持穩健營運及提升生產力為工作重點。

## 企業及商業銀行

冠狀病毒病為經濟及商貿帶來重大影響，令企業銀行的經營環境充滿挑戰。減值前經營收入按年增加6.9%，當中淨利息收入較去年同期上升，而非利息收入更錄得雙位數增長。

由於商業活動減少，本地貸款需求亦相應減弱。同時，由於內地流動性充裕，跨境貸款需求亦有所下跌。本行致力為客戶提供支援，亦在審批新貸款時保持審慎。總體企業貸款期內錄得單位數的輕微升幅。

非利息收入的增長由產生服務費及佣金收入的業務所帶動，當中開戶及信貸相關的手續費收入錄得明顯升幅。本行專注加強對中型企業的服務，推動對沖產品、保險產品及其他財富管理產品的銷售佣金收入錄得增長。

然而，誠如上文所述，減值損失上升，令企業銀行業務的淨溢利受到拖累。本行將繼續以審慎態度審批貸款，並協助客戶處理問題貸款，致力維持資產質素。同時，本行亦正為個別行業度身訂造針對解決供應鏈中不同痛點的金融方案，旨在為客戶提供一站式服務，計劃已取得初步進展。

## 零售銀行

本行零售銀行業務的經營收入按年下跌4.4%。來自零售財富管理業務的服務費及佣金收入增加，帶動非利息收入增長，抵銷了部分淨利息收入的跌幅。

為了減輕淨息差的壓力，本行嚴控存款的定價，並繼續吸納現有及全新客戶的往來及儲蓄存款，以維持穩健的存款組合。零售銀行的往來及儲蓄存款比率上升至45.6%。而貸款組合亦處於穩定水平，本行繼續聚焦回報較高的借貸產品。

與此同時，零售財富管理收入按年增長12.5%。由於客戶對長期人壽保險需求大增，帶動保險銷售的佣金收入錄得強勁增幅，抵銷了投資產品需求疲弱所帶來的影響。為擴闊服務費及佣金收入來源，本行致力提升針對富裕客戶的財富管理服務，不但加強客戶關係管理團隊，更配合多元化的產品組合和方案，為客戶帶來更優質服務。



因冠狀病毒病疫情關係，部分分行暫停服務，加上社區實施社交距離措施，零售業務無論在吸納新客戶抑或與客戶日常接觸，均受到影響。然而，本行的網上及流動平台提供全面的財富管理方案和日常的銀行服務，讓客戶在疫情期間仍可繼續使用本行服務。於回顧期內，數碼服務的使用率大幅上升。透過網上及流動平台進行的財務交易宗數按年增長22.2%，投資交易的宗數更增加68.5%。

擴大目標客戶群基礎的策略，取得良好進展。富裕及新興富裕客戶群數目分別按年增長13.4%及9.9%。本行於5月全面提升其個人財富管理品牌「顯卓理財」綜合理財戶口服務，此戶口特點包括英國及大灣區物業按揭相關服務。

零售銀行的資產質素保持良好，尤其是按揭業務資產。由於貸款與估值比率及供款與入息比率處於低水平，本行的按揭貸款組合十分穩健。然而，受到淨利息收入下跌影響，零售銀行的淨溢利錄得跌幅。本行將繼續以獨特的定位作招徠，以吸納目標客戶群，為他們提供適切的理財方案，從而推動客戶數目及收入增長。

### **財富管理**

上半年由於市場波動，部分客戶尋求去槓桿及減持投資倉位，本行私人銀行的管理資產規模及客戶貸款餘額亦因此而受到影響。

由於股票市場成交量高企，帶動股票經紀業務收入按年大幅上升。非利息收入錄得雙位數增長，抵銷了淨利息收入的跌幅。總體而言，私人銀行的經營收入大致持平。

在非常動盪的市況下，客戶經理專注為客戶審視投資組合，並提出不同的財富管理及資產保護方案。即使在市場最波動的時刻，私人銀行業務的資產質素並沒有嚴重惡化或出現客戶保證金不足的情況。

本行格外注重數碼化發展，即使受到冠狀病毒病相關的旅遊限制影響，本行亦能透過數碼渠道與內地客戶保持聯繫，此模式深受客戶認可。上半年來自內地客戶(尤其是大灣區客戶)的收入按年有所增加。

隨著各國推出強而有力的財政及貨幣刺激措施，並於封鎖解除後逐步恢復經濟活動，縱使市況仍會繼續波動，但市場情緒可望於下半年好轉。本行將提供具主題性的投資策略，以助客戶把握市場趨勢。2020年下半年，東亞銀行將致力擴大管理資產規模、吸納新客戶，以及加深與現有客戶的關係，以爭取更多業務機會。

為實現此目標，本行將繼續擴充客戶經理團隊規模，同時提升前綫員工的技能和生產力。為進一步優化產品組合以滿足客戶的需求，本行在遵守所有合規要求的前提下，不斷簡化流程以加快新產品的審批。

### **保險及強積金服務**

若撇除若干金融資產的估值變動及保單準備金的撥回，東亞銀行核心保險業務的溢利按年增長39.4%，反映承保業績強勁。市場出現大幅變動，導致本行旗下保險附屬公司的債務和股權投資組合蒙受估值損失，令容易被市況波動影響的保險業務淨溢利因此受到衝擊。

本行旗下全資壽險附屬公司—東亞人壽保險有限公司將焦點轉移至平均保費收入較低但溢利率更高的長期產品。儘管新造保單保費收入有所下降，本行來自銷售東亞人壽產品的佣金收入增加49.2%。東亞人壽將繼續優化其保險產品組合，以滿足保單持有人的需要，同時提高本行的回報。

本行旗下全資一般保險附屬公司—藍十字(亞太)保險有限公司於回顧期內在香港的市場份額保持平穩。由於醫療索償比率顯著改善，承保利潤按年增長接近一倍。受冠狀病毒病引致的旅遊限制所影響，旅遊保險需求下降，導致保費收入減少。然而，團體醫療保險表現出色，續保需求強勁。

為進一步加強數碼平台，藍十字於2019年12月透過其手機應用程式及企業網站推出全天候聊天機械人服務。在投入服務6個月後，經由聊天機械人處理的客戶查詢佔總數的20%。約三分之一由聊天機械人處理的查詢在非辦公時間進行，證明此功能為客戶帶來更多便利。

於2020年6月底，東亞銀行旗下強積金計劃的成員總數增至829,000名，而管理資產則達港幣278億元。由於建築及餐飲服務等行業出現就業不足及企業倒閉等情況，因此東亞銀行旗下三個強積金計劃(特別是行業計劃)收到的供款有所減少。東亞銀行積極透過其強積金數碼服務渠道，為僱主及僱員提供便利的服務，於回顧期內數碼服務使用量上升26%。

## 中國內地業務

自冠狀病毒病疫情爆發以來，中國內地採取了果斷行動，實施多項封鎖措施，以控制病毒傳播。雖然疫情很快得到了控制，但經濟活動仍受到影響。2020年上半年，內地國內生產總值按年收縮1.6%。零售、投資及出口分別下跌11.4%、3.1%及3.2%。

雖然中美兩國於2020年1月簽署了第一階段貿易協議，但大部分貿易關稅仍然維持不變，美國繼續對中國內地的商品加徵關稅，進一步窒礙了中國內地的出口表現。

為遏制冠狀病毒病而採取的果斷措施，對東亞中國上半年的表現造成影響。雖然部分客戶的業務減少，融資意欲轉淡，但東亞中國的撥備前經營溢利維持穩定，達港幣10.98億元。面對信貸及營商環境轉差，本行自去年起收緊了降低風險的措施，令信貸成本降至2.75%，較去年下半年有所改善。

於2020年6月30日，東亞中國的貸款結餘總額為港幣1,193.97億元。隨著人行於2020年上半年持續下調貸款市場報價利率，淨息差收窄22個基點。由於貸款結餘進一步下降及淨息差受壓，淨利息收入較去年下半年減少18.6%。此外，截至2020年6月30日的客戶存款減至港幣1,337.87億元。

於2020年6月，東亞中國的減值貸款比率維持在3.92%的高位。高企的不良貸款比率主要是由於冠狀病毒病疫情令清收工作延遲所致，而並非不良貸款有所新增。

東亞中國透過加強交叉銷售及業務轉介，令收入來源進一步多元化。非利息收入維持穩定，達港幣5.76億元，佔經營收入總額逾20%。

受惠於有效的成本管理措施，東亞中國於2020年上半年的相關經營支出減至港幣15.35億元，自2019年以來持續呈現下降趨勢。成本對收入比率改善至58.3%。

2020年上半年，東亞中國進一步優化網絡，將5間支行與其他網點合併。截至2020年6月底，東亞中國於全國43個城市經營31間分行及61間支行，仍然是內地網絡最龐大的外資銀行之一。

與年初相比，內地的經濟展望於年中顯著轉差，而冠狀病毒病對經濟活動的影響仍在評估中。在充滿挑戰的宏觀環境下，東亞中國將繼續積極管理資產質素。

有賴過去數年零售業務成功轉型，今年上半年，零售業務對東亞中國貸款組合及非利息收入的貢獻分別達29%及38%。展望未來，東亞中國將深化與領先互聯網平台的夥伴關係，憑藉自身龐大的零售客戶群，著力把握交叉銷售機會。作為此項策略的一部分，東亞中國將加快數碼化轉型，提供更優質的服務及產品。本行將特別把其中一個重點放在大灣區，利用在區內擁有的龐大在岸及離岸業務網點，把握跨境按揭及即將推出的「跨境理財通」所帶來的新業務機遇。

企業銀行業務方面，東亞中國已做好充足準備，透過交易銀行服務、借貸產品及跨境解決方案滿足客戶需求。此外，東亞中國將在銀團貸款籌組和債務資本市場等方面開拓投資銀行業務，以及推動財資產品的銷售，藉以延續其服務費收入的良好勢頭，吸納更多來自客戶的經營現金流量。

## 國際、澳門及台灣業務

2020年上半年，冠狀病毒病所帶來的重大經濟不明朗因素，令本行海外業務面臨前所未見的不利市況。為協助當地社區渡過難關，及配合各地政府推出的多項紓困措施，本行海外分行已為客戶推出一系列債務紓困計劃及支援措施。

回顧期內，東亞銀行海外分行仍繼續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，本行海外業務的貸款仍較2019年底錄得2.2%的溫和增長。

期內，本行海外分行撥備前經營溢利按年下降11.4%，主要由於美國聯邦儲備局及英倫銀行減息，導致計息資產的淨息差收窄，以及英鎊及新加坡元兌港幣貶值所致。

除稅後淨溢利按年下跌52.7%，主要由於冠狀病毒病對經濟帶來的影響，引致減值損失準備飆升。儘管營商環境不穩定，惟本行海外分行的資產質素依然穩健，減值貸款比率由去年底的0.54%改善至2020年6月30日的0.49%。

儘管風險及合規成本持續上升，惟本行海外業務仍然嚴控支出，經營支出微跌0.8%。2020年上半年，由於總經營收入下跌，成本對收入比率因而由去年同期的34.6%上升至37.2%。

展望未來，本行海外業務將會繼續面臨新型冠狀病毒病疫情、地緣局勢緊張升級，以及尚待解決的英國脫歐問題等挑戰。各分行將持續保持審慎態度，並會優化貸款組合以平衡風險與回報，並協助客戶抓緊經濟復甦的機遇。

最後，東亞銀行海外業務將進一步優化分行網絡、簡化營運程序及實現流程自動化，務求可提升效率，進一步控制成本。

## 東亞聯豐投資管理有限公司

2020年上半年，東亞聯豐於香港推出以「開放式基金型公司」結構，首隻主動管理、獲證監會認可，可向公眾銷售的基金—東亞聯豐亞太區債券基金。憑藉東亞聯豐於亞洲投資級別債券的投資能力，該基金致力為機構投資者以較低風險獲取收益的機會。

因應零售投資者對具有固定投資年期的亞洲債券基金的持續需求，亞洲企業目標年期基金2023已於2020年5月重新開放認購。

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)有限公司將於下半年推出首隻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2020年6月30日的僱員人數為9,670人，分布如下：

	於2020年 6月30日	於2019年 12月31日	於2019年 6月30日 (重報)
香港	5,560	5,564	5,446
中國內地	3,511	3,681	3,833
澳門及台灣	154	158	161
海外	445	443	439
總計	<u>9,670</u>	<u>9,846</u>	<u>9,879</u>

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2019年6月30日的僱員人數已予重報，以茲比較。

為響應政府協助企業在冠狀病毒病疫情下繼續留住僱員的倡議，並為香港經濟復甦作出積極貢獻，本行及其香港附屬公司已根據「保就業」計劃申請資助，以顯示本行於經濟衰退期間對員工的承諾。本行將持續填補空缺及招聘新血，並且在培訓及發展方面投入資源，確保本行做好準備，滿足客戶現在與未來不斷變化的需要。

於2020年初，本行實施經修訂的績效管理及獎勵機制，以建立績效導向文化，並使之與本行核心價值：即追求卓越、長期承諾、誠信正直、以客為尊、團隊協作及勇於創新緊密相連。各分處／部門的評分和獎勵與集團的財務和非財務表現有更緊密的關連，並加強反映部門在風險與合規方面的表現。

本行還推出了一項新的人才發展計劃，旨在培養身處職業生涯中期的具潛質員工成為未來領導人選。該計劃提供一系列支援個人及職業發展的措施，包括在職發展、培訓及指導，以及領袖訓練。本行亦透過各種畢業生發展計劃持續培養青年人才，包括本行的見習管理人員培訓計劃，以及多個針對不同業務範疇的見習人員計劃。

為促進員工的持續專業發展，本行支持員工透過金管局「銀行專業資歷架構」考取專業資格。東亞銀行亦投資於廣泛的培訓項目，涵蓋技術知識到軟技能培訓。

## 展望

全球爆發冠狀病毒病疫情，加上政治緊張局勢加劇，令經濟增長趨勢逆轉。鑑於疫情仍在肆虐，環球經濟呈現快速V型復甦的機會日趨渺茫。

東亞銀行核心市場的前景似乎較為明朗。中國內地是首個為應對病毒而封城的國家，但亦是首個重啟經濟的國家。儘管內地已迅速恢復溫和增長，但復甦基礎脆弱，除非核心出口市場好轉，否則經濟復甦恐後繼乏力。迄今，香港仍得以避免全面封城，市場對區內下半年經濟活動回暖持審慎樂觀的態度。

東亞銀行繼續對大中華地區長遠的業務增長感到樂觀，特別是大灣區。隨著企業把生產綫分佈至亞洲各地，東亞銀行為他們提供銀行融資和其他服務，協助他們把設於大灣區的設施轉型。本行亦協助初創企業，幫助他們把握大灣區的發展機遇。

跨境理財通等措施將進一步推動大灣區的財富管理和退休規劃市場。隨著區內趨向進一步整合，本行已加強跨境客戶關係管理團隊，並應用遙距開戶等新科技。東亞銀行將繼續致力滿足客戶於大灣區銀行服務和金融方案方面的需要，並透過海外分行網絡和策略夥伴提供全球的支援。

## 風險管理

根據金管局及其他監管機構的規定，本集團已建立一個風險管治及管理架構。該架構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額。

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。

本集團已推行企業風險管理架構，旨在全面有效地識別及管理潛在風險。本集團作為一間本地系統重要性銀行，金管局對本集團在風險管理方面有著高標準要求。風險管理架構協助本集團達到要求以及鞏固「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，負責為本集團制定風險管理管治架構、獨立監督風險及輔助各管理委員會監控風險管理。
- 第三道防線為稽核處，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與風險管理相關的事務，與各風險監控人就風險管理政策的制定作出緊密協作，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與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。

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（包括中國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、盈利能力及流動性的潛在影響。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。

信貸委員會由董事會授權，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根據銀行的現行信貸政策和法定要求執行日常涉及政策制定、評估、控制和監控、MIS和問題信貸管理的事務。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，以及達致風險管理程序的最佳做法。

## **(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。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。市場風險由集團的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。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。稽核處會進行定期審查，以確保市場風險管理職能得到有效執行。

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。

就此，必須管理的市場風險主要類別如下：

### *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。所有外幣持倉均由集團的資金市場處按董事會或資產負債管理委員會所訂定的限額內進行日常管理。

結構性外幣持倉主要源自於本集團對分行、附屬公司和聯營公司的外幣投資，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。

### *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。

### 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。股份風險由本集團資金市場處按董事會、投資委員會或資產負債管理委員會批准的限額範圍及策略進行日常管理。

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。董事會審批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。

#### 風險值統計

	2020年上半年			
	於6月30日	最高	最低	平均
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
交易活動的風險值總額	30	32	23	28
外匯交易持倉的風險值*	6	8	5	6
利率交易持倉的風險值	1	4	1	2
股份交易持倉的風險值	25	26	18	22

	2019年上半年			
	於6月30日	最高	最低	平均
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
交易活動的風險值總額	29	38	29	33
外匯交易持倉的風險值*	7	16	6	11
利率交易持倉的風險值	2	5	1	3
股份交易持倉的風險值	22	25	20	22

\* 包括所有外匯持倉但不包括結構性外匯持倉。



於2020年上半年，所有交易活動(包括外匯、利率及股份交易活動)所得的每日平均收入為港幣119萬元(2019年上半年的每日平均收入為港幣274萬元)。期內每日盈虧標準差為港幣1,033萬元(2019年同期標準差為港幣844萬元)。

### **(c) 營運風險管理**

營運風險是指由於內部流程、人員和系統的不足或缺陷，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、監控及匯報本集團的營運風險；減少任何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、風險評估、關鍵風險指標、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策略方案。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。

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分之一。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)存款基礎的組成及其餘下到期期限、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、貨幣市場拆放及其他借貸進入專業市場，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，集團內公司之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。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、外項目定期進行現金流量分析及預測，以確定不同時段的資金需要，從而管理流動性風險。

本集團亦會定期進行壓力測試，以分析流動資金風險。透過適用的模擬及歷史假設，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，當中包括質量性及數量性的措施，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政策。應急資金政策如有任何重大變動，必須取得董事會的批准。

### 已發行存款證、債務證券及借貸資本

於2020年上半年，東亞銀行發行了面值為5.9億美元的浮息存款證及債務證券；面值為港幣37.4億元及9.95億美元的定息存款證及債務證券；以及面值為港幣35.05億元、19.75億美元、人民幣90億元、2.69億英鎊及3,000萬瑞士法郎的零息存款證及債務證券。本集團於到期時贖回各類存款證及債務證券達等值港幣630.83億元。

於2020年6月底，已發行在外的存款證及債務證券面值相等於港幣632.54億元，賬面值則相等於港幣630.36億元。

於2020年6月上半年，東亞銀行已發行面值相等於6億美元的定息借貸資本。

於2020年6月底，已發行的借貸資本面值相等於港幣148.2億元，賬面值則相等於港幣148.45億元。

已發行存款證及債務證券的年期

於2020年6月30日

(以百萬元位列示)

	總面值	到期年份			
		2020	2021	2022	2023
<b>浮息</b>					
美元	947	327	140	30	450
<b>定息(附註)</b>					
港幣	5,130	3,530	1,600		
美元	1,015	915	100		
人民幣	2,500			2,500	
英鎊	25	25			
<b>零息</b>					
港幣	3,285	1,895	1,390		
美元	2,883	2,129	734	20	
人民幣	10,630	8,330	2,300		
英鎊	210	210			
瑞士法郎	80	50	30		
<b>所有已發行存款證及債務證券 (港幣等值)</b>	<b>63,254</b>	<b>43,332</b>	<b>13,305</b>	<b>3,129</b>	<b>3,488</b>

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。

借貸資本的年期

於2020年6月30日

(以百萬元位列示)

	總面值	到期年份			
		2020	2026	2029	2030
美元(附註1及3)	1,700	600	500		600
人民幣(附註2)	1,500			1,500	
<b>所有已發行借貸資本 (港幣等值)</b>	<b>14,820</b>	<b>4,650</b>	<b>3,875</b>	<b>1,645</b>	<b>4,650</b>

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。
3. 將於2030年到期的6億美元借貸資本於2025年5月29日可贖回。

## **(e) 利率風險管理**

利率風險是指本集團的銀行賬冊持倉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持倉限額，以控制本集團的利率風險。

由2019年7月1起，若干新假設如產品的選擇權和習性將會因應金管局的要求於風險承擔計量中估算。

本集團定期進行敏感度分析，以估算利率變動對盈利和經濟價值的影響，當中包括金管局規定的不同利率衝擊假設情景。股權經濟價值反映對按照市場利率折算其預計淨現金流的現值的評估。由於利率變動會影響本集團的盈利，因此亦會影響本集團的淨值。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。

## **(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。

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資金策略下的活動，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，以評估因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**

法律風險是指出現因合約未能執行、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。

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。

## **(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，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、匯報及緩減信譽風險，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。

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及監管制裁、罰金或罰款、財務損失，或令聲譽受損而導致本集團可能損失的風險。

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。

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、完整性及可用性相關的控制措施。

## **(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／或合併和收購)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。

本集團已建立穩健風險管治架構，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。

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。

為了應對2020年初冠狀病毒病大流行的爆發，本集團採取了一系列預防措施，包括但不限於確保工作間衛生、讓曾與確診者有緊密接觸的同事自我隔離、鼓勵同事保持社交距離、安排同事在家工作和分開地點上班。事實證明，以上措施均見成效，到目前為止，尚未有由於冠狀病毒病大流行而對本集團的營運產生重大不利影響。

## 有關銀行同業拆借利率改革的過渡安排

多年來，銀行同業拆借利率（「IBOR」）一直被接納為貸款、債券及衍生工具等各類產品的利率基準，並被廣泛用於估值及風險管理程序。

然而，2008年金融危機揭露了使用IBOR所存在重大的限制和缺陷。而在金融危機後，無抵押銀行同業融資市場的資金流動性不斷下降，進一步削弱市場對IBOR作為可靠及穩健基準工具的信心。對此，全球主要監管機構提倡轉變，不再依賴IBOR。

2014年，金融穩定委員會（「FSB」）發布了一份關於利率基準改革的報告，建議採用替代參考利率（「ARRs」）作為取代IBOR的新基準工具。2017年，英國金融行為監管局（「FCA」）公布在2021年以後不再強制銀行為計算平均倫敦銀行同業拆借利率（「LIBOR」）報價。因此，提交利率報價的銀行數量預計會顯著減少。

隨著2021年限期臨近，IBOR改革的步伐有所加快。於2020年1月及4月，FCA與英倫銀行及英鎊無風險參考利率工作組(Working Group on Sterling Risk-Free Reference Rates)共同制定了IBOR改革路向圖，藉此處理有關後備條款、逐步停止使用英鎊LIBOR現金產品、以及過渡至屬於ARR基準工具的英鎊隔夜指數（「SONIA」）等關鍵問題。

同樣，美國替代參考利率委員會(Alternative Reference Rates Committee)亦為美元LIBOR產品過渡至屬於ARR基準工具的具抵押隔夜融資利率（「SOFR」）制定了路向圖。香港金融管理局正在密切關注IBOR改革的最新發展，確保本地標準與海外標準接軌。

為籌備採用SONIA及SOFR等ARR基準工具，本行設立了覆蓋全集團的IBOR改革項目（「該項目」），以統籌所有相關的過渡工作。該項目由集團財務總監領導，並由財資及其他業務單位、營運支援、風險管理、法律、資訊科技及會計等職能部門的主管協同執行。

為確保客戶取得有關IBOR改革最新發展的信息，本行已於2020年6月在本行網站發布有關改革方案及本行相應舉措的資料。此外，本行亦已將相關資訊寄發予客戶。

由IBORs過渡至ARRs涉及法律風險及市場風險。法律風險源自現有合約未能考慮到IBOR停用的情況。本行正在檢查相關合約並將作出適當安排，以保護客戶的利益。本行所採取的一切措施，將遵守相關監管規定，並與市場慣例保持一致。

對於IBOR過渡所涉及的市場風險，本行將會對相關程序和系統作出必要的調整。對於因應IBOR改革而推出的新產品、對現有產品設計的改變、以及對估值參數和模型所作出的新增及調整，本行將會對相關的估值方法及風險敞口計算方式進行驗證。此外，本行將會監察IBOR改革的進程，並相應調整風險管理策略。

本行將於2020年下半年對IBOR改革的影響進行深入評估（此前已於2019年年底進行了初步的宏觀性評估）。屆時，東亞銀行將根據評估結果、相關監管要求及期望採取適當措施。



## 可持續發展

現今所有企業均要面對不少複雜的社會及環境問題，東亞銀行亦不例外。於回顧期內，本行專注提升企業管治，以促進環境、社會及管治決策的協調及跨部門合作。

東亞銀行正在籌組一個董事會層面的環境、社會及管治委員會，並將於2020年底前完成。該委員會將負責監督本行轄下環境、社會及管治督導小組（「督導小組」）的工作。該督導小組由負責東亞銀行環境、社會及管治發展的相關分處總經理組成，專責制定環境、社會及管治策略與推進有關工作。該督導小組已於2020年5月舉行首次會議。

督導小組屬下的環境、社會及管治工作小組（「工作小組」）則負責執行督導小組制定的策略。該工作小組正致力達成本行的2020年環境、社會及管治目標，包括設立集團減排目標及識別東亞銀行的環境、社會及管治和與氣候相關的風險。工作小組亦已接替過往專注匯報工作的企業社會責任工作小組的職責。此外，為加強注重環境、社會及管治的文化，本行於2020年4月為在港的總經理及部門主管舉辦環境、社會及管治工作坊。

2020年上半年，冠狀病毒肆虐全球，東亞銀行迅速反應，致力保障客戶、僱員及公眾人士的安全。本行縮短各地的分行營業時間，鼓勵客戶使用數碼銀行服務，從而盡量減少分行人流，以減低病毒傳播機會。為進一步保障客戶及員工，本行於分行地面加上記號提示客戶的輪候位置，提醒客戶排隊時保持合適的社交距離，並在各處提供消毒搓手液。為方便內地客戶，東亞中國透過社交媒體定期發布有關分行營業時間及各服務渠道的資訊。

本行在疫情初期已在合適的情況下安排員工在家工作，以及在不同地點上班。憑藉穩健的資訊科技基礎設施及全面的應急計劃，本行在實施有關的緊急措施下，業務運作繼續保持暢順。

內地方面，東亞中國安排輔導服務以支援僱員，保持身心健康，並舉辦網上講座，向員工講解冠狀病毒病的防護知識，並利用網上工具跟進員工的健康狀況。集團上下均建議員工盡可能採用電子方式進行會議，以保持社交距離。

於2020年，東亞銀行慈善基金慶祝成立十周年。由於多項慈善活動均受到冠狀病毒病影響，東亞銀行慈善基金轉而開展抗疫慈善活動，向13間非政府組織合共捐贈港幣260萬元，透過他們向弱勢社羣、長者、患病人士及殘疾人士派發日用品和個人衛生防護用品，共有約24,000人士受惠。同時，東亞中國亦向中國紅十字會武漢分會捐贈人民幣300萬元，並為內地山區學校提供消毒劑、消毒搓手液及電子體溫計等防疫物資。2020年3月及4月，來自東亞數據信息服務的義工向廣州及周邊地區的長者捐贈近4,000個口罩。

環境方面，總行在2019年於辦公大樓各樓層設置廢物回收箱後，金屬及塑料回收率按年分別提高170%及420%。此外，本行亦繼續將總行的燈具更換為LED燈，回顧期內每月因而節省電力1,251千瓦時。

如欲了解更多有關本行的環境、社會及管治表現與社區投資計劃的資料，請瀏覽本集團的環境、社會及管治報告。該報告已上載於本行公司網站[www.hkbea.com](http://www.hkbea.com)（關於東亞銀行／企業社會責任）。

## 董事資料的變動

根據《上市規則》第13.51B(1)條，自刊發本行2019年報起直至2020年8月20日（為通過本行2020中期報告當天）期間，董事按《上市規則》第13.51(2)條第(a)至(e)段及第(g)段規定披露資料的變動如下：

### **於本集團所擔當職位的變動**

范禮賢博士辭任本行非執行董事及提名委員會委員，由2020年4月24日本行舉行的股東周年常會結束後生效。他獲委任為董事會特別顧問。

唐英年博士於2020年4月3日起退任東亞中國之獨立非執行董事，同時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。他獲委任為東亞中國之監事。

李國榮先生為東亞中國獨立非執行董事、其審核委員會主席及其風險管理委員會委員，他停止擔任其關聯交易控制委員會代理主席但留任為委員。

杜家駒先生於2020年9月1日起辭任東亞中國之獨立非執行董事，同時終止擔任其審核委員會和薪酬與提名委員會委員。

### **有關擔任其他公司董事職務及其他主要任命的變動**

<u>董事姓名</u>	<u>其他公司董事職務及任命</u>
黃子欣博士	退任香港鐵路有限公司（在香港上市）之獨立非執行董事及辭任利豐有限公司（於2020年5月27日撤銷在香港的上市地位）之獨立非執行董事
李國星先生	終止擔任昆侖能源有限公司及太平地氈國際有限公司（兩間公司均在香港上市）之獨立非執行董事
黃永光博士	獲委任為香港青年聯會會長、香港僱主聯合會諮議會成員、香港科技園公司董事會成員及香港數碼港管理有限公司數碼港顧問委員會成員及終止擔任香港特別行政區政府扶貧委員會關愛基金專責小組增補委員
奧正之先生	辭任小松製作所(Komatsu Ltd.)之獨立非執行董事及南海鐵道株式會社(Nankai Electric Railway Co. Ltd.)的核數師（兩間公司均在日本上市）

除以上所述外，本行董事並無其他資料需根據《上市規則》第13.51B (1)條而作出披露。

## 董事及聯席行政總裁權益

於2020年6月30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 有投票權股份 的百分率
李國寶	實益擁有人 配偶的權益 法團的權益 遺產執行人	86,208,360 2,215,755 458,594 11,438,500	100,321,209 <sup>1</sup>	3.44
李國章	實益擁有人 法團的權益 遺產執行人	13,085,663 17,437,293 11,438,500	41,961,456 <sup>2</sup>	1.44
黃子欣	實益擁有人 配偶的權益 酌情信託的成立人 及受益人	464,393 136 17,415,234	17,879,763 <sup>3</sup>	0.61
李國星	實益擁有人 配偶的權益 法團的權益	825,304 24,913 17,816,598	18,666,815 <sup>4</sup>	0.64
羅友禮	—	—	無	無
李國仕	實益擁有人 遺產管理人	11,752,581 1,822,523	13,575,104 <sup>5</sup>	0.47
李民橋	實益擁有人 子女的權益 酌情信託的財產 授予人／成立人	1,085,277 7,909 2,084,326	3,177,512 <sup>6</sup>	0.11
李民斌	實益擁有人 法團的權益	2,579,902 820,282	3,400,184 <sup>7</sup>	0.12
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

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11,438,500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11,438,500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11,438,500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11,438,500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825,304股的實益擁有人。由於其配偶吳伊莉擁有24,913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17,816,598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7,909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2,579,902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2020年6月30日止6個月內的資料，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。

## 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2020年6月30日止6個月內認股權的變動：

姓名	授予日期	認股權數目				於30/6/2020 尚未行使	
		於01/1/2020 尚未行使	授出	行使	失效／註銷		
李國寶	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	0	
	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>	—	—	167,000 <sup>#</sup>	501,000	
	10/4/2018 <sup>a</sup>	666,000 <sup>T1</sup>	—	—	—	666,000	
	10/4/2018 <sup>a</sup>	666,000 <sup>T2</sup>	—	—	166,500 <sup>#</sup>	499,500	
	10/4/2018 <sup>a</sup>	668,000 <sup>T3</sup>	—	—	167,000 <sup>#</sup>	501,000	
	19/7/2019 <sup>a</sup>	666,000 <sup>T1</sup>	—	—	166,500 <sup>#</sup>	499,500	
	19/7/2019 <sup>a</sup>	666,000 <sup>T2</sup>	—	—	166,500 <sup>#</sup>	499,500	
	19/7/2019 <sup>a</sup>	668,000 <sup>T3</sup>	—	—	167,000 <sup>#</sup>	501,000	
	07/4/2020 <sup>b</sup>	—	—	346,115 <sup>T1</sup>	—	—	346,115
	07/4/2020 <sup>b</sup>	—	—	347,802 <sup>T2</sup>	—	—	347,802
07/4/2020 <sup>b</sup>	—	—	354,090 <sup>T3</sup>	—	—	354,090	
李民橋	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	218,000	0	
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	216,000	0	
	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	0	
	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>	—	—	54,500 <sup>#</sup>	163,500	
	10/4/2018 <sup>a</sup>	216,000 <sup>T1</sup>	—	—	—	216,000	
	10/4/2018 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	54,000 <sup>#</sup>	162,000	
	10/4/2018 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	54,500 <sup>#</sup>	163,500	
	19/7/2019 <sup>a</sup>	216,000 <sup>T1</sup>	—	—	54,000 <sup>#</sup>	162,000	
	19/7/2019 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	54,000 <sup>#</sup>	162,000	
19/7/2019 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	54,500 <sup>#</sup>	163,500		
07/4/2020 <sup>b</sup>	—	—	268,360 <sup>T1</sup>	—	—	268,360	
07/4/2020 <sup>b</sup>	—	—	271,648 <sup>T2</sup>	—	—	271,648	
07/4/2020 <sup>b</sup>	—	—	282,769 <sup>T3</sup>	—	—	282,769	

姓名	授予日期	認股權數目				於30/6/2020 尚未行使
		於01/1/2020 尚未行使	授出	行使	失效／註銷	
李民斌	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	218,000	0
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	216,000	0
	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	0
	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>	—	—	109,000 <sup>#</sup>	109,000
	10/4/2018 <sup>a</sup>	216,000 <sup>T1</sup>	—	—	—	216,000
	10/4/2018 <sup>a</sup>	216,000 <sup>T2</sup>	—	—	108,000 <sup>#</sup>	108,000
	10/4/2018 <sup>a</sup>	218,000 <sup>T3</sup>	—	—	109,000 <sup>#</sup>	109,000
	07/4/2020 <sup>b</sup>	—	286,690 <sup>T1</sup>	—	—	286,690
	07/4/2020 <sup>b</sup>	—	288,878 <sup>T2</sup>	—	—	288,878
07/4/2020 <sup>b</sup>	—	297,977 <sup>T3</sup>	—	—	297,977	
其他僱員的 總數*	10/5/2012 <sup>a</sup>	636,000 <sup>T3</sup>	—	—	636,000	0
	03/5/2013 <sup>a</sup>	632,000 <sup>T2</sup>	—	—	632,000	0
	03/5/2013 <sup>a</sup>	686,000 <sup>T3</sup>	—	—	—	686,000
	02/5/2014 <sup>a</sup>	652,000 <sup>T1</sup>	—	—	652,000	0
	02/5/2014 <sup>a</sup>	782,000 <sup>T2</sup>	—	—	—	782,000
	02/5/2014 <sup>a</sup>	786,000 <sup>T3</sup>	—	—	—	786,000
	04/5/2015 <sup>a</sup>	782,000 <sup>T1</sup>	—	—	—	782,000
	04/5/2015 <sup>a</sup>	782,000 <sup>T2</sup>	—	—	—	782,000
	04/5/2015 <sup>a</sup>	786,000 <sup>T3</sup>	—	—	—	786,000
	08/4/2016 <sup>a</sup>	582,000 <sup>T1</sup>	—	—	—	582,000
	08/4/2016 <sup>a</sup>	798,000 <sup>T2</sup>	—	—	—	798,000
	08/4/2016 <sup>a</sup>	842,500 <sup>T3</sup>	—	—	—	842,500
	07/4/2017 <sup>a</sup>	882,000 <sup>T1</sup>	—	—	—	882,000
	07/4/2017 <sup>a</sup>	882,000 <sup>T2</sup>	—	—	—	882,000
	07/4/2017 <sup>a</sup>	886,000 <sup>T3</sup>	—	—	196,500 <sup>#</sup>	689,500
	10/4/2018 <sup>a</sup>	927,000 <sup>T1</sup>	—	—	—	927,000
	10/4/2018 <sup>a</sup>	927,000 <sup>T2</sup>	—	—	183,000 <sup>#</sup>	744,000
	10/4/2018 <sup>a</sup>	933,500 <sup>T3</sup>	—	—	184,000 <sup>#</sup>	749,500
	19/7/2019 <sup>a</sup>	965,000 <sup>T1</sup>	—	—	183,000 <sup>#</sup>	782,000
	19/7/2019 <sup>a</sup>	965,000 <sup>T2</sup>	—	—	183,000 <sup>#</sup>	782,000
19/7/2019 <sup>a</sup>	970,000 <sup>T3</sup>	—	—	184,000 <sup>#</sup>	786,000	
07/4/2020 <sup>b</sup>	—	827,000 <sup>T1</sup>	—	—	827,000	
07/4/2020 <sup>b</sup>	—	827,000 <sup>T2</sup>	—	—	827,000	
07/4/2020 <sup>b</sup>	—	833,500 <sup>T3</sup>	—	—	833,500	

姓名	授予日期	認股權數目				於30/6/2020 尚未行使
		於01/1/2020 尚未行使	授出	行使	失效／註銷	
其他參與人**	10/5/2012 <sup>a</sup>	100,000 <sup>T3</sup>	—	—	100,000	0
	03/5/2013 <sup>a</sup>	50,000 <sup>T2</sup>	—	—	50,000	0
	03/5/2013 <sup>a</sup>	50,000 <sup>T3</sup>	—	—	—	50,000
	02/5/2014 <sup>a</sup>	62,000 <sup>T1</sup>	—	—	62,000	0
	02/5/2014 <sup>a</sup>	62,000 <sup>T2</sup>	—	—	—	62,000
	02/5/2014 <sup>a</sup>	63,500 <sup>T3</sup>	—	—	—	63,500
	04/5/2015 <sup>a</sup>	150,000 <sup>T1</sup>	—	—	—	150,000
	04/5/2015 <sup>a</sup>	150,000 <sup>T2</sup>	—	—	—	150,000
	04/5/2015 <sup>a</sup>	115,746 <sup>T3</sup>	—	—	—	115,746
	08/4/2016 <sup>a</sup>	50,000 <sup>T1</sup>	—	—	—	50,000
	08/4/2016 <sup>a</sup>	100,000 <sup>T2</sup>	—	—	—	100,000
	08/4/2016 <sup>a</sup>	150,000 <sup>T3</sup>	—	—	—	150,000
	07/4/2017 <sup>a</sup>	150,000 <sup>T1</sup>	—	—	—	150,000
	07/4/2017 <sup>a</sup>	150,000 <sup>T2</sup>	—	—	—	150,000
	07/4/2017 <sup>a</sup>	150,000 <sup>T3</sup>	—	—	12,500 <sup>#</sup>	137,500
	10/4/2018 <sup>a</sup>	200,000 <sup>T1</sup>	—	—	—	200,000
	10/4/2018 <sup>a</sup>	200,000 <sup>T2</sup>	—	—	50,000	150,000
	10/4/2018 <sup>a</sup>	200,000 <sup>T3</sup>	—	—	50,000	150,000
	19/7/2019 <sup>a</sup>	100,000 <sup>T1</sup>	—	—	—	100,000
	19/7/2019 <sup>a</sup>	100,000 <sup>T2</sup>	—	—	—	100,000
	19/7/2019 <sup>a</sup>	100,000 <sup>T3</sup>	—	—	—	100,000
	07/4/2020 <sup>b</sup>	—	50,000 <sup>T1</sup>	—	—	50,000
	07/4/2020 <sup>b</sup>	—	50,000 <sup>T2</sup>	—	—	50,000
	07/4/2020 <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6位本行前僱員。在其終止為本行僱員前已接納／獲授予該等認股權。

# 認股權已被撤銷並註銷。詳情請參閱本節第(3)段。

附註：

a 於2012年至2019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 港幣(元)
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
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 – 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

b 於2020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 港幣(元)
07/4/2020	T1	07/4/2020 – 06/4/2021	07/4/2021 – 07/4/2026	16.58
07/4/2020	T2	07/4/2020 – 06/4/2022	07/4/2022 – 07/4/2027	16.58
07/4/2020	T3	07/4/2020 – 06/4/2023	07/4/2023 – 07/4/2028	16.58

(ii) 本行股份在2020年4月6日(即2020年4月7日授出認股權當日之前一個營業日)的收市價為港幣16.50元。



(iii) 截至2020年6月30日止6個月內授出認股權的公平價值及假設如下：

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計量。認股權的合約年期為該定價模式的參數。

	截至30/6/2020 止6個月
於計量日的公平價值	
— 部分1	港幣3.08元
— 部分2	港幣3.03元
— 部分3	港幣2.87元
於計量日的股價	港幣16.58元
行使價	港幣16.58元
預計波幅	30.62%
認股權年期	
— 部分1	6年
— 部分2	7年
— 部分3	8年
預計股息	9.40%-11.25%
無風險利率(根據香港政府債券)	0.66%-0.68%

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。

(2) 截至2020年6月30日止6個月內並無認股權被行使。

(3) 在截至2020年6月30日止6個月內被撤銷並註銷的認股權如下：

授予日期	部分	被撤銷並註銷的 認股權數目	每股行使價 港幣(元)
07/4/2017	T3	539,500	32.25
10/4/2018	T2	511,500	32.25
10/4/2018	T3	514,500	32.25
19/7/2019	T1	403,500	22.45
19/7/2019	T2	403,500	22.45
19/7/2019	T3	405,500	22.45

(4) 以股份為基礎作支付的會計政策：

認股權的行使價為以下之較高者：

- (a) 於授出認股權當日本行股份在聯交所日報表的收市價；及
- (b) 相等於緊接授出有關認股權當日之前5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普通股份的市價有關，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）。

屬股東權益金額確認在資本儲備內，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。

除上述所披露外，於2020年6月30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。

## 主要股東及其他人士的權益

於2020年6月30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」）所紀錄，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

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2020年6月30日的持股量已增加至574,516,317股（相等於本行於2020年6月30日已發行股份約19.71%）。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2020年6月30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2020年6月30日的持股量已增加至508,519,684股（相等於本行於2020年6月30日已發行股份約17.45%）。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2020年6月30日已發行股份約12.69%）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2020年6月30日已發行股份約12.69%）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2020年6月30日已發行股份約7.48%），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。

## 購入、出售或贖回本行的上市證券

截至2020年6月30日止6個月內，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。

## 遵守企業管治守則

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、員工及其他有關持分者的利益，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。

本行在截至2020年6月30日止6個月期間內，已遵守《上市規則》附錄14《企業管治守則》的全部守則條文。

截至2020年6月30日止6個月內，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。

本行已接獲所有董事確認他們已付出足夠時間履行其身為本行董事責任，並付出足夠時間及精神以處理本行事務；亦確認不時參與持續專業發展，以發展並更新其知識及技能以履行彼等作為本行董事的職務及責任。

本行審核委員會已審閱本行截至2020年6月30日止之半年業績及2020年中期報告。

## 遵守標準守則

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」）。

本行亦已訂立一份*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。

經本行作出特定查詢後，所有董事（包括在2020年6月30日止6個月期間內辭任的董事）已確認在截至2020年6月30日止6個月之所有適用時期，均已遵守標準守則及本行政策中所要求的標準。

## 刊發中期報告

2020年中期報告備有中文及英文印刷本，以及載於本行網站(www.hkbea.com)及香港交易所之網站(www.hkexnews.hk)的網上電子版本。為減少企業通訊印刷本的數量從而減低對環境的影響，本行鼓勵各股東閱覽網上電子版本。無論股東之前曾否就收取企業通訊之方式(即收取印刷本或透過本行網站閱覽電子版本)作出任何選擇並將有關選擇通知本行，股東可隨時向本行股份登記處卓佳標準有限公司，地址為香港皇后大道東183號合和中心54樓，或以傳真(852) 2810 8185或電郵BEA0023-ecom@hk.tricorglobal.com發出合理的書面通知，以更改其選擇，費用全免。該通知應註明閣下更改選擇之要求，全名及聯絡電話。

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8月20日

於本報告日期，本行董事會成員為李國寶爵士<sup>#</sup>(執行主席)、李國章教授<sup>\*</sup>(副主席)、黃子欣博士<sup>\*\*</sup>(副主席)、李國星先生<sup>\*</sup>、羅友禮先生<sup>\*</sup>、李國仕先生<sup>\*</sup>、李民橋先生<sup>#</sup>(聯席行政總裁)、李民斌先生<sup>#</sup>(聯席行政總裁)、黃永光博士<sup>\*</sup>、奧正之先生<sup>\*</sup>、范徐麗泰博士<sup>\*\*</sup>、李國榮先生<sup>\*\*</sup>、唐英年博士<sup>\*\*</sup>、李國本博士<sup>\*\*</sup>及杜家駒先生<sup>\*\*</sup>。

<sup>#</sup> 執行董事  
<sup>\*</sup> 非執行董事  
<sup>\*\*</sup> 獨立非執行董事

## GLOSSARY 詞彙

AC 「審核委員會」	the Audit Committee of the Bank 本行的審核委員會
ARR 「替代參考利率」	Alternative risk-free rate 替代參考利率
AUM 「管理資產」	Assets under management 管理資產
Bank Group or BEA Group or Group 「集團」或「本集團」	The Bank and its subsidiaries 東亞銀行及其附屬公司
Bank or BEA 「本行」或「東亞銀行」	The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong 東亞銀行有限公司，於香港註冊成立的有限公司
Banking Ordinance 「《銀行業條例》」	Hong Kong Banking Ordinance (Chapter 155 of the Laws of Hong Kong) 香港《銀行業條例》(香港法例第155章)
BEA China 「東亞中國」	The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank 東亞銀行(中國)有限公司，本行的全資附屬公司
BEA Foundation 「東亞銀行慈善基金」	The Bank of East Asia Charitable Foundation 東亞銀行慈善基金
BEA Life 「東亞人壽」	BEA Life Limited, a wholly-owned subsidiary of the Bank 東亞人壽保險有限公司，本行的全資附屬公司
BEA Union Investment 「東亞聯豐投資」	BEA Union Investment Management Limited, a non-wholly-owned subsidiary of the Bank 東亞聯豐投資管理有限公司，本行的非全資附屬公司
Blue Cross 「藍十字」	Blue Cross (Asia-Pacific) Insurance Limited, a wholly-owned subsidiary of the Bank 藍十字(亞太)保險有限公司，本行的全資附屬公司
Board 「董事會」	Board of Directors of the Bank 本行的董事會
Capital Rules 「《資本規則》」	Banking (Capital) Rules issued by the HKMA 金管局頒布的《銀行業(資本規則)》
CASA 「往來賬戶及儲蓄賬戶」	Current and savings account 往來賬戶及儲蓄賬戶
CG Code 「《企業管治守則》」	Corporate Governance Code and Corporate Governance Report, Appendix 14 of the Listing Rules 《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 「CG-1」	Supervisory Policy Manual CG-1 on Corporate Governance of Locally Incorporated Authorized Institutions, issued by the HKMA 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 「CG-5」	Supervisory Policy Manual CG-5 on Guideline on a Sound Remuneration System, issued by the HKMA 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 「瑞士法郎」	Swiss franc, the lawful currency of Switzerland 瑞士法定貨幣
China or Mainland or Mainland China or PRC 「中國」或「內地」	People's Republic of China 中華人民共和國
CNY or RMB 「人民幣」	Chinese yuan or Renminbi, the lawful currency of the PRC 中國法定貨幣

Companies Ordinance 《公司條例》	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 《公司條例》(香港法例第622章)
Director(s) 「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 包括任何擔任本行董事職位的人士(無論該人是以何職稱擔任該職位),或文義另有所指的人士
ECL 「預期信貸損失」	Expected credit loss 預期信貸損失
ERM 「企業風險管理架構」	Enterprise Risk Management 企業風險管理架構
ESG 「環境、社會及管治」	Environmental, social and governance 環境、社會及管治
EVE 「股權經濟價值」	Economic value of equity 股權經濟價值
FCA 「英國金融行為監管局」	Financial Conduct Authority 英國金融行為監管局
FSB 「金融穩定委員會」	Financial Stability Board 金融穩定委員會
FVOCI 「通過其他全面收益以反映公平價值」	Fair value through other comprehensive income 通過其他全面收益以反映公平價值
FVTPL 「通過損益以反映公平價值」	Fair value through profit or loss 通過損益以反映公平價值
GBP 「英鎊」	Pound sterling, the lawful currency of the UK 英國法定貨幣
HK\$ or HKD 「港幣」	Hong Kong dollar, the lawful currency of Hong Kong 香港法定貨幣
HKAS 「香港會計準則」	Hong Kong Accounting Standards 香港會計準則
HKEX 「香港交易所」	Hong Kong Exchanges and Clearing Limited 香港交易及結算所有限公司
HKFRS 「香港財務報告準則」	Hong Kong Financial Reporting Standards 香港財務報告準則
HKICPA 「香港會計師公會」	Hong Kong Institute of Certified Public Accountants 香港會計師公會
HKMA 「金管局」	Hong Kong Monetary Authority 香港金融管理局
Hong Kong 「香港」	Hong Kong Special Administrative Region of PRC 中華人民共和國香港特別行政區
HQLA 「優質流動資產」	High-quality liquid asset 優質流動資產
IBOR 「銀行同業拆借利率」	Interbank offered rate 銀行同業拆借利率
IT 「資訊科技」	Information technology 資訊科技
LCR 「流動性覆蓋比率」	Liquidity Coverage Ratio 流動性覆蓋比率



LIBOR 「倫敦銀行同業拆借利率」	London Interbank Offered Rate 倫敦銀行同業拆借利率
Listing Rules 「《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) 聯交所《證券上市規則》，經不時修訂、修改或以其他方式補充
Mn 「百萬」	Million 百萬
MPF 「強積金」	Mandatory Provident Fund 強制性公積金
NGO 「非政府組織」	Non-governmental organization 非政府組織
NII 「淨利息收入」	Net interest income 淨利息收入
NIM 「淨息差」	Net interest margin 淨息差
NPL 「不良貸款比率」	Non-performing loan 不良貸款比率
NSFR 「穩定資金淨額比率」	Net Stable Funding Ratio 穩定資金淨額比率
PBOC 「人行」	People's Bank of China 中國人民銀行
SGD 「新加坡元」	Singapore Dollar, the lawful currency of Singapore 新加坡法定貨幣
Shares 「股份」	Ordinary shares of the Bank 本行普通股
SME 「中小企」	Small and medium-sized enterprise 中小型企業
SOFR 「具抵押隔夜融資利率」	Secured Overnight Financing Rate 具抵押隔夜融資利率
SONIA 「英鎊隔夜指數」	Secured Overnight Interbank Average Rate 英鎊隔夜指數
Steering Group 「督導小組」	The Bank's ESG Steering Group 本行轄下環境、社會及管治督導小組
Stock Exchange 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
UK 「英國」	United Kingdom 英國
US 「美國」	United States of America 美利堅合眾國
US\$ or USD 「美元」	United States dollar, the lawful currency of the US 美國法定貨幣
VaR 「風險值」	Value-at-risk 風險值
Working Group 「工作小組」	The Bank's ESG Working Group 本行轄下環境、社會及管治工作小組

