



(Stock Code 股份代號：23)



# Annual Report **2018** 年報



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

# CONTENTS

## 目錄

Highlights of Centenary Celebrations 百周年慶祝活動剪影	02
Major Milestones of the Past Century 百年重要發展里程	06
Corporate Profile 本行簡介	14
Financial Highlights 財務摘要	15
Five-Year Financial Summary 5年財務概要	16
Chairman's Statement 主席報告書	18
Report of the Senior Management 高層管理人員報告書	22
Biographical Details of Directors and Senior Management 董事及高層管理人員的個人資料	54
Corporate Information 公司資料	74
List of Outlets 網絡一覽	78
Corporate Governance Report 企業管治報告	80
Corporate Social Responsibility 企業社會責任	130
Report of the Directors 董事會報告書	134
Independent Auditor's Report 獨立核數師報告	156
Financial Statements 財務報表	168
Unaudited Supplementary Financial Information 未經審核補充財務資料	367
Glossary 詞彙	377

100 百年成就  
成就百年

TODAY'S SUCCESS TOMORROW'S LEGACY





Centenary Celebrations  
Launch Ceremony and  
Public Exhibition  
百年慶祝活動開展儀式  
暨展覽



Opening of The Shanghai and  
Hong Kong Museum of Banking History,  
Puxi, Shanghai  
上海浦西滬港銀行歷史展覽館開幕



Centenary Advertising Campaign  
百年廣告系列



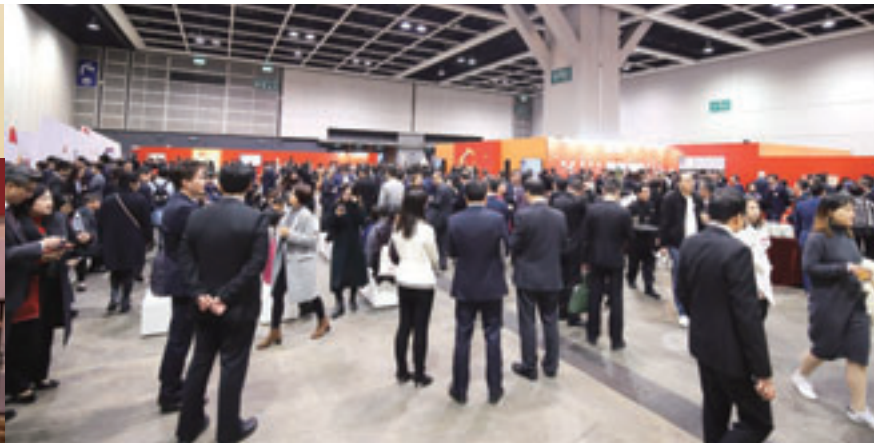
100th Anniversary Celebration Cocktail and Exhibition  
百周年誌慶酒會暨展覽

Exhibition  
展覽



Celebration Cocktail  
誌慶酒會





## MAJOR MILESTONES OF THE PAST CENTURY

### 百年重要發展里程

<b>1918</b>	The Bank of East Asia, Limited is incorporated in Hong Kong.	東亞銀行有限公司在香港註冊成立。
<b>1919</b>	BEA formally opens for business, with its Head Office at 2 Queen's Road Central, Hong Kong.	東亞銀行正式開業，總行設於香港皇后大道中2號。
<b>1920</b>	Shanghai Branch is opened.	在上海開設分行。
<b>1921</b>	The Head Office is moved to 10 Des Voeux Road Central, Hong Kong – its present location.	總行遷往香港德輔道中10號現址。
	First bank in Hong Kong to introduce safe deposit box service	首間在香港推出保管箱服務的銀行。
	BEA opens its Saigon Branch in Vietnam. The Branch was forced to close after the outbreak of World War II.	東亞銀行於越南開設了西貢分行。二次大戰爆發後，該分行被迫關閉。
<b>1920s</b>	In the early 1920s, BEA shares are traded in Hong Kong.	東亞銀行的股票於1920年代初開始在香港買賣。
<b>1935</b>	The new Head Office Building is completed.	新總行大廈落成。
<b>1939</b>	BEA contributes to the war against foreign invasion by promoting Chinese National Salvation bonds to Hong Kong residents, raising millions of dollars in support of China's war effort.	東亞銀行通過向香港市民推銷救國公債，籌集數以百萬元計款項，為抗戰貢獻綿力。
<b>1949</b>	On the occasion of its 30th Anniversary, BEA reaffirms its commitment to the community by donating HK\$100,000 to local charities.	東亞銀行慶祝30周年行慶時，向本地慈善機構捐贈港幣10萬元，實踐對社會的承諾。
<b>1950s – 1970s</b>	BEA helps finance Hong Kong's industrial boom, spreading "Made in Hong Kong" products around the world.	東亞銀行支持香港工業發展，向企業提供資金，幫助香港製造的產品走向世界。
<b>1952</b>	Singapore Branch is opened.	新加坡分行開幕。
<b>1969</b>	In celebration of its 50th Anniversary, the Bank establishes a HK\$500,000 Educational Foundation Fund to benefit higher education in Hong Kong.	為慶祝開業50周年，東亞銀行設立港幣50萬元的教育基金，對香港高等教育作出貢獻。
<b>1970s</b>	BEA is the first local financial institution in Hong Kong to link branches by computer.	東亞銀行是首間以電腦系統連接分行網絡的本地金融機構。
<b>1973</b>	A joint-venture merchant bank, Sumitomo and East Asia Limited, is formed with The Sumitomo Bank Limited of Japan.	與日本住友銀行成立聯營商人銀行——東友有限公司。
<b>1975</b>	Joins hands with Bank of America to launch the first Hong Kong dollar credit card, the East Asia BankAmericard.	與美國銀行攜手推出首張以港幣結算的信用卡「東美信用卡」。
<b>1980</b>	BEA and Bank of China join forces to launch foreign currency credit card settlement service on the Mainland.	東亞銀行與中國銀行合作，在內地推出外幣信用卡結算服務。
	Joins hands with foreign and Mainland companies to form the first Sino-Foreign joint-venture company, Beijing Air Catering Limited.	與外資及內地企業攜手成立內地首間中外合資公司——北京航空食品有限公司。



## MAJOR MILESTONES OF THE PAST CENTURY (CONTINUED)

### 百年重要發展里程 (續)

<b>1982</b>	A joint-venture merchant bank, East Asia Warburg Limited, is formed with S.G. Warburg & Company Limited of London.	與倫敦 S.G. Warburg & Company Limited 成立聯營商人銀行 — 東亞華寶有限公司。
	BEA is a founding member of JETCO, a consortium of local banks that launches Hong Kong's first interbank network of automatic teller machines.	銀聯通寶是香港首個由多間銀行組成的自動櫃員機網絡，東亞銀行是創始會員之一。
<b>1983</b>	Redevelops its Head Office on Des Voeux Road Central, heralding a new era of growth for the Bank	完成重建德輔道中總行大廈，標誌銀行進入新的增長和發展時期。
	Enters the insurance field by forming East Asia AETna Insurance (Bermuda) Co. with AETna International Corporation	與安泰國際公司合資成立「東亞安泰保險(百慕達)有限公司」，進軍保險業務。
<b>1984</b>	Opens its first US branch in New York. BEA sold 80% of its US retail operation to the Industrial and Commercial Bank of China ("ICBC") in 2011, maintaining a fully-owned wholesale operation in New York and Los Angeles.	在紐約開設美國首間分行。東亞於2011年向中國工商銀行出售美國零售銀行業務的80%股權，惟保留全資擁有的紐約和洛杉磯批發銀行業務。
	A joint-venture leasing company, Trilease International Limited, is formed with Bank of China and Société Générale of France.	與中國銀行及法國興業銀行組成聯營租賃公司 — 鼎協租賃國際有限公司。
	The Bank is among the founders of Electronic Payment Services Company (Hong Kong) Limited, a joint-venture among banks to cater for the electronic transfer of funds at point of sale.	與多間銀行共同創立迅通電子服務(香港)有限公司，於零售點提供電子轉賬服務。
<b>1985</b>	The wholly-owned securities arm of the Bank, Tung Shing Securities Company Limited, is established. Tung Shing Securities was later renamed East Asia Securities Company Limited.	成立全資附屬證券業務機構 — 東盛證券有限公司，從事證券買賣。東盛證券其後易名為東亞證券有限公司。
<b>1986</b>	A joint-venture and the first merchant bank in China, China International Finance Company Limited (Shenzhen), is formed with Bank of China, Shenzhen Branch; Nomura International (Hong Kong) Limited; The Sumitomo Bank Limited and Security Pacific National Bank.	與中國銀行深圳分行、野村國際(香港)有限公司、住友銀行及美國太平洋銀行合作成立中國第一間商人銀行 — 中國國際財務有限公司(深圳)。
<b>1987</b>	Commences its own independent credit card operations	開始發展東亞銀行的信用卡。
	Through the Bank's associate company, Trilease International Limited, a Guangzhou-based joint-venture leasing company, China United International Leasing Company Limited is formed with Guangdong International Trust and Investment Corporation, Guangdong International Leasing Corporation, Guangdong Finance Development Company, and China National Machinery & Equipment I/E Corporation and The Sakura Bank Limited.	透過聯營公司鼎協租賃國際有限公司，與廣東國際信託投資有限公司、廣東國際租賃公司、廣東財務發展有限公司、中國國家機械設備進出口總公司及櫻花銀行共同成立以廣州為基地的聯營租賃公司 — 中國聯合國際租賃有限公司。

## MAJOR MILESTONES OF THE PAST CENTURY (CONTINUED)

### 百年重要發展里程 (續)

1987	Through its associate company, Trilease International Limited, BEA forms Siam Sanwa Trilease Company Limited, a joint-venture leasing company with The Siam Commercial Bank Limited and The Sanwa Bank Limited in Thailand.	透過聯營公司鼎協租賃國際有限公司，與暹羅商業銀行及三和銀行在泰國成立合營租賃公司 — Siam Sanwa Trilease Company Limited。
1988	Pioneers the property mortgage business in China, establishing standards that are widely followed on building quality, developers' credibility, documentation, and legal compliance	率先在內地開展房地產按揭貸款業務，在建設質量、發展商信譽、文件紀錄和法律合規要求方面建立了公認的標準。
	A joint-venture, China Resources-Sime Darby Limited, is set up to handle trade between Malaysia and China in partnership with China Resources (Holdings) Company Limited and Sime Darby Berhad of Malaysia.	與華潤集團有限公司及馬來西亞森達美集團 (Sime Darby Berhad) 成立聯營公司 — China Resources-Sime Darby Limited，經營馬來西亞與中國之間的貿易業務。
1989	East Asia Property Agency Company Limited and East Asia Property Agency (China) Company Limited are set up as agencies for the sale and purchase of properties in Hong Kong and China respectively.	成立東亞物業代理有限公司及東亞物業代理 (中國) 有限公司，分別代理香港及中國之物業買賣。
	Tung Shing Futures Limited is set up to handle futures trading. Tung Shing Futures was later renamed East Asia Futures Limited.	成立東盛期貨有限公司，從事金融期貨買賣。東盛期貨其後改名為東亞期貨有限公司。
	East Asia Asset Management Company Limited is set up to provide fund management services.	成立東亞資產管理有限公司，提供基金管理服務。
	The Bank is one of the six founders of Hong Kong Securities Clearing Company Limited.	成為香港中央結算有限公司6間創始機構之一。
	The Bank, together with China Resources (Holdings) Company Limited, Siam Cement Trading Company Limited and Onwel Strategic Holdings Limited, forms a trading joint-venture, China Resources Siam Trading Limited.	與華潤集團有限公司、Siam Cement Trading Company Limited 及惠安策略股份有限公司成立聯營貿易公司 — 華潤暹羅有限公司。
1990	London Branch is opened.	倫敦分行開幕。
	East Asia Corporate Services (BVI) Limited is established to provide incorporation and management services for British Virgin Islands' companies.	成立 East Asia Corporate Services (BVI) Limited，在英屬處女群島提供公司註冊及管理服務。
1991	Establishes Shanghai International Finance Company Limited, the first merchant bank formed in Shanghai and outside the Special Economic Zones of China. The other partners are Bank of China, Shanghai Branch; Bank of Communications, Shanghai Branch; and The Sanwa Bank Limited.	成立上海第一間，以及中國經濟特區以外的首間商人銀行 — 上海國際財務有限公司，其他聯營夥伴包括中國銀行上海分行、交通銀行上海分行及三和銀行。
	Acquires full control of Blue Cross (Asia-Pacific) Insurance Limited.	取得藍十字 (亞太) 保險有限公司之全面控制權。
	Los Angeles Branch is opened.	洛杉磯分行開幕。

## MAJOR MILESTONES OF THE PAST CENTURY (CONTINUED)

### 百年重要發展里程 (續)

<b>1991</b>	International Software Development (Shenzhen) Company Limited is formed with IBM China / Hong Kong Corporation and Shenzhen University Software Development Corporation.	與IBM中國/香港公司及深圳大學軟件開發公司成立國際軟件開發(深圳)有限公司。
	The Bank of East Asia (Canada), a subsidiary bank, is incorporated in Toronto. In 2009, BEA sold an 80% interest in its Canadian operation to ICBC.	附屬銀行——加拿大東亞銀行於多倫多註冊成立。於2009年，東亞把加拿大業務的80%權益出售予中國工商銀行。
<b>1993</b>	Taipei Representative Office opens and is upgraded to a full branch in 1997. BEA is the first Hong Kong-based bank to operate a branch in Taiwan.	台北代表人辦事處開業，並於1997年升格為分行。東亞銀行是首間在台灣開設分行的香港華資銀行。
	A property development company is set up in China, Shanghai Pudong International Finance Building Company Limited. The joint-venture is a partnership with Bank of China Trust and Consultancy Company, Bank of China Shanghai Trust and Consultancy Company, China Development Investment (Hong Kong) Limited, and Shanghai Lujiazui Finance and Trade Zone Development Company.	在上海成立上海浦東國際金融大廈有限公司，發展及經營寫字樓和商場等出租業務。其他聯營夥伴包括中國銀行信託諮詢公司、中國銀行上海信託諮詢公司、中國建設投資(香港)有限公司及上海市陸家嘴金融貿易區開發公司。
	A joint-venture, East Asia Heller Limited, is set up by the Bank and Heller International Group of the United States. The Company provides comprehensive factoring services to satisfy various trades' working capital needs. BEA sold its shares to Heller in 2008.	與美國興萊國際集團合作成立東亞興萊有限公司。該公司提供全面周到的本地及海外貼現服務，以滿足各行業的流動資金需要。東亞銀行於2008年將其持有該合營股權售予興萊。
	The Bank of East Asia (BVI) Limited, a subsidiary bank, is established in the British Virgin Islands.	在英屬處女群島附屬銀行——東亞銀行(英屬處女群島)有限公司註冊成立。
	BEA expands its support for Hong Kong students, celebrating its 75th Anniversary by establishing a HK\$2 million scholarship fund for study at local universities.	東亞銀行加強對香港學生的支持，在慶祝75周年行慶之際，成立港幣200萬元的獎學基金，支持本地大學生。
<b>1995</b>	Hainan International Finance Company Limited is set up. It is the Group's third joint-venture finance company in China.	成立集團第三間中外合資財務公司——海南國際財務有限公司。
<b>1997</b>	Shanghai Branch is relocated to the Lujiazui Finance and Trade Zone of Pudong. The original Puxi Branch becomes a sub-branch.	上海分行遷往浦東陸家嘴金融貿易區，浦西分行則轉為支行。
	Lubuan Branch and Kuala Lumpur Representative Office are opened.	馬來西亞納閩分行及吉隆坡代表處開業。
<b>1998</b>	Obtains approval to operate renminbi ("RMB") business in Shenzhen and Shanghai	獲准在深圳及上海經營人民幣業務。
	BEA's Shanghai and Shenzhen branches gain People's Bank of China approval to provide RMB services to foreigners and foreign-invested companies. BEA is one of the first foreign banks to earn this accreditation.	中國人民銀行批准東亞銀行上海和深圳分行，為海外居民和外資企業提供人民幣服務。東亞是首批取得相關資格的外資銀行之一。

## MAJOR MILESTONES OF THE PAST CENTURY (CONTINUED)

### 百年重要發展里程 (續)

1999	Acquires full ownership of Blue Cross (Asia-Pacific) Insurance Limited	收購藍十字(亞太)保險有限公司全部股權。
	Launches Cyberbanking, the first comprehensive internet banking service, and Cybertrading, the first online stock trading service in Hong Kong.	推出全港首個綜合網上銀行服務 — 電子網絡銀行服務, 以及本港首個互聯網股票交易服務 — 電子網絡股票買賣服務。
2000	BEA Trustees enters the pension fund management business, offering the BEA (MPF) Master Trust Scheme and the BEA (MPF) Industry Scheme. BEA Trustees is one of only two Mandatory Provident Fund (“MPF”) service providers in Hong Kong that provides MPF services under both schemes to local employers and employees.	東亞銀行(信託)有限公司進軍退休金管理業務, 提供東亞(強積金)集成信託計劃和東亞(強積金)行業計劃, 成為香港兩間為本地僱主及僱員提供行業計劃服務的機構之一。
2001	United Chinese Bank (acquired in 1995) formally merges with BEA.	東亞銀行與中國聯合銀行(於1995年收購)正式合併。
	With the opening of its Xi’an Branch, BEA is the first foreign bank to open a branch in the north-western part of China.	東亞銀行西安分行開業, 是首間在內地西北地區開設分行的外資銀行。
	BEA opens its Macau Branch.	東亞銀行開設澳門分行。
2002	BEA completes merger with First Pacific Bank Limited (acquired in 2001).	東亞銀行與第一太平銀行(於2001年收購)完成合併。
	Grand National Bank (acquired in 2001) is renamed The Bank of East Asia (U.S.A.) N.A.	美國大興銀行(於2001年收購)正式易名為美國東亞銀行。
	SupremeGold, the Bank’s wealth management service, is launched to serve the fast-growing number of affluent customers.	東亞銀行推出顯卓理財服務, 滿足快速增長的富裕客戶群的理財需要。
	BEA obtains official approval from the People’s Bank of China to offer online banking services to local customers – the first foreign bank allowed to do so.	東亞銀行獲中國人民銀行批准在內地經營電子網絡銀行服務, 成為首間在內地獲准經營網上銀行業務的外資銀行。
2003	Share registration, corporate secretarial, and business support services are consolidated under Tricor Group, a majority-owned subsidiary of the BEA Group (over 70%). BEA sold its interest in Tricor in 2017.	綜合證券登記、公司秘書及商業支援服務的業務於卓佳集團營運。東亞銀行集團為卓佳主要股東, 佔超過70%權益。東亞銀行於2017年出售卓佳的權益。
	BEA opens its Beijing Branch, thus becoming the first foreign bank to open a branch in China’s capital since its accession to the World Trade Organization.	東亞銀行北京分行正式開業, 是中國加入世界貿易組織後, 首間獲准在首都北京設立分行的外資銀行。

## MAJOR MILESTONES OF THE PAST CENTURY (CONTINUED)

### 百年重要發展里程 (續)

<b>2003</b>	BEA donates HK\$2 million to the Faculty of Medicine of The University of Hong Kong in support of medical teaching and research and HK\$500,000 to The Chinese University of Hong Kong to establish a rehabilitation programme for SARS patients.	東亞銀行捐贈港幣200萬元予香港大學醫學院，支持醫學教育及研究工作，並捐出港幣50萬元予香港中文大學推行非典型肺炎病人運動康復計劃。
<b>2004</b>	Becomes the first bank in Hong Kong to provide mobile banking services through all local mobile networks	成為全港首間金融機構提供適用於所有電訊公司的流動銀行服務。
<b>2005</b>	Opens state-of-art operation centre in BEA Tower, Millennium City 5, Kwun Tong, Kowloon	於九龍觀塘創紀之城五期東亞銀行中心設立先進的營運中心。
	BEA and The University of Hong Kong establish the Blue Care Medical Centre.	與香港大學攜手成立寶康醫療中心。
<b>2006</b>	The BEA Group completes its acquisition of National American Bancorp, the holding company of National American Bank, and enters the San Francisco market.	東亞銀行集團完成收購National American Bank之控股公司National American Bancorp，藉此進駐三藩市。
	BEA becomes one of the first foreign banks in China to be granted Qualified Domestic Institutional Investor (“QDII”) status by the China Banking Regulatory Commission and the first to obtain a foreign exchange quota for QDII business.	東亞銀行是首批獲中國銀行業監督管理委員會發予合資格境內機構投資者(「QDII」)資格的外資銀行，亦是首間取得QDII外匯兌換額度的外資銀行。
<b>2007</b>	The Bank of East Asia (China) Limited (“BEA China”), a wholly-owned banking subsidiary of BEA, becomes one of the first locally incorporated foreign banks in China.	在內地註冊成立全資附屬銀行——東亞銀行(中國)有限公司(「東亞中國」)，名列首批在內地開業的外資法人銀行。
	BEA forms BEA Union Investment Management Limited together with Union Asset Management Holding AG, one of Europe’s leading asset managers.	東亞銀行與歐洲知名資產管理公司——德國德聯豐投資，成立合營資產管理公司東亞聯豐投資管理有限公司。
<b>2008</b>	BEA Life Limited, a wholly-owned subsidiary of BEA, officially commences business.	全資附屬公司——東亞人壽有限公司正式啟業。
	BEA China becomes the first foreign bank to launch RMB debit cards and RMB credit cards on the Mainland.	東亞中國為內地首間推出人民幣借記卡及信用卡的外資銀行。
	BEA launches an online donation platform for non-governmental organisations to help them raise funds via their websites.	東亞為非政府慈善機構推出網上捐款平台，讓這些機構可透過其網站籌募善款。
<b>2009</b>	BEA China becomes the first Mainland-incorporated foreign bank to issue RMB retail bonds in Hong Kong, raising RMB4 billion in its debut issue.	東亞中國發行人民幣40億元債券，是首間於香港發行零售債券的內地註冊外資銀行。
	To commemorate its 90th Anniversary, BEA establishes The Bank of East Asia Charitable Foundation (“BEA Foundation”) with a mandate to expand the Bank’s support for education and establish a poverty relief programme for the underprivileged.	東亞銀行慶祝開業90周年，成立東亞銀行慈善基金，進一步支持教育發展及扶貧工作。

## MAJOR MILESTONES OF THE PAST CENTURY (CONTINUED)

### 百年重要發展里程 (續)

2009	The Shanghai Soong Ching Ling Foundation – BEA Charity Fund establishes the Firefly Project to provide students of rural schools on the Mainland with access to computers and other educational tools.	由上海宋慶齡基金會 — 東亞銀行公益基金創辦的「螢火蟲計劃」，旨在為內地農村學校改善教育設施，提供電腦及教學工具。
	BEA further strengthens its core capital by issuing new shares to key strategic partners, Criteria CaixaCorp, S.A. and Sumitomo Mitsui Banking Corporation.	東亞銀行向主要策略夥伴 Criteria CaixaCorp, S.A. 及三井住友銀行配售新股，進一步加強核心資本。
2010	BEA China opens its new flagship centre, BEA Finance Tower, in Lujiazui, Shanghai.	東亞中國位於上海陸家嘴的新旗艦總部大樓「東亞銀行金融大廈」正式開幕。
	The BEA Foundation and 'la Caixa' Banking Foundation join hands to contribute a total of HK\$11 million in support of a palliative care programme for the elderly operated by The Salvation Army Hong Kong and Macau Command.	東亞銀行慈善基金與「la Caixa」基金會攜手捐贈港幣 1,100 萬元，支持救世軍港澳軍區「安老院舍完善人生關顧計劃」。
2012	BEA issues its first standalone Corporate Social Responsibility report.	東亞銀行發表首份獨立刊發的企業社會責任報告。
2013	The BEA Foundation establishes the BEA Parent-Child Reading Programme with Hong Kong Sheng Kung Hui's Religious Education Resource Centre to strengthen parent-child bonds and foster an interest in reading among children.	東亞銀行慈善基金贊助香港聖公會宗教教育中心設立「東亞銀行親子閱讀證書獎勵計劃」，加強親子關係並培養孩子的閱讀興趣。
	BEA funds an endowed chair at The Hong Kong University of Science and Technology's Institute for Advanced Study to recruit world-renowned scholars and global leaders in science to build Hong Kong's reputation as a centre of innovation.	東亞銀行於香港科技大學設立高等研究院東亞銀行教授席，羅致著名學者和國際頂尖科研人才，致力推動香港成為創新科技中心。
2014	BEA introduces its digital branch concept to the general public by opening a pop-up digital branch at ifc mall in Central. In 2017, the Bank completes the digitalisation of its entire branch network in Hong Kong.	東亞銀行於中環國際金融中心商場以短期營運模式，開設首間智能數碼分行，為香港帶來先進的數碼化銀行服務。東亞於 2017 年順利完成全線分行數碼化。
	The Bank launches the BEA University Scholarship Programme for Staff Members' Dependents to recognise the academic, extra-curricular, and community service excellence of university-level children of staff members.	東亞銀行推出大學獎學金計劃，嘉許員工子女在學術、課外和社區服務方面的卓越成就。
	The BEA Foundation announces the launch of the BEA "High Five" Club, an after-school learning and support programme for children from disadvantaged families, in co-operation with St. James' Settlement.	東亞銀行慈善基金與聖雅各福群會合辦「東亞培賢社」，為基層家庭的兒童提供課後學習及支援服務。

## MAJOR MILESTONES OF THE PAST CENTURY (CONTINUED)

### 百年重要發展里程 (續)

<b>2015</b>	BEA China becomes one of the first foreign banks to qualify as a direct participating bank in the cross-border Interbank Payment System.	東亞中國成為首批獲得人民幣跨境支付系統直接參與者資格的外資銀行之一。
	BEA establishes an auto-finance joint venture in China, Brilliance-BEA Auto Finance Co. Ltd.	東亞銀行於內地成立合資汽車金融公司「華晨東亞汽車金融有限公司」。
<b>2016</b>	BEA donates HK\$5 million to help the Hong Kong Red Cross open Hong Kong's largest blood collection centre.	東亞捐出港幣500萬元支持香港紅十字會設立全港最大型的捐血中心。
<b>2017</b>	East Asia Qianhai Securities Company Limited commences operations.	東亞前海證券有限責任公司正式開業。
	BEA acquires a 21% stake in Cambodia-based PRASAC Microfinance Institution Limited to tap opportunities arising from the Belt and Road initiative.	東亞銀行收購柬埔寨PRASAC Microfinance之21%股權，藉以掌握「一帶一路」倡議帶來的機遇。
	To tap the consumer finance business in China, BEA China launches innovative credit card and consumer finance products in partnership with leading internet platform companies, including Ctrip and WeBank.	為發展中國的消費金融業務，東亞中國與攜程及微眾銀行攜手合作，推出嶄新的信用卡及消費金融產品。
<b>2018</b>	BEA China upgrades its Qianhai Sub-branch, becoming the first foreign bank to open a full branch in Qianhai.	東亞中國深圳前海支行升格為分行，成為首間在深圳前海設立分行的外資銀行。
	Launches iPayment Hub, the first consolidated payment platform for merchants in Hong Kong.	推出全港首創的一站式聚合支付平台 i-Payment Hub，為商戶提供全面的服務。
	BEA is one of the initiating banks of the first trade finance platform leveraging blockchain technology in Hong Kong – eTradeConnect.	成為香港首個採用區塊鏈技術的大型貿易融資平台「貿易聯動」的創始銀行之一。
	The BEA Foundation launches the BEA Inspiring Student Scholarship Programme for university students in Hong Kong with special educational needs.	東亞銀行慈善基金為香港有特殊教育需要的大學生推出「東亞銀行展毅獎學金計劃」。
	The BEA Foundation teams up with The Warehouse Teenage Club to launch the BEA Youth Makerspace Programme to help youngsters develop their skills in the visual arts, craft-making, and digital technology in the 'makerspace'.	東亞銀行慈善基金與蒲窩青少年中心合作，推出「東亞青年創客空間計劃」為青年提供「創客空間」，以發展他們在視覺藝術、工藝及數碼科技方面的技能。

## CORPORATE PROFILE

### 本行簡介

#### Our Vision 願景

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

#### Our Mission 使命

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

Incorporated in 1918, The Bank of East Asia, Limited is a leading Hong Kong financial services group with total consolidated assets of HK\$839.5 billion (US\$107.2 billion) as of 31st December, 2018.

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

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

In Mainland China, BEA's wholly-owned subsidiary, The Bank of East Asia (China) Limited operates one of the most extensive networks of any foreign bank in China, with outlets in 44 cities nationwide.

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

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

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

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

東亞銀行有限公司成立於1918年，為一家具領導地位的香港金融服務集團。於2018年12月31日，本行的綜合資產總額達港幣8,395億元（1,072億美元）。

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

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

本行的全資附屬公司——東亞銀行（中國）有限公司為內地網絡最龐大的外資銀行之一，網點遍布內地44個城市。

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

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

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

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



# FINANCIAL HIGHLIGHTS

## 財務摘要

	2018 HK\$ Million 港幣百萬元	2017 HK\$ Million 港幣百萬元	Change 變動 % 百分率
<b>Profitability 盈利能力</b>			
Total operating income from continuing operations 來自持續經營業務之經營收入總額	17,072	15,953	+7.0
Profit attributable to owners of the parent from continuing operations 來自持續經營業務之可歸屬於本集團股東溢利	6,509	6,298	+3.4
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	6,509	9,347	-30.4
<b>Balance Sheet Strength 資產負債狀況</b>			
Total loans and advances to customers and trade bills 客戶貸款及墊款及貿易票據總額	515,281	487,686	+5.7
Total assets 資產總額	839,451	808,942	+3.8
Total deposits 存款總額	632,604	608,150	+4.0
Total equity 股東權益總額	103,575	101,214	+2.3
<b>Earnings Per Share and Dividends Per Share 每股盈利及每股股息</b>			
Basic earnings from continuing operations 來自持續經營業務之基本盈利	HK\$2.07	HK\$2.09	-1.0
Basic earnings 基本盈利	HK\$2.07	HK\$3.21	-35.5
Dividends 股息	HK\$1.18	HK\$1.28	-7.8
<b>Key Ratios 主要比率</b>			
Return on average assets 平均資產回報率	0.7%	1.1%	
Return on average equity 平均股東權益回報率	6.3%	10.3%	
Cost-to-income ratio from continuing operations 來自持續經營業務之成本對收入比率	50.2%	50.6%	
Loan to deposit ratio 貸款對存款比率	79.1%	77.9%	
Impaired loan ratio 減值貸款比率	0.7%	1.1%	
Average liquidity coverage ratio 平均流動性覆蓋比率	-first quarter 第一季度 -second quarter 第二季度 -third quarter 第三季度 -fourth quarter 第四季度	137.8% 144.8% 153.0% 180.5%	150.7% 129.5% 136.5% 151.7%
Common Equity Tier 1 capital ratio 普通股權一級資本比率		15.7%	13.2%
Tier 1 capital ratio 一級資本比率		17.8%	15.1%
Total capital ratio 總資本比率		20.8%	17.8%

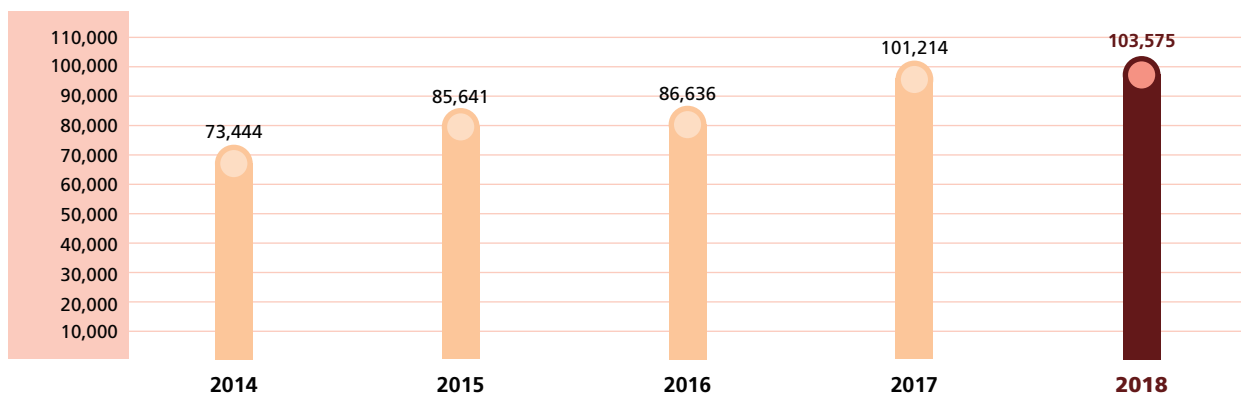
## FIVE-YEAR FINANCIAL SUMMARY\*

### 5 年財務概要\*

#### TOTAL EQUITY

#### 股東權益總額

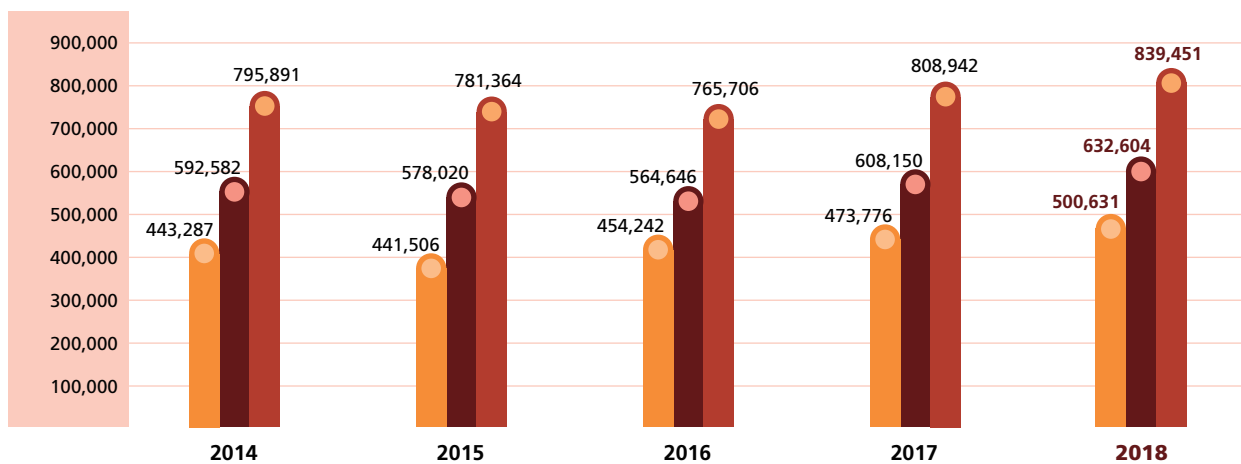
HK\$ Million  
港幣百萬元



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

#### 客戶貸款及墊款 / 存款總額 / 資產總額

HK\$ Million  
港幣百萬元



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

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

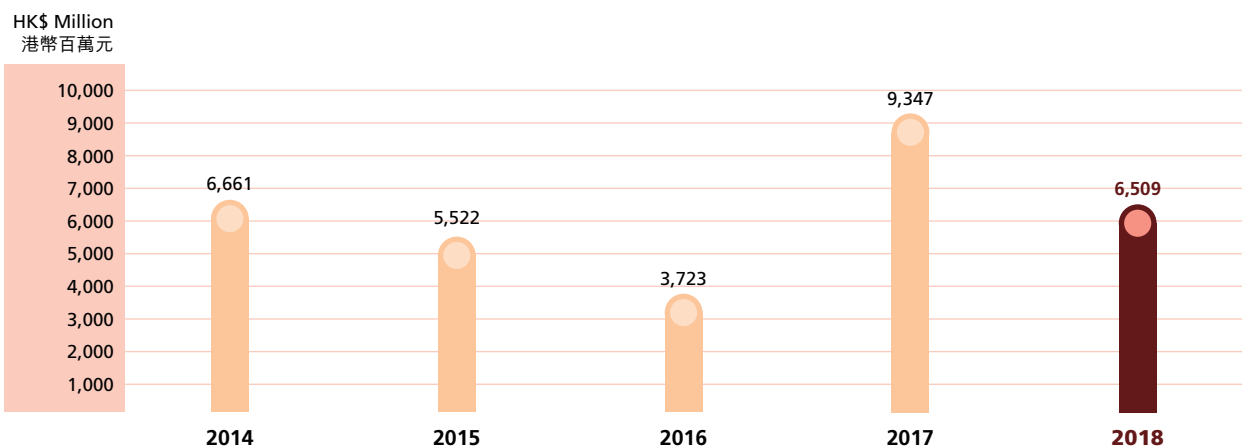
\* 由於本年度生效之《香港財務報告準則》，上述之5年財務概要並非採用統一基制。會計政策之變動已在財務報表附註的附註3內列載。

## FIVE-YEAR FINANCIAL SUMMARY (CONTINUED)

### 5年財務概要(續)

#### PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

#### 可歸屬於本集團股東溢利



#### FIVE-YEAR COMPARISON

#### 5年比較

	2014 HK\$ Million 港幣百萬元	2015 HK\$ Million 港幣百萬元	2016 HK\$ Million 港幣百萬元	2017 HK\$ Million 港幣百萬元	2018 HK\$ Million 港幣百萬元
Total equity 股東權益總額	73,444	85,641	86,636	101,214	<b>103,575</b>
Total deposits 存款總額	592,582	578,020	564,646	608,150	<b>632,604</b>
Loans and advances to customers 客戶貸款及墊款	443,287	441,506	454,242	473,776	<b>500,631</b>
Total assets 資產總額	795,891	781,364	765,706	808,942	<b>839,451</b>
Loan to deposit ratio 貸款對存款比率	75%	76%	80%	78%	<b>79%</b>
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	6,661	5,522	3,723	9,347	<b>6,509</b>
Earnings per share 每股盈利	HK\$2.72	HK\$1.95	HK\$1.21	HK\$3.21	<b>HK\$2.07</b>
Dividends per share 每股股息	HK\$1.11	HK\$0.88	HK\$0.56	HK\$1.28	<b>HK\$1.18</b>

## CHAIRMAN'S STATEMENT

The Bank of East Asia celebrated a century of service to our customers at the beginning of 2019. We first opened our doors for business on 4th January, 1919, and it has been a great privilege to serve the people of Hong Kong, Greater China and the wider world ever since.

My colleagues and I have been deeply touched by the warm outpouring of support that we have received from friends near and far on our centenary. We thank all our stakeholders for making our 100th anniversary possible and for joining us on our ongoing journey.

### ENRICHING THE CUSTOMER EXPERIENCE

Serving customers well is at the core of our ability to grow. As customer preferences and needs have evolved, so have we.

We continue to make it easier, more convenient and more cost-efficient for our customers to manage their financial affairs, whether every-day transactions or important financial decisions.

As more of our services migrate to our mobile and internet platforms, our customers increasingly work to their schedules and not to ours. In 2018, we made significant headway in our drive to offer straight-through digital solutions, introducing a revamped mobile app, upgrading our internet portal and re-engineering our back-office processes.

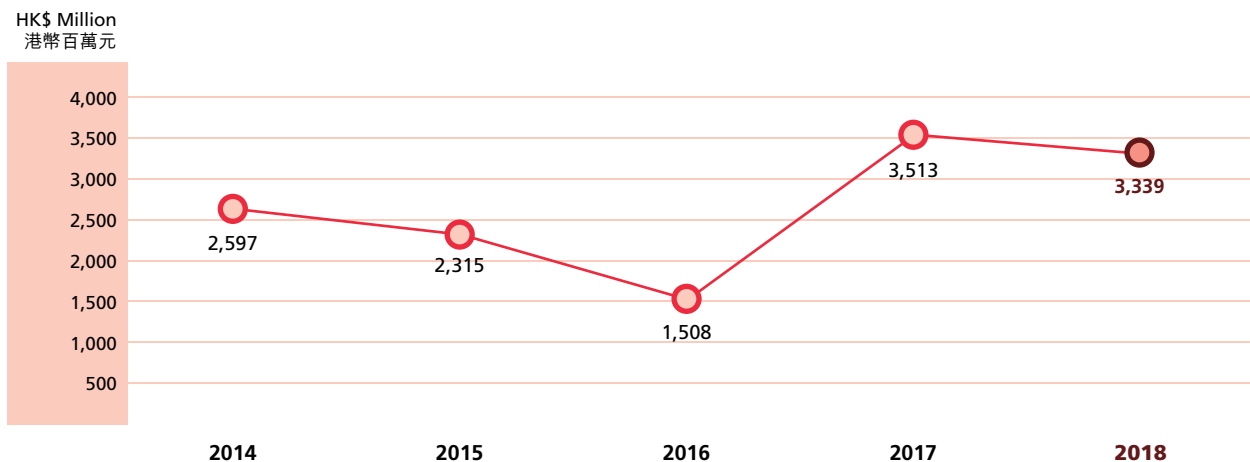
To safeguard our customers, we place great importance on cybersecurity and data privacy, with continual stress-testing of our network infrastructure. Our corporate governance structure remains robust and we have a comprehensive risk framework, both of which we continually refine and enhance.

In 2018, we also revisited our core values and initiated a programme to reinvigorate our organisational culture. Our objective is to ensure that every customer experience is positive. We work to fulfil this mission every single day by offering best-in-class financial products and services.

### REINFORCING RESILIENCE

The past century has been an era of remarkable change. Throughout, we have exercised foresight and demonstrated great resilience. In the current dynamic environment, we have taken key decisions to make us stronger going forward.

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



## 主席報告書

東亞銀行在1919年1月4日創立，於2019年初舉行開業百周年誌慶活動。我們非常榮幸，多年來一直能夠為香港、大中華地區以及世界其他市場的客戶提供服務。

本行百周年紀念，各方友好給予鼎力支持，本人及本行全人深受感動，謹此向所有持份者致以衷心謝意，感謝他們與我們攜手成就百年盛事，並繼續一起向前邁進。

### 提升客戶體驗

堅持以客為尊，提供最佳服務是我們的經營之道。我們深明客戶的需求不斷提高，本行亦一直提升服務，緊跟客戶需要，與他們一起成長。

無論是日常交易或是重要的財務決定，我們不斷努力，為客戶提供更快捷便利、更具成本效益的服務，協助他們妥善處理財務。

隨著本行服務逐漸轉型，提供更多便捷的網上及流動銀行服務，客戶可更自由地按自身需要隨時使用我們的理財方案，毋須受限於本行的服務時間。2018年，本行作出了重大改進，推出更多直達式數碼化方案、更新手機應用程式、將網上平台升級，以及優化我們後勤部門的業務流程。

為保障客戶權益，我們非常重視網絡安全和個人資料私隱，持續對本行的網絡基礎設施進行壓力測試。本行的企業管治穩健，風險管理架構亦十分健全，我們並會不斷優化和提升這些制度和架構。

於2018年，我們重新檢視本行核心價值，推行計劃重塑本行的企業文化，注入新動力，讓員工更容易投入，務求令每位客戶獲得良好的服務體驗。為了實現此目標，我們致力提供出類拔萃的金融產品及服務。

### 增強靈活性

百年光景，世事歷經重大變遷，本行早已訂下遠大目標，多年來我們展現了強韌而靈活的能力，取得豐碩成果。面對目前變化不定的環境，我們早作籌謀，增強實力以應對挑戰。



**Dr. the Hon. Sir David Li Kwok-po**  
Chairman & Chief Executive  
主席兼行政總裁  
李國寶爵士

## CHAIRMAN'S STATEMENT (CONTINUED)

First, we have made ourselves leaner. Three years ago, we embarked on a HK\$700-million cost-saving plan. This initiative was successfully completed in 2018. With enhanced efficiency and streamlined operations, we are able to do more with less.

Second, we have reduced our exposure to stressed sectors and prioritised asset quality over loan growth. I am pleased to report that, as a result, our asset quality is steadily improving and the Group-wide impaired loan ratio fell from 1.09% in December 2017 to 0.70% in December 2018.

Third, we are enhancing our product range to serve our customers better and diversify our income sources. During the past year, we refined our customer segmentation strategy to better serve small and medium enterprises. Additionally, we introduced debt capital market services to assist companies to proactively manage their finances. We strengthened our treasury and trade finance services, and expanded our cross-border capability.

We will be launching additional initiatives to further increase fee income in 2019, focussing on our mobile first strategy, wealth management and asset management services.

### EMBRACING INNOVATION

For decades, our Bank has been a leader in applying technology to banking. Today, we are expanding the range of products available through our digital channels and strengthening our big data and artificial intelligence capabilities in order to better serve all our retail and corporate customers.

During the course of our growth, we have also learned the value of working with partners to achieve synergistic results. Importantly, partnerships have enabled us to capture new opportunities in the Mainland fintech market. We will be deepening and expanding these relationships in order to augment our customer base and judiciously advance our consumer loan portfolio.

While controlling costs remains important, so is investing for growth. We are focussed on deploying resources to achieve sound returns on invested capital over the long term. In the short term, we anticipate that operating costs will increase moderately in 2019.

### SERVING OUR COMMUNITY

We are committed to integrating sustainability into our core business activities and contributing to our community.

Last year, we supported a wide range of philanthropic initiatives, with an emphasis on education and social welfare. Supporting our community and helping businesses and individuals realise their potential make what we do truly worthwhile.

### OUTLOOK

With geopolitical and trade tensions at a high level, and economic growth slowing, financial markets are likely to remain volatile in 2019. Despite these concerns, we see significant opportunities as the Mainland continues to open up its financial sector and as the Guangdong-Hong Kong-Macao Greater Bay Area initiative gains momentum.

Our overseas branches will continue to work with our Head Office and BEA China to further develop cross-border financing business, particularly for Mainland companies that are seeking new opportunities in overseas markets.

With our customer-centric approach, resilience and innovative spirit, I am confident we are well poised to make the most of the opportunities and manage any challenges we may face.

My deep and heartfelt thanks go to a very talented management team and thousands of exceptional colleagues who are all vital to realising our mission. I must also express my appreciation to the Bank's Board of Directors and the Directors of our subsidiaries and associated companies for their support and invaluable advice during the past year. My gratitude also goes to our business partners for their significant contributions. I look forward to further collaborative growth.

To our customers and shareholders, your loyalty and encouragement are never taken for granted. As we have over our first 100 years of service, we remain dedicated to earning and keeping your trust and support, and to serving all our stakeholders to the very best of our ability for the next 100 years.

**David LI Kwok-po**

*Chairman & Chief Executive*

Hong Kong, 27th February, 2019

首先，我們精益求精。本行在3年前展開一項成本控制計劃，目標是節省合共港幣7億元。此計劃已於2018年順利完成。透過提升效率和精簡營運流程，我們以更低成本完成更多工作。

其次，我們減少對前景不明朗行業的貸款比重，著重資產素質多於貸款增長，因此本人欣然匯報，本行的資產素質正穩步改善，集團減值貸款比率由2017年12月的1.09%，下降至2018年12月的0.70%。

第三，我們增加產品種類，為客戶提供更佳服務，同時力求收入來源更多元化。去年，我們優化客戶分層策略，務求令中小企業獲得更稱心的服務。此外，我們推出債務資本市場服務，協助企業積極管理其財務。我們還加強財資及貿易融資服務，並拓展跨境銀行服務的能力。

在2019年，我們將推出更多計劃，進一步增加服務費收入，我們會採取以手機為主的發展策略，並著力推廣財富管理及資產管理服務。

## 積極創新

數十年來，本行在銀行科技應用方面佔有領先地位。今天，我們透過數碼渠道不斷拓展旗下產品種類，並加強本行大數據及人工智能的運作能力，從而為零售及企業客戶提供更佳服務。

在本行的發展過程中，我們亦深明與業務夥伴合作以達致協同效益之道。更重要的是，此等業務合作有助我們在內地金融科技市場掌握新機遇。我們將加深並拓展此等合作關係，以擴大本行的客戶基礎，並審慎拓展零售貸款組合。

控制成本固然重要，投資發展亦然。我們著重配置不同的資源，令投放的資本長期可帶來穩健的回報。短期而言，我們預計經營成本於2019年會溫和上升。

## 服務社會

我們努力將可持續發展的理念融入核心業務之中，並為社會貢獻綿力。

去年，我們贊助一系列以教育及社會福利為重點的公益慈善活動。透過支援社會，協助不同的企業和個人發揮本身潛能，使我們所作的努力別具意義。

## 展望

隨著地緣政治發展及貿易糾紛升級，經濟增長放緩，金融市場於2019年仍可能會波動不定。儘管存有上述隱憂，但由於內地金融市場持續開放，加上粵港澳大灣區計劃的發展勢頭，我們認為重大商機會陸續出現。

東亞銀行各海外分行將繼續與總行及東亞中國拓展跨境金融業務，尤其是為內地企業於海外市場物色新機遇。

憑著以客為本的原則、強韌而靈活的能力和不斷創新的精神，本人深信本行已準備就緒，能善用機遇及應對所面臨的種種挑戰。

本人謹此對本行出色的管理團隊，以及數千名優秀員工表達由衷謝意，他們緊守崗位，積極工作，務求實現本行的使命。同時，本人非常感謝東亞銀行董事會，以及各附屬公司和聯營公司所有董事在過去一年給予寶貴意見和支持。我亦在此衷心感謝本行的業務夥伴作出重大貢獻，期盼我們進一步合作發展業務。

各位客戶及股東一直給予大力支持和鼓勵，本行感激不已。欣逢本行開業百年重要里程碑，我們仍會努力不懈，矢志贏得各方的信任和支持，並竭盡所能，在往後百年繼續為各方持份者提供優良服務。

主席兼行政總裁

**李國寶**

香港，2019年2月27日

# REPORT OF THE SENIOR MANAGEMENT

## FINANCIAL REVIEW

### Financial Performance

For the year 2018, the Group earned a profit attributable to owners of the parent of HK\$6,509 million, representing a decrease of HK\$2,838 million or 30.4%, compared with the HK\$9,347 million earned in 2017. Basic earnings per share fell from HK\$3.21 in 2017 to HK\$2.07 in 2018. Return on average assets fell from 1.1% to 0.7%, while the return on average equity fell from 10.3% to 6.3%.

Excluding the gain from discontinued operations recorded in 2017, which totalled HK\$3,049 million, profit attributable to owners of the parent increased by HK\$211 million, or 3.4%. Basic earnings per share from continuing operations fell from HK\$2.09 in 2017 to HK\$2.07 in 2018. Return on average assets from continuing operations remained flat at 0.7%, while the return on average equity from continuing operations fell from 6.7% to 6.3%.

The Group's net interest income from continuing operations increased by HK\$1,127 million, or 9.5%, to HK\$12,959 million. Net interest margin increased from 1.65% to 1.73%, and average interest bearing assets increased by 4.6%.

Net fee and commission income from continuing operations grew by HK\$160 million, or 6.5%, to HK\$2,653 million. Net trading and hedging results and net results from financial instruments designated/mandatory at fair value through profit or loss from continuing operations increased by HK\$192 million, or 34.2%, to HK\$751 million.

Net insurance revenue from continuing operations decreased by HK\$392 million, or 57.1%, to HK\$295 million, mainly due to the inclusion of a net revaluation loss of HK\$424 million on financial assets mandatory at fair value through profit or loss following the adoption of HKFRS 9 in 2018 and a disposal gain of HK\$216 million on available-for-sale financial assets in 2017 due to the transition to HKFRS 9. (Prior to 2018, these financial assets were classified as available-for-sale, with the revaluation gain/loss put through other comprehensive income.)

Overall, non-interest income from continuing operations fell by 0.2% to HK\$4,113 million. Operating income from continuing operations increased by 7.0% to HK\$17,072 million.

Total operating expenses from continuing operations rose by 6.1% to HK\$8,563 million. This rise was mainly attributable to the increase in staff costs at Group level, and expenses incurred for new business initiatives and

partnerships in China (including card expenses and internet platform charges) in 2018. Given that operating income increased by HK\$1,119 million, or 7.0%, the cost-to-income ratio improved from 50.6% in 2017 to 50.2% in 2018.

Operating profit before impairment losses from continuing operations stood at HK\$8,509 million, an increase of HK\$623 million, or 7.9%, when compared with 2017.

Under HKFRS 9, there was a net charge of impairment losses on financial instruments of HK\$1,188 million in 2018, as compared to a net impairment charge on loans and receivables of HK\$1,744 million under HKAS 39 in 2017. The Group's impaired loan ratio improved from 1.09% at the end of 2017 to 0.70% at the end of 2018. The impaired loan ratio for Hong Kong operations improved from 0.91% to 0.29%, while that for Mainland China operations improved from 1.79% to 1.73%. In addition, there was an impairment loss of HK\$397 million on an investment in an associated company in 2018.

Operating profit after impairment losses from continuing operations amounted to HK\$6,919 million, an increase of HK\$1,490 million, or 27.4%.

Net profit on the sale of financial assets measured at fair value through other comprehensive income/available-for-sale from continuing operations decreased by 94.2% to HK\$62 million. Upon transition to HKFRS 9 on 1st January, 2018, any unrealised gains/losses of available-for-sale financial assets that are required to be reclassified as fair value through profit or loss as of 31st December, 2017 have to be transferred from the revaluation reserve to the opening balance of retained earnings at 1st January, 2018, and cannot be recycled to the profit and loss account upon subsequent disposal. Hence, the Group has chosen to dispose of such available-for-sale financial assets before the end of 2017, as far as practicable.

Net profit on sale of disposal group and assets held for sale from continuing operations in 2018 decreased by HK\$127 million, or 69.3%, mainly due to a profit of HK\$192 million on disposal of a property in Hong Kong in 2017. Valuation gains on investment properties from continuing operations in 2018 amounted to HK\$465 million.

The Group shared after-tax profits from associates of HK\$566 million from continuing operations, an increase of HK\$178 million, or 45.8% compared to 2017.

After accounting for income taxes, profit after taxation from continuing operations rose to HK\$6,554 million, an increase of 2.9% compared to the HK\$6,370 million recorded in 2017.



# 高層管理人員報告書

## 財務回顧

### 財務表現

2018年，本集團錄得可歸屬於本集團股東溢利達港幣65.09億元，較2017年錄得的港幣93.47億元，下跌港幣28.38億元或30.4%。每股基本盈利由2017年的港幣3.21元，下降至2018年的港幣2.07元。平均資產回報率由1.1%降至0.7%，而平均股東權益回報率則由10.3%降至6.3%。

不計及2017年錄得之已終止經營業務盈利合共港幣30.49億元，可歸屬於本集團股東溢利則增加港幣2.11億元或3.4%。來自持續經營業務之每股基本盈利由2017年的港幣2.09元，降至2018年的港幣2.07元。來自持續經營業務之平均資產回報率持平於0.7%，而來自持續經營業務之平均股東權益回報率則由6.7%降至6.3%。

本集團來自持續經營業務的淨利息收入增加港幣11.27億元或9.5%，至港幣129.59億元。淨息差由1.65%擴闊至1.73%，而平均帶息資產增加4.6%。

來自持續經營業務的服務費及佣金收入淨額增加港幣1.60億元或6.5%，至港幣26.53億元。來自持續經營業務的交易及對沖淨額，以及指定/強制為通過損益以反映公平價值金融工具的淨表現增加港幣1.92億元或34.2%，至港幣7.51億元。

來自持續經營業務的保險業務淨收入減少港幣3.92億元或57.1%，至港幣2.95億元，主要是由於2018年採納《香港財務報告準則》第9號後計及強制為通過損益以反映公平價值金融資產的重估虧損淨額港幣4.24億元，以及為過渡至《香港財務報告準則》第9號而在2017年出售可供出售金融資產所產生的盈利港幣2.16億元所致。（2018年之前，此等金融資產分類為可供出售，並透過其他全面收益按重估盈利/虧損入賬。）

整體而言，來自持續經營業務的非利息收入減少0.2%，至港幣41.13億元，而來自持續經營業務的經營收入上升7.0%，至港幣170.72億元。

來自持續經營業務的經營支出總額上升6.1%，至港幣85.63億元。這主要是由於2018年內，集團整體的員工成本增加，以及因為內地推出新的業務計劃和

與業務夥伴合作而引起的相關支出（包括卡業務及互聯網平台的開支）所致。不過由於經營收入增加了港幣11.19億元或7.0%，成本對收入比率仍然能夠由2017年的50.6%，改善至2018年的50.2%。

來自持續經營業務的未扣除減值損失之經營溢利達港幣85.09億元，較2017年增加港幣6.23億元或7.9%。

根據《香港財務報告準則》第9號，2018年金融工具之減值損失支銷淨額為港幣11.88億元，而根據《香港會計準則》第39號2017年貸款及應收賬款減值支銷淨額則為港幣17.44億元。本集團的減值貸款比率由2017年年底的1.09%，改善至2018年年底的0.70%。香港業務的減值貸款比率由0.91%改善至0.29%，內地業務的減值貸款比率則由1.79%改善至1.73%。此外，2018年投資聯營公司的減值損失為港幣3.97億元。

來自持續經營業務的扣除減值損失後之經營溢利達港幣69.19億元，增加港幣14.90億元或27.4%。

持續經營業務中出售通過其他全面收益按公平價值計量的/可供出售的金融資產所獲淨溢利減少94.2%，至港幣6,200萬元。於2018年1月1日過渡至《香港財務報告準則》第9號時，本集團部分可供出售金融資產需於截至2017年12月31日重新分類為「通過損益以反映公平價值」，其任何未實現損益需由重估儲備撥入2018年1月1日的留存溢利期初結餘，且於出售時不能重新分類至損益表內。因此，本集團決定於可行情況下，於2017年年底前出售相關可供出售金融資產。

2018年，持續經營業務中出售出售組別及持有作出售資產之淨溢利減少港幣1.27億元或69.3%，主要是由於2017年出售一項香港物業錄得溢利港幣1.92億元所致。2018年，來自持續經營業務的重估投資物業盈利為港幣4.65億元。

來自持續經營業務的集團應佔聯營公司之除稅後溢利為港幣5.66億元，較2017年增加港幣1.78億元或45.8%。

經計及所得稅後，來自持續經營業務的除稅後溢利升至港幣65.54億元，較2017年錄得的港幣63.70億元上升2.9%。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### Financial Position

Total consolidated assets of the Group stood at HK\$839,451 million at the end of 2018, an increase of 3.8% compared to HK\$808,942 million at the end of 2017.

Gross advances to customers rose by 5.7% to HK\$500,631 million, while gross trade bills negotiated grew by 5.3% to HK\$14,650 million.

Total equity attributable to owners of the parent increased to HK\$91,826 million, up 2.6%, mainly due to the net profit of HK\$6,509 million earned during the year 2018.

Debt securities issued decreased to HK\$564 million, down 44.0%.

Total deposits from customers increased by 0.4% to HK\$574,114 million. Of the total, demand deposits and current account balances decreased by HK\$13,566 million, or 15.9%; savings deposits decreased by HK\$3,492 million, or 2.6%; and time deposits increased by HK\$19,488 million, or 5.5%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, increased by 4.0% to HK\$632,604 million.

The loan-to-deposit ratio stood at 79.1% at the end of 2018, compared to 77.9% at the end of 2017.

As at 31st December, 2018, the total capital ratio, tier 1 ratio, and common equity tier 1 ratio were 20.8%, 17.8%, and 15.7%, respectively. The average liquidity coverage ratio for the quarter ended 31st December, 2018 was 180.5%, which was well above the statutory minimum of 90% for the year 2018.

## RATINGS

### S&P Global Ratings

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

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

#### *The Bank of East Asia (China) Limited*

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

### Moody's Investor Service

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

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

## 高層管理人員報告書(續)

## 財務狀況

於2018年年底，本集團綜合資產總額達港幣8,394.51億元，較2017年年底的港幣8,089.42億元增加3.8%。

客戶墊款總額上升5.7%，至港幣5,006.31億元，而貿易票據貼現總額則增加5.3%，至港幣146.50億元。

可歸屬於本集團股東權益總額增加2.6%，至港幣918.26億元，主要是由於在2018年錄得淨溢利達港幣65.09億元。

已發行債務證券減少44.0%，至港幣5.64億元。

客戶存款總額上升0.4%，至港幣5,741.14億元。其中，活期存款和往來存款賬戶結餘減少港幣135.66億元，降幅為15.9%；儲蓄存款減少港幣34.92億元，降幅為2.6%；而定期存款則增加港幣194.88億元，增幅為5.5%。包括客戶存款及所有已發行存款證的存款總額增加4.0%，至港幣6,326.04億元。

於2018年年底，貸款對存款比率為79.1%，而2017年年底則為77.9%。

於2018年12月31日，總資本比率、一級資本比率及普通股權一級資本比率分別為20.8%、17.8%及15.7%。截至2018年12月31日止季度的平均流動性覆蓋比率為180.5%，遠高於2018年90%的法定下限。

## 評級

## 標普全球評級

## 東亞銀行有限公司

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

## 東亞銀行(中國)有限公司

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

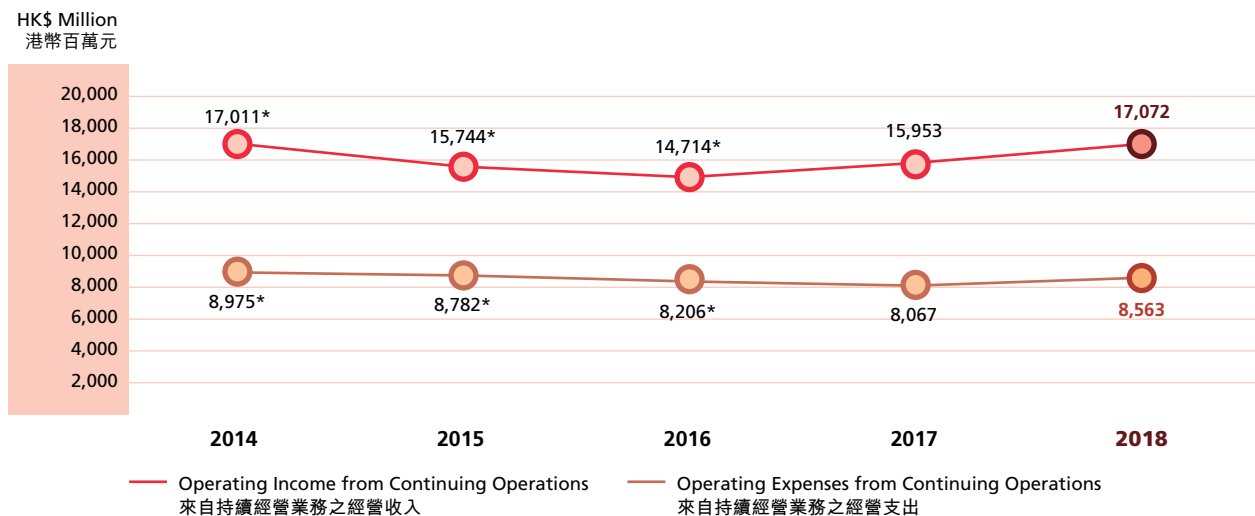
## 穆迪投資服務

## 東亞銀行有限公司

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

## OPERATING INCOME VS OPERATING EXPENSES (FROM CONTINUING OPERATIONS)

經營收入及經營支出(來自持續經營業務)



\* Restated  
重報

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)



## MAJOR RECOGNITION 主要榮譽與獎項

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

- |    |  |  |
|----|--|--|
| 1  | Quamnet Outstanding Enterprise Awards 2017 – “Outstanding SME Service Provider (Bank)” (for the fifth consecutive year)<br>- <i>Quam (H.K.) Limited</i>  | 華富財經傑出企業大獎2017 – 「傑出中小企業服務機構（銀行）」（連續第5年獲獎）<br>- 華富財經（香港）有限公司                               |
| 2  | 2018 Best SME's Partner Award (for the eleventh consecutive year)<br>- <i>The Hong Kong General Chamber of Small and Medium Business</i>   | 中小企業最佳拍檔獎2018（連續第11年獲獎）<br>- 香港中小型企業總商會  |
| 3  | CAPITAL Merits of Achievement in Banking and Finance 2018 – “Capital Merits of Cross-border Business Award” (for the second consecutive year)<br>- <i>CAPITAL Magazine</i>   | 資本卓越銀行及金融大獎2018 – 「資本卓越跨境業務大獎」（連續第2年獲獎）<br>- 《資本雜誌》  |
| 4  | Outstanding Import and Export Industry Partner Award (for the fifth consecutive year)<br>- <i>The Hong Kong Chinese Importers' &amp; Exporters' Association</i>  | 進出口企業合作夥伴大獎（連續第5年獲獎）<br>- 香港中華出入口商會  |
| 5  | “Outstanding Intelligent Digital Branch” in the FinTech Awards 2017<br>- <i>ET Net</i>   | 金融科技大獎2017之「傑出智能數碼分行」<br>- 《經濟通》   |
| 6  | “Excellence of the Year for Innovation, Banking, China” in the Le Fonti Awards<br>- <i>Le Fonti</i>  | Le Fonti大獎之「年度卓越創新銀行 — 中國」<br>- <i>Le Fonti</i>  |
| 7  | “The Best Retail Bank in Hong Kong” and “The Best Digital Distribution Network of the Year” in The Asian Banker Excellence in Retail Financial Services Awards 2018<br>- <i>The Asian Banker</i>                                 | 《亞洲銀行家》年度國際卓越零售金融服務獎項計劃2018之「香港最佳零售銀行」及「年度最佳數碼化分銷網絡」<br>- 《亞洲銀行家》                          |
| 8  | The Excellence Award in “Branch Innovation”, Outstanding Award in “Retail Banking”, “Mobile Usability”, and “Integrated Marketing” in the Financial Institution Awards 2018<br>- <i>Bloomberg Businessweek (Chinese Edition)</i> | 金融機構大獎2018之「分行創新服務 — 卓越大獎」、「零售銀行 — 傑出大獎」、「手機應用服務 — 傑出大獎」及「整合營銷策略 — 傑出大獎」<br>- 《彭博商業周刊/中文版》 |
| 9  | “Most Innovative Online Payment Platform with Mastercard® Send™ – BEA i-Payment Hub” and “Best Youth Card Program – BEA i-Titanium Card”<br>- <i>Mastercard</i>  | 「最創新網上付款平台 Mastercard® Send™ — BEA i-Payment Hub」及「最佳青年卡 — BEA i-Titanium Card」<br>- 萬事達卡  |
| 10 | “Banking – Branch Services Award” in the Sing Tao Service Awards 2017<br>- <i>Sing Tao Daily</i>   | 星鑽服務大獎2017之「銀行分行服務大獎」<br>- 《星島日報》  |
| 11 | “Best Digital Bank in Hong Kong” in the Asiamoney Best Bank Awards 2018<br>- <i>Asiamoney</i>  | 最佳銀行大獎2018之「香港最佳數碼銀行」<br>- 《亞洲貨幣》雜誌  |
| 12 | “Outstanding Personal Banking Mobile App” in the Hong Kong Digital Brand Awards 2018<br>- <i>Metro Broadcast and The Chamber of Hong Kong Computer Industry</i>  | 香港傑出數碼品牌大獎2018之「傑出個人銀行服務手機程式」<br>- 新城電台及香港電腦商會   |
| 13 | BENCHMARK Private Wealth Awards 2017 – “Bronze Winner for China Team of the Year”<br>- <i>WealthAsia Media Limited</i>   | 2017《指標》私人財富大獎：「年度中國團隊銅獎得主」<br>- 富盛亞洲傳媒有限公司  |
| 14 | Best Private Bank in Greater China 2018<br>- <i>Global Brands Magazine</i>   | 2018大中華區最佳私人銀行<br>- <i>Global Brands</i> 雜誌  |

## 高層管理人員報告書(續)

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

- |   |   |
|---|---|
| <p><b>15</b> "2018 The Best Foreign Bank in Brand-building" in the 2018 Golden-shell Award of China<br/>- <i>21st Century Business Herald</i></p>                       | <p>2018中國資產管理金貝獎之「2018最佳品牌建設外資銀行」<br/>- 《21世紀經濟報導》</p>    |
| <p><b>16</b> "2018 Annual Best Wealth Management Bank" in the 9th Golden Tripod Award<br/>- <i>National Business Daily</i></p>  | <p>第九屆金鼎獎之「年度卓越財富管理銀行」<br/>- 《每日經濟新聞》</p>                 |
| <p><b>17</b> "Best Bank for Cross-Border Trade" in the Stars of China Awards, 2018<br/>- <i>Global Finance Magazine</i></p>   | <p>2018年中國之星大獎之「最佳跨境貿易銀行」<br/>- 《全球金融雜誌》</p>              |
| <p><b>18</b> "Best Foreign Bank" in the 2017 Wealth Management Registration - <i>China Banking Wealth Management Registration &amp; Depository Co., Ltd.</i></p>        | <p>2017年全國銀行業理財信息登記工作之「優秀外資銀行」獎<br/>- 銀行業理財登記託管中心有限公司</p> |
| <p><b>19</b> 2017 Active Local Currency Market Interbank Trader<br/>- <i>China Foreign Exchange Trade System &amp; National Interbank Funding Center</i></p>            | <p>2017年度銀行間本幣市場活躍交易商<br/>- 中國外匯交易中心暨全國銀行間同業拆借中心</p>      |
| <p><b>20</b> "Outstanding Institution for Proprietary Trading" in the 2017 Best Member of CCDC Award<br/>- <i>China Central Depository &amp; Clearing Co., Ltd.</i></p> | <p>2017年度中債優秀成員之「優秀自營機構獎」<br/>- 中央國債登記結算有限責任公司</p>        |
| <p><b>21</b> "2018 Annual Foreign Bank" in the 2018 Top Financial selection<br/>- <i>The Paper</i></p>  | <p>2018 Top 金融榜評選之「年度外資銀行」<br/>- 《澎湃》</p>                 |

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

- |   |   |
|---|---|
| <p><b>22</b> "The Best MPF Trustee" in the Metro Awards for Banking &amp; Finance Corporations 2018<br/>- <i>Metro Prosperity and Metro Daily</i></p> | <p>銀行及金融服務企業獎2018之「最佳強積金信託公司」<br/>- 都市盛世及都市日報</p> |
|---|---|

**Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司**

- |  |  |
|--|--|
| <p><b>23</b> "Banking &amp; Finance Awards 2018 – Excellence Award for Online Marketing of Travel Insurance Product"<br/>- <i>Sky Post</i></p> | <p>Banking &amp; Finance Awards 2018 — 傑出網上營銷旅遊(保險)大獎<br/>- 《晴報》</p> |
|--|--|

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

- |  |   |
|--|---|
| <p><b>24</b> The Asset Benchmark Research 2018 – One of the Top Investment Houses in Asian Local Currency Bonds – Hong Kong<br/>- <i>The Asset</i></p> | <p>2018年度財資基準研究 – 最佳亞洲本地貨幣債券投資公司之一(香港)<br/>- 《財資》雜誌</p> |
| <p><b>25</b> The Asset Benchmark Research 2018 – One of the Top Investment Houses in Asian G3 Bonds – Hong Kong<br/>- <i>The Asset</i></p>             | <p>2018年度財資基準研究 – 最佳亞洲G3債券投資公司之一(香港)<br/>- 《財資》雜誌</p>   |

**For the BEA Union Investment Asian Bond and Currency Fund 頒予東亞聯豐亞洲債券及貨幣基金**

- |   |   |
|---|---|
| <p><b>26</b> Best Bond Fund, Asia Pacific HC (for its 3-year performance)<br/>- <i>Thomson Reuters Lipper Fund Award Programme 2018 Hong Kong</i></p> | <p>最佳亞太區債券基金(強勢貨幣)(按其過往3年業績)<br/>- 湯森路透理柏基金香港年獎2018</p> |
| <p><b>27</b> Best Bond Fund, Asia Pacific HC (for its 5-year performance)<br/>- <i>Thomson Reuters Lipper Fund Award Programme 2018 Hong Kong</i></p> | <p>最佳亞太區債券基金(強勢貨幣)(按其過往5年業績)<br/>- 湯森路透理柏基金香港年獎2018</p> |

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### BUSINESS REVIEW

The global economy performed well in the first half of 2018, with most regions experiencing above expected growth. However, with the escalation of the United States-China trade dispute in the latter half of 2018, performance in China and emerging markets trailed lower.

Despite the headwinds, Hong Kong's economy remained buoyant, expanding by a strong 3.7% in the first three quarters of 2018. Higher exports and private consumption led the gains, as unemployment fell to a 20-year low of 2.8%. However, asset markets underperformed, with rising interest rates and the US-China trade dispute taking their toll on sentiment. While Hong Kong residential property prices rose by 1.6% for 2018 as a whole, prices trended lower in the latter part of the year after hitting a peak in August.

For 2019, the adverse impact of the US-China trade dispute will not be limited to Hong Kong's direct trade with the US, but will also affect business activities of overseas firms using Hong Kong to manage their manufacturing and trade operations in Mainland China. Together with the correction of the property market, economic confidence will turn weaker. This will lower hiring sentiment and cause unemployment to rise. Hong Kong's gross domestic product is forecast to grow by 2.3% in 2019, while the inflation rate will soften to 2.0%.

On the Mainland, the export sector grew by a solid 9.9% in 2018 on the back of stronger global demand. However, most observers believe that the surge was powered by a rush to beat the tariffs, and is not sustainable. Both business and consumer confidence weakened, with the growth in retail sales slowing to 9.0% in 2018 from 10.2% in 2017. The central government's deleveraging efforts also weighed on sentiment, resulting in a cooling of property prices in first-tier cities.

Looking ahead, the Mainland economy is expected to experience further weakness in the coming year. China's exports to the US are expected to come under pressure if the trade disputes cannot be resolved. Slowing growth in Asia and Europe will also impact demand, and consumer sentiment is expected to weaken further. While the central government has launched a series of fiscal and monetary stimulus measures to stabilise the economy, this will not prevent economic growth from declining to the 6.2% range in 2019. Inflation will remain at close to 2.1%.

### Business – Hong Kong

At the end of December 2018, the aggregate value of all customer loans and trade bills of BEA in Hong Kong was 9.1% higher than at the end of 2017. Customer loans were 9.4% higher, debt investments 5.3% higher and customer deposits 8.8% higher.

### Retail Banking

BEA's retail operations were the Bank's primary growth engine in Hong Kong in 2018. Net interest income rose by 20.9% year-on-year on the back of higher average deposits and a widened deposit spread. Meanwhile, net fee and commission income registered a mild increase. Overall, operating income rose by 17.4% year-on-year.

Sales of investment products at the retail level recorded a moderate drop due to sluggish market conditions in the second half of the year, offsetting a strong performance in the first half. However, life insurance sales continued to perform well, with rises in both new premium income and commission income.

## 業務回顧

環球經濟於2018上半年表現強勁，大部分地區的增長超乎預期。然而，隨著2018下半年中美貿易糾紛升溫，中國及新興市場的經濟表現疲軟。

儘管存在不利因素，香港經濟仍保持暢旺，於2018年首3季強勁增長3.7%。增長是因為失業率跌至20年來最低的2.8%，有利出口額及私人消費增加。然而，由於利率上調及中美貿易糾紛影響市場情緒，資產市場表現欠佳。儘管香港整體住宅物業價格於2018年攀升1.6%，價格在同年8月高峰後已見下調。

2019年，中美貿易糾紛的不利影響不僅限於香港與美國之間的直接貿易，依賴香港管理內地的製造及貿易業務的海外公司，其業務活動亦會受貿易紛爭影響，加上地產市場調整，經濟信心轉弱，令招聘氣氛轉淡，使失業率上升。預計香港2019年本地生產總值將增長2.3%，通脹率則降至2.0%。

內地方面，受惠於全球需求轉強，2018年出口增長9.9%。然而，多數觀察員認為，出口飆升是企業爭相迴避關稅所致，升勢不會持續。商業及消費者信心轉淡，零售增長由2017年10.2%下跌至2018年9.0%。中央政府推行的去槓桿措施亦影響市場情緒，令一線城市的樓價降溫。

展望未來，預期內地經濟來年將更為疲弱。假如貿易糾紛遲遲未能解決，中國對美國的出口將會受壓。亞洲及歐洲增長放緩，亦會打擊需求，而消費者情緒預期將進一步轉弱。雖然中央政府已推出一系列財政及貨幣措施以穩定經濟，但預期2019年經濟增長仍會下滑至6.2%左右。通脹率將維持接近2.1%。

## 香港業務

於2018年12月31日，東亞銀行香港的客戶貸款及貿易票據總額較2017年年底增加9.1%。客戶貸款於年內增長9.4%，債券投資增加5.3%，而客戶存款亦上升8.8%。

## 零售銀行

零售銀行業務是本行2018年香港業務增長的主要動力。平均存款額增加及存款息差擴闊，帶動淨利息收入按年增長20.9%。同時，服務費及佣金收入淨額錄得輕微升幅。整體而言，經營收入按年上升17.4%。

在零售層面，由於2018年下半年市場氣氛淡靜，投資產品銷售溫和下跌，抵銷了上半年的強勁增長。然而，壽險產品銷售持續表現良好，新造保單保費收入及佣金收入皆上升。



In January 2018, BEA held its annual Economic and Market Outlook seminar, which was attended by more than 650 corporate and personal banking customers.

2018年1月，逾650位企業及個人客戶出席了東亞銀行舉辦的年度經濟及市場展望研討會。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

The Bank launched a number of initiatives to improve customer onboarding and drive new business in 2018. To enhance services for existing and potential Mainland clients, eleven cross-border financial centres were established in branches at prominent locations in Hong Kong. A number of branches offered extended office hours to capture increased tourist flows in the weeks following the opening of the Hong Kong-Zhuhai-Macao Bridge and the Guangzhou-Shenzhen-Hong Kong Express Rail Link. This arrangement resulted in a significant increase in new accounts from Mainland customers, and it will be implemented again during peak travel seasons.

Meanwhile, the Bank's popular mobile application was revamped in early 2018, adding advanced banking and lifestyle features. In particular, facial and optical character recognition allow customers to apply for credit cards and consumer loans via mobile with instant approval. Remote bank account opening is now available via i-Teller, and will be added to the mobile app in 2019.

At the back end, Robotic Process Automation is being implemented to assist with manual account opening procedures, increasing efficiency and reducing processing times. This solution will be extended to other processes across the Bank's business and operational units in the coming year.

The Bank will also deploy a new IT infrastructure in 2019, providing the agility to support the Hong Kong Monetary Authority's Open Application Programming Interface Framework. BEA will offer its APIs to potential business partners, and also source external APIs to offer value-added services and lifestyle solutions to customers.

### Corporate and Commercial Banking

Performance improved for the Bank's corporate banking operations in 2018. Profit before tax rose by 17.8%, mainly contributed by a 15.0% increase in net fee and commission income and a 69.4% reduction in impairment losses. Net interest income dropped slightly due to a rise in funding costs.

Corporate Banking continued to emphasise asset quality over loan growth. Exposure to stressed sectors was closely monitored, and the portfolio was replenished by taking on more quality names in policy-favoured industries. Meanwhile, the Bank proactively managed the impact of the US-China trade dispute, and supported customers as they diversified their production base elsewhere in Asia. The corporate loan balance saw a mild net increase of 1.9%, while the impaired loan ratio continued to improve.

The Corporate Banking Division has been restructured with an aim to grow the customer base, raise CASA balances and diversify revenues. In particular, greater emphasis will be placed on acquiring local small and medium-sized enterprises. Five Business Centres have been set up to serve SMEs and another five will be added by the end of 2019. The Bank's cash management and corporate wealth management services are being expanded to attract low-cost deposits and grow fee income.

The Bank is also enhancing its digital services for corporate clients. The Corporate Cyberbanking platform is being revamped to improve usability, and thereby encourage online transactions and increase customer loyalty. Meanwhile, BEA jointly launched a digital trade finance platform, eTradeConnect, with six other banks in October 2018. This initiative adopts blockchain technology to streamline processes and eliminate paper-based transactions, thus improving operational efficiency and financial risk management.





BEA established cross-border financial centres in branches at prominent locations.

東亞銀行在主要地點的分行開設跨境金融服務中心。

2018年，本行推出多項措施，以提升客戶開戶體驗、吸納更多新客以及推動新業務。為了向現有及潛在的內地客戶提供更優質服務，東亞銀行在香港主要地點的分行開設11間跨境金融中心。港珠澳大橋及廣深港高速鐵路開通後的數星期內，本行部分分行延長辦公時間，以配合旅客流量增加，把握業務先機。有關安排令來自內地客戶的新增賬戶顯著增加，本行會在旅遊旺季再度實施此等安排。

此外，本行於2018年年初更新手機應用程式，提升銀行服務功能及加入緊貼客戶生活模式的元素，當中更推出人臉識別及光學字元識別功能，讓客戶更方便地使用手機申請信用卡及個人貸款，並可獲即時批核。現時「視像櫃員」已提供遙距開戶服務，此功能將於2019年新增至手機應用程式。

後勤方面，本行正推出流程機器人協助人手開戶程序，提高效率並縮短處理時間。今年本行其他業務流程及營運部門亦將運用此解決方案。

本行亦將於2019年配置新的資訊科技基礎設施，以靈活支援香港金融管理局提倡的開放應用程式介面(API)框架。本行將為潛在的業務合作夥伴提供API，亦會對外物色API，務求為客戶提供增值服務及切合不同生活模式的服務方案。

## 企業及商業銀行

2018年，本行的企業銀行業務表現轉好，除稅前溢利增加17.8%，主要由服務費及佣金收入淨額15.0%的升幅，以及減值損失69.4%的降幅所帶動。由於資金成本上升，淨利息收入稍微下跌。

企業銀行業務秉承著重資產素質多於貸款增長的方針，密切監察前景不明朗行業的信貸風險，以及著力與受惠於政府政策的行業建立業務關係，以增加優質企業客戶在貸款組合中的比重。此外，本行積極控制因中美貿易糾紛所帶來的風險，並支持受影響客戶在亞洲其他地方設立生產基地，以減低影響。企業貸款餘額微升1.9%，而減值貸款比率則持續改善。

企業銀行處已進行重組，旨在擴大客戶基礎、吸更多往來賬戶及儲蓄賬戶存款，以及使收入來源多樣化。本行將加大力度吸納本地中小型企業客戶。東亞銀行新開設5間商務中心支援中小型企業，預計2019年年底將再增設另外5間。此外，本行正加強現金管理及企業財富管理服務，以吸納低成本存款及增加服務費收入。

本行亦積極提升向企業客戶提供的數碼服務，例如更新企業電子網絡銀行服務，令客戶使用時更方便易用，從而鼓勵網上交易，提高客戶忠誠度。同時，東亞銀行於2018年10月與6家銀行攜手推出數碼貿易融資平台「eTradeConnect」，該平台採用區塊鏈技術，簡化業務流程及取代使用紙張的交易，以提升營運效益及財務風險管理。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### Wealth Management

After a strong start in the first quarter, 2018 proved to be a challenging year for Private Banking.

Momentum slowed in the second quarter as the relationship between China and the US deteriorated. Markets then turned negative going into the second half. There was an unusually high correlation in performance across asset classes, and thus all investment instruments recorded a negative return. Investors turned defensive, deleveraging their portfolios due to reduced return expectations and higher borrowing costs.

Although Private Banking's net interest income rose year-on-year, this was offset by falls in revenue from investment activity and insurance sales. Overall, operating income declined by 6.2%. Assets under management were flat compared to the end of 2017.

BEA is enhancing the value proposition of its Private Bank to better serve its clients. Compensation and hiring strategies are under review to ensure that the Bank can maintain an experienced team of relationship managers. Private Banking is also strengthening its collaboration with other business units and Group subsidiaries, as well as external partners. The aim is to broaden the scope of referrals, particularly from the Greater Bay Area, which will be a key growth region in the coming decades.

Meanwhile, Private Banking continues to expand its product range, adding alternative investment options for clients during periods of market volatility and capital-protected products for those desiring lower risk.

### Insurance and MPF Services

Following the adoption of HKFRS 9, changes in the valuation of certain financial assets are now included in net insurance revenue, making this line more susceptible to market fluctuations. Despite the reported drop in net insurance revenue, which was due to revaluation losses in 2018 and one-off gains on disposal of available-for-sale assets in 2017 due to the transition to HKFRS 9, the underlying performance of the Bank's insurance business during the review period remained sound.

BEA Life Limited, the Bank's wholly-owned life insurance subsidiary, achieved 11.7% growth in new premium income year-on-year, driving a 13.3% increase in the Bank's commission income from sales of BEA Life products.

The application process for life insurance products is being digitalised. In addition, the Bank launched its first endowment product for sale via digital distribution in November 2018. More products including critical illness and term life insurance will be added to this channel going forward.

Blue Cross (Asia-Pacific) Insurance Limited, BEA's wholly-owned general insurance subsidiary, achieved premium income growth of 8.7% year-on-year. Group medical was the main contributor, while online general insurance premiums also continued to rise. However, underwriting profit faced substantial pressure due to rising medical costs and the impact of Super Typhoon Mangkhut in September 2018, which brought a rise in claims for travel delays and property damage.

Blue Cross has a clear roadmap for its digital initiatives. An e-claims platform for travel insurance was deployed in June 2018. The Company now has an encouraging e-claims submission ratio of over 50%. A new Blue Cross mobile application will be launched in 2019, increasing the range of e-services available.

Total membership in BEA's Mandatory Provident Fund schemes grew to more than 787,000 at the end of 2018, while AUM stood at HK\$24.3 billion. Higher average AUM and continued efforts to control costs led to a double-digit increase in profit. To maintain the Bank's market-leading position in the Industry Scheme, an online enrolment platform was launched in July 2018. The platform facilitates enrolment from casual employees in the construction and catering industries, and also speeds up the process of eliminating dummy accounts.

## 高層管理人員報告書(續)

**財富管理**

私人銀行業務於2018年首季表現強勁，隨後卻面臨重重挑戰。

中美關係惡化，市場氣氛轉淡，令第二季增長動力放緩。進入下半年市況逆轉，各類資產之間表現的相關性異常密切，所有投資工具皆錄得負回報。由於預期回報減少及借貸成本上升，投資者轉攻為守，減少其投資組合的借貸。

雖然私人銀行的淨利息收入按年上升，但投資活動減少及保險銷售收入下跌抵銷了此等增長。整體而言，私人銀行業務的經營收入按年減少6.2%，管理資產則與2017年年底相若。

東亞銀行致力提升私人銀行的價值定位，為了向客戶提供更優質的服務，本行現正檢討薪酬及招聘策略，確保銀行保留經驗豐富的客戶經理團隊。私人銀行亦不斷推動與其他業務部門、集團附屬公司及外部夥伴的緊密合作，以擴大客戶轉介網絡範圍，尤其是勢必成為未來數十年主要增長動力來源的大灣區。

此外，私人銀行業務繼續擴大產品系列，在市場波動期間為客戶增加另類投資選擇，並為尋求低風險的客戶提供保本產品。

**保險及強積金服務**

採納《香港財務報告準則》第9號後，若干金融資產的估值變動現已納入保險業務淨收入，令此項收入較容易受市場波動所影響。儘管2018年出現重估虧損，以及2017年因過渡至《香港財務報告準則》第9號而出售的金融資產錄得一次性盈利，導致保險業務淨收入按年下跌，本行保險業務在回顧期內的表現仍然穩健。

本行旗下全資壽險附屬公司—東亞人壽保險有限公司新造保單保費收入按年增長達11.7%，推動本行來自銷售東亞人壽產品的佣金收入增加13.3%。

壽險產品的申請程序現正進行數碼化。此外，本行於2018年11月首次透過網上分銷渠道推出儲蓄保險產品，未來將會透過此渠道推出更多產品，包括危疾保險及定期壽險。

本行旗下全資一般保險附屬公司—藍十字(亞太)保險有限公司保費收入按年增長達8.7%。團體醫療保險為主要增長來源，而網上一般保險保費收入亦持續增加。然而，由於醫療服務收費上升，加上2018年9月超級颱風山竹的影響，旅遊延誤及財物損毀的索償增加，令承保利潤受到巨大壓力。

藍十字的數碼化進程路向清晰。2018年6月，該公司為其旅遊保險推出網上索償平台。現時使用網上平台提交索償申請的比率已超逾50%，令人鼓舞。藍十字將於2019年推出新的手機應用程式，以擴大數碼化服務範圍。

於2018年12月31日，東亞銀行旗下強積金計劃的成員總數增至超過787,000名，而管理資產則為港幣243億元。平均管理資產上升及控制成本措施持續見效，令溢利錄得雙位數增幅。本行為維持在強積金行業計劃的市場領先地位，已於2018年7月推出東亞強積金網上登記平台，以方便建造業和飲食業的臨時僱員登記成為計劃成員，並加快對資料不全賬戶的處理。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### Business – China

Economic growth on the Mainland decelerated to 6.6% in 2018, compared with 6.8% in 2017. The deleveraging measures implemented in the first half of 2018 set the scene for the slowdown, while the US-China trade dispute became an increasingly negative factor in the second half of the year. Meanwhile, the Renminbi fell to multi-year lows against the US dollar. To stabilise and support the economy, the Mainland government reversed its tightening policies and loosened liquidity in the second half.

Despite macro difficulties, the net profit of BEA's China banking operations more than doubled to HK\$674 million in 2018, up by 111.9% year-on-year. Net interest income rose to HK\$4,099 million. Meanwhile, non-interest income increased significantly. NIM improved in the second half, reversing the decline in the first half and reaching 1.70% for the full year of 2018 – roughly the same level as the full year of 2017.

Total loans to corporates and individuals for BEA's China banking operations amounted to HK\$149,689 million as at the end of 2018, a decrease of 1.41% from a year earlier. Deposits from customers decreased by 14.3% year-on-year to HK\$170,914 million, with funding sources being further diversified.

Regarding asset quality, during the year, BEA's China banking operations remained cautious on extending credit and continued to actively manage the impaired loan portfolio. The impaired loan ratio stood at 1.73% at the end of 2018, down by 6 basis points year-on-year.

Operating expenses for BEA's China banking operations were HK\$3,308 million, 12.0% higher than in 2017. The increase was largely due to investments in new retail transformation initiatives and expenses related to internet finance. Excluding these costs, operating expenses were about the same as in 2017. Meanwhile, the targeted three-year cost savings of HK\$450 million initiated at the end of 2015 was successfully achieved by the end of 2018 as planned.

BEA China's retail banking transformation is now in full swing. The new retail initiatives delivered strong results in 2018, as evidenced by the five-fold increase in the consumer finance customer base and significant rise in retail lending compared with 2017. Given the good progress, BEA China will further expand its internet consumer finance and credit card businesses through existing partnerships in 2019, and explore the possibility of adding new partnerships. In addition, BEA China will continue to improve the customer experience for retail customers with new products and services in several targeted areas, including payments, deposits and wealth management.

Meanwhile, BEA China is strengthening its infrastructure in order to cater to the expanded business volume arising from the innovative retail banking initiatives and mitigate operational and other risks.

With respect to corporate banking, in 2018, BEA China put particular emphasis on de-risking its corporate portfolio. In particular, BEA China reduced its reliance on the real estate sector, lowered funding costs and revamped its line management structure. For 2019, BEA China will focus on enhancing its product and service capabilities in areas such as trade finance, transaction banking and investment banking. Additionally, BEA China will adopt a more integrated client coverage approach with Head Office in Hong Kong so as to pursue cross-border business more effectively, and develop opportunities with other financial institutions.

BEA China continues to consolidate and streamline its branch network. As at the end of 2018, BEA China operated 31 branches and 68 sub-branches in 44 cities on the Mainland. As mentioned above, in order to enhance operating efficiency and control risk, BEA China launched a functional line management structure in 2018. For the coming year, BEA China will carry out further enhancement work, including strengthening governance, optimising the MIS infrastructure and IT management and expanding use of fintech solutions.

## 高層管理人員報告書(續)

## 中國業務

2018年內地經濟增長放緩至6.6%，2017年則為6.8%。2018年上半年實施去槓桿措施是經濟放緩的主因，而下半年中美貿易糾紛的不利因素，進一步影響經濟下行。同時，人民幣兌美元創下數年來新低。為穩定並支持經濟，內地政府於下半年修改緊縮政策，放寬流動性。

儘管宏觀環境存在困難，東亞銀行的中國業務淨溢利於2018年增長逾一倍，達港幣6.74億元，按年增長111.9%；淨利息收入增至港幣40.99億元。同時，非利息收入明顯增加。淨息差於下半年有所改善，扭轉了上半年收窄的趨勢，於全年達1.70%，與2017年全年數字大致持平。

2018年年底，東亞銀行中國業務的企業及個人客戶貸款總額為港幣1,496.89億元，與對上年度比較減少1.4%。至於客戶存款總額則按年減少14.3%，至港幣1,709.14億元，資金來源更趨多元化。

資產素質方面，年內東亞銀行中國業務繼續審慎提供信貸，並持續積極管理減值貸款組合。2018年年底減值貸款比率為1.73%，按年下降6個基點。

東亞銀行中國業務的經營支出為港幣33.08億元，較2017年增加12.0%。經營支出增加主要是由於投資新的零售業務轉型計劃及與互聯網金融相關支出所致。若不計及該等成本，經營支出與2017年大致持平。同時，2015年年底推出港幣4.5億元的3年成本控制計劃亦已如期於2018年年底達成。

東亞中國正全面進行零售銀行轉型。新的零售業務計劃於2018年取得卓越成績，與2017年相比，消費金融客戶基礎呈現5倍增長，零售貸款大幅上升。由於進展良好，東亞中國將於2019年透過現有的合作夥伴，進一步擴大互聯網消費貸款及信用卡業務，並尋求增加新合作夥伴的可能性。此外，東亞中國將繼續提升零售客戶的體驗，推出支付、存款及財富管理等多個範疇的新產品及服務。

同時，東亞中國正致力加強基礎建設，以配合創新的零售銀行舉措所增加的業務量，並降低營運及其他風險。

企業銀行業務方面，2018年東亞中國特別著重減低企業貸款組合的風險，尤其已經減少對房地產行業的依賴、降低資金成本，以及重整其條線化管理模式。2019年，東亞中國將專注提升在貿易融資、交易銀行及投資銀行等範疇的產品及服務能力。此外，東亞中國與香港總行將採用更全面的客戶覆蓋方式，務求令跨境業務更有效率，並發掘與其他金融機構合作的機會。

東亞中國繼續整合及精簡分行網絡。於2018年年底，東亞中國於內地44個城市經營共31間分行及68間支行。誠如前述，為提高營運效益及加強風險控制，東亞中國於2018年推出全面條線化管理模式，今年亦將進行更多優化工作，包括加強管治、優化MIS基建及資訊科技管理，以及擴大使用金融科技方案。



In November 2018, BEA participated in the first China International Import Expo in Shanghai.

東亞銀行積極參與2018年11月於上海舉行的首屆中國國際進口博覽會。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### Business – International, Macau and Taiwan

The Bank's overseas operations continued to perform well in 2018 and delivered another year of record profit despite market uncertainties stemming from the US-China trade dispute, lingering Brexit issues and the change of government in Malaysia.

During the year under review, BEA's overseas branches expanded their loan books prudently and proactively diversified their loan portfolios through participation in syndicated loans and club deals for large corporates in various industries.

BEA's overseas operations achieved high single-digit loan growth in 2018. Pre-provision operating profit rose by 6.6%. The cost-to-income ratio was stable at 32.7%, notwithstanding a surge in risk and compliance costs due to more stringent regulatory requirements. Asset quality remained good. The impaired loan ratio improved to 0.18% from 0.35% at the end of the prior year.

The US and United Kingdom operations were the main contributors to the Bank's overseas loan and income growth, followed by Singapore Branch.

In the US, the healthy domestic economy, low unemployment and lower taxes spurred business investment and development. The Bank's US operations participated in syndicated loans to investment-grade corporate borrowers and large corporates, and extended financing for real estate projects in gateway cities with strong sponsors. The unit also proactively developed bilateral lending opportunities with existing BEA customers with investments in the US.

In the UK, despite Brexit uncertainties, investment interest from Mainland China and other Asian countries remained strong, helping the Bank's UK operations register solid gains. The Bank's UK operations recorded strong loan growth with robust asset quality. The unit will continue efforts to diversify the loan book through participation in syndicated lending to large corporates.

This prudent diversification strategy was also adopted by Singapore Branch. Following a de-risking strategy and employing effective funding management, Singapore Branch achieved a mid-single digit increase in operating profit year-on-year.

In response to various headwinds in their domestic markets, Macau, Taiwan and Labuan branches adopted defensive measures. Macau Branch focused more on developing its retail business and initiated an upgrade of its digital banking platform. Taiwan Branch strengthened its origination capability in the syndicated loan market

and arranged syndication deals to increase its fee income. Labuan Branch adopted a cautious stance in onboarding new customers and exiting accounts which were deemed to be of higher risk and financially weak.

Looking ahead, with continuing geopolitical uncertainties, the renewal of gaming licences in Macau and the upcoming elections in Taiwan in 2020, the operating environment is expected to remain challenging. Given this macro environment, the Bank seeks to optimise its loan portfolio to balance risk and return. It will continue to prioritise asset quality over loan growth and pursue loan diversification. Leveraging its local expertise in international markets, the Bank will further strive to facilitate business flows from customers in Greater China.

In addition, the Bank's overseas branches will streamline their operations. Cost control efforts will continue, although a sustained rise in risk and compliance costs is expected due to heightened regulatory requirements.

The Bank will remain vigilant to market changes and will adjust its strategies accordingly to promote sustainable growth.

### Other Subsidiaries and Associates

#### BEA Union Investment Management Limited

AUM by BEA Union Investment were flat in 2018, largely due to the volatility of the Asian capital markets.

In response to growing demand from overseas retail investors for funds that capture investment opportunities in China, BEA Union Investment launched the China Gateway Fund at the beginning of the year.

Meanwhile, to strengthen its capability in China's capital market, BEA Union Investment expanded Mainland distribution channels for two flagship funds, namely the Asian Bond and Currency Fund and the Asia Pacific Multi Income Fund. Both were approved for distribution on the Mainland under the Mainland-Hong Kong Mutual Recognition of Funds scheme in early 2018.

In addition, BEA Union Investment is applying for a private fund management licence from the Asset Management Association of China for a wholly foreign-owned subsidiary in Qianhai, Shenzhen. The private fund management licence will allow the Company to launch onshore funds targeted at professional investors on the Mainland.

Outside of the region, the Company also extended its distribution into Switzerland under the Hong Kong and Switzerland MRF scheme.

## 國際、澳門及台灣業務

儘管中美貿易糾紛、懸而未決的英國脫歐問題及馬來西亞政府換屆帶來種種不明朗因素，本行的海外業務於2018年繼續表現良好，溢利再創新高。

回顧年內，東亞銀行的海外分行透過參與不同行業大型企業的銀團貸款及俱樂部貸款，審慎拓展其貸款業務，並積極令貸款組合更多元化。

2018年，東亞銀行海外業務貸款錄得高單位數的增長。撥備前經營溢利增長6.6%。儘管更嚴格的監管要求引致風險及合規成本上升，成本對收入比率仍穩定維持在32.7%。資產素質維持良好，減值貸款比率從2017年年底的0.35%下降至0.18%。

美國及英國的分行是本行海外貸款及收入增長的主要來源，其次則為新加坡分行。

美國穩健的國內經濟、失業率低企及調減稅率，帶動商業投資及發展。本行的美國分行參與擁有投資評級的大型企業之銀團貸款，並為有實力的客戶在主要城市的地產項目提供融資。美國分行亦為投資於美國的東亞銀行現有客戶積極開拓雙邊貸款機會。

英國方面，儘管脫歐帶來不明朗因素，中國內地及亞洲其他地區客戶對於在英國投資的興趣仍然濃厚，令本行英國業務取得穩健增長。本行的英國分行錄得強勁貸款增長，資產素質維持穩健。英國分行將繼續致力透過參與大型企業銀團貸款，將貸款業務多元化。

新加坡分行同樣採取審慎而多元化的策略，在推行降低風險策略及有效資金管理後，該分行的經營溢利按年錄得中單位數的增長。

為應對當地市場各種不利因素，澳門分行、台灣分行及納閩分行均採取防守策略。澳門分行較著重發展零售業務，進行數碼銀行服務升級；台灣分行加強籌組銀團貸款，並通過安排銀團貸款以增加服務費收入；至於納閩分行則審慎篩選新客戶，以及處理高風險和財務狀況欠佳的現有賬戶。

展望未來，由於地緣政治持續不明朗，並且存在澳門賭牌續期及台灣2020年大選等因素，預期經營環境仍然充滿挑戰。在此宏觀環境下，本行力求優化貸款組合，以平衡風險與回報，在增長貸款過程中，優先考慮資產素質，致力令貸款多元化。本行將憑藉在國際市場的當地專業知識，進一步協助大中華地區客戶的業務往來。

此外，東亞銀行各海外分行將精簡營運。雖然預期更嚴謹的監管要求將會令風險及合規成本不斷上升，但本行仍會繼續致力控制成本。

東亞銀行將密切留意市場變化，並據此調整策略，推動可持續增長。

## 其他附屬公司及聯營公司

### 東亞聯豐投資管理有限公司

2018年，東亞聯豐投資的管理資產與對上年度相比持平，主要是由於年內亞洲資本市場波動所致。

因應海外零售投資者對有關中國的投資基金需求日益增長，東亞聯豐投資於2018年年初推出了「中國滙通基金」。

同時，為加強在中國資本市場的業務能力，東亞聯豐投資擴大內地的分銷渠道，推售兩個旗艦產品：「亞洲債券及貨幣基金」及「亞太區多元收益基金」。兩個基金已於2018年年初根據「內地與香港基金互認安排」獲准在內地分銷。

此外，東亞聯豐投資目前正在為於深圳前海成立的外商獨資附屬公司向中國證券投資基金業協會申請私募基金管理牌照，獲發該牌照可讓東亞聯豐投資為內地專業投資者推出在岸基金產品。

在區外，東亞聯豐投資亦根據「瑞士與香港基金互認安排」，將產品分銷範圍進一步擴大至瑞士。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### East Asia Qianhai Securities Company Limited

East Asia Qianhai Securities, the Bank's 49%-owned joint venture, commenced business in all four areas under its licence in late 2017, namely investment banking, asset management, brokerage and proprietary trading. To date, it has established branches in Beijing, Shanghai, Shenzhen, Guangzhou, Hangzhou, Wuhan and Nanjing. The Company also obtained approval to trade via Shanghai / Shenzhen-Hong Kong Stock Connect, act as a co-lead underwriter for corporate bonds approved by The National Development and Reform Commission of the People's Republic of China and act as a sponsor for initial public offerings on the National Equities Exchange and Quotations System.

In 2018, East Asia Qianhai Securities has successfully collaborated with BEA China to launch three collective asset management products targeting retail investors, and has participated in numerous investment banking projects including the issuance of public and private bonds for corporates and provision of financial advisory services.

### Our People

As of 31st December, 2018, the BEA Group employed 9,796 people:

Continuing Operations	As of 31st December, 2018	As of 31st December, 2017 (Restated)
Hong Kong	5,376	5,305
Mainland China	3,821	4,086
Macau and Taiwan	164	156
Overseas	435	431
<b>Total</b>	<b>9,796</b>	<b>9,978</b>

\* With effect from 2018, the headcount figures are grouped with reference to the segment reporting prepared by the Bank according to the HKFRS 8 Operating Segments. As such, the 2017 figures have been restated for comparison purposes.

In January 2018, the Bank rolled out a global programme to promote a common corporate culture rooted in the Bank's core values. Senior Management led a series of town hall meetings to promote the Bank's culture. Meanwhile, the Bank produced a corporate video highlighting the importance of a sound corporate culture, and launched a dedicated website on the Bank's intranet to promote key messages on the Bank's core values and encourage staff to participate by sharing their stories and experiences at work.

In order to reinforce positive behaviour, the Bank introduced a Staff Recognition Scheme to show appreciation to employees exemplifying the Bank's core values. In addition, feedback has been sought through a Senior Management Mailbox, Employee Survey and Customer Survey. The comments received are being used to further enhance the Bank's approach to inculcating a sound corporate culture.

As part of the Bank's ongoing programme to promote staff development, the Bank held strategic leadership training for senior executives, performance management training for people managers, risk management and compliance training and code of conduct training for all staff, induction training on core values, ethics, risk and compliance for new joiners, etc. The Bank also continues to develop and groom its employees for future leadership roles.

As a caring employer, the Bank enhanced staff benefits for annual leave, volunteer leave, maternity leave, paternity leave and medical protection in 2018. To help build staff relations and encourage a healthy work-life balance, the Bank continued to organise numerous social, sports and volunteering activities throughout the year.



## 高層管理人員報告書(續)

## 東亞前海證券有限責任公司

本行持有49%權益的聯營公司東亞前海證券，已於2017年年底獲發業務牌照，在4個領域全面開展業務，包括證券承銷與保薦、資產管理、經紀業務及自營交易；現時該公司在北京、上海、深圳、廣州、杭州、武漢及南京設有分支機構。此外，東亞前海證券亦獲得多項業務資格，包括：透過滬港通及深港通買賣證券、作為中華人民共和國國家發展和改革委員會批准發行公司債券的聯席主承銷商，以及成為全國中小企業股份轉讓系統主辦券商之一，從事推薦業務。

2018年，東亞前海證券與東亞中國攜手，成功推出3項面向零售投資者為主的集合資產管理產品，並參與多個投資銀行項目，包括為企業發行公募及私募債券，以及提供財務顧問服務。

## 人力資源

東亞銀行集團於2018年12月31日的僱員人數為9,796人，分布如下：

	於2018年 12月31日	於2017年 12月31日 (重報)
來自持續經營業務		
香港	5,376	5,305
中國內地	3,821	4,086
澳門及台灣	164	156
海外	435	431
總計	9,796	9,978

\* 自2018年起，僱員人數已參考本行根據《香港財務報告準則》第8號「經營分部」編制的分部報告而歸類。因此，2017年的僱員人數須予重報，以茲比較。

2018年1月，本行推出全球方案，宣揚植根於本行核心價值的共同企業文化。為此，本行舉行了一系列分享會，由高層管理人員講解，藉此向員工推廣本行文化。同時，本行製作企業短片，闡述穩健企業文化的重要性，同時於內聯網推出專屬網頁，傳遞有關本行核心價值的重要訊息，並鼓勵員工積極參與，分享他們在工作方面的故事和經驗。

為鼓勵良好行為，本行推出「員工嘉許計劃」，對在工作上能夠體現本行核心價值的員工予以表揚。此外，本行透過設立高級管理層電子郵箱、員工意見調查及客戶意見調查收集意見，用以進一步加強本行在構建穩健企業文化方面的工作。

為配合促進員工發展的長期計劃，本行為高級行政人員舉辦策略領導管理培訓，為日常負責管理員工的經理提供績效管理培訓，為全體員工提供風險管理、合規及行為守則的培訓，以及為新加入的員工提供有關核心價值、道德、風險及合規的入職培訓等；同時，本行繼續培育員工並為未來的領導職務培養人才。

作為關懷員工的僱主，本行於2018年就員工的年假、義工假期、分娩假、侍產假及醫療保障等福利進一步優化。為促進員工之間的關係，並鼓勵他們在工作與生活之間取得平衡，本行於年內持續舉辦了多項康樂、體育及義工活動。



BEA's Senior Management led a series of town hall meetings to promote a common corporate culture rooted in the Bank's core values.

東亞管理層出席一連串活動，向員工推廣深繫銀行核心價值的企業文化。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### RISK MANAGEMENT

#### Risk Management Framework

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

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

#### Enterprise Risk Management

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

The Group has adopted the "Three Lines of Defence" risk management structure to ensure that roles and

responsibilities in regard to risk management within the Group are clearly defined. The "Three Lines of Defence" model is summarised as follows:

- The first line of defence comprises the Risk Owners, who are division / department heads at Head Office and heads of significant subsidiaries, 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 division / department heads at Head Office. Supported by their respective divisions and departments, the Risk Controllers are responsible for setting out a risk management governance framework, monitoring risks independently and supporting the management committees in their oversight of risk management.
- The third line of defence is the Internal Audit Division, which is responsible for providing assurance as to the effectiveness of the Group's risk management framework including risk governance arrangements.

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

#### Principal Risks

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

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

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

## 風險管理

### 風險管理架構

根據金管局及其他監管機構的規定，本集團已建立一個有效的風險管治及管理架構。該架構的構造讓董事會及高層管理人員能夠以適當授權和制衡方式履行其風險管理的相關職責。此等職責包括根據本集團的業務策略及目標設定風險偏好、制定風險政策以管理上述策略的執行，並設立風險審批、控制、監控及補救的程序及限制。

風險委員會為本集團僅次於董事會的最高風險管治機構，成員包括四名獨立非執行董事（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機構風險偏好的制定，並設定本集團因應其財務能力、策略性指引、當前市場情況以及監管要求而可承擔的風險水平。

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

### 企業風險管理架構

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

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

- 第一道防線為「風險負責人」，由總行各分處/部門主管及各重要附屬公司主管，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」，由總行指定的分處/部門主管組成。在其本身所屬分處/部門的支援下，風險監控人負責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。稽核處負責為本集團風險管理架構（包括風險管治安排）的有效性提供保證。

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

### 主要風險

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

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

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

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

Risk	Description	Management Measures
Credit	Risk of loss arising from a borrower or counterparty failing to meet its obligations	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out credit control limits, delegated lending authorities, credit underwriting criteria, a credit monitoring process, an internal rating structure, credit recovery procedures, and a provisioning policy</li> </ul>
Interest rate	Risk resulting from adverse movements in interest rates	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out control limits</li> <li>- In determining the level of interest rate risk, assessments are made for the re-pricing risk, basis risk, options risk, and yield curve risk components</li> </ul>
Market	Risk arising from adverse movements in market factors such as interest rates, foreign exchange, equity prices, and commodity prices, which result in profits or losses for the Group	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out control limits</li> <li>- Measurement and monitoring of potential loss due to adverse price movements and market volatility</li> </ul>
Liquidity	Risk that the Group may not be able to meet its obligations as they come due because of an inability to obtain adequate funding (funding liquidity risk); or that the Group cannot easily liquidate assets quickly without significantly lowering market prices because of inadequate market depth or market disruptions (market liquidity risk)	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out control limits and internal liquidity metrics</li> <li>- Conducting cash flow analysis to monitor funding needs</li> <li>- Contingency funding plan to clearly stipulate procedures and mitigating actions required to meet liquidity needs in crisis situations</li> </ul>
Operational	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to identify, assess, monitor, and report operational risk of the Group systematically and effectively, such as setting out operational risk incidents reporting, risk assessments, key risk indicators, insurance policies, etc</li> </ul>
Reputation	Risk that the Group's reputation is damaged by one or more events that result in negative publicity about the business practices, conduct, or financial condition of the Group. Such negative publicity, whether true or not, may impair public confidence in the Group and may result in costly litigation or lead to a decline in the Group's customer base, business, and / or revenue	<ul style="list-style-type: none"> <li>- Establishment of various policies, guidelines, manuals and codes to ensure compliance with applicable laws, rules and regulations, and to ensure that the Group maintains a high standard of corporate governance, which in turn helps to safeguard and enhance the Group's reputation</li> <li>- Formulation of, and adherence to, the Reputation Risk Management Manual, which outlines a systematic approach to the management of reputation risk, including a framework for reputation risk identification, assessment, monitoring, mitigation and control, thereby protecting and enhancing the reputation of the Group</li> <li>- Establishment of procedures that facilitate communication in a timely manner with external stakeholders during unexpected incidents according to the Guidelines for Incident Response and Management</li> <li>- Establishment of Media Guidelines to ensure effective and consistent delivery of the Group's key messages to the media</li> </ul>
Strategic	Risk of current or potential impact on the Group's earnings, capital, reputation, or standing arising from changes in the environment the Group operates in, adverse strategic decisions, improper implementation of decisions, or lack of responsiveness to industry, economic, or technological changes	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out the management framework and assessment tools</li> <li>- Adoption of active capital management through projection of the Capital Adequacy Ratio and Internal Capital Adequacy Assessment Process to assess the level and structure of capital resources needed to support the risks that the Group faces</li> </ul>

## 高層管理人員報告書(續)

風險	說明	管理措施
信貸	因借款人或交易對手未能履行其責任而導致損失的風險	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列信貸控制限額、信貸權限授權、授信準則、信貸監控程序、內部評級架構、信貸追收程序及撥備政策</li> </ul>
利率	不利的利率變動帶來的風險	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列控制限額</li> <li>- 釐定利率風險水平時，對重訂息率風險、息率基準風險、期權風險及收益率曲線風險進行評估</li> </ul>
市場	由市場因素，例如利率、外匯、股票價格及商品價格的不利變動而導致本集團在溢利或虧損的風險	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列控制限額</li> <li>- 衡量及監控價格不利變動及市場波動可能造成的損失</li> </ul>
流動性	本集團因未能獲得充足資金投入而可能無法履行到期責任的風險(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)	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列控制限額及內部流動性標準</li> <li>- 進行現金流量分析以監控資金需求</li> <li>- 應急資金計劃，清晰制定在危機情況下所需的流動資金的程序及緩減措施</li> </ul>
營運	由於內部流程、人員和系統不足或缺陷，或因外部事件而導致損失的風險	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，目的在於有系統及有效地識別、評估、監控及匯報本集團營運風險，例如載列營運風險事件匯報、風險評估、主要風險指標及保險政策等</li> </ul>
信譽	因對本集團一項或多項有關營商手法、行為或財務狀況事件的負面報導而損及本集團信譽的風險。此等負面報導，不管真確與否，有可能影響公眾對本集團的信心，並且可能導致高昂的訴訟費用，或令本集團客戶基礎、業務及/或收入減少	<ul style="list-style-type: none"> <li>- 制定各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的信譽</li> <li>- 制定並遵從信譽風險管理手冊，該手冊載錄對信譽風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制信譽風險的機制，藉此保護及提升本集團的信譽</li> <li>- 根據事件應對及管理指引制定未能預期的事件發生時與外部持份者及時溝通的程序</li> <li>- 制定媒體指引，以確保有效及一致地將本集團的關鍵信息傳達予媒體</li> </ul>
策略	因本集團營運環境變動、不良策略決策、決策實施不當或對行業、經濟或技術變動反應遲緩而對本集團盈利、資本、信譽或地位造成當前或潛在影響的風險	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列管理架構及評估工具</li> <li>- 透過資本充足比率預計及內部資本充足評估程序積極進行資本管理，評估因支援本集團面臨風險所需的資本資源水平及結構</li> </ul>

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

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

## 高層管理人員報告書(續)

風險	說明	管理措施
法律	因出現合約未能執行、訴訟或判決不利的情況，可能對本集團的營運或財務狀況造成擾亂或負面影響而導致損失的風險	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊</li> <li>- 提供由合資格內部人員及/或外聘律師/專業人士講解的適當培訓課程，並向員工發出定期提示</li> <li>- 諮詢合資格內部人員，並於必要及適當的情況下徵詢具備相應專業知識的外聘律師（包括大律師及資深大律師）的意見</li> </ul>
合規	因未能遵守適用於本集團業務活動的法例、規例、規則、相關自我監管機構所定的標準及行為守則而引致的法律或監管制裁、罰金或罰款、財務損失、或令聲譽受損而導致本集團可能損失的風險	<ul style="list-style-type: none"> <li>- 制定各項政策、指引及手冊，確保遵守所有適用法例、規則、行為守則、行業標準及有關監管機構發出的規管本集團營運的指引</li> <li>- 制定並遵從集團合規風險管理手冊，該手冊載錄對合規風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制合規風險的機制，藉此令本集團有效地管理合規風險</li> <li>- 採用風險為本的方式對本集團主要職能進行獨立合規監察審查</li> </ul>
科技	因技術程序、人員及/或計算系統不足或出現故障；或因未經授權使用或破壞技術資源（尤其在涉及網絡安全及電子銀行時）導致本集團損失的風險	<ul style="list-style-type: none"> <li>- 制定科技風險相關政策及網絡安全策略，以及全面的安全意識計劃，以加強各個級別的網絡安全</li> <li>- 採納與網絡系統及應用程式安全、客戶身份驗證、新產品及服務風險評估，以及資料保密及完整性相關的充足控制措施</li> </ul>
持續業務運作	因事件或危機發生時業務中斷導致損失的風險。業務中斷可能由員工、資訊科技及電訊系統、行址、主要服務提供者、關鍵紀錄等相關損失而引致	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊</li> <li>- 本集團所有個別職能單位進行業務影響分析及制定業務持續規劃</li> <li>- 每年進行演習以測試業務持續規劃是否備妥及有效</li> </ul>
新產品及業務	本集團在新產品推出、現有產品結構性變動及新業務運作（即透過設立新附屬公司及/或合併及收購）時，未充分預先評估其重大潛在風險，而導致本集團損失的風險。此等重大潛在風險包括信貸風險、市場風險、營運風險、流動性風險、利率風險、法律風險、科技風險、合規風險、策略性風險、信譽風險及持續業務運作風險	<ul style="list-style-type: none"> <li>- 建立穩健風險管治架構，並以全面的政策、手冊、控制指引及程序確保其實施</li> <li>- 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</li> </ul>

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### Principal Uncertainties

The key uncertainties facing the Group in 2019 and the mitigating measures instituted are set out below:

Uncertainty	Description	Mitigating Measures
Cyber threats	Cyber threats have become a key area of focus for regulators, as they evolve rapidly. Attackers are constantly looking for more sophisticated and efficient ways to jeopardise the banks' operations and cyber security.	<ul style="list-style-type: none"> <li>- Develop cyber security strategy and effective control and response frameworks including comprehensive security awareness programmes to protect the Bank's assets and continuously strengthen cyber resilience.</li> <li>- Maintain access to different threat intelligence sources, both local and overseas, to monitor the latest threats prevailing worldwide and ensure adequate protections are in place to address the threats.</li> </ul>
Economic conditions in the Group's major markets	<p>The Group's major markets are Hong Kong and Mainland China.</p> <p>The US-China trade dispute resulted in higher tariffs being placed on a wide range of products across various industry sectors. The potential impacts are wide-ranging and potentially long lasting, since the dispute is not likely to be settled in the near future.</p> <p>Meanwhile, apart from the US-China trade dispute, tighter global financial conditions and the fallout from Brexit may also impact the Group's operations in Southeast Asia, the UK and the US.</p> <p>The pace of the US Federal Reserve's action to raise interest rates is still uncertain. The Federal Reserve Chairman has expressed the view that central bank's benchmark interest rate is near a neutral level. It implies that the Federal Reserve may raise interest rate less frequently than anticipated. Changes in the timing, magnitude and frequency of US rate hikes may increase uncertainties concerning the pace of global economic growth, reversion of asset prices, foreign exchange markets and liquidity.</p>	<ul style="list-style-type: none"> <li>- For the trade dispute, control measures have been taken including monthly survey, health check, and close monitoring of customers that may be affected.</li> <li>- A new parameter "US-China Trade Dispute" has been included as part of the hypothetical analysis under macroeconomic stress-testing to assess the overall impact from a credit risk perspective on the Group's profitability and Capital Adequacy Ratio.</li> <li>- Related impact analysis of the trade dispute has been considered in the credit underwriting and review process.</li> <li>- Business strategies have taken into consideration the changing economic conditions and the economic trends are closely monitored.</li> <li>- The suitability of risk management policies and controls are reviewed and updated on an ongoing basis.</li> </ul>



## 主要不明朗因素

本集團於2019年將面對的主要不明朗因素及其緩減措施載列如下：

不明朗因素	說明	緩減措施
網絡威脅	網絡威脅發展迅速，已成為監管機構的主要關注範疇。攻擊者不斷尋找更複雜、更有效率的方式損害銀行的運作及網絡安全。	<ul style="list-style-type: none"> <li>- 制定網絡安全策略及有效的控制措施和應對機制，包括全面的安全意識計劃，以保護銀行的資產，並持續加強網絡的恢復能力。</li> <li>- 留意本地及海外各種有關網絡威脅的情報來源，以監察全球面臨的最新威脅，確保制定充足的保護措施應對相關威脅。</li> </ul>
本集團主要業務市場的經濟狀況	<p>本集團的主要業務市場為香港與中國內地。</p> <p>中美貿易糾紛導致多個行業及多種產品的關稅增加。由於貿易糾紛不太可能在短期內解決，因此潛在影響範圍廣泛，並可能持續一段時間。</p> <p>除中美貿易糾紛之外，全球金融環境收緊，而脫歐過程出現多番波折，其後果亦可能影響本集團在東南亞、英國及美國的業務。</p> <p>美國聯邦儲備局上調利率的速度尚未明朗。聯儲局主席已表示央行的基準利率接近中性水平，意味聯儲局上調利率的頻率可能低於預期。美國上調息率的時間、幅度及頻率的變化可能會令全球經濟增長步伐、資產價格逆轉、外匯市場及流動性增添不明朗因素。</p>	<ul style="list-style-type: none"> <li>- 針對中美貿易糾紛採取控制措施，包括對可能受影響的客戶進行每月調查、穩健檢查及密切監察其情況。</li> <li>- 已將「中美貿易糾紛」參數新增至宏觀經濟壓力測試的假設分析中，從信貸風險角度評估對集團盈利能力及資本充足比率的整體影響。</li> <li>- 授信及審核程序中考慮中美貿易糾紛的相關影響分析。</li> <li>- 業務策略中加入經濟狀況考量，並密切監察經濟趨勢。</li> <li>- 持續檢討及更新風險管理政策及監控的適當性。</li> </ul>

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

Uncertainty	Description	Mitigating Measures
Legal and regulatory changes	In view of the increasingly complex operating environment, legal and regulatory requirements are becoming more stringent, which may impact the Group's business strategies, operations, funding and capital management.	<ul style="list-style-type: none"> <li>- The Group keeps abreast of legal and regulatory developments and will seek advice from external lawyers with appropriate expertise so as to comply with the legal and regulatory requirements.</li> <li>- The Group reviews consultation papers on new laws and regulations to assess their impact on the Group. Where appropriate, the Group will provide input to the regulators both directly and through industry groups.</li> </ul>
External fraud	External fraud has become more sophisticated and more difficult to prevent in a digital environment. Identity fraud is on the rise in the banking industry.	<ul style="list-style-type: none"> <li>- Control measures have been formulated to detect and prevent fraud.</li> <li>- The control measures are reviewed and enhanced on an ongoing basis, taking into consideration the causes of external fraud incidents and the changing technological environment.</li> <li>- A dedicated fraud risk management function led by experts has been set up and deployed to mitigate fraud risk.</li> </ul>
Foreign exchange rate movement	<p>One of the major concerns for the Group in 2019 is the strength of the value of the US dollar. The number and scale of interest rate adjustments by the US Federal Reserve may affect the trend and magnitude of the US dollar rally in 2019. However, any increase in economic uncertainty may drive the dollar higher as investors become more risk averse and switch to assets that are considered safe.</p> <p>Another major challenge for the Group is the potential for adverse movement in the RMB. The risk of such movement has increased along with slowing growth on the Mainland and the possibility that the US-China trade dispute will worsen. Meanwhile, if China is forced to increase imports from the US significantly, China's trade surplus will be reduced, sending foreign exchange reserves lower. This will put further depreciation pressure on the RMB.</p> <p>Unexpected fluctuations in foreign exchange rates could affect:</p> <ul style="list-style-type: none"> <li>- the value of the Group's foreign currency and capital positions; and</li> <li>- the wealth of the Group's customers and their repayment ability; it will also affect counterparty credit exposure of the derivative transactions.</li> </ul>	<ul style="list-style-type: none"> <li>- The Group closely monitors exchange rate movements and has laid down policies to manage currency risk.</li> <li>- Regular stress tests are conducted to assess the impact of exchange rate movements on profit and loss and capital adequacy.</li> <li>- The Group closely observes market movements. The Group will monitor its businesses in China and regularly review the profile of customers with exposure to China and the RMB.</li> </ul>

## 高層管理人員報告書(續)

不明朗因素	說明	緩減措施
法律和監管要求的變化	由於營商環境越趨複雜，法律及監管要求也變得更嚴格，因而可能對本集團的業務策略、業務經營、資金籌集及資本管理造成影響。	<ul style="list-style-type: none"> <li>- 本集團密切留意有關法律和監管的發展情況，並會徵詢具備相應專業知識的外聘律師的意見，以確保遵守法律和監管規定。</li> <li>- 本集團檢視新訂法例及規例的諮詢文件，以評估該等法例及規例對本集團的影響。在適當的情況下，本集團將直接或透過業內組織向監管機構提供意見。</li> </ul>
外部詐騙	外部詐騙手段變得更加複雜，在數碼化環境下可能更加難以預防。身份詐騙在銀行業內日漸增多。	<ul style="list-style-type: none"> <li>- 制定監控措施以偵察並預防詐騙。</li> <li>- 持續檢討及改善監控措施，並會納入外部詐騙事件的原因及科技環境的改變一併考慮。</li> <li>- 已設立一個由專家帶領的專責詐騙風險管理組，以緩減詐騙風險。</li> </ul>
匯率變動	<p>本集團於2019年其中一個主要考慮為美元價格走勢。美國聯儲局調整息率的次數及幅度可能會影響2019年美元上升的趨勢及幅度。然而，由於投資者一般傾向規避風險，並會轉而投資其認為安全的資產，因此任何經濟不明朗因素增加都可能使美元上升。</p> <p>本集團面臨的另一項主要挑戰是人民幣可能出現不利變動。隨著內地經濟增長放緩及中美貿易糾紛可能惡化，人民幣不利變動的風險上升。同時，如果中國被迫大幅增加美國進口量，其貿易盈餘將會下跌，令外匯儲備減少，進一步對人民幣造成貶值的壓力。</p> <p>不能預期的匯率波動或會影響：</p> <ul style="list-style-type: none"> <li>- 本集團所持外幣及資本的價值；及</li> <li>- 本集團客戶的財富狀況及還款能力；匯率變動亦將影響衍生工具交易中的交易對手的信貸承擔。</li> </ul>	<ul style="list-style-type: none"> <li>- 本集團密切監察匯率變動，並已制定政策以管理貨幣風險。</li> <li>- 定期進行壓力測試，以評估匯率變動對損益及對資本充裕程度的影響。</li> <li>- 本集團緊貼市場變動。本集團將密切監察其中國業務，定期檢討具中國及人民幣風險承擔的客戶組合。</li> </ul>

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

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

In 2018, BEA issued floating rate certificates of deposit and debt securities with a face value of US\$1,200 million; fixed rate certificates of deposit and debt securities with a face value of HK\$6,069 million, US\$887 million, GBP25 million, EUR520 million, CHF30 million and JPY1,500 million; and zero coupon certificates of deposit and debt securities with a face value of HK\$2,268 million, US\$5,091 million,

CNY25,570 million, GBP515 million, EUR436 million and CHF75 million. The Group redeemed a quantity of certificates of deposit and debt securities amounting to HK\$87,351 million equivalent upon maturity.

At the end of December 2018, the face value of the outstanding certificates of deposit and debt securities issued was equivalent to HK\$59,472 million, with a carrying amount equivalent to HK\$59,054 million.

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

As at 31st December, 2018

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity	
		2019	2020
<b>Floating Rate</b>			
USD	1,220	1,200	20
<b>Fixed Rate (Note)</b>			
HKD	3,820	3,820	
USD	524	524	
GBP	25	25	
JPY	1,500	1,500	
CHF	30	30	
<b>Zero Coupon</b>			
HKD	1,190	1,190	
USD	2,319	2,319	
CNY	13,670	13,670	
GBP	470	470	
CHF	75	75	
EUR	134	134	
<b>Total Certificates of Deposit and Debt Securities issued in HKD equivalent</b>	<b>59,472</b>	<b>59,315</b>	<b>157</b>

Note:

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

At the end of December 2018, the face value of the outstanding loan capital issued was equivalent to HK\$12,531 million, with a carrying amount equivalent to HK\$12,358 million.

## 高層管理人員報告書(續)

## 已發行存款證、債務證券及借貸資本

2018年，東亞銀行發行了面值為12億美元的浮息存款證及債務證券；面值為港幣60.69億元、8.87億美元、2,500萬英鎊、5.20億歐元、3,000萬瑞士法郎及15億日圓的定息存款證及債務證券；以及面值為港幣22.68億元、50.91億美元、人民幣255.70億元、5.15

億英鎊、4.36億歐元及7,500萬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873.51億元。

於2018年12月底，已發行在外的存款證及債務證券面值相等於港幣594.72億元，賬面值則相等於港幣590.54億元。

## 已發行存款證及債務證券的年期

於2018年12月31日  
(以百萬元位列示)

	總面值	到期年份	
		2019	2020
<b>浮息</b>			
美元	1,220	1,200	20
<b>定息 (附註)</b>			
港元	3,820	3,820	
美元	524	524	
英鎊	25	25	
日圓	1,500	1,500	
瑞士法郎	30	30	
<b>零息</b>			
港元	1,190	1,190	
美元	2,319	2,319	
人民幣	13,670	13,670	
英鎊	470	470	
瑞士法郎	75	75	
歐元	134	134	
<b>所有已發行存款證及債務證券 (港元等值)</b>	<b>59,472</b>	<b>59,315</b>	<b>157</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。

於2018年12月底，已發行的借貸資本面值相等於港幣125.31億元，賬面值則相等於港幣123.58億元。

## REPORT OF THE SENIOR MANAGEMENT (CONTINUED)

### Maturity Profile of Loan Capital

As at 31st December, 2018

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity		
		2020	2024	2026
USD (Notes 1 & 2)	1,600	600	500	500
<b>Total Loan Capital issued in HKD equivalent</b>	<b>12,531</b>	<b>4,699</b>	<b>3,916</b>	<b>3,916</b>

Notes:

1. The US\$500 million loan capital that matures in 2024 will be callable on 20th November, 2019.
2. The US\$500 million loan capital that matures in 2026 will be callable on 3rd November, 2021.

## COMPLIANCE

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

The Compliance Division is responsible for overseeing the regulatory compliance framework and monitoring compliance risks for the Group; communicating new regulatory requirements to affected units; delivering compliance advice for the implementation of relevant regulations; conducting regulatory compliance reviews on a risk-based approach; and regularly reporting compliance matters to the Group's management committees. Any significant compliance issues, including those related to anti-money laundering and counter-financing of terrorism, are also reported to the Risk Committee and the Board of Directors via the Operational Risk Management Committee. Through the support of the Risk and Compliance Function established in the Bank's business, functional, and operational units, which act as the first line of defence against regulatory non-compliance, a comprehensive and efficient compliance risk management framework is maintained within the Group.

In view of the increasing demand on banks to comply with new and tighter regulations – including those related to anti-money laundering and counter-financing of terrorism; the Foreign Account Tax Compliance Act of the US; legislation in Hong Kong for implementing the international standard on the automatic exchange of financial account information in tax matters; and cross-border business, personal data protection, insurance and investment products sales practices, etc. – BEA expects compliance requirements to remain high in the coming years.

By order of the Board  
**David LI Kwok-po**  
 Chairman & Chief Executive

Hong Kong, 27th February, 2019

**借貸資本的年期**

於2018年12月31日  
(以百萬元位列示)

	總面值	到期年份		
		2020	2024	2026
美元(附註1及2)	1,600	600	500	500
<b>所有已發行借貸資本(港元等值)</b>	<b>12,531</b>	<b>4,699</b>	<b>3,916</b>	<b>3,916</b>

附註：

1. 將於2024年到期的5億美元借貸資本於2019年11月20日可贖回。
2. 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。

**合規**

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

合規處負責監察本集團的合規架構及監察本集團面對的合規風險、傳達新監管規定要求至有關部門、為落實各監管要求提供合規建議、以「風險為本」的方針進行合規監察審查，以及定期向本集團管理委員會匯報合規事宜。就任何重要的合規事宜，包括有關打擊洗錢及恐怖分子資金籌集之事宜，亦會經由營運風險管理委員會向風險委員會及董事會作出匯報。此外，透過本行於各業務、職能及營運部門內設置的風險及合規人員作為確保合規的第一道防線，本集團得以維持一個全面及有效的合規風險管理架構。

鑒於銀行須予遵守的新增和加強規管的監管要求日益增加，其中包括與打擊洗錢及恐怖分子資金籌集相關的規定、美國《海外賬戶稅收合規法案》、香港關於實施就稅務事宜自動交換財務賬戶資料的國際標準之規定，以及跨境業務、個人資料保障、銷售保險及投資產品等相關規定，本行預期未來的合規要求將維持於高水平。

承董事會命  
主席兼行政總裁  
**李國寶**

香港，2019年2月27日

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高層管理人員的個人資料

#### DIRECTORS



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

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

Sir David, aged 80, joined the Bank in 1969. He was appointed a Director in 1977, Chief Executive in 1981, Deputy Chairman in 1995 and Chairman in 1997. Sir David is the Chairman or a Director of various members of the Bank Group, and he is also the Chairman or a Member of various board committees of the Bank and its Group members.

Sir David is an Independent Non-executive Director of Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, San Miguel Brewery Hong Kong Limited and Vitasoy International Holdings Limited. He is also a Director of Hong Kong Interbank Clearing Limited. He was an Independent Non-executive Director of PCCW Limited and SCMP Group Limited (now known as Great Wall Pan Asia Holdings Limited).

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

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

#### 董事

#### 李國寶爵士

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

李爵士，現年80歲，在1969年加入本行，1977年任董事、1981年任行政總裁、1995年任副主席，繼而於1997年獲委任為主席。李爵士亦出任本集團內其他公司的主席或董事，以及本行董事會及多個集團成員董事會轄下委員會之主席或委員。

李爵士是粵海投資有限公司、香港中華煤氣有限公司、香港上海大酒店有限公司、香港生力啤酒廠有限公司及維他奶國際集團有限公司之獨立非執行董事。他亦為香港銀行同業結算有限公司之董事。他曾出任電訊盈科有限公司及南華早報集團有限公司（現稱為長城環亞控股有限公司）之獨立非執行董事。

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

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



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

### 董事及高層管理人員的個人資料(續)



#### Professor Arthur LI Kwok-cheung

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

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

Professor Li, aged 73, was a Director of the Bank (1995 – 2002) and was re-appointed a Director in 2008 and was appointed a Deputy Chairman in 2009.

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

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

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

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

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

#### 李國章教授

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

*副主席，非執行董事及薪酬委員會委員*

李教授，現年 73 歲，曾任本行董事（1995 年至 2002 年）及在 2008 年再獲委任為本行董事，並於 2009 年獲委任為副主席。

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

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

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

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

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

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

### 董事及高層管理人員的個人資料(續)



#### Dr. Allan WONG Chi-yun

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

Dr. Wong, aged 68, was appointed a Director in 1995 and a Deputy Chairman in 2009. He is the Chairman and Group Chief Executive Officer of VTech Holdings Limited. Dr. Wong is an Independent Non-executive Director of China-Hongkong Photo Products Holdings Ltd., Li & Fung Ltd and MTR Corporation Limited.

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

#### 黃子欣博士

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

黃博士，現年68歲，在1995年獲委任為本行董事，並於2009年獲委任為副主席。他是偉易達集團主席兼集團行政總裁。黃博士為中港照相器材集團有限公司、利豐有限公司及香港鐵路有限公司之獨立非執行董事。

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

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

### 董事及高層管理人員的個人資料(續)



#### Mr. Aubrey LI Kwok-sing

*ScB, MBA*

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

Mr. Li, aged 69, was appointed a Director in 1995. He is Chairman of IAM Holdings (Hong Kong) Limited and Chairman of the Advisory Board of MCL Financial Group Limited, both Hong Kong based investment firms. Mr. Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. He is also an Independent Non-executive Director of Cafe de Coral Holdings Limited, Kunlun Energy Company Limited, Kowloon Development Co. Ltd, Pokfulam Development Company Limited and Tai Ping Carpets International Limited. He was an Independent Non-executive Director of China Everbright International Limited.

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

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

#### 李國星先生

*ScB, MBA*

*非執行董事及風險委員會委員*

李先生，現年69歲，在1995年獲委任為本行董事。他是星安控股有限公司主席及偉業金融集團有限公司顧問委員會之主席，兩者都是以香港為基地的投資公司。李先生於投資銀行、商人銀行及資本市場界具廣泛經驗。他又為大家樂集團有限公司、昆侖能源有限公司、九龍建業有限公司、博富臨置業有限公司及太平地氈國際有限公司之獨立非執行董事。他曾出任中國光大國際有限公司之獨立非執行董事。

李先生持有布朗大學土木工程學士學位，及哥倫比亞大學工商管理碩士學位。

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

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



### Mr. Winston LO Yau-lai

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

Mr. Lo, aged 77, was appointed a Director in 2000. He is the Executive Chairman of Vitasoy International Holdings Limited.

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

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

### 羅友禮先生

*SBS, BSc, MSc*  
*非執行董事*

羅先生，現年 77 歲，在 2000 年獲委任為本行董事。他是維他奶國際集團有限公司執行主席。

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

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

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

### 董事及高層管理人員的個人資料(續)



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

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

Mr. Li, aged 59, was appointed a Director in 2006. He is a Member of the Institute of Chartered Accountants in England and Wales. Mr. Li holds a Bachelor of Science (Hons.) Degree in Mathematics from King's College, University of London, U.K. He is a Director of Affin Hwang Investment Bank Berhad. He has extensive experience in investment banking, having held senior capital markets positions with international investment banks in London and Hong Kong and board positions with international investment funds.

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

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

#### 李國仕先生

*BSc (Hons.), ACA*  
*非執行董事*

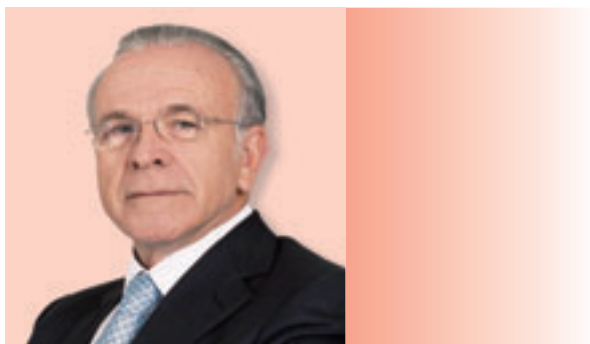
李先生，現年59歲，在2006年獲委任為本行董事。他是英國及威爾斯特許會計師公會會員。李先生持有英國倫敦大學King's College數學(榮譽)理學士學位。他為Affin Hwang Investment Bank Berhad之董事。他在投資銀行方面擁有豐富經驗，並曾出任倫敦及香港國際投資銀行資本市場要職，以及國際投資基金的董事職務。

李先生現為凱瑟克基金的執行委員會成員及義務司庫。

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

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

### 董事及高層管理人員的個人資料(續)



#### Dr. Isidro FAINÉ CASAS

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

Dr. Fainé, aged 76, was appointed a Director in 2009.

Dr. Fainé is the Chairman of the Board of trustees of the Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation<sup>Note 1</sup> (hereinafter "la Caixa" Banking Foundation).

Dr. Fainé is the Chairman of Criteria Caixa, S.A. Sociedad Unipersonal<sup>Note 1</sup> (hereinafter Criteria Caixa). Criteria Caixa is a non-listed holding company fully controlled by the "la Caixa" Banking Foundation, which manages all of the group's shareholdings in strategic sectors, including financial, energy, infrastructure, services, and real estate. Within financial sector, it has a stake in CaixaBank, S.A. (listed in Spain), a flagship Group in Iberian retail banking.

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

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

Dr. Fainé was Director and Chairman of the Board of Gas Natural SDG, S.A. (listed in Spain), currently listed as Naturgy Energy Group, S.A., until 6th February, 2018, when he was appointed Honorary Chairman. He was First Vice Chairman of Repsol, S.A. (listed in Spain) until September 2016, and a Board Member of Banco BPI, S.A. (listed in Portugal) until October 2016.

#### 范禮賢博士

*非執行董事及提名委員會委員*

范博士，76歲，在2009年獲委任為本行董事。

范博士為 Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation<sup>註1</sup> (以下稱為「"la Caixa" Banking Foundation」) 的信託委員會之主席。

范博士現時為 Criteria Caixa, S.A. Sociedad Unipersonal<sup>註1</sup> (以下稱為「"Criteria Caixa"」) 之主席。Criteria Caixa 為一家由 "la Caixa" Banking Foundation 全權控制的非上市控股公司，管理集團內所有策略性業務，包括金融、能源、基建、服務及房地產。在金融業務上，"la Caixa" Banking Foundation 持有 CaixaBank, S.A. (在西班牙上市) 的股權，CaixaBank, S.A. 為一家在伊比利亞零售銀行業中的旗艦集團。

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

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

范博士曾擔任 Gas Natural SDG, S.A. (在西班牙上市) (現以 Naturgy Energy Group, S.A. 名稱上市) 董事兼董事會主席直至2018年2月6日，並於同日獲委任為名譽主席。他亦曾是 Repsol, S.A. (在西班牙上市) 第一副主席直至2016年9月及 Banco BPI, S.A. (在葡萄牙上市) 董事直至2016年10月。

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

### 董事及高層管理人員的個人資料(續)

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

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

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

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

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

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

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

### 董事及高層管理人員的個人資料(續)



#### Dr. Peter LEE Ka-kit

*GBS, DBA (Hon), JP*

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

Dr. Lee, aged 55, was appointed a Director in 2013. Dr. Lee is a Member of the Standing Committee of the 13th National Committee of the Chinese People's Political Consultative Conference. He is the Vice Chairman of Henderson Land Development Company Limited and Henderson Investment Limited, both of which are listed public companies, as well as Henderson Development Limited. He is also a Non-executive Director of The Hong Kong and China Gas Company Limited. Dr. Lee was appointed as an Independent Non-executive Director of Xiaomi Corporation, a listed company on 25th June, 2018.

Dr. Lee has been appointed as a Justice of the Peace by the Government of the Hong Kong Special Administrative Region and awarded an Honorary University Fellowship by The University of Hong Kong since 2009. He was awarded an Honorary Degree of Doctor of Business Administration by Edinburgh Napier University in July 2014. He was awarded the Gold Bauhinia Star (GBS) in 2015 by the Government of the Hong Kong Special Administrative Region. He is a member as well as the Chairman of the Board of Directors of One Country Two Systems Research Institute. He was educated in the United Kingdom.

#### 李家傑博士

*GBS, DBA (Hon), JP*

*非執行董事及薪酬委員會委員*

李博士，55歲，於2013年獲委任為董事。李博士為中國人民政治協商會議第十三屆全國委員會常務委員。他為恒基兆業地產有限公司及恒基兆業發展有限公司之副主席，而該兩間公司均為上市公司，他亦為恒基兆業有限公司之副主席。他亦是香港中華煤氣有限公司之非執行董事。李博士於2018年6月25日獲委任為上市公司小米集團之獨立非執行董事。

李博士自2009年獲香港特別行政區政府委任為太平紳士及香港大學頒授名譽大學院士銜。他於2014年7月獲愛丁堡龍比亞大學頒授榮譽工商管理博士，及於2015年獲香港特別行政區政府頒授金紫荊星章(GBS)。他是一國兩制研究中心理事會成員兼主席。他曾在英國接受教育。



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

### 董事及高層管理人員的個人資料(續)



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

*MA (Cantab), MBA, LPC, JP*  
Executive Director & Deputy Chief Executive

Mr. Li, aged 45, was appointed a Director in 2014. He first joined the Bank in 2000 as General Manager & Head of Corporate Banking Division. In April 2009, he was appointed Deputy Chief Executive for Hong Kong Business, assisting the Chief Executive in the overall management and control of the Bank Group. He serves as a Director of several members of the Bank Group, and sits on various committees appointed by the boards of the Bank and its Group members.

Mr. Li is currently an Independent Non-executive Director of two listed companies under the Sino Group (Sino Land Company Limited and Tsim Sha Tsui Properties Limited), China State Construction International Holdings Limited and COSCO SHIPPING Ports Limited, and is a Non-executive Director of The Berkeley Group Holdings plc (listed in London). He also serves as a Member of the International Advisory Board of Abertis Infraestructuras, S.A. (listed in Spain). He was previously an Independent Non-executive Director of Sino Hotels (Holdings) Limited.

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

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

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

#### 李民橋先生

*MA (Cantab), MBA, LPC, JP*  
執行董事兼副行政總裁

李先生，現年45歲，於2014年獲委任為董事。他在2000年加入本行為總經理兼企業銀行主管，其後於2009年4月獲任命為副行政總裁，主要負責本行的香港業務，並協助行政總裁處理本集團之整體運作及管理。他同時亦出任本集團內多間公司的董事，並為多個由本行董事會及集團成員董事會委任之委員會的委員。

李先生現任信和集團旗下兩間上市公司（信和置業有限公司及尖沙咀置業集團有限公司）、中國建築國際集團有限公司及中遠海運港口有限公司之獨立非執行董事，以及 The Berkeley Group Holdings plc（在倫敦上市）之非執行董事。他亦是西班牙上市公司 Abertis Infraestructuras, S.A. 之國際諮詢委員會成員。他曾出任信和酒店（集團）有限公司之獨立非執行董事。

李先生現為中國人民政治協商會議安徽省委員會委員及香港青年聯會參事。他是香港公益金董事、香港強制性公積金計劃管理局強制性公積金行業計劃委員會委員，亦是香港大學職業退休計劃受託人及香港銀行學會議會副會長。此外，他為負責推選香港特別行政區行政長官之選舉委員會委員，及香港特別行政區第十三屆全國人民代表大會代表選舉會議成員。他亦是 BAI Global Innovation Awards 之評審團成員。李先生曾出任中國人民政治協商會議廣東省委員會委員、中華全國青年聯合會港區特邀委員及北京市青年聯合會副主席。

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

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

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

### 董事及高層管理人員的個人資料(續)



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

*JP, MA (Cantab), MBA, FCA*

*Executive Director & Deputy Chief Executive*

Mr. Li, aged 44, was appointed a Director in 2014. He joined the Bank Group in 2002. He was General Manager & Head of Wealth Management Division of the Bank from July 2004 to March 2009. In April 2009, he was appointed Deputy Chief Executive, primarily responsible for the Bank's China and international businesses, and assisting the Chief Executive in the overall management and control of the Bank Group. He serves as a Director of several Bank Group members, and sits on various committees appointed by the boards of the Bank and its Group members.

Mr. Li is currently an Independent Non-executive Director of Towngas China Company Limited, Hopewell Highway Infrastructure Limited and China Overseas Land & Investment Limited.

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

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

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

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

#### 李民斌先生

*JP, MA (Cantab), MBA, FCA*

*執行董事兼副行政總裁*

李先生，現年44歲，於2014年獲委任為董事。他在2002年加入本集團，2004年7月至2009年3月期間出任本行總經理兼財富管理處主管，於2009年4月獲任命為副行政總裁，主要負責本行的中國及國際業務，並協助行政總裁處理本集團之整體運作及管理。他亦是本集團內若干公司的董事，並為多個由本行董事會及集團成員董事會委任之委員會委員。

李先生現為港華燃氣有限公司、合和公路基建有限公司及中國海外發展有限公司的獨立非執行董事。

李先生現擔任多項公職及榮譽職務，包括：中國人民政治協商會議全國委員會委員、香港特別行政區政府行政長官創新及策略發展顧問團成員、香港貿易發展局理事會成員、金融發展局董事、交通意外傷亡援助諮詢委員會主席，以及航空發展與機場三跑道系統諮詢委員會成員。

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

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

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

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

### 董事及高層管理人員的個人資料(續)



#### Dr. Daryl NG Win-kong

*BA, MSc, DHL, JP*

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

Dr. Ng, aged 40, was appointed a Director in 2015. He is currently an Executive Director and Deputy Chairman of Sino Land Company Limited, Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. He is also a Non-independent & Non-executive Director of Yeo Hiap Seng Limited (listed in Singapore).

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

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

#### 黃永光博士

*BA, MSc, DHL, JP*

*非執行董事及風險委員會委員*

黃博士，40歲，於2015年獲委任為董事。他現時為信和置業有限公司、尖沙咀置業集團有限公司及信和酒店（集團）有限公司之執行董事兼副主席。他亦是楊協成有限公司（在新加坡上市）之非獨立非執行董事。

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

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

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

### 董事及高層管理人員的個人資料(續)



#### Mr. Masayuki OKU

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

Mr. Oku, aged 74, was appointed a Director in 2015. He is an Independent Non-executive Director of Panasonic Corporation, Kao Corporation, Komatsu Ltd. and Chugai Pharmaceutical Co., Ltd., all of which are companies listed in Japan. Mr. Oku is also the Honorary Advisor of Sumitomo Mitsui Financial Group, Inc. ("SMFG")<sup>Note 2</sup> (listed in Japan and USA) and an Auditor of Nankai Electric Railway Co. Ltd. (listed in Japan).

Mr. Oku began his career in 1968 at The Sumitomo Bank, Limited. After engaging in the bank's key acquisitions and investments in the 1980's, he was transferred to New York and appointed General Manager of Chicago Branch in 1991. He returned to Tokyo in 1992, assumed the position of General Manager of the Corporate Planning Department, and was elected as a member of the Board of Directors of the bank in 1994. In 1999, Mr. Oku was appointed Secretary General of the Integration Strategy Committee of the bank, leading its merger process with The Sakura Bank, Limited, which culminated in the formation of Sumitomo Mitsui Banking Corporation ("SMBC")<sup>Note 2</sup> in 2001. In 2003, he became Deputy President of SMBC, heading Corporate Banking and International Banking Units. In 2005, he was appointed President and CEO of SMBC and Chairman of the Board of SMFG, the holding company of SMBC. During his tenure as President and CEO of SMBC, he also served as Chairman of Japanese Bankers Association in 2007 and 2010. In April 2011, he resigned as President and CEO of SMBC to devote himself to his duties as Chairman of the Board of SMFG. Mr. Oku also served as Vice Chairman of Keidanren (Japan Business Federation) from 2011 to 2015. In April 2017, Mr. Oku stepped down as Chairman of the Board of SMFG and remained as a Director until 28th June, 2017.

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

#### 奧正之先生

*LL.B, LL.M, 產業勳章銀塔獎  
非執行董事及提名委員會委員*

奧正之先生，現年74歲，於2015年獲委任為董事。他是松下電器產業株式會社 (Panasonic Corporation)、花王株式會社 (Kao Corporation)、小松製作所 (Komatsu Ltd.) 及中外製藥株式會社 (Chugai Pharmaceutical Co., Ltd.) 的獨立非執行董事，該等公司均在日本上市。奧正之先生亦為三井住友金融集團<sup>註2</sup> (在日本及美國上市) 的名譽顧問及南海鐵道株式會社 (Nankai Electric Railway Co. Ltd.) (在日本上市) 的核數師。

奧正之先生於1968年加入住友銀行股份有限公司 (The Sumitomo Bank, Limited) 開展其事業，在1980年代負責該銀行的主要收購和投資，其後他被調任至紐約，並於1991年獲任命為芝加哥分行總經理。他於1992年返回東京擔任企業策劃部總經理，並於1994年獲委任為該銀行董事會成員。於1999年，奧正之先生獲委任為該銀行合併策劃委員會的秘書長，帶領該銀行與日本櫻花銀行 (The Sakura Bank, Limited) 進行合併，最終達成三井住友銀行<sup>註2</sup>於2001年成立。於2003年，他成為三井住友銀行的副行長，主管企業銀行及國際銀行業務。繼而於2005年，獲委任為三井住友銀行的行長兼最高執行官，以及其母公司 — 三井住友金融集團的董事長。在出任三井住友銀行行長兼最高執行官期間，他於2007年及2010年出任日本銀行家協會的主席。他於2011年4月辭任三井住友銀行行長兼最高執行官一職，以便全力處理其作為三井住友金融集團董事長的職務。奧正之先生曾於2011年至2015年期間出任日本經濟團體聯合會副會長。於2017年4月，奧正之先生退任三井住友金融集團董事長一職，並留任為董事直至2017年6月28日。

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

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

### 董事及高層管理人員的個人資料(續)



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

*GBM, GBS, DSocSc, JP*

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

Dr. Fan, aged 73, was appointed a Director in 2016. She is currently an Independent Non-executive Director of China Overseas Land & Investment Limited and COSCO SHIPPING Ports Limited. She was an Independent Non-executive Director of COSCO SHIPPING Holdings Co., Ltd. (formerly known as China COSCO Holdings Company Limited) and China Shenhua Energy Company Limited.

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

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

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

#### 范徐麗泰博士

*GBM, GBS, DSocSc, JP*

*獨立非執行董事，薪酬委員會主席及提名委員會委員*

范博士，現年73歲，於2016年獲委任為本行董事。她現時為中國海外發展有限公司及中遠海運港口有限公司的獨立非執行董事。她曾出任中遠海運控股股份有限公司（前稱中國遠洋控股股份有限公司）及中國神華能源股份有限公司的獨立非執行董事。

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

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

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

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

### 董事及高層管理人員的個人資料(續)



#### Mr. Meocre LI Kwok-wing

*BCom, CPA*

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

Mr. Li, aged 63, was appointed a Director in 2016. He is the Chief Executive of Alpha Alliance Finance Holdings Limited.

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

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

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

#### 李國榮先生

*BCom, CPA*

*獨立非執行董事，審核委員會主席及風險委員會委員*

李先生，現年63歲，於2016年獲委任為本行董事。現時為冠聯金融控股有限公司的行政總裁。

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

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

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

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

### 董事及高層管理人員的個人資料(續)



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

*GBM, GBS, JP*

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

Dr. Tang, aged 66, was appointed a Director in 2017. He was the Chief Secretary for Administration of the Hong Kong Special Administrative Region ("HKSAR") Government from 2007 to 2011 and the Financial Secretary of HKSAR Government from 2003 to 2007. He served as a member of the Executive Council of Hong Kong from 1997 to 2011 and was a member of the Legislative Council of Hong Kong from 1991 to 1998.

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

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

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

#### 唐英年博士

*GBM, GBS, JP*

*獨立非執行董事，審核委員會、提名委員會及薪酬委員會委員*

唐博士，現年66歲，於2017年獲委任為董事。他曾出任香港特別行政區政府（「香港特區政府」）政務司司長（2007年至2011年）及香港特區政府財政司司長（2003年至2007年）。他曾為香港行政會議成員（1997年至2011年）及香港立法會議員（1991年至1998年）。

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

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

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

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

### 董事及高層管理人員的個人資料(續)



#### The Hon. CHAN Kin-por

*GBS, BBS, JP*

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

Mr. Chan, aged 64, was appointed a Director in 2017. He is currently a member of the Legislative Council (Insurance Functional Constituency) of Hong Kong Special Administrative Region ("LegCo"). Among other duties, he serves as Chairman of the LegCo Finance Committee.

Mr. Chan has extensive experience in the fields of banking and insurance. He is an Associate of The Chartered Insurance Institute (U.K.). He has become a member of the Munich Re China Advisory Board since 2009 after serving as the Chief Executive of the Munich Reinsurance Company – Hong Kong Branch for 4 years. Prior to these appointments, he had worked in various positions at one of the leading banks in Hong Kong for more than 3 decades and left as the Assistant General Manager and Head of its Insurance Group in 2005. He was also Chairman of the Chinese Insurance Association of Hong Kong from 1998 to 1999 and the Hong Kong Federation of Insurers from 2004 to 2005.

#### 陳健波議員

*GBS, BBS, JP*

*獨立非執行董事，風險委員會主席及審核委員會委員*

陳先生，現年64歲，於2017年獲委任為董事。他現為香港特別行政區立法會（保險界）議員，除其他職務外，他亦出任立法會財務委員會主席。

陳先生在銀行及保險界具廣泛經驗。他是英國特許保險學會會士。他曾出任慕尼黑再保險公司（Munich Reinsurance Company）香港分公司的行政總裁達4年，隨後由2009年起擔任慕尼黑再保險公司（Munich Re）中國諮議委員會成員。在擔任該等職務之前，他任職於本港其中一間具領導地位的銀行超過30年，期間出任多個職位，直至2005年離職前出任該行的助理總經理及其保險業務主管。他亦曾擔任香港華商保險公會主席（1998年至1999年）及香港保險業聯會主席（2004年至2005年）。



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

### 董事及高層管理人員的個人資料(續)



#### Dr. Delman LEE

*BEng, DPhil*

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

Dr. Lee, aged 51, was appointed a Director in 2017. He is currently the President and Chief Technology Officer of TAL Apparel Limited. He is also a non-executive director of Tradelink Electronic Commerce Limited and Dairy Farm International Holdings Limited (listed in London, Bermuda and Singapore). He was a non-executive director of Luckytex (Thailand) Public Co. Ltd. (listed in Thailand).

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

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

#### 李國本博士

*BEng, DPhil*

*獨立非執行董事，審核委員會、提名委員會及風險委員會委員*

李博士，現年51歲，於2017年獲委任為董事。他現為聯業製衣有限公司的總裁及科技總監。他亦是貿易通電子貿易有限公司及牛奶國際控股有限公司（在倫敦、百慕達及新加坡上市）的非執行董事。他曾出任 Luckytex (Thailand) Public Co. Ltd.（在泰國上市）的非執行董事。

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

李博士擁有牛津大學博士學位及倫敦帝國學院電機工程學士學位。

<sup>Note 1</sup> *Criteria Caixa, S.A. Sociedad Unipersonal ("Criteria Caixa"), is a wholly-owned subsidiary of "la Caixa" Banking Foundation.*

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

<sup>Note 2</sup> *SMFG owns a 100% interest in SMBC. Both SMFG and SMBC are substantial shareholders of the Bank as defined under the Listing Rules and within the meaning of Part XV of the SFO, the details of which are disclosed in the "Interest of Substantial Shareholders and Other Persons" section of the Report of the Directors.*

<sup>註1</sup> *Criteria Caixa, S.A. Sociedad Unipersonal ("Criteria Caixa") 為 "la Caixa" Banking Foundation 的全資附屬公司。*

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

<sup>註2</sup> *三井住友金融集團全資擁有三井住友銀行。根據《上市規則》及《證券及期貨條例》第XV部之定義，三井住友金融集團及三井住友銀行均為本行的主要股東，詳情在董事會報告書內「主要股東及其他人士的權益」項下披露。*

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

### 董事及高層管理人員的個人資料(續)

#### SENIOR MANAGEMENT

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

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

(Biographical details are set out on page 54)

#### 高層管理人員

##### 李國寶爵士

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

主席兼行政總裁

(個人資料載列於第54頁)

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

*MA (Cantab), MBA, LPC, JP  
Executive Director & Deputy Chief Executive*

(Biographical details are set out on page 63)

##### 李民橋先生

*MA (Cantab), MBA, LPC, JP  
執行董事及副行政總裁*

(個人資料載列於第63頁)

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

*JP, MA (Cantab), MBA, FCA  
Executive Director & Deputy Chief Executive*

(Biographical details are set out on page 64)

##### 李民斌先生

*JP, MA (Cantab), MBA, FCA  
執行董事及副行政總裁*

(個人資料載列於第64頁)

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

### 董事及高層管理人員的個人資料(續)



#### Mr. Samson LI Kai-cheong

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

Mr. Li, aged 58, joined the Bank in 1987 as Chief Internal Auditor. He was promoted to Deputy Chief Executive & Chief Investment Officer in April 2009. Mr. Li is primarily responsible for the Bank's

investment activities and treasury & broking operations including treasury markets. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board.

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

#### 李繼昌先生

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

李先生，現年58歲，在1987年加入本行為總內部稽核，於2009年4月獲擢升為副行政總裁兼投資總監。李先生主要負責本行的投資活動、資金及經紀業務的運作，包括資金市場。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。

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



#### Mr. TONG Hon-shing

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

Mr. Tong, aged 59, joined the Bank in 1975. He was promoted to Assistant General Manager in 1995 and to General Manager in 2000. He was General Manager & Head of Personal Banking

Division from 2001 to March 2009. He was further promoted to Deputy Chief Executive and Chief Operating Officer in April 2009. Mr. Tong is primarily responsible for strategic planning and control, operations support, compliance, human resources, and corporate communications of the Bank. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board. Mr. Tong is a Fellow Certified Banker of The Hong Kong Institute of Bankers, a Fellow of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries & Administrators as well as an Associate of The Chartered Institute of Bankers. He holds a BSc from the University of Manchester.

#### 唐漢城先生

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

唐先生，現年59歲，在1975年加入本行。於1995年獲擢升為助理總經理及2000年獲擢升為總經理，2001年至2009年3月期間出任總經理兼個人銀行處主管，並於2009年4月獲擢升為副行政總裁兼營運總監。唐先生主要負責本行的策劃及調控、營運支援、合規監管、人力資源，以及企業傳訊。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。唐先生為香港銀行學會資深銀行專業會士，香港特許秘書公會和英國特許秘書及行政人員公會資深會士，及英國特許銀行學會會士，並獲英國曼徹斯特大學理學士學位。

# CORPORATE INFORMATION

## 公司資料

### BOARD

#### Executive Directors

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

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

Mr. Brian David LI Man-bun  
(Deputy Chief Executive)

#### Non-executive Directors

Professor Arthur LI Kwok-cheung  
(Deputy Chairman)

Mr. Aubrey LI Kwok-sing

Mr. Winston LO Yau-lai

Mr. Stephen Charles LI Kwok-sze

Dr. Isidro FAINÉ CASAS

Dr. Peter LEE Ka-kit

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

The Hon. CHAN Kin-por

Dr. Delman LEE

### 董事會

#### 執行董事

李國寶爵士  
(主席兼行政總裁)

李民橋先生  
(副行政總裁)

李民斌先生  
(副行政總裁)

#### 非執行董事

李國章教授  
(副主席)

李國星先生

羅友禮先生

李國仕先生

范禮賢博士

李家傑博士

黃永光博士

奧正之先生

#### 獨立非執行董事

黃子欣博士  
(副主席)

范徐麗泰博士

李國榮先生

唐英年博士

陳健波議員

李國本博士

## CORPORATE INFORMATION (CONTINUED)

### 公司資料(續)

#### BOARD COMMITTEES

##### Audit Committee

Mr. Meocre LI Kwok-wing\* (*Chairman*)  
 Dr. Allan WONG Chi-yun\*  
 Dr. the Hon. Henry TANG Ying-yen\*  
 The Hon. CHAN Kin-por\*  
 Dr. Delman LEE\*

##### Nomination Committee

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

##### Remuneration Committee

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

##### Risk Committee

The Hon. CHAN Kin-por\* (*Chairman*)  
 Dr. Allan WONG Chi-yun\*  
 Mr. Aubrey LI Kwok-sing  
 Dr. Daryl NG Win-kong  
 Mr. Meocre LI Kwok-wing\*  
 Dr. Delman LEE\*

#### 董事會轄下委員會

##### 審核委員會

李國榮先生\* (*主席*)  
 黃子欣博士\*  
 唐英年博士\*  
 陳健波議員\*  
 李國本博士\*

##### 提名委員會

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

##### 薪酬委員會

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

##### 風險委員會

陳健波議員\* (*主席*)  
 黃子欣博士\*  
 李國星先生  
 黃永光博士  
 李國榮先生\*  
 李國本博士\*

\* Independent Non-executive Director

\* 獨立非執行董事

**CORPORATE INFORMATION (CONTINUED)****公司資料 (續)****SENIOR ADVISORS****Mr. Joseph PANG Yuk-wing***BSSc, MBA, Hon. DSocSc, Hon. Fellow (CUHK), ACIB, FHKIB, BBS, JP***Mr. CHAN Tze-ching***BBS, JP***SENIOR MANAGEMENT****Chief Executive****Dr. the Hon. Sir David LI Kwok-po***GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur***Executive Director & Deputy Chief Executive****Mr. Adrian David LI Man-kiu***MA (Cantab), MBA, LPC, JP***Mr. Brian David LI Man-bun***JP, MA (Cantab), MBA, FCA***Deputy Chief Executive & Chief Investment Officer****Mr. Samson LI Kai-cheong***FCCA, CPA, FCIS, FCS, HKSI***Deputy Chief Executive & Chief Operating Officer****Mr. TONG Hon-shing***BSc, ACIB, FCIS, FCS, Fellow CB***COMPANY SECRETARY****Mr. Alson LAW Chun-tak***FCCA, FCPA, FCIS, FCS***AUDITORS****KPMG***Certified Public Accountants***高級顧問****彭玉榮先生***BSSc, MBA, Hon. DSocSc, Hon. Fellow (CUHK), ACIB, FHKIB, BBS, JP***陳子政先生***BBS, JP***高層管理人員****行政總裁****李國寶爵士***GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur***執行董事兼副行政總裁****李民橋先生***MA (Cantab), MBA, LPC, JP***李民斌先生***JP, MA (Cantab), MBA, FCA***副行政總裁兼投資總監****李繼昌先生***FCCA, CPA, FCIS, FCS, HKSI***副行政總裁兼營運總監****唐漢城先生***BSc, ACIB, FCIS, FCS, Fellow CB***公司秘書****羅春德先生***FCCA, FCPA, FCIS, FCS***核數師****畢馬威會計師事務所***執業會計師*

CORPORATE INFORMATION (CONTINUED)  
公司資料(續)



**SENIOR MANAGEMENT**  
高層管理人員

Mr. Samson LI  
Kai-cheong  
李繼昌先生

Mr. Adrian David LI  
Man-kiu  
李民橋先生

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

Mr. Brian David LI  
Man-bun  
李民斌先生

Mr. TONG Hon-shing  
唐漢城先生

# LIST OF OUTLETS

## 網絡一覽



### 1 Head Office – Hong Kong 香港 — 總行

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

2 Shanghai	上海	18 Xi'an	西安	34 Qingyuan	清遠
3 Beijing	北京	19 Zhengzhou	鄭州	35 Guangzhou	廣州
4 Urumqi	烏魯木齊	20 Wuhan	武漢	36 Foshan	佛山
5 Harbin	哈爾濱	21 Hefei	合肥	37 Shaoguan	韶關
6 Shenyang	瀋陽	22 Nanjing	南京	38 Zhuhai	珠海
7 Dalian	大連	23 Nanchang	南昌	39 Jieyang	揭陽
8 Tianjin	天津	24 Chengdu	成都	40 Dongguan	東莞
9 Shijiazhuang	石家莊	25 Chongqing	重慶	41 Shenzhen	深圳
10 Jinan	濟南	26 Changsha	長沙	42 Zhongshan	中山
11 Qingdao	青島	27 Fuzhou	福州	43 Zhanjiang	湛江
12 Wuxi	無錫	28 Xiamen	廈門	44 Huizhou	惠州
13 Kunshan	昆山	29 Kunming	昆明	45 Shantou	汕頭
14 Changshu	常熟	30 Nanning	南寧	46 Macau	澳門
15 Suzhou	蘇州	31 Zhaoqing	肇慶	47 Taipei	台北
16 Hangzhou	杭州	32 Jiangmen	江門		
17 Ningbo	寧波	33 Maoming	茂名		

#### Overseas 海外

##### Singapore 新加坡

Singapore 新加坡

##### Malaysia 馬來西亞

Labuan 納閩  
Kuala Lumpur 吉隆坡

##### United Kingdom 英國

London 倫敦  
Birmingham 伯明翰  
Manchester 曼徹斯特

##### United States 美國

New York 紐約  
Los Angeles 洛杉磯



## LIST OF OUTLETS (CONTINUED)

### 網絡一覽(續)

With more than 220 outlets worldwide, BEA operates an extensive international network covering Hong Kong and the rest of Greater China, Southeast Asia, the United Kingdom, and the United States.

東亞銀行現於全球設有逾220個網點，龐大的國際網絡覆蓋香港、大中華其他地區、東南亞、英國和美國。

### HONG KONG BRANCH NETWORK 香港分行網絡

S Main Branch 總行	Kowloon Branches 九龍分行	New Territories Branches 新界分行
<b>Hong Kong Branches 香港分行</b>		
S Aberdeen 香港仔	S Castle Peak Road 青山道	S East Point City 東港城
S Admiralty 金鐘	S Cheung Sha Wan Plaza 長沙灣廣場	S <b>i</b> Fanling 粉嶺
S BEA Harbour View Centre 東亞銀行港灣中心	S East Tsim Sha Tsui 尖東	S Kwai Fong 葵芳
S Bonham Road 般含道	S Festival Walk 又一城	S Ma On Shan Plaza 馬鞍山廣場
S Caine Road 堅道	S Hoi Yuen Road 開源道	S Maritime Square 青衣城
S Causeway Bay 銅鑼灣	S iSQUARE 國際廣場	S Metro City Plaza 新都城中心
S Causeway Bay The Sharp 銅鑼灣 雲東	S Jordan 佐敦	S Park Central 將軍澳中心
S Chai Wan 柴灣	S Kowloon City 九龍城	S Shatin Plaza 沙田廣場
S Happy Valley 跑馬地	S Kowloon Station Elements 九龍站圓方	S Sheung Shui 上水
S Hennessy Road 軒尼詩道	S 133 Wai Yip Street 偉業街133號	S Tai Po 大埔
S North Point 北角	S Laguna City 麗港城	S Tai Wai 大圍
S Quarry Bay 鰂魚涌	S Lok Fu 樂富	S The Chinese University of Hong Kong 香港中文大學
S Queen's Road East 皇后大道東	S <b>i</b> Ma Tau Wei Road 馬頭圍道	S Tin Shui Wai 天水圍
S Shaukiwan 筲箕灣	S Mei Foo Sun Chuen 美孚新邨	S The Education University of Hong Kong 香港教育大學
S Shek Tong Tsui 石塘咀	S Millennium City 5 創紀之城五期	S The Hong Kong University of Science and Technology 香港科技大學
S 33 Des Voeux Road Central 德輔道中33號	S Mongkok 旺角	S <b>i</b> Tsuen Wan Fou Wah Centre 荃灣富華中心
S Shun Tak Centre 信德中心	S Mongkok North 旺角北	S Tsuen Wan Sha Tsui Road 荃灣沙咀道
S Taikoo Shing 太古城	S Olympian City 奧海城	S <b>i</b> Tuen Mun Town Plaza 屯門市廣場
S The University of Hong Kong 香港大學	S Plaza Hollywood 荷里活廣場	S Yuen Long 元朗
S Wanchai 灣仔	S San Po Kong 新蒲崗	S Yuen Long YOHO MALL 元朗形點
S Wanchai Convention Plaza 灣仔會展廣場	S Tai Hang Tung 大坑東	
	S Telford Plaza 德福廣場	
	S The Hong Kong Polytechnic University 香港理工大學	
	S Tsim Sha Tsui 尖沙咀	
	S Waterloo Road 窩打老道	
	S Whampoa Garden 黃埔花園	
	S Yaumatei 油麻地	
S With SupremeGold Centre 設有顯卓理財中心		
<b>i</b> Branch with i-Financial Centre 分行設有i-理財中心		
		<b>Outlying Islands Branches 離島分行</b>
		Tung Chung 東涌

### FINANCIAL CENTRES 理財中心

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

# CORPORATE GOVERNANCE REPORT

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

The Bank has in place a corporate governance structure 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. These key participants include the Board, Board Committees and Management Committees, shareholders, auditors, management and staff, regulators, customers and suppliers.

The Bank has also established a *Corporate Governance Policy* which sets out a range of governance principles and practices to direct and guide the business conducts and affairs of the Group. The Bank also constantly reviews and enhances the effectiveness of the Group's corporate governance practices by referencing to market trend as well as guidelines and requirements issued by regulatory authorities.

## Statement of Compliance

During the financial year ended 31st December, 2018, the Bank has complied with all the Code Provisions set out in the CG Code, except for Code Provision A.2.1 as explained in section A below. The Bank has also followed the modules on CG-1, CG-5, Guidance on Empowerment of INEDs, and circular on Bank Culture Reform issued by the HKMA. In supporting prudent risk management and upholding the high ethical standards in the banking industry, the Bank has published, among others, the *Anti-Bribery and Corruption Policy Statement*; the *Slavery and Human Trafficking Statement*; the *Whistleblowing Statement*; and the *Statement on Anti-Money Laundering and Counter-Financing of Terrorism* on the website of the Bank.

The Bank has established its own code of securities transactions to be observed by Directors and Chief Executive, i.e. *Policy on Insider Dealing – Directors and Chief Executive* ("Bank's Policy") on terms no less exacting than the required standard set out in Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") of the Listing Rules. Specific enquiries have been made on all Directors of the Bank. All Directors confirmed that they had complied with the required standard set out in the Model Code and the Bank's Policy at all the applicable times during the year ended 31st December, 2018.

## A. BOARD OF DIRECTORS

### The Board

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

The Board is responsible for providing strategic direction and overseeing effective implementation of pre-determined objectives by the management. It delegates the day-to-day operation and administration of the Bank's business to the Senior Management and the General Managers.

### Board composition

The Board currently has 17 Directors, including 3 EDs, 8 NEDs and 6 INEDs. Over one-third of the Directors are INEDs. The majority of NEDs and INEDs ensure the independence and objectivity of the decisions of the Board, as well as the thoroughness and impartiality of the Board's oversight of the affairs of the Bank. They bring a wide range of business and financial experience to the Board. An updated list of Directors, identifying their roles and functions at the Bank, is available on the HKEx's and the Bank's websites. The biographical details of each Director are available on the Bank's website.

The compositions of the Board and Board Committees are shown on pages 74 and 75 under the Corporate Information. All Directors of the Bank are expressly identified by categories of EDs, NEDs and INEDs in all corporate communications that disclose the names of the Directors.

The biographies of Directors, including relationships with members of the Board, Senior Management and substantial shareholders (as defined in the Listing Rules) of the Bank, are shown from pages 54 to 73 under the Biographical Details of Directors and Senior Management.

# 企業管治報告

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

本行已制定企業管治架構以確認集團內所有企業管治的主要人士，他們相互之間的關係，以及他們在應用有效企業管治政策和程序方面的角色。主要人士包括董事會、董事會轄下委員會及管理層委員會、股東、核數師、管理層及員工、監管機構、客戶及供應商。

本行並制定一套企業管治政策訂明一系列管治原則及實務，為本集團的商業行為及事務提供指引。本行亦參考市場趨勢及根據監管機構所發布的指引及要求，不時對所採用的企業管治實務進行檢討及改進。

## 合規聲明

除以下A項所述偏離守則條文A.2.1的行為外，本行在截至2018年12月31日止的財政年度期間內，已遵守《企業管治守則》的全部守則條文。本行亦已遵循金管局發出的CG-1、CG-5、提升獨立非執行董事的專業能力指引及銀行企業文化改革內各項要求。為支持審慎的風險管理及恪守銀行業高度的道德標準，本行已在網站刊登（其中包括）*反賄賂及貪污政策聲明*、*奴役和人口販賣聲明*、*上告聲明*及*打擊洗錢及恐怖分子資金籌集政策聲明*。

本行已自行訂立一套與《上市規則》附錄10「上市發行人董事進行證券交易的標準守則」（「標準守則」）所訂標準同樣嚴格的董事及行政總裁證券交易政策，即*內幕交易政策 — 董事及行政總裁*（「本行政策」）。本行已經向所有董事明確查詢，所有董事已確認於截至2018年12月31日止年度內之所有適用期，均已遵守標準守則及本行政策中所要求的標準。

## A. 董事會

### 董事會

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

董事會負責提供策略性指引，並進行監督以確保管理層有效落實預先訂定的目標。董事會授權高層管理人員和各總經理負責本行業務的日常營運及管理。

### 董事會組成

董事會現有董事17人，包括3位執行董事、8位非執行董事及6位獨立非執行董事。超過三分之一的董事為獨立非執行董事。董事會以非執行董事及獨立非執行董事佔大多數，確保能作出獨立客觀之決策，並能全面及不偏不倚地監控本行業務。他們為董事會帶來廣泛的業務和財務經驗。本行最新的董事會成員名單（當中訂明其在本行的角色和職能）已載於香港交易所及本行網站。各董事的個人的資料登載於本行網站。

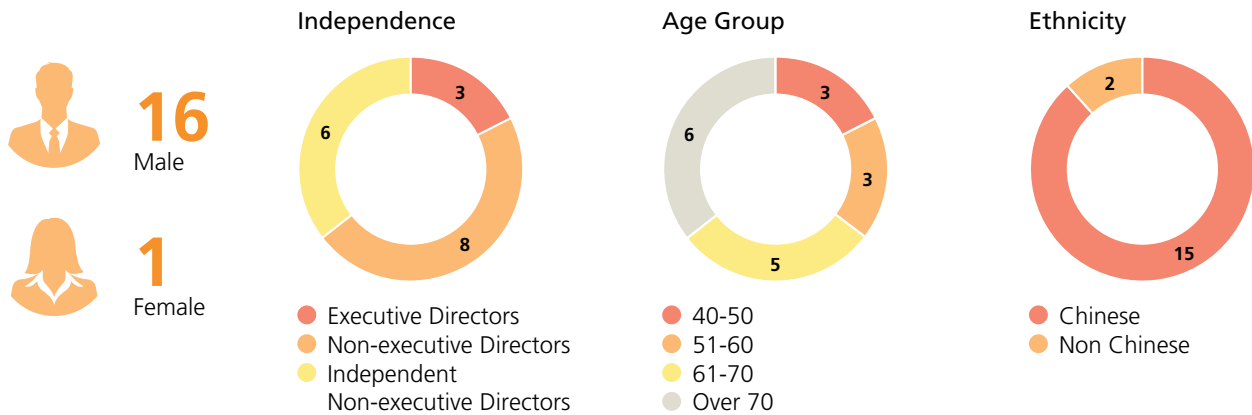
董事會的成員名單刊載於第74及75頁公司資料內。所有載有董事姓名的公司通訊中，已按董事類別，包括執行董事、非執行董事及獨立非執行董事，明確說明本行各董事身份。

各董事的簡介，包括其與其他董事會成員、高層管理人員和主要股東（根據《上市規則》之定義）的關係，刊載於第54至73頁董事及高層管理人員的個人資料項下。

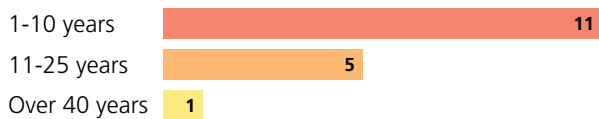
## CORPORATE GOVERNANCE REPORT (CONTINUED)

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

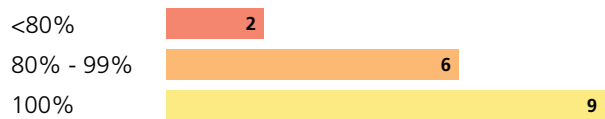
### Board Composition



### Tenure of office



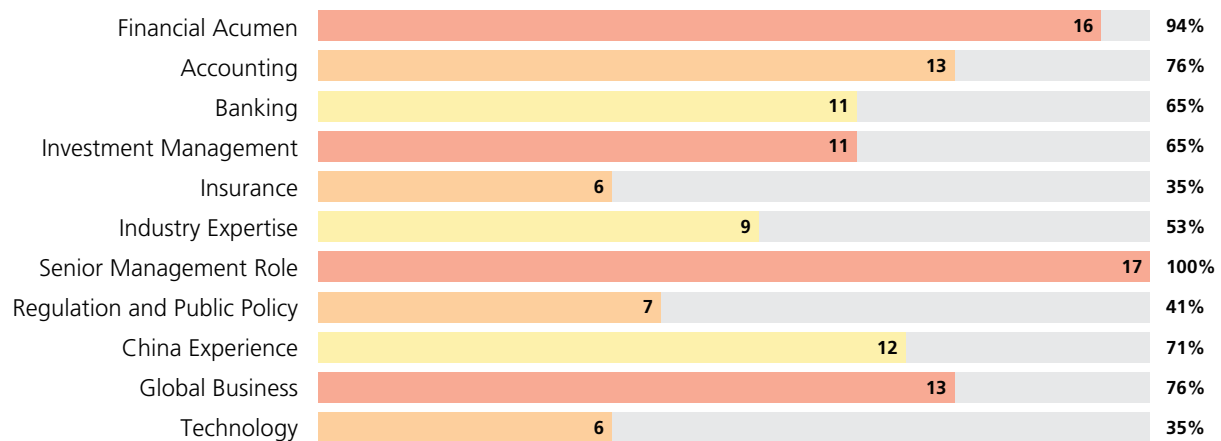
### Attendance (including BM and Board Committee meeting)



### Directorship in other listed companies



### Board Expertise and Skills



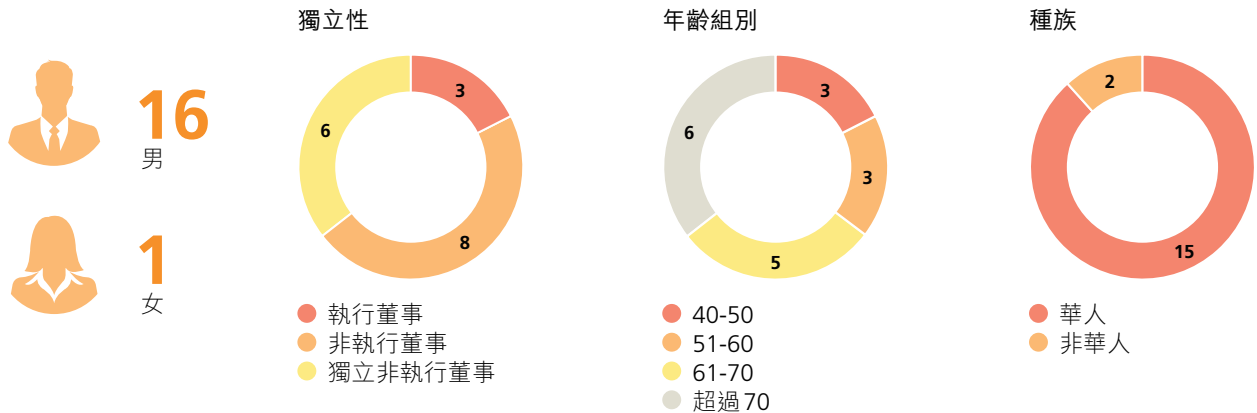
**Notes:**

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

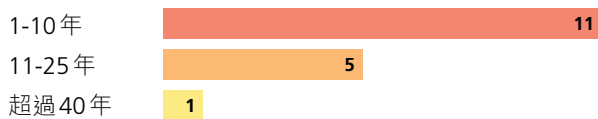
企業管治報告(續)

年內對董事會組成及技能矩陣的分析載列如下:

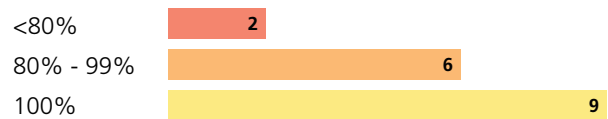
董事會組成



擔任本行董事年期



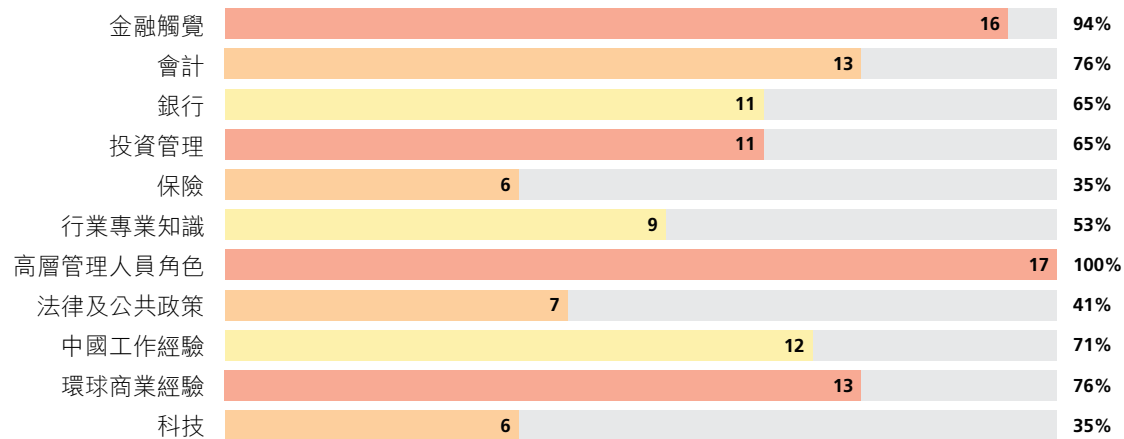
會議出席率(包括董事會及董事會轄下委員會會議)



出任其他上市公司董事



董事會成員專業背景及技能



註:

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

## CORPORATE GOVERNANCE REPORT (CONTINUED)

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

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

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

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

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

### Board Meetings

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

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

Minutes of the meetings of the Board, the AC, the RC and the NC are kept by the Company Secretary whereas minutes of the meetings of RIC and other Management Committees (as listed under the Management Committees in section B on page 112) are kept by the appointed secretary of each Committee.

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

### 保留予董事會決定的事項表

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

由董事會考慮及決策之特定事項包括(但不限於)：

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

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

### 董事會會議

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

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

董事會、審核委員會、薪酬委員會及提名委員會的會議記錄由公司秘書備存，而風險委員會及其他管理層委員會(列於第113頁B段管理層委員會項下)的會議記錄則由各個委員會委任的秘書備存。

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

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Chairman and Chief Executive Officer

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Dr. the Hon. Sir David LI Kwok-po is the Chairman & Chief Executive of the Bank. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Bank. The division of responsibilities between the Chairman and the Chief Executive is clearly established and set out in the job mandate of the Chairman & Chief Executive. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting operations of the Bank. There is a strong independent element in the composition of the Board. The Board believes that the current structure is conducive to strong and consistent leadership, enabling the Bank to make and implement decisions promptly and efficiently and that Sir David's appointment to the posts of Chairman and Chief Executive is beneficial to the business prospects and management of the Bank.

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

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

During the year, apart from the regular Board meetings held, the Chairman, who is also an ED of the Bank, held a meeting with the NEDs (including INEDs) in the absence of the other EDs and the Senior Management. The Chairman also met with the INEDs in January 2019 in the absence of the other EDs, NEDs and the Senior Management.



## 主席及行政總裁

《企業管治守則》守則條文A.2.1規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。

李國寶爵士為本行的主席兼行政總裁。董事會認為此架構不會影響董事會與管理層兩者之間的權力和職權的平衡。主席及行政總裁之間的職責已清楚區分並以書面列載。本行董事會由極具經驗和才幹的成員組成並定期開會，以商討影響本行運作的事項。透過董事會的運作，足以確保權力和職權得到平衡。董事會的組合具有強大的獨立元素。董事會相信現時的架構有助於建立穩健而一致的領導權，使本行能夠迅速及有效地作出及實施各項決定，委任李爵士出任主席兼行政總裁之職，會有利於本行的業務發展及管理。

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

主席亦確保董事適時收到充分的本行資訊，而有關資訊為準確、清晰及完備可靠。

年內，除已舉行的定期董事會會議外，本行主席（亦是本行的執行董事）與非執行董事（包括獨立非執行董事）舉行了一次沒有其他執行董事及高層管理人員出席的會議。於2019年1月，主席在沒有執行董事、非執行董事及高層管理人員在場的情況下，亦與獨立非執行董事舉行了一次會議。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

## Directors' attendance records

In 2018, 6 Board meetings (including a meeting with the HKMA) were held with an average attendance rate of 93%.

Attendance records of Directors at BMs, ACMs, NCMs, RCMs, RICMs and AGM held in 2018 are as follows:

Directors	Number of meetings attended/held in 2018					
	BM	ACM	NCM	RCM	RICM	AGM
<i>Executive Directors:</i>						
David LI Kwok-po (Chairman & Chief Executive)	6/6	-	1/1	-	-	1/1
Adrian David LI Man-kiu (Deputy Chief Executive)	6/6	-	-	-	-	1/1
Brian David LI Man-bun (Deputy Chief Executive)	6/6	-	-	-	-	1/1
<i>Non-executive Directors:</i>						
Arthur LI Kwok-cheung (Deputy Chairman)*	4/6	-	-	2/2	-	1/1
Aubrey LI Kwok-sing	6/6	-	-	-	3/4	1/1
Winston LO Yau-lai	6/6	-	-	-	-	1/1
Stephen Charles LI Kwok-sze**	5/6	-	-	-	-	0/1
Isidro FAINÉ CASAS	6/6	-	1/1	-	-	1/1
Peter LEE Ka-kit*	5/6	-	-	1/2	-	1/1
Daryl NG Win-kong*	5/6	-	-	-	4/4	1/1
Masayuki OKU	6/6	-	1/1	-	-	1/1
<i>Independent Non-executive Directors:</i>						
Allan WONG Chi-yun (Deputy Chairman)*	5/6	4/4	1/1	2/2	4/4	1/1
Rita FAN HSU Lai-tai	6/6	-	1/1	2/2	-	1/1
Meocre LI Kwok-wing*	5/6	4/4	-	-	4/4	1/1
Henry TANG Ying-yen	6/6	4/4	1/1	2/2	-	1/1
CHAN Kin-por	6/6	4/4	-	-	4/4	1/1
Delman LEE	6/6	4/4	1/1	-	3/4	1/1
Average attendance rate	93%	100%	100%	90%	92%	94%

\* Professor Arthur Li, Dr. Allan Wong, Mr. Stephen Li, Dr. Peter Lee, Dr. Daryl Ng, Mr. Meocre Li were unable to attend scheduled Board meetings due to prior commitment.

# Mr. Stephen Li was unable to attend the 2018 AGM due to an overseas commitment.

**董事會議出席記錄**

於2018年舉行的6次董事會會議(包括與金管局召開的一次會議)，董事之平均出席率為93%。

各董事於2018年內舉行的董事會會議、審核委員會會議、提名委員會會議、薪酬委員會會議、風險委員會會議及股東周年常會的出席記錄如下：

董事	於2018年會議出席次數/舉行次數					
	董事會會議	審核委員會會議	提名委員會會議	薪酬委員會會議	風險委員會會議	股東周年常會
<b>執行董事：</b>						
李國寶 (主席兼行政總裁)	6/6	-	1/1	-	-	1/1
李民橋 (副行政總裁)	6/6	-	-	-	-	1/1
李民斌 (副行政總裁)	6/6	-	-	-	-	1/1
<b>非執行董事：</b>						
李國章 (副主席)*	4/6	-	-	2/2	-	1/1
李國星	6/6	-	-	-	3/4	1/1
羅友禮	6/6	-	-	-	-	1/1
李國仕**	5/6	-	-	-	-	0/1
范禮賢	6/6	-	1/1	-	-	1/1
李家傑*	5/6	-	-	1/2	-	1/1
黃永光*	5/6	-	-	-	4/4	1/1
奧正之	6/6	-	1/1	-	-	1/1
<b>獨立非執行董事：</b>						
黃子欣 (副主席)*	5/6	4/4	1/1	2/2	4/4	1/1
范徐麗泰	6/6	-	1/1	2/2	-	1/1
李國榮*	5/6	4/4	-	-	4/4	1/1
唐英年	6/6	4/4	1/1	2/2	-	1/1
陳健波	6/6	4/4	-	-	4/4	1/1
李國本	6/6	4/4	1/1	-	3/4	1/1
平均出席率	93%	100%	100%	90%	92%	94%

\* 李國章教授，黃子欣博士，李國仕先生，李家傑博士，黃永光博士，李國榮先生因約定事務未能出席預定會議。

# 李國仕先生因海外事務未能出席2018股東周年常會。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Board of Directors

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

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

### Time Commitment

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

The Bank has received confirmation from each Director that he/she has spent sufficient time and attention to the affairs of the Bank during the year 2018. Directors have also disclosed to the Bank the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies or organisations and an indication of the time involved. Directors are reminded to notify the Company Secretary in a timely manner any change of such information.

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

### Conflict of Interest

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

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

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

### Handling and Dissemination of Inside Information

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

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

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

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

### Obtaining Independent Professional Advice by Directors

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

## 董事會成員

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

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

## 付出時間

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

本行已接獲每名董事確認於2018年內付出足夠的時間及充分關注本行事務的聲明。董事亦已向本行披露他們於香港或海外上市的公眾公司或組織擔任職位的數目和性質，以及其他重大承擔，並提供了公眾公司或組織的名稱和擔任有關職務所涉及的時間。董事會已提醒各董事，如相關資料有任何變動，須及時通知公司秘書。

若無法以任何方式參與會議，本行鼓勵各董事事先就議程提交書面意見。

## 利益衝突

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

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

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

## 處理及發布內幕消息

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

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

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

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

## 董事諮詢獨立專業意見

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

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Directors & Officers Liability and Company Reimbursement Insurance

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

### Induction and continuous professional development

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

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

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

During the year, all Directors received updated information or attended relevant courses, conferences and seminars at the Bank's expense (where appropriate) in relation to the following topics. All Directors provided to the Bank a record of training they received in 2018.

- Annual Banking Conference 2018 held by a professional body
- Anti-Money Laundering and Counter-Financing of Terrorism ("AML and CFT") Training
- Corporate Governance: Are we Behind the Curve in Asia
- Counterparty Credit Risk Management
- Cyber security newsletters
- Cybersecurity – Identifying and Responding to a Cyber Incident
- Developments in Enterprise Risk Management and Crisis Management
- Directors' Duties & Liabilities
- Financial Reporting Council Annual Report 2017
- FinTech for you
- Guidance for Boards and Directors issued by HKSE
- Harnessing Behavioural Science and AI for Risk Management and Performance Optimisation
- HKMA Conference for INEDs
- NED/INEDs Forum held by a professional firm
- Interest Rate Risk in the Banking Book
- Loan market and Green finance
- Regulator's Dialogue with Directors: Banking Regulation organised by HKMA
- Review of the CG Code and related Listing Rules
- SFC Enforcement Action Against Listed Companies and Their Officers
- Supervision for Bank Culture issued by HKMA
- Tips on improving corporate governance
- Validating Risk Rating Systems under the IRB Approach

### 董事和職員責任及公司償還保險

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

### 就職培訓及持續發展

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

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

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

於本年度內，所有董事已獲得下列議題的資料或參與其他相關的課程、會議及研討會，相關費用由本行承擔（如適用）。所有董事均已向本行提供其於2018年內所接受培訓的記錄。

- 由專業機構舉辦的香港銀行家峰會2018
- 打擊洗錢及恐怖分子資金籌集培訓
- 亞洲地區企業管治
- 交易對手信用風險管理
- 網絡安全通訊
- 網絡安全 - 鑑別及應對網絡事故
- 企業風險管理及危機管理的發展
- 董事職責及責任
- 財務匯報局2017年報
- 金融科技
- 聯交所頒布的董事會及董事指引
- 利用行為科學及認可機構之風險管理及績效優化
- 金管局舉辦的獨立非執行董事研討會
- 由專業機構舉辦的非執行董事及獨立非執行董事論壇
- 銀行賬目的利率風險管理
- 貸款市場及綠色金融
- 金管局舉辦的董事與監管機構對話：銀行法規
- 檢討《企業管治守則》及相關《上市規則》條文
- 證監會針對上市公司及其高級職員的執法行動
- 金管局發布有關銀行企業文化的監管
- 改善企業管治建議
- 確認內部評級基準計算法下的風險評級系統

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The following summarises key areas of trainings<sup>Note</sup> provided to Directors of the Bank during 2018:

Directors	Corporate Governance and Risk Management	Regulatory Update	Bank's business and management	Conference arranged by regulator	Bank Culture	AML and CFT	Fintech/ Cyber Security
<i>Executive Directors:</i>							
David LI Kwok-po (Chairman & Chief Executive)	✓	✓	✓		✓	✓	✓
Adrian David LI Man-kiu (Deputy Chief Executive)	✓	✓	✓		✓	✓	✓
Brian David LI Man-bun (Deputy Chief Executive)	✓	✓	✓		✓	✓	✓
<i>Non-executive Directors:</i>							
Arthur LI Kwok-cheung (Deputy Chairman)	✓	✓	✓		✓	✓	
Aubrey LI Kwok-sing	✓	✓	✓			✓	✓
Winston LO Yau-lai	✓	✓	✓		✓	✓	
Stephen Charles LI Kwok-sze	✓	✓	✓			✓	✓
Isidro FAINÉ CASAS	✓	✓	✓			✓	
Peter LEE Ka-kit	✓	✓	✓			✓	
Daryl NG Win-kong	✓	✓	✓		✓	✓	✓
Masayuki OKU	✓	✓	✓			✓	
<i>Independent Non-executive Directors:</i>							
Allan WONG Chi-yun (Deputy Chairman)	✓	✓	✓	✓	✓	✓	✓
Rita FAN HSU Lai-tai	✓	✓	✓	✓	✓	✓	✓
Meocre LI Kwok-wing	✓	✓	✓		✓	✓	✓
Henry TANG Ying-yen	✓	✓	✓		✓	✓	
CHAN Kin-por	✓	✓	✓	✓	✓	✓	✓
Delman LEE	✓	✓	✓	✓	✓	✓	✓

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

### Supply of and access to information

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

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

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

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



## 企業管治報告(續)

下表概列董事於2018年獲提供持續專業發展<sup>註</sup>的主要類別：

董事	企業管治及 風險管理	監管資料 更新	本行業務 及管理	監管機構 安排的 座談會	銀行企業 文化	打擊洗錢及 恐怖分子 資金籌集	金融科技/ 保安
<b>執行董事：</b>							
李國寶 (主席兼行政總裁)	✓	✓	✓		✓	✓	✓
李民橋 (副行政總裁)	✓	✓	✓		✓	✓	✓
李民斌 (副行政總裁)	✓	✓	✓		✓	✓	✓
<b>非執行董事：</b>							
李國章 (副主席)	✓	✓	✓		✓	✓	
李國星	✓	✓	✓			✓	✓
羅友禮	✓	✓	✓		✓	✓	
李國仕	✓	✓	✓			✓	✓
范禮賢	✓	✓	✓			✓	
李家傑	✓	✓	✓			✓	
黃永光	✓	✓	✓		✓	✓	✓
奧正之	✓	✓	✓			✓	
<b>獨立非執行董事：</b>							
黃子欣 (副主席)	✓	✓	✓	✓	✓	✓	✓
范徐麗泰	✓	✓	✓	✓	✓	✓	✓
李國榮	✓	✓	✓		✓	✓	✓
唐英年	✓	✓	✓		✓	✓	✓
陳健波	✓	✓	✓	✓	✓	✓	✓
李國本	✓	✓	✓	✓	✓	✓	✓

註：出席研討會/會議、論壇致辭，閱覽文章及/或審閱資料亦視為董事培訓。

### 資料提供及使用

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

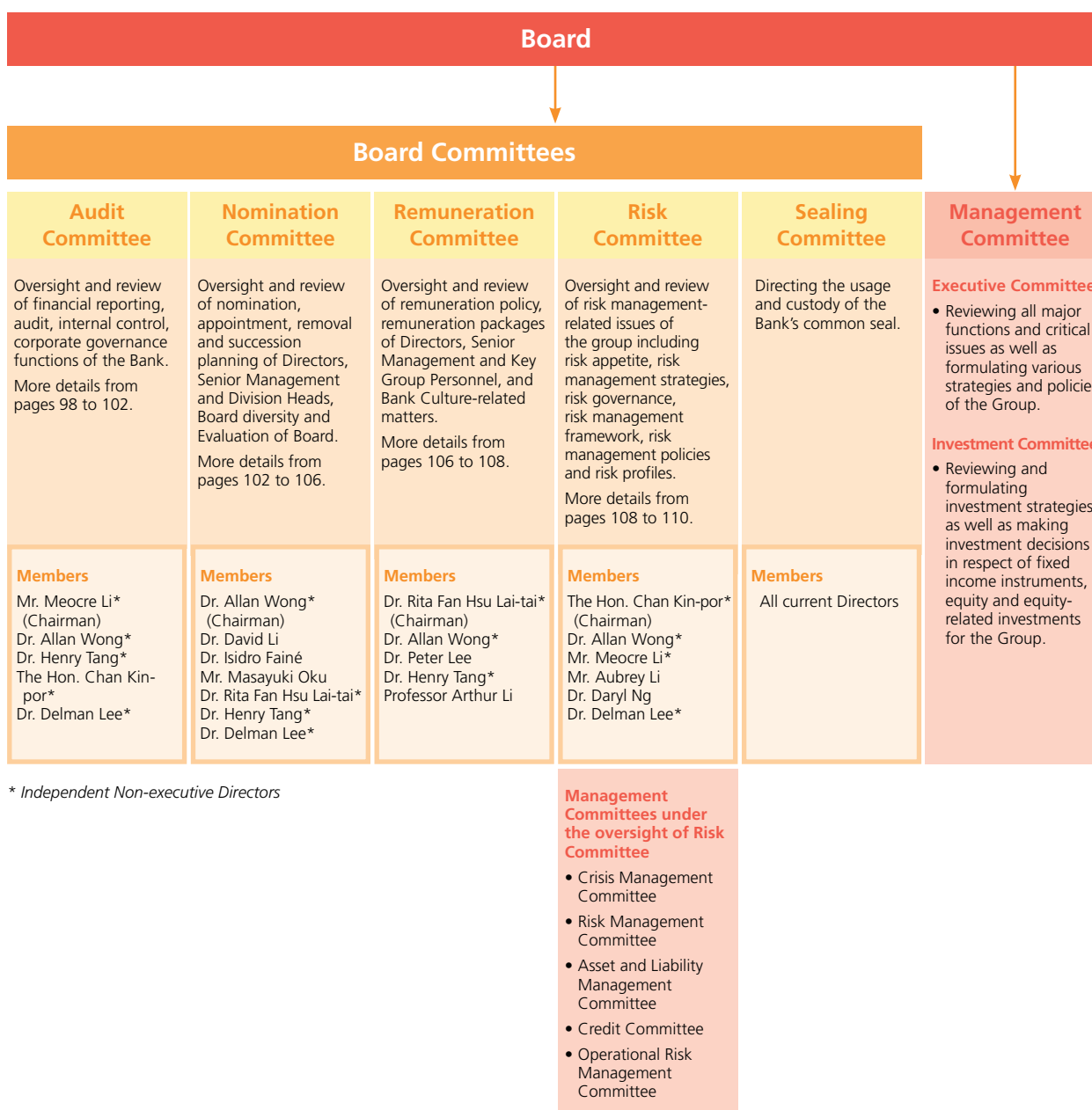
管理層知悉其有責任向董事會及董事會轄下委員會適時提供足夠資料，以使董事能夠在掌握有關資料

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

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

## CORPORATE GOVERNANCE REPORT (CONTINUED)

## B. BOARD DELEGATION



\* Independent Non-executive Directors

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

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

Management Committee, the Credit Committee and Operational Risk Management Committee.

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

## B. 董事會授權



\* 獨立非執行董事

董事會須共同負責本集團的長期成功及在有效的監控架構下擔當領導角色。

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

會、資產負債管理委員會、信貸委員會及營運風險管理委員會。

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

## CORPORATE GOVERNANCE REPORT (CONTINUED)

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

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

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

### Board Committees

#### B1. Audit Committee

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

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

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

The AC comprises 5 members and all the members are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2018 Annual Report. No former partners of the Bank's external auditors is acting as a member of the AC before expiry of a period of two years commencing on the date of his/her ceasing to be a partner of the firm or to have any financial interest in the firm whichever is later.

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

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

The number of meetings held by the AC and attendance of individual members at ACM in 2018 is recorded on page 88.

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

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

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

## 董事會轄下委員會

### B1. 審核委員會

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

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

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

審核委員會由5名委員組成，所有成員均為獨立非執行董事。成員名單及履歷載於《2018年報》「公司資料」及「董事及高層管理人員的個人資料」內。本行外聘核數師並無前任合夥人在其終止成為該核數師事務所合夥人當日或其享有該核數師事務所財務利益當日起計兩年內（以日期較後者為準）的情況下，成為審核委員會成員。

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

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

審核委員會於2018年舉行的會議次數及個別成員的出席記錄載於第89頁。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### The following is a summary of the work performed by the AC for the year 2018 and up to 27th February, 2019:

- Reviewed and endorsed the policies and practices under the Bank's CG Framework, including the *Corporate Governance Policy* and made recommendations to the Board, where appropriate;
- Reviewed the training and continuous professional development of Directors and Senior Management;
- Reviewed the policies and practices on compliance with legal and regulatory requirements;
- Reviewed the code of conduct and compliance manual applicable to employees and Directors;
- Reviewed the status of compliance with the CG Code and disclosure in the Corporate Governance Report;
- Met with the external auditors to discuss their audit work on the Group;
- Reviewed external auditors' 2018 annual audit plan, management letter and management's response;
- Reviewed and approved the appointment of external auditors for providing non-audit services to the Group;
- Reviewed the Auditors' Independent Assurance Reports in respect of the Bank's financial disclosures under the Banking (Disclosure) Rules for 2017 and six months ended 30th June, 2018;
- Reviewed and recommended to the Board for approval of the audit fee proposal for the Group for 2018;
- Recommended to the Board to re-appoint KPMG as the Group's external auditors for 2018 and 2019;
- Reviewed the internal audit reports covering the evaluation of risk management and internal control systems of various operations of the Group;
- Reviewed the adequacies of resources, qualifications and experience of the staff of the Bank's accounting, internal audit and financial reporting functions, and their training programmes and budget; effectiveness of the Group's internal audit function;
- Reviewed the Auditor's Report regarding the internal control systems for 2017 prepared under section 63(3A) of the Banking Ordinance;
- Reviewed the on-site examination reports of the HKMA issued in 2018;
- Reviewed the Interim Report and the interim results announcement for the six months ended 30th June, 2018;
- Reviewed the audited financial statements and final results announcement for 2018; and
- Reviewed and approved Group internal audit plan for 2019.

**審核委員會在2018年度及截至2019年2月27日止所做的工作，摘要如下：**

- 檢討及批准本行企業管治架構下的政策及常規，包括企業管治政策，並於適當情況下向董事會提出建議；
- 檢討董事及高層管理人員的培訓及持續專業發展；
- 檢討在遵守法律及監管規定方面的政策及常規；
- 檢討僱員及董事的操守準則及合規手冊；
- 檢討遵守《企業管治守則》的情況及在企業管治報告內的披露；
- 會見外聘核數師以商討其在集團的核數工作；
- 審閱外聘核數師的2018年度稽核計劃，致管理層的審核情況說明函件及管理層的回應；
- 審閱及批准聘用外聘核數師向本集團提供非核數服務；
- 審閱外聘核數師就本行根據《銀行業（披露規則）》作出有關2017年度及2018年6月30日止6個月的財務披露的獨立確認報告；
- 審閱及向董事會推薦批准2018年集團的核數費用建議；
- 向董事會建議續聘畢馬威會計師事務所為本集團2018年度及2019年度的外聘核數師；
- 審閱涵蓋本集團風險管理和各項運作內部監控評估的內部稽核報告；
- 審閱本行會計、稽核及財務匯報職能員工的資源、資歷和經驗，以及有關的培訓計劃和預算是否充裕；本集團稽核職能是否有效；
- 審閱《銀行業條例》63(3A)條下2017年度內部監控系統核數師報告；
- 審閱金管局2018年內發出的現場審查報告；
- 審閱截至2018年6月30日止6個月的中期報告及中期業績公告；
- 審閱2018年度經審核財務報表及全年業績公告；及
- 審閱及批准2019年度集團的內部稽核計劃。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

All matters raised by the AC have been addressed by the Senior Management and the other senior executives. The work and findings of the AC have been reported to the Board. During the year, no issues brought to the attention of the AC and the Board were of sufficient importance to require disclosure in the Annual Report.

The Board agreed with the AC's proposal for the re-appointment of KPMG as the Group's external auditors for 2019. The recommendation will be presented for the approval of shareholders at the 2019 AGM.

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

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

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

### B2. Nomination Committee

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

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

The NC comprises 7 members and 4 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2018 Annual Report.

The number of meetings held by the NC and the attendance of individual members at NCM in 2018 is recorded on page 88.

#### The following is a summary of the work performed by the NC for the year 2018 and up to 27th February, 2019:

- Reviewed the size, structure, composition and diversity of the Board;
- Reviewed the *Procedures for Nomination of Directors*;
- Reviewed the Terms of Reference of the NC;
- Reviewed the *Management Succession Policy*;
- Reviewed the Management Succession Plans;
- Reviewed the *Board Succession and Diversity Policy* (the "Policy") including measurable objectives for implementing the Policy;
- Reviewed and assessed the evaluation of the Board performance and Directors' contribution to the effectiveness of the Board;
- Assessed the independence status of current INEDs, in particular that of Dr. Allan WONG Chi-yun who has served the Board for more than 9 years and will seek re-election at the 2019 AGM;
- Considered re-election of Dr. the Hon. Sir David LI Kwok-po, Dr. Allan WONG Chi-yun, Mr. Aubrey LI Kwok-sing, Mr. Winston LO Yau-lai, Mr. Stephen Charles LI Kwok-sze, Dr. Daryl NG Win-kong, Mr. Masayuki OKU and Dr. the Hon. Rita FAN HSU Lai-tai as Directors of the Bank to be proposed for shareholders' approval at the 2019 AGM; and
- Reviewed the composition of the Board and Board Committees.



審核委員會所提出的事項已交回高層管理人員及其他高級行政人員處理。審核委員會的工作情況及審閱結果已向董事會報告。年內，已提交審核委員會及董事會所需留意的事項，其重要性不足以需在年報內披露。

董事會同意審核委員會續聘畢馬威會計師事務所為本集團2019年度外聘核數師的建議。推薦建議將在2019股東周年常會上提呈予股東批准。

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

審核委員會獲供給充足的資源，包括外聘核數師及稽核處的意見，以履行其職責。

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

## B2. 提名委員會

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

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

提名委員會由7名委員組成，其中4名（包括主席）為獨立非執行董事，成員名單及履歷載於《2018年報》「公司資料」及「董事及高層管理人員的個人資料」內。

提名委員會於2018年舉行的會議次數及個別成員的出席記錄載於第89頁。

### 提名委員會在2018年度及截至2019年2月27日止所做的工作，摘要如下：

- 檢討董事會的人數、架構、組合及多元化；
- 檢討提名董事的程序；
- 檢討提名委員會的職權範圍；
- 檢討管理層繼任政策；
- 檢討管理層繼任安排；
- 檢討董事會繼任及多元化政策包括推行多元化政策的可計量目標；
- 檢討及評估董事會的表現及董事對達致董事會有效運作的貢獻；
- 評核現任獨立非執行董事的獨立性，尤其是已擔任董事超過9年並將會在2019股東周年常會上膺選連任的黃子欣博士；
- 審議在2019股東周年常會上向股東提呈批准重選李國寶爵士、黃子欣博士、李國星先生、羅友禮先生、李國仕先生、黃永光博士、奧正之先生及范徐麗泰博士為本行董事的建議；及
- 檢討董事及董事會轄下委員會的組合。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

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

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

### *Nomination Policy*

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

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

### *Diversity Policy*

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

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

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

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

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

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

A formal letter of appointment, setting out the terms and conditions of the appointment, and including the Director's scope of duties and obligations, is provided to every new Director of the Bank.

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

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

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

提名委員會獲提供充足資源，包括獨立專業公司的意見(如需要)，以履行其職責。

### 提名董事的政策

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

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

### 多元化政策

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

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

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

### 委任及重選董事

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

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

本行所有新委任的董事均獲發一份正式委任函，載列任期及委任條款包括董事的職務及職責範圍。

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

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

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### *Evaluation of the Board and Directors*

During the year, the Bank had conducted an evaluation of the effectiveness of the Board as a whole and the contributions made by each Director to the effectiveness of the Board in the form of a questionnaire to all Directors individually. The evaluation covered Board and Board Committee structure and composition; Board process and effectiveness; responsibilities of the Board; and duties and responsibilities of Directors. The evaluation report revealed that Board process is effective during the year 2018. All Directors continue to perform effectively and demonstrate commitment to their roles. The Board Committees were highly regarded in the feedback and viewed as effective in fulfilling their duties. The result of the evaluation had been reviewed by the NC and submitted to the Board.

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

### **B3. Remuneration Committee**

The Bank has established an RC with specific written Terms of Reference which deal clearly with its authority and duties. The Terms of Reference of the RC have included the specific duties set out in Code Provision

B.1.2 of the CG Code, with appropriate modifications where necessary.

The RC is responsible for making recommendations to the Board regarding the Bank's remuneration policy, and for the formulation and review of the remuneration packages of the Directors, Senior Management and Key Personnel of the Group.

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

The RC comprises 5 members and 3 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2018 Annual Report.

The number of meetings held by the RC and the attendance of individual members at RCM in 2018 is recorded on page 88.

#### **The following is a summary of work performed by the RC during and for the year 2018:**

- Reviewed the 2017 Variable Remuneration for members of Senior Management and Key Personnel;
- Reviewed the vesting of Deferred Variable Remuneration for the Awards of the Year 2014 to 2016;
- Considered the Second Offer and Grant of Options under the Staff Share Options Scheme 2016;
- Reviewed the list of Senior Management and Key Personnel for 2018 and considered the Salary Review for Senior Management and Key Personnel for 2018;
- Considered the General Staff Annual Salary Review 2018;
- Reviewed the 2018 Annual Salary Review for Staff of Mainland China, Overseas Branches and Subsidiaries;
- Reviewed the Usage of Salary Increment Budget for 2017;
- Reviewed the Total Variable Pay Pool for 2017;
- Reviewed the Audit Result on the Bank's Remuneration System for 2017;
- Reviewed the BEA's Performance Scorecard to adopt a more balanced use of financial and non-financial measures in order to align with HKMA's expectation on Bank culture reform;
- Reviewed the Performance & Behavioural Goals Worksheets of the Chief Executive and Deputy Chief Executives;
- Reviewed the Terms of Reference of the RC;
- Reviewed the *Remuneration Policy*; and
- Reviewed the Bank Culture Reform – Progress Report & Approval of Culture Dashboard.

**評估董事會及董事**

年內，本行向每位董事發出問卷就董事會整體工作成效及每位董事對達致董事會有效運作的貢獻進行評估。評估範圍涵蓋董事會及董事會轄下委員會的架構及組成、董事會程序及成效、董事會的責任，以及董事的職務及責任。評估報告顯示董事會程序於2018年內行之有效。所有董事繼續有效履行責任及對職務的承擔。各董事會轄下委員會獲得高度評價，並視為有效履行其職責。提名委員會已檢閱該評估報告並已提交董事會參考。

本行將繼續每年就董事會及董事的工作成效進行評估。

**B3. 薪酬委員會**

本行已設立一個薪酬委員會，並以書面訂明具體的職權範圍，清楚說明委員會的職權和責任。薪酬委

員會的權責範圍已包括《企業管治守則》守則條文第B.1.2條所載的特定職責，惟因應需要而作出適當修改。

薪酬委員會負責就本行的薪酬政策，以及就訂立及審議集團董事、高層管理人員及主要管理人員的薪酬組合，向董事會提出建議。

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

薪酬委員會由5名委員組成，其中3名（包括主席）為獨立非執行董事，成員名單及履歷載於《2018年報》「公司資料」及「董事及高層管理人員的個人資料」內。

薪酬委員會於2018年舉行的會議次數及個別委員的出席記錄載於第89頁。

**薪酬委員會在年內及為2018年度所做的工作，摘要如下：**

- 檢討2017年度高層管理人員及主要管理人員的浮動薪酬；
- 檢討2014至2016年度遞延浮動薪酬獎勵的歸屬；
- 考慮根據僱員認股計劃2016，給予及授出第二批認股權；
- 檢討2018年度高層管理人員及主要管理人員名單及考慮有關人員2018年度的薪酬；
- 考慮2018年度員工的薪酬；
- 檢討2018年度中國內地、海外分行及附屬公司當地員工的薪酬；
- 檢討2017年度薪酬加幅預算的使用狀況；
- 檢討2017年度總浮動薪酬金額；
- 檢討2017年度本行的薪酬制度審核結果；
- 檢討本行績效計分卡，以就相關財務及非財務因素的評核準則達致更恰當的平衡，並確保符合金管局對銀行企業文化改革的相關要求；
- 檢討行政總裁及副行政總裁的績效評核表；
- 檢討薪酬委員會的職權範圍；
- 檢討薪酬政策；及
- 檢討有關推行銀行企業文化改革的進程及審議文化指標儀表板。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

In view of HKMA requirements in relation to Bank Culture Reform, the RC has been designated to advise and assist the Board in discharging its responsibilities for the Bank's culture-related matters. The Bank reported to RC of the initiatives that had been carried out in 2018 which included:

- Developed a video on BEA's culture;
- Conducted a Senior Management Town Hall;
- Developed and launched "Our Culture" portal on Corporate Information Sharing Platform. Contents of which include the Chairman & CE's Message, the new Corporate Culture Video and the Bank's culture statements;
- Assigned all General Managers as Conduct Risk Champions and developed a communication deck for them to conduct town hall meetings within their own divisions;
- Included a separate rating on "adherence to corporate values" in the performance assessment documents for 2018;
- Launched the BEA Staff Recognition Scheme, which comprised of e-Thank you Card, "Employee of the Quarter" and "Employee of the Year" Awards, to recognise staff members who have demonstrated positive behaviours that support the Bank's core values;
- Set up Senior Management Mailbox to provide staff members with a channel to give general feedback to senior management directly;
- Conducted an Employee Survey; and
- Designed a Dashboard of Indicators for assessing BEA's culture.

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

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

### **B4. Risk Committee**

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

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

The RIC comprises 6 members and 4 of them (including the Chairman) are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2018 Annual Report.

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

The number of meetings held by the RIC and the attendance of individual members at RICM in 2018 is recorded on page 88.

鑑於金管局對銀行企業文化改革的要求，董事會委任薪酬委員會負責就本行在促進良好企業文化的相關事宜，向董事會提供意見及協助。本行向薪酬委員會匯報了2018年度所推行的企業文化改革項目包括：

- 製作推廣本行文化的企業短片；
- 舉辦高層管理人員分享會；
- 於本行內部資訊分享平台推出「我們的文化」專屬網頁，內容包括主席兼行政總裁的話、企業文化短片及本行行為標準說明等；
- 委任各處主管為操守風險領袖，並製作交流材料以便其於處內舉行分享會；
- 將「遵守企業價值觀」列入2018年績效考核的獨立評分項目；
- 設立「員工嘉許計劃」，包括電子感謝卡、季度及年度員工獎，藉此對身體力行實踐本行核心價值的員工予以表揚；
- 設立「高級管理層電子郵箱」，為員工提供直接向管理層反饋意見的渠道；
- 舉辦員工意見調查；及
- 設置評核實踐本行文化的指標儀表板。

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

薪酬委員會獲供給充足資源，包括獨立專業公司的意見(如需要)，以履行其職責。

#### B4. 風險委員會

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

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

風險委員會由6名委員組成，其中4名(包括主席)為獨立非執行董事，成員名單及履歷載於《2018年報》「公司資料」及「董事及高層管理人員的個人資料」內。

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

風險委員會於2018年舉行的會議次數及個別成員的出席記錄載於第89頁。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### The following is a summary of the work performed by the RIC during and for the year 2018:

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

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

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

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

### **B5. Sealing Committee**

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



**風險委員會在年內及為2018年度所做的工作摘要如下：**

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

風險委員會的職權範圍規定該委員會要向董事會匯報其決定或建議。

風險委員會的職權範圍登載於本行的網站上，該職權範圍解釋其角色，以及董事會所授予的權力。

風險委員會獲提供充足資源，以履行其職責，包括獨立專業公司的意見（如需要）。

**B5. 印章委員會**

印章委員會由所有本行不時委任的董事組成，負責監督本行之法定印章的使用及保管。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Management Committees

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

1. Executive Committee is responsible for reviewing all major functions and critical issues as well as formulating various strategies and policies relating to the businesses and operations of the Group.
2. Risk Management Committee is responsible for assisting the RIC in the daily management of issues related to all major risks (in particular strategic and new product and business risks) faced by the Group including risk appetites, risk profiles, regulatory updates and stress-testing.
3. Credit Committee is responsible for dealing with all credit risk-related issues of the Group.
4. Operational Risk Management Committee is responsible for dealing with issues related to operational, legal, reputation, compliance, technology and business continuity risks of the Group.
5. Asset and Liability Management Committee is responsible for dealing with all issues related to market, interest rate and liquidity risks of the Group.
6. Crisis Management Committee is responsible for dealing with the Group's management of crisis scenarios which jeopardise or have the potential to jeopardise the Group in its reputation, liquidity/ financial position and business continuity.
7. Investment Committee is responsible for reviewing and formulating investment strategies as well as making investment decisions in respect of fixed income instruments, equity and equity related investments for the Bank, and The Bank of East Asia, Limited Employees' Provident Fund.

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

## C. REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

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

	Amount per annum 2018
<i>Board of Directors:</i>	
Chairman	HK\$550,000
Deputy Chairman	HK\$425,000
Other Directors	HK\$400,000
<i>Audit Committee:</i>	
Chairman	HK\$250,000
Other members	HK\$140,000
<i>Nomination Committee:</i>	
Chairman	HK\$90,000
Other members	HK\$60,000
<i>Remuneration Committee:</i>	
Chairman	HK\$90,000
Other members	HK\$60,000
<i>Risk Committee:</i>	
Chairman	HK\$250,000
Other members	HK\$140,000

Information relating to the remuneration of each Director for 2018 is set out in Note 22 on the accounts on page 238.

### 管理層委員會

每個管理層委員會均獲董事會或董事會轄下委員會授予特定的角色及職責，並以書面訂明具體的職權範圍：

1. 執行委員會負責檢討集團各項有關業務及運作的主要功能和重大事宜及制定不同策略及政策。
2. 風險管理委員會負責協助風險委員會處理與本集團所有主要風險（尤其是策略性及新產品及業務風險）相關的日常管理事宜，包括風險偏好、風險狀況、新監管規定及壓力測試。
3. 信貸委員會負責處理集團所有與信貸風險有關的事宜。

4. 營運風險管理委員會負責處理集團與營運、法律、信譽、合規、科技及持續業務運作風險有關的事宜。
5. 資產負債管理委員會負責處理集團所有與市場、利率及流動資金風險有關的事宜。
6. 危機管理委員會在發生或有可能發生危害集團信譽、流動資金/財政狀況及持續業務運作的事故時負責處理集團的危機事故管理事宜。
7. 投資委員會負責檢討及制訂本行及東亞銀行有限公司僱員公積金就有關定息債券工具、股票及其他股票相關投資工具的投資策略。

管理層委員會根據其職權範圍向董事會轄下/管理層委員會匯報重要事項。

### C. 董事及高級行政人員的薪酬

董事袍金，以及審核委員會、提名委員會、薪酬委員會和風險委員會委員的酬金摘錄如下：

	年度金額 2018
<b>董事會：</b>	
主席	港幣55萬元
副主席	港幣42萬5千元
其他董事	港幣40萬元
<b>審核委員會：</b>	
主席	港幣25萬元
其他委員	港幣14萬元
<b>提名委員會：</b>	
主席	港幣9萬元
其他委員	港幣6萬元
<b>薪酬委員會：</b>	
主席	港幣9萬元
其他委員	港幣6萬元
<b>風險委員會：</b>	
主席	港幣25萬元
其他委員	港幣14萬元

有關各董事2018年度的薪酬資料載於第238頁的賬項附註22。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Disclosure of Remuneration Policy

In accordance with the “Guideline on a Sound Remuneration System” (the “Guideline”) issued by the HKMA in March 2010 and its revision effective March 2015, the Bank has reviewed and revised its remuneration policy for employees of the Group, including its overseas branches and subsidiaries. The remuneration policy covers all categories of employees, including the 4 described in paragraph 2.1.1 of the Guideline. The RC, Group Chief Risk Officer and Group Chief Compliance Officer annually reviews the Bank’s remuneration policy, including a reassessment of the principles applied in determining remuneration packages, as well as the structure and amount of compensation ultimately awarded.

The remuneration policy was reviewed and endorsed by RC in 2018. The major changes were to include the review of collective Material Risk Takers (“MRTs”), in addition of individual MRTs, as part of the responsibilities of the RC and to strengthen the governance on variable remuneration plans.

### General Principles

The remuneration policy of the Group promotes effective risk management, and is designed to encourage employee behaviour that supports the Group’s business objectives, long-term financial soundness, risk tolerance, and risk management framework.

### Remuneration Structure

Employee remuneration packages may consist of a combination of fixed and variable remuneration. The appropriate proportion of fixed and variable remuneration shall vary according to an employee’s seniority, role, responsibilities, and activities within the Group, among other things.

Fixed remuneration refers to an employee’s annual salary (including year-end pay), while variable remuneration – comprising cash bonus payments and/or share options – is awarded based on the employee’s performance with a view to better aligning incentives with risk and longer-term value creation. Variable remuneration, which is awarded in the form of cash bonus payments and/or share options, is determined taking into account an employee’s seniority, role and responsibilities, and the actual or potential risks that the employee’s activities may create for the Group and the extent to which they may affect its overall performance. In general, share options will be granted to staff at General Manager grade or above only.

Separate bonus schemes apply to risk control personnel, whose awards are not linked to the performances of the business units that they oversee.

### Employees’ Performance Measurements and the Award of Variable Remuneration

The RC determines the measures and the corresponding target levels of the Group’s performance with reference to corporate goals and objectives at the beginning of each financial year and when necessary.

The performance of business units will be assessed by a combination of financial and non-financial factors (including compliance and risk management) which are determined by senior management with reference to the relevant corporate goals and the functional responsibilities of the business units.

Score-cards comprised of a set of pre-defined and assessable criteria are used to assess the performance of individual employees. The criteria are determined according to the individual’s areas of responsibility, as well as relevant financial and non-financial factors. In 2018, the Bank has increased the weighting of non-financial factors in order to avoid over-reliance on financial measures and to align with HKMA’s expectation on Bank culture reform. To help ensure a balanced evaluation, a series of compliance and risk management ratings are also taken into account. The major types of risks covered are market, credit, interest rate, liquidity and operational risks. Other risks including legal, reputation, technology, strategic, compliance, business continuity, and new product and business risks are closely monitored at Bank level by various Management Committees and adjustment will be made to an individual’s variable remuneration when appropriate. The award of variable remuneration to an employee is based on the overall performance of the Group, as well as the performance of the relevant business unit, and that individual employee. Poor performance (either financial or non-financial) will result in a reduction or elimination of variable remuneration. Moreover, performance in relation to non-financial factors, including risk, compliance and adherence to corporate values, forms a significant part of the employee performance appraisal exercise, given that poor performance in these areas can be indicative of significant risks to the Group. Adverse performance in non-financial factors, where appropriate, should override outstanding financial achievements. The overall quality of an employee’s performance – as opposed to solely his/her financial performance – can therefore be accurately determined as an integral part of the assessment. This ultimately helps mitigate risk to the Group and ensures the deployment of suitable personnel based on competence.

## 薪酬政策的披露

按照金管局於2010年3月發出的《穩健的薪酬制度指引》(「《指引》」)及其2015年3月修訂本，本行已檢討並修訂對本集團(包括其海外分行及附屬公司)僱員的薪酬政策。薪酬政策適用於所有僱員，並包括依據《指引》第2.1.1段所述而劃分的四類員工。薪酬委員會、集團風險總監及集團合規總監於每個年度檢討本行的薪酬政策，當中包括重新評估應用於薪酬組合，以及報酬的架構及最終所發放金額的釐定原則。

薪酬委員會於2018年檢討並修訂薪酬政策。主要修訂包括薪酬委員會的職責除檢討職責或活動涉及承擔重大風險的個別僱員外，亦加入檢討其活動整體而言可能令機構承擔重大風險的僱員組別，並進一步加強管控浮動薪酬計劃。

### 一般原則

本集團的薪酬政策以促進有效的風險管理為原則，旨在鼓勵僱員支持本集團達致業務目標，維持長期財政穩健，以及本集團在風險承擔、風險管理架構等方面的工作。

### 薪酬架構

僱員的薪酬組合包含固定薪酬和浮動薪酬，兩者之間的合適比例因應僱員的職級、職務、職責，以及其在本集團內所進行的業務等而有所不同。

固定薪酬乃指僱員的年薪(包括雙糧)，而浮動薪酬(包含現金花紅及/或認股權)則根據僱員的工作表現而發放，使其所獲得的報酬更能配合風險和較長期的價值創造。浮動薪酬(發放的形式包括現金花紅及/或認股權)的釐定準則，主要是考慮到僱員的職級、職務、職責和他們所進行的業務對本集團可能帶來的實質或潛在風險，以及該等風險對本集團整體表現的影響程度。一般而言，認股權只會授予總經理級或以上的僱員。

本集團亦設有獨立賞金計劃予風險控制人員，而發放的獎金並非與其所監管的業務部門表現掛鈎。

### 僱員表現的衡量和浮動薪酬的發放

薪酬委員會於各個財政年度開始時及必要時，參考公司的目的和目標以釐定本集團表現的有關措施及相應目標水平。

高級管理層每年將根據公司的相關目標及業務部門的主要職責範圍而釐定一套評核業務部門工作表現的準則。這些評核的準則包括財務及非財務(含合規和風險管理)因素。

本集團使用計分卡來評核個別僱員的工作表現，當中包含一套預設和可供評核的準則。這些準則乃依照僱員的主要職責範圍、相關財務及非財務因素。2018年，為避免過度依據財務因素並確保符合金管局對銀行企業文化改革的要求，本行提高了非財務因素的評核佔比。而一系列合規及風險管理評級的準則亦已包含在內，以確保僱員的工作表現獲平衡考量。主要風險的種類涵蓋市場、信貸、利率、流動資金及營運風險。其他風險包括法律、信譽、科技、策略性、合規、持續業務運作、新產品及業務風險則由不同的管理層委員會在銀行層面上作出緊密監察，並於適當時調整個別僱員的浮動薪酬。浮動薪酬乃根據本集團的整體表現，以及相關業務部門及個別僱員的表現發放。如僱員表現未如理想(根據財務或非財務因素衡量)，其浮動薪酬會有所下調甚至撤銷。由於非財務因素(包括風險、合規及「遵守企業價值觀」)相關的表現未如理想時，可能顯示對本集團帶來重大風險，因此該表現將視作為評核僱員表現的重要考量因素。再者，非財務方面表現欠佳(在適當情況下)將凌駕於其財務方面的傑出表現。此舉使僱員的整體表現(而非僅僅考核其財務指標的表現)能準確地反映於一次完整的考核之中，從而有助減低本集團承受的風險，及確保根據僱員的能力調配人力資源。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Senior Executive Compensation

The RC annually reviews the remuneration packages of the Senior Management (including the Chief Executive and Deputy Chief Executives of the Bank), and Key Personnel (including 16 Division Heads, the Executive Director & Chief Executive of BEA China, the Head of Capital Markets & Liquidity Management Department and the Head of Fixed Income Capital Market Department). In determining the remuneration packages of the Senior Management and Key Personnel, the RC takes

into account individual performances, performances of respective divisions and departments, and the Group's overall business goals and objectives. In 2018, the Bank reviewed the BEA's performance scorecard and the Senior Executive Bonus Scheme. External consultants, Ernst & Young and Willis Towers Watson were engaged to conduct the review.

The aggregate payouts for these senior executives for 2018 are shown in the table below in accordance with the disclosure requirement 3.3 of the Guideline.

### Total value of remuneration in 2018

Total value of remuneration awards for the current financial year	2018		2017	
	Non-deferred (HK\$)	Deferred (HK\$)	Non-deferred (HK\$)	Deferred (HK\$)
<b>(i) Senior Management</b>				
Number of employees	5		5	
<i>Fixed remuneration</i>				
• Cash-based	27,594,730	0	26,719,930	0
<i>Variable remuneration</i>				
• Cash-based	25,721,486	16,692,529	26,892,189	16,224,428
• Share Options	0	14,861,637	0	16,738,827
<b>(ii) Key Personnel</b>				
Number of employees	20		18	
<i>Fixed remuneration</i>				
• Cash-based	54,156,659	0	48,969,160	0
<i>Variable remuneration</i>				
• Cash-based	27,606,133	12,242,669	27,305,282	11,107,542
• Share Options	0	6,623,306	0	7,595,873
<b>Total Remuneration</b>	<b>135,079,008</b>	<b>50,420,141</b>	<b>129,886,561</b>	<b>51,666,670</b>

#### Remarks:

- (i) For indication purpose only, the value of share options is calculated based on the fair value of the Bank's shares on 18th January, 2019 for 2018 and 19th January, 2018 for 2017 respectively.
- (ii) The remuneration of Key Personnel for 2018 included the remuneration of one Key Personnel who retired from the Group on 1st May, 2018 and two Key Personnel who joined the Group on 5th March, 2018 and 20th April, 2018 respectively.
- (iii) In 2018, an aggregate amount of HK\$1,600,000 sign-on payment was made to two Key Personnel while no guaranteed bonuses or severance payments were made. In 2017, no guaranteed bonuses, sign-on, or severance payments were made to the Senior Management and Key Personnel of the Group.

## 高級行政人員的薪酬

薪酬委員會於每個年度檢討高層管理人員(包括本行行政總裁及副行政總裁)及主要管理人員(包括16名分處主管、東亞中國執行董事兼行長、資本市場及流動資金管理部門主管,以及固定收益業務部門主管)的薪酬組合。薪酬委員會在釐定高層管理人員及主要管理人員的薪酬組合時所考慮的因素,包括個人工作

表現、相關分處及部門的表現,以及本集團的整體業務目的和目標。本行於2018年檢討銀行績效計分卡及高級行政人員賞金計劃,並委任外部顧問公司—安永及韋萊韜悅進行有關檢討。

根據《指引》第3.3項的披露規定,此等高級行政人員於2018年度獲得的薪酬總額載於下表。

## 2018年度薪酬總值

本財政年度發放的薪酬總值	2018		2017	
	非遞延(港幣)	遞延(港幣)	非遞延(港幣)	遞延(港幣)
<b>(i) 高層管理人員</b>				
僱員人數	5		5	
<b>固定薪酬</b>				
• 薪金	27,594,730	0	26,719,930	0
<b>浮動薪酬</b>				
• 現金花紅	25,721,486	16,692,529	26,892,189	16,224,428
• 認股權	0	14,861,637	0	16,738,827
<b>(ii) 主要管理人員</b>				
僱員人數	20		18	
<b>固定薪酬</b>				
• 薪金	54,156,659	0	48,969,160	0
<b>浮動薪酬</b>				
• 現金花紅	27,606,133	12,242,669	27,305,282	11,107,542
• 認股權	0	6,623,306	0	7,595,873
<b>薪酬總值</b>	<b>135,079,008</b>	<b>50,420,141</b>	<b>129,886,561</b>	<b>51,666,670</b>

註:

- (i) 2018認股權價值乃參照本行股份於2019年1月18日的公平價值計算,而2017認股權價值則參照2018年1月19日的公平價值計算,僅供參考用途。
- (ii) 2018年度之主要管理人員的薪酬包括1名於2018年5月1日退休及2名分別於2018年3月5日及2018年4月20日加入本集團的主要管理人員。
- (iii) 集團於2018年度向2名主要管理人員共支付了港幣1,600,000的簽約受聘酬金,但並沒有支付保證花紅或遣散費。而2017年度,集團並無向高層管理人員及主要管理人員支付保證花紅、簽約受聘酬金或遣散費。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

## Total outstanding deferred remuneration in 2018

Outstanding deferred remuneration	Vested portion during the year 2018 (HK\$)	Unvested portion as at the end of 2018 (HK\$)	Performance adjustments to Vested portion during the year 2018 (HK\$)	Performance adjustments to Unvested portion as at the end of 2018 (HK\$)
<b>(i) Senior Management</b>				
• Cash-based	2,662,886	13,053,081	0	0
• Share Options	23,334,819	50,812,963	0	0
<b>(ii) Key Personnel</b>				
• Cash-based	4,423,492	13,655,744	865,243	0
• Share Options	8,192,641	20,977,531	296,665	0

## Remarks:

- (i) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (ii) The vested cash bonuses and share options relate to the 2014 variable remuneration award granted in 2015 and vested in 2018, the 2015 variable remuneration award granted in 2016 and vested in 2018 and the 2016 variable remuneration award granted in 2017 and vested in 2018. The total number of share options granted in 2015, 2016 and 2017 are 6,100,000 shares, 6,262,500 shares and 6,400,000 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2015, 2016 and 2017 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2018 included the vested and unvested cash bonuses and share options of one Key Personnel who retired from the Group on 1st May, 2018.

## Total outstanding deferred remuneration in 2017

Outstanding deferred remuneration	Vested portion during the year 2017 (HK\$)	Unvested portion as at the end of 2017 (HK\$)	Performance adjustments to Vested portion during the year 2017 (HK\$)	Performance adjustments to Unvested portion as at the end of 2017 (HK\$)
<b>(i) Senior Management</b>				
• Cash-based	6,788,256	2,662,886	0	0
• Share Options	23,954,919	50,462,218	0	0
<b>(ii) Key Personnel</b>				
• Cash-based	6,267,785	9,572,379	340,000	133,334
• Share Options	8,037,024	18,718,584	0	0

## Remarks:

- (i) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (ii) The vested cash bonuses and share options relate to the 2013 variable remuneration award granted in 2014 and vested in 2017, the 2014 variable remuneration award granted in 2015 and vested in 2017 and the 2015 variable remuneration award granted in 2016 and vested in 2017. The total number of share options granted in 2014, 2015 and 2016 are 5,987,500 shares, 6,100,000 shares and 6,262,500 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2014, 2015 and 2016 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2017 included the vested cash bonuses of one Key Personnel who left the Group on 1st October, 2013.

Details of the remuneration payable to members of the Senior Management by band are disclosed in Note 23 on the accounts on page 240.



## 2018年度未發放的遞延薪酬總額

未發放的遞延薪酬	於2018年度 已歸屬部分 (港幣)	於2018年底 未歸屬部分 (港幣)	於2018年度 因工作表現而取消 的已歸屬部分 (港幣)	於2018年底 因工作表現而取消 的未歸屬部分 (港幣)
<b>(i) 高層管理人員</b>				
• 現金花紅	2,662,886	13,053,081	0	0
• 認股權	23,334,819	50,812,963	0	0
<b>(ii) 主要管理人員</b>				
• 現金花紅	4,423,492	13,655,744	865,243	0
• 認股權	8,192,641	20,977,531	296,665	0

註：

- (i) 認股權價值乃根據各授予日的公平價值計算。
- (ii) 已歸屬現金花紅及認股權為2015年授予並於2018年歸屬的2014年浮動薪酬、2016年授予並於2018年歸屬的2015年浮動薪酬和2017年授予並於2018年歸屬的2016年浮動薪酬。於2015、2016及2017年授予的認股權總額分別為6,100,000股、6,262,500股及6,400,000股。
- (iii) 未歸屬現金花紅及認股權為2015、2016及2017年浮動薪酬。
- (iv) 2018年度之主要管理人員未發放的遞延薪酬含1名已於2018年5月1日退休之主要管理人員的已歸屬及未歸屬的現金花紅及認股權。

## 2017年度未發放的遞延薪酬總額

未發放的遞延薪酬	於2017年度 已歸屬部分 (港幣)	於2017年底 未歸屬部分 (港幣)	於2017年度 因工作表現而取消 的已歸屬部分 (港幣)	於2017年底 因工作表現而取消 的未歸屬部分 (港幣)
<b>(i) 高層管理人員</b>				
• 現金花紅	6,788,256	2,662,886	0	0
• 認股權	23,954,919	50,462,218	0	0
<b>(ii) 主要管理人員</b>				
• 現金花紅	6,267,785	9,572,379	340,000	133,334
• 認股權	8,037,024	18,718,584	0	0

註：

- (i) 認股權價值乃根據各授予日的公平價值計算。
- (ii) 已歸屬現金花紅及認股權為2014年授予並於2017年歸屬的2013年浮動薪酬、2015年授予並於2017年歸屬的2014年浮動薪酬和2016年授予並於2017年歸屬的2015年浮動薪酬。於2014、2015及2016年授予的認股權總額分別為5,987,500股、6,100,000股及6,262,500股。
- (iii) 未歸屬現金花紅及認股權為2014、2015及2016年浮動薪酬。
- (iv) 2017年度之主要管理人員未發放的遞延薪酬含1名已於2013年10月1日離職之主要管理人員的已歸屬現金花紅。

按等級披露的高層管理人員的薪酬詳情載於第240頁的賬項附註23內。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Deferral Arrangements

The award of variable remuneration to the Senior Management and Key Personnel is subject to deferment in such a manner as determined by the RC. In general, the proportion of variable remuneration which is subject to deferment will increase in line with the seniority, scope of responsibilities, and other relevant factors pertinent to the Senior Management and Key Personnel.

The award of deferred remuneration is subject to a minimum vesting period and pre-defined vesting conditions as determined by the RC and communicated to all relevant employees. Deferred remuneration is awarded in such a manner so as to align employees' incentive awards with long-term value creation and the time horizons of risk. The future performance (both financial and non-financial) of the Group, relevant business units, and individual employees, as well as the creation of value for our shareholders, are taken into consideration when determining vesting conditions. Vesting and payment of deferred remuneration will be made gradually over a period of 3 years and no faster than on a pro-rata basis.

In circumstances where it is later established that any performance measurement for a particular year was based on data that is later proven to have been manifestly misstated, or it is later established that the relevant employee has committed fraud, malfeasance, or a violation of internal control policies, any unvested portions (i.e. both cash bonuses and/or share option tranches that have yet to be vested) of deferred variable remuneration (relating to that particular year in question) should be forgone, either in part or in whole, as determined by the RC. In certain circumstances, claw back of vested portion of the deferred variable remuneration of that particular year may apply.

### Future Review

As a major financial institution in Hong Kong, the Group not only takes extensive measures to ensure that it complies with all the relevant guidelines, rules, and regulations, but also adopts positive steps to ensure that ethical, social, and environmental aspects are taken into account when determining remuneration policies and packages.

The Group will keep abreast of the latest development in the labour market, especially in the financial services sector, and will review and refine its compensation and remuneration policies whenever necessary to enable the provision of competitive remuneration packages to ensure the retention of talent.

## D. ACCOUNTABILITY AND AUDIT

### Financial Reporting

The Board is responsible for presenting a balanced, clear and comprehensible assessment of the Bank's performance, position and prospects.

Management comprising Chief Executive, Deputy Chief Executives and General Managers shall provide sufficient explanation and information to the Board as will enable the Board to make an informed assessment of the financial and other information presented before the Board for approval. It provides the Board with monthly updates giving a balanced and understandable assessment of the Bank's performance, position and prospects to assist the Board as a whole and each Director to discharge their duties.

The Directors are responsible for ensuring maintenance of proper accounting records and preparing accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st December, 2018, the Directors have:

- consistently applied appropriate accounting policies;
- made judgements and estimates that are prudent and reasonable; and
- prepared the accounts on the going concern basis.

The Bank has announced its annual and interim results within 2 months after the end of the relevant periods, which is earlier than the limit of 3 months (for annual results) and within the limit of 2 months (for interim results) as required by Rule 13.49(1) and (6) of the Listing Rules respectively.

A statement by the auditors about their reporting responsibilities is included in the Independent Auditor's Report from pages 156 to 166.

The Board will present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

## 遞延安排

高層管理人員及主要管理人員的浮動薪酬依照薪酬委員會所定的遞延安排發放。一般而言，高層管理人員及主要管理人員可予遞延的浮動薪酬比例，會按其本身的職級、職責範圍和其他相關因素而增加。

遞延薪酬的發放受限於薪酬委員會所定並通知各有關僱員的最短歸屬期限和預設的歸屬條件。遞延薪酬的發放應能確保僱員所獲的報酬與長期的價值創造和風險的存在時間相配合。在釐定歸屬條件時，會考慮到集團、相關業務部門和僱員日後在財務及非財務方面的表現，以及為股東所創造的價值。遞延薪酬的歸屬和支付將會在3個年度內分階段及按比例進行。

若日後確定用以衡量某年度工作表現的數據被證實為明顯地錯誤陳述，或有關僱員曾作欺詐、違法或違反內部管控政策等行為，其於該年度內遞延浮動薪酬中的全部或部分未歸屬現金花紅及/或認股權將會按照薪酬委員會的決定予以取消。在若干情況下，該特定年度的已歸屬遞延浮動薪酬可予以收回。

## 未來檢討

本集團作為香港主要的金融機構，在釐定薪酬政策和組合時不但採取廣泛措施確保符合所有相關原則、規則和規例，並採取積極的措施以確保顧及道德、社會和環境各方面。

本集團將會密切留意勞工市場，尤其是金融服務界別的最新發展，並在必要時檢討及改善薪酬及報酬政策，藉此提供具競爭力的薪酬組合以留住人才。

## D. 問責及稽核

### 財務匯報

董事會有責任對本行的表現、狀況及前景作出一個平衡、清晰及全面的評核。

管理層包括行政總裁、副行政總裁及總經理須向董事會提供足夠解釋及資料，讓董事會可以就提交予他們批核的財務及其他資料，作出有根據的評審。管理層每月向董事會提供更新資料，就有關本行的表現、財務狀況及前景的公正且易於理解的評估，以協助董事會及各董事履行彼等的職責。

董事負責確保保存適當的會計記錄及編製每個財政期間的賬項，使這些賬項能真實和公平地反映本集團在該段期間的財政狀況、業績及現金流量表現。在編製截至2018年12月31日止年度的賬項時，董事已：

- 貫徹地應用適當的會計政策；
- 作出審慎及合理的判斷及估計；及
- 按持續經營基準編製賬項。

本行一向在有關財政期間結束後2個月內公布年度及中期業績，較《上市規則》第13.49(1)條所規定3個月(年度業績)的期限為早，亦符合《上市規則》第13.49(6)條所規定2個月(中期業績)的期限。

核數師的申報責任聲明載於由第157至167頁的獨立核數師報告內。

董事會在各方面將作出平衡、清晰及可理解的評審，包括：年度報告及中期報告、其他涉及股價敏感資料的公告及根據《上市規則》規定須予披露的其他財務資料，以及向監管者提交的報告書，以至根據法例規定須予披露的資料。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Risk Management and Internal Controls

The Directors acknowledged that they are responsible for the Group's risk management and internal control systems and reviewing their effectiveness. All employees are responsible for identifying and managing risk within the scope of their roles as part of the three lines of defence model. The second line of defence sets the policy and guidelines for managing specific risk areas, provides advice and guidance in relation to the risk, and challenges the first line of defence, the Risk Owners, on effectiveness of risk management. The third line of defence provides an independent assurance on effectiveness of the Group's risk management and internal control systems. The Internal Audit Division and Risk Management Division assume the responsibilities of internal audit and risk management functions of the Bank, respectively. During the financial year ended 31st December, 2018, the Board reviewed the adequacy and effectiveness of the risk management and internal control systems.

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Bank's strategic objectives and ensuring that the Bank establishes and maintains appropriate and effective risk management and internal control systems. The Board is also responsible for overseeing the Senior Management and the other senior executives in the design, implementation and monitoring of the risk management and internal control systems.

The risk management and internal control systems of the Bank are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Such systems comprise comprehensive policies and standards under a well-established organisational structure. Areas of responsibilities of each business and operational unit are clearly defined to ensure effective checks and balances. Please refer to the Sections "Principal Risk Management" from pages 284 to 325 and "Capital Adequacy" from pages 367 to 371 of Annual Report 2018 for further details on the processes that the Group uses to identify, evaluate and manage principal risks.

The key procedures that the Board established to provide effective internal controls are as follows:

- A distinct organisation structure exists with defined lines of authority and control responsibilities.
- A comprehensive management accounting system is in place to provide financial and operational performance indicators to the Senior Management and the relevant financial information for reporting and disclosure purpose.
- Policies and procedures are designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information used within the business or for publication. The procedures provide reasonable but not absolute assurance against material errors, losses or fraud.
- An enterprise risk management framework is in place for the Group to identify, evaluate, manage, control and report principal risks including credit, market, operational, liquidity, interest rate, strategic, legal, reputation, compliance, technology, business continuity, and new product and business risks. To identify and manage all potential risks in a more holistic and effective manner, a "Three Lines of Defence" risk management model is adopted, with Risk Owners, Risk Controllers and Internal Audit Division acting as the 1st, 2nd and 3rd lines of defence respectively, along with the overall coordination of the Group Chief Risk Officer. Oversight of risk management is provided by the RIC, which is assisted by the Management Committees including the Risk Management Committee, Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee. Policies and procedures are in place to ensure compliance with applicable laws, rules and regulations.
- The AC reviews reports (including management letter) submitted by external auditors in connection with the annual audit and internal audit reports submitted by the Group Chief Auditor.
- A *Policy on Handling and Dissemination of Inside Information* is in place, setting out the guiding principles, procedures and internal controls for the handling and dissemination of inside information in a timely manner.
- *Whistle-blowing Statement* and *Whistle-blowing Policy and Procedure* are in place, which encourage stakeholders and employees to raise concerns, in confidence, about possible improprieties in any matter related to the Bank. The Bank treats all information received confidentially and protects the identity and the interests of all whistle-blowers.

## 風險管理及內部監控

董事會承認其須對集團的風險管理及內部監控系統負責，並有責任檢討其效能。所有員工作為三道防線模式的一部分，都有其角色範圍內識別和管理風險的責任。第二道防線設定政策和指引管理特定的風險領域，就風險提供諮詢和指導，並對風險管理者作為風險管理第一道防線的有效性提出挑戰。第三道防線就本集團風險管理及內部監控系統的有效性提供獨立保證。本行的稽核處及風險管理處分別負責內部稽核及風險管理功能。在截至2018年12月31日止的財政年度期間內，董事會檢討風險管理及內部監控系統是否足夠及有效。

董事會負責評估及釐定本行達成策略目標時所願意接納的風險性質及程度，並確保本行設立及維持合適及有效的風險管理及內部監控系統。董事會並負責監督高層管理人員及其他高級行政人員對風險管理及內部監控系統的設計、實施及監察。

本行的風險管理及內部監控系統旨在管理而不是消除未能達成業務目標的風險，並只能對不會有重大的失實陳述或損失作出合理而非絕對的保證。這系統包含一個完善的公司架構，以及全面的政策及標準。各業務及營運單位的職責範圍清晰劃分，以確保有效制衡。關於本集團用於辨認、評估及管理主要風險的程序，詳情請參閱《2018年報》的「主要風險管理」(第284至325頁)及「資本充足」(第367至371頁)的部分。

以下為董事會為提供有效的內部監控而建立的主要程序：

- 設立一個全面的管理會計系統，為高層管理人員提供財務及營運表現的指標，以及用作匯報和披露的財務資料。
- 政策及程序的設計為保障資產不致被非授權挪用或處置；保存恰當的會計記錄；以及確保用作業務及公告上的財務資料的可靠性。有關程序提供合理而非絕對的保證，以防出現嚴重的錯誤、損失或舞弊。
- 設有企業風險管理架構以識別、評估、管理、控制及匯報本集團的主要風險，包括信貸、市場、營運、流動資金、利率、策略性、法律、信譽、合規、科技、持續業務運作和新產品及業務風險。為全面有效地識別及管理潛在風險，本集團已採納「三道防線」風險管理模式，以「風險負責人」、「風險監控人」及稽核處分別作為第一、第二及第三道防線，及由集團風險總監作整體協調。風險委員會由各管理層委員會包括風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會協助，負責監督風險管理。設有政策及程序確保遵守適用法例、規則及規例。
- 審核委員會審閱由外聘核數師提交涉及年度核數的報告(包括致管理層的審核情況說明函件)，及由集團總稽核呈交的內部稽核報告。
- 建立一套處理及發布內幕消息政策，列出指導性原則、程序及內部監控，使內幕消息得以適時處理及發布。
- 建立《上告聲明》及《上告政策與程序》，鼓勵持份者及僱員在保密情況下舉報有關本行任何可能發生不當行為的事宜。本行會對接獲的所有資料保密，並保護舉報人的身份及權益。
- 組織架構權責清晰，監控層次分明。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

Pursuant to a risk-based approach, the Group's Internal Audit Division conducts independent reviews of control mechanisms over various operations and activities to assess the effectiveness of the Group's risk management and internal control systems which cover all material controls, including financial, operational and compliance controls.

During the year, the Board reviewed the adequacy and effectiveness of the risk management and internal control systems of the Group. As a result, the Board concurred with the Senior Management's confirmation that the Group's risk management and internal control systems are considered effective and adequate.

### Auditor's Remuneration

The fee paid or payable to KPMG, the Bank's external auditors, for providing audit service of the Group is HK\$18 million.

During 2018, the fees paid or payable to KPMG and its associates for providing non-audit services amounted to approximately HK\$14 million, which included the following items:

- Review and consultancy services: HK\$11 million;
- Services made at the request of regulators: HK\$2 million; and
- Taxation services: HK\$1 million.

The AC was satisfied that the non-audit services in 2018 did not affect the independence of KPMG.

## E. COMPANY SECRETARY

The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed, and that the Bank's Articles of Association, relevant rules and regulations including, requirements of the Listing Rules and the HKMA, Companies Ordinance and Disclosures of Interests under the SFO, are complied with. The Company Secretary assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes of the Bank. All Directors have access to the advice and services of the Company Secretary.

The Company Secretary assists the Chairman in ensuring efficient information flow within the Board and Board Committees and between Directors and Senior Management. The Company Secretary is responsible for facilitating induction programme of new Directors and the continuous professional development of existing Directors. The Company Secretary assists the Chairman

of the Board and Chairmen of the Board Committees in the development of the agendas for the Board and Board Committee meetings. He also attends and prepares minutes for Board and Board Committee meetings.

The Company Secretary is an employee of the Bank and reports directly to the Chairman & Chief Executive. The Board approves the selection, appointment or dismissal of the Company Secretary. During the year, the Company Secretary undertook over 15 hours of professional training.

## F. SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

### Communication with Shareholders

The Bank recognises the importance of maintaining continuous communication with shareholders and constantly looks for ways to ensure that the Bank maintains an open and ongoing dialogue with the investment community. The Bank has in place a *Shareholders Communication Policy* which sets out the practices in relation to communication with the shareholders and the investment community. Such Policy which is published on the website of the Bank, shall be reviewed by the AC and the Board on a regular basis to ensure its effectiveness.

In order to ensure shareholders and investors have fair, timely and simultaneous access to the Bank's information, the Bank through various channels, including its website ([www.hkbea.com](http://www.hkbea.com)), provide shareholders and investors timely access and continuous disclosure of the Bank's announcements, financial results, and press release. The Bank also holds press and investor conferences to present half-year and full-year financial results to the media and analysts.

The Bank welcomes shareholders' views and concerns relating to the Group's management and governance. Shareholders may at any time send their enquiries to the Board by addressing to the Bank's Company Secretary at the Bank's registered address or email at [info@hkbea.com](mailto:info@hkbea.com).

### General Meetings

The Board endeavours to maintain an ongoing dialogue with shareholders and, in particular, uses the AGMs or other general meetings as a useful forum for shareholders to exchange views with the Board. The Chairman of each of the AC, NC, RC and RIC, external auditors, Senior Management and legal advisors, are also present to answer shareholders' questions.

本集團稽核處採用風險為本的評估方法，針對與各項運作和活動的監控機制進行獨立審閱，以評核本集團風險管理及內部監控系統的效能，該系統涵蓋所有重要監控，包括財務、營運及遵守法規的監控。

在年內，董事會檢討本行內部監控及風險管理是否足夠和有效。董事會同意高層管理人員確認本集團的風險管理及內部監控系統有效運作及足夠。

### 核數師酬金

為本集團提供核數服務的已支付或須支付予本行的外聘核數師——畢馬威會計師事務所的費用為港幣1,800萬元。

2018年內支付或需支付予畢馬威會計師事務所及其聯營公司提供非核數服務的費用約為港幣1,400萬元，其中包括以下事項：

- 審查及顧問服務：港幣1,100萬元；
- 按監管機構要求所作的服務：港幣200萬元；及
- 稅務服務：港幣100萬元。

審核委員會對於2018年度的非核數服務並無影響畢馬威會計師事務所的獨立性感到滿意。

### E. 公司秘書

公司秘書的責任為(其中包括)確保本行遵守董事會程序、本行的組織章程細則及相關規則及規例(包括《上市規則》及金管局的規定、《公司條例》及《證券及期貨條例》下披露權益的規定)。公司秘書須協助主席及董事會執行及加強本行的企業管治實務及程序。所有董事均可取得公司秘書的意見和享用其服務。

公司秘書協助主席確保董事會及董事會轄下委員會之間，以及董事與高層管理人員之間的資訊有效率地交流。公司秘書負責安排新任董事就職培訓及現任董事的持續專業發展。公司秘書協助董事會主席

及各董事會轄下委員會主席制訂會議的議程。公司秘書亦出席所有董事會及其轄下委員會會議，並負責編寫會議記錄。

公司秘書為本行僱員，直接向主席兼行政總裁匯報。公司秘書的遴選、委任或解僱由董事會批准。年內，公司秘書已接受超過15個小時的專業培訓。

### F. 股東權利及投資者關係

#### 與股東的溝通

本行深明與股東保持持續溝通的重要性及致力尋求新平台以保持與投資者進行公開和持續的溝通，並已制訂股東通訊政策(登載於本行網站)，訂明有關與股東及投資人士溝通的政策，並由審核委員會及董事會定期檢討，以確保其成效。

為確保股東及投資者能夠公平、適時及同步地獲取本行最新資訊，本行利用不同渠道，包括本行網站(www.hkbea.com)，適時及持續地向股東及投資者提供本行的公告、財務業績及新聞稿。本行亦舉行新聞發布會及投資者會議，向傳媒及分析員公布半年及全年業績表現。

本行歡迎股東提出有關本集團管理及企業管治的意見及關注事項。股東如有查詢，可隨時郵寄至本行註冊地址，或電郵至本行郵箱info@hkbea.com，並註明公司秘書收。

#### 股東常會

董事會致力與股東保持對話，尤其藉股東周年常會或其他股東大會作為一個有效平台與股東直接溝通。審核委員會、提名委員會、薪酬委員會及風險委員會的主席、外聘核數師、高層管理人員及法律顧問須出席並回答股東提問。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

Shareholders are informed of details about the AGM through published notices or circulars sent to all shareholders and are requested to participate and openly communicate their views on matters relating to the Bank. Separate resolutions are proposed at general meetings for each substantial issue, including the election and re-election (as the case may be) of individual Directors. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the AGM, to ensure that shareholders are familiar with such procedures.

The Bank has provided detailed information on the Bank's 2018 AGM in a circular to shareholders which included Notice of the AGM, information on the retiring Directors who were eligible for re-election at the 2018 AGM, and explanatory statement on buy-back of shares. All the resolutions were proposed on each substantially separate issue and were voted on by poll and approved by the shareholders of the Bank. The Bank has engaged KPMG to act as the scrutineer for the poll voting. The results of the poll voting were posted on the websites of HKEx and the Bank on the same day of the 2018 AGM.

The Bank's 2019 AGM will be held on Friday, 3rd May, 2019 at 11:30 a.m., the notice of which will be sent to shareholders at least 20 clear business days before the meeting. Please refer to the Circular for the 2019 AGM.

### Convening of general meeting on requisition

Subject to the Companies Ordinance, Directors of the Bank shall on the request of shareholders of the Bank who represent at least 5% of the total voting rights of all the members having a right to vote at general meetings, forthwith proceed to convene a general meeting of the Bank. Each request must state the general nature of the business to be dealt with at the meeting, the name and contact details of the person making the request, must be authenticated by the person making it and may be sent to the Bank in hard copy form or in electronic form. Shareholders may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The Bank will take appropriate actions and make necessary arrangements in accordance with the requirements of the Companies Ordinance once a valid request is received.

For further details, shareholders may refer to the requirements as set out in the Companies Ordinance.

### Putting Forward Proposals at General Meeting

Shareholders representing at least 2.5% of the total voting rights of all the members having a right to vote, or, at least 50 shareholders who have a relevant right to vote, may:

- put forward proposal at general meeting; and
- circulate to other shareholders written statement with respect to matter or other business to be dealt with at general meeting.

For further details on the shareholder qualifications, and the procedures and timeline, in connection with the above, shareholders are kindly requested to refer to Sections 580 and 615 of the Companies Ordinance.

### Investors Relations

In accordance with the *Shareholders Communication Policy*, the Bank maintains an open and regular dialogue with institutional and individual shareholders, fund managers, analysts and the media through an effective corporate communication system which provides transparent, regular and timely public disclosures on the Group's latest developments and strategies through different means. Apart from the AGMs, other communication channels include:

- the Group's website at [www.hkbea.com](http://www.hkbea.com);
- annual and interim reports, and press releases;
- announcements, notices and circulars;
- press conferences after the announcement of interim and final results for media and analysts;
- meetings with analysts; and
- roadshows.

The Senior Management conducted briefings with analysts and the press to apprise them of the Bank's annual and interim results, business strategies and outlook.



股東可透過寄發予全體股東的通告或通函了解股東周年常會的詳情，並參與股東大會表達其對有關本行事務的意見。每項重要之議題包括選舉及重選（視乎情況而定）個別董事，會以獨立決議案形式提呈股東批准。本行亦會於股東周年常會上，向各股東講解有關按點算股數形式進行投票表決之程序，以確保各股東明白有關安排。

有關本行2018股東周年常會詳情的通函已向股東發出，當中載有股東周年常會通告、於2018股東周年常會退任而有資格重選的董事的資料及回購股份授權建議的說明函件。各重要議題均以獨立決議案提呈各股東及以投票方式表決，並獲本行股東批准通過。本行已聘請畢馬威會計師事務所擔任監票員。投票結果已於2018股東周年常會同日在香港交易所及本行網站刊登。

本行2019股東周年常會將於2019年5月3日（星期五）上午11時30分舉行，其通告將於會議前最少足20個營業日寄出。詳情請參閱2019股東周年常會通函。

### 要求召開股東大會

按《公司條例》的規定，本行董事在接獲本行股東的要求時，須安排召開股東大會，而該等股東須佔全體有權在股東大會上投票表決的股東的總表決權最少5%。每項要求均必須述明將於會上處理事務的一般性質、該股東姓名及聯絡資料，並且必須由該股東認證及可透過印本形式或電子形式送交本行。要求可包含可在該大會上恰當地動議並擬在該大會上動議的決議的文本。一旦接獲有效的請求，本行將根據《公司條例》的規定採取適當措施及作出必要安排。

股東欲了解詳情，可參閱《公司條例》所載的規定。

### 於股東大會提出動議

持有本行總表決權不少於2.5%之股東，或最少50位有表決權利之股東，可：

- 於股東大會上提出動議；及
- 向其他股東傳閱有關於股東大會上動議之陳述書，或其他有待在該股東大會上處理之事務。

有關於股東大會提出動議之股東資格，程序及時限之詳細資料，請各股東參考《公司條例》第580條及第615條之規定。

### 投資者關係

根據股東通訊政策，本行透過一個有效的企業傳訊系統與機構及個人股東、基金經理、分析員及傳媒維持開放及定期對話；利用不同渠道提供透明、定期及適時的本集團最新發展及策略的公開披露。除股東周年常會外，其他傳訊渠道包括：

- 本集團網址 [www.hkbea.com](http://www.hkbea.com)；
- 年報及中期報告，以及新聞稿；
- 公告、通告及通函；
- 在中期及年度業績公告後舉行傳媒及分析員新聞發布會；
- 與分析員會面；及
- 巡迴推介。

高層管理人員定期向傳媒及分析員發布關於本行的中期及年度業績，業務策略及前瞻。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Dividend Policy

The *Dividend Policy* is to formulate the dividend payments of the Bank in a complete and comprehensive manner and to fulfil the corporate governance requirement. It forms part of the Bank's Corporate Governance Framework. The AC annually reviews and endorses the *Dividend Policy* and recommend to the Board for approval.

#### General guidelines

Pursuant to the Articles of Association, the Board may from time to time pay to the shareholders interim dividends, subject to its discretion. The Board shall take into account prevailing legal and regulatory requirements and the best market practices when considering the payment of dividends.

The following factors will be considered for determining the payment of dividends:

- Statutory and regulatory restrictions;
- The Group's financial results;
- Shareholders' expectation and interests;
- Market conditions and long term business growth and strategies;
- The capital adequacy ratios, leverage ratios, liquidity coverage ratios and net stable funding ratios after distribution; and
- Any other factors the Board may deem relevant.

### Dividend pay-out ratio

- To strike a balance between the long-term growth of the Bank Group and the interests of shareholders, the total dividends (other than special dividend, if any) to be distributed yearly to shareholders are to be within the range of 30% to 70% of the net attributable profits for the year, after deduction of any distribution to holders of Hybrid/Additional Tier 1 capital instruments.

### Frequency and form of dividend

Interim dividend may be declared half-yearly for the half-year period ending 30th June and the half-year period ending 31st December.

Scrip in lieu of cash dividend may be offered to shareholders at a discount, subject to the approval of the Board.

Special dividend may be considered by the Board.

## G. RELATED PARTY TRANSACTIONS

Details of the significant related party transactions are provided under Note 51 on the accounts. These transactions were entered into by the Bank in the ordinary and usual course of business and on normal commercial terms and, if constituted connected transactions or continuing connected transactions, are exempt from the relevant disclosure requirements under Chapter 14A of the Listing Rules.

## H. RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Bank acknowledged that they are responsible for the preparation of the consolidated financial statements of the Bank. During the year, in strict compliance with relevant provisions, the Bank published the 2017 Annual Report and the 2018 Interim Report as scheduled.

## 派息政策

派息政策旨在以完整的方式制定本行的股息派發，履行企業管治的規定。派息政策為本行企業管治架構的一部分。審核委員會每年檢討及批核派息政策，並向董事會推薦批准相關建議。

### 一般指引

根據本行的組織章程細則規定，董事會有權自行決定可不時向股東支付中期股息。董事會考慮支付股息時，應按照目前法律及監管規定，以及參考最合宜的市場常規。

本行將考慮以下因素以決定派發股息：

- 法定及監管限制；
- 本集團的財務業績；
- 股東的期望及權益；
- 市場情況及長期業務增長和策略；
- 派發後的資本充足比率、槓桿比率、流動性覆蓋比率及穩定資金淨額比率；及
- 任何其他董事會視為相關的因素。

## 派息比率

- 為了在本集團長期增長及股東權益之間取得平衡，每年可派發給股東的總股息（除特別股息外）範圍預計為扣除任何分派予混合/額外一級資本工具持有人之後的年度應佔溢利淨額的30%至70%。

### 派息頻率及形式

本行每半年可宣布派發中期股息截至6月30日止半年期及12月31日止半年期。

本行經董事會核准可以折讓價格向股東提供以股份代替現金股息。

董事會可考慮派發特別股息。

## G. 關聯人士交易

關聯人士的重大交易列於賬項附註51。該等交易為本行於一般及日常業務過程中按正常商業條款訂立，並在如構成關連交易或持續關連交易時，獲豁免《上市規則》第14A章項下的相關披露規定。

## H. 董事就綜合財務報表須承擔的責任

本行董事承認有編製本行的綜合財務報表的責任。本行嚴格遵守有關規定，在年內本行已按時刊發2017年報及2018中期報告。

## CORPORATE SOCIAL RESPONSIBILITY

The Bank of East Asia Group is committed to integrating environmental, social, and governance (“ESG”) concerns into its business and operations. The following report highlights BEA’s major corporate social responsibility (“CSR”) achievements during the year under review. A more comprehensive review of BEA’s performance will be provided in the Group’s 2018 ESG Report, which will be issued in the first half of 2019. All CSR reports are available via BEA’s homepage at [www.hkbea.com](http://www.hkbea.com).

In 2018, BEA continued to strengthen its governance systems, enhancing both accountability and transparency. In December, the Bank published its Statement on Anti-Money Laundering and Counter-Financing of Terrorism, and made the Statement available for general public access via the Bank’s corporate website (About BEA / Corporate Governance). In addition, BEA strengthened its supply chain governance by embedding its Supplier Code of Conduct into the Bank’s standard procurement process, thereby making compliance with the Code a requirement for all supplier contracts going forward.

The Bank also worked closely with an external consultant to establish procedures to identify suppliers whose businesses may pose ESG risks to the Bank, and set out guidelines to manage those risks. BEA’s commitment to working with suppliers that showcase best practice and operate according to responsible and ethical practices is reflected in the Bank’s Slavery and Human Trafficking Statement, which can be found under the CSR section of the Bank’s corporate website. The Statement was revised in 2018 to further strengthen compliance requirements.



In June, members of the BEA Volunteer Team visited elderly residents at Kowloon City’s Mei Tung Estate and Tin Shui Wai’s Tin Ching Estate, as well as squatter settlements in Lei Yue Mun.

6月，義工隊探訪九龍城美東邨、天水圍天晴邨及鯉魚門寮屋的長者。

### EMPLOYEES

All of our employees should have the opportunity to realise their full potential. The Bank therefore places great importance on staff training and development. At the same time, we believe in providing a positive and inclusive working environment, and we strive to ensure that our staff members achieve a healthy work-life balance. Only by providing a fulfilling and supportive work environment for our staff are we able to serve our customers and other stakeholders effectively.

In addition to providing opportunities for professional advancement, BEA sponsors many extra-curricular events, such as cooking classes and craft workshops. Meanwhile, the Bank’s Staff Sports and Recreation Club (“SSRC”) organises regular activities for staff members and their families. The SSRC also facilitates staff participation in charitable events, including The Community Chest of Hong Kong’s “2018 Walk for Millions – Hong Kong and Kowloon Walk” and “Dress Casual Day”.

### CUSTOMERS

Our success rests upon our ability to ensure a positive experience for every customer. We strive to achieve this goal by providing our staff with comprehensive customer service training, and by delivering convenient access to a complete range of banking and financial services. We keep abreast of the latest developments in financial technology, and carefully evaluate emerging solutions for their ability to enhance our service offering and delivery capability. We also operate an extensive branch network throughout Hong Kong, ensuring that our customers can access our banking services through their preferred channels.



In November, BEA supported the UNICEF Charity Run to help raise funds for the elimination of mother-to-child transmission of HIV.

11月，東亞銀行支持聯合國兒童基金會慈善跑，為防治愛滋病病毒母嬰傳播工作籌款。

## 企業社會責任

東亞銀行集團致力將環境、社會及管治的關注事項融入其業務及營運中。以下報告概述本集團於回顧年內主要的企業社會責任工作成果。本集團將於2019年上半年刊發2018年環境、社會及管治報告，更全面地闡述我們的表現。本集團歷年來的企業社會責任報告可於東亞銀行網頁 [www.hkbea.com](http://www.hkbea.com) 瀏覽。

於2018年，東亞銀行繼續加強管治系統，提高問責性及透明度。12月，東亞銀行發布《打擊洗錢及恐怖分子資金籌集政策聲明》，公眾可於東亞銀行網頁（關於東亞銀行/企業管治）瀏覽。此外，東亞銀行將《供應商行為守則》納入其標準採購流程，以加強供應鏈的管治，務求日後與所有供應商在訂定、及其履行合約時均須受合約規範。

本行亦與外部顧問緊密合作，訂立程序，以識別可能為本行帶來環境、社會及管治風險的服務供應商，並制訂管理有關風險的指引。東亞銀行承諾與能夠落實最佳做法、經營手法盡責及合乎道德的供應商合作，有關承諾可參閱已上載至東亞銀行網頁企業社會責任部分內的《奴役和人口販賣聲明》。該聲明已於2018年作出修訂，以進一步加強合規要求。

### 僱員

我們所有員工均應獲得機會，充分發揮潛能。因此本行相當重視員工的培訓及發展。我們並致力締造積極共融的工作環境，並確保員工在工作與生活方面達致平衡。員工在充實有滿足感及互相支持的工作環境中，方能有效地服務客戶及其他持份者。

除了提供專業發展機會，東亞銀行亦贊助多項工餘活動，例如烹飪課程及手工藝工作坊等；同時，本行員工康體會亦為員工及其家屬定期舉辦活動，鼓勵他們參加慈善活動，包括由香港公益金舉辦的2018年度「港島、九龍區百萬行」及「便服日」。

### 客戶

我們的成功，建基於能否為每位客戶帶來卓越的體驗。為此，本行為員工提供全面的客戶服務培訓，並讓客戶享受周全而便捷的銀行及金融服務。本行緊貼最先進的金融科技發展，且審慎地評估新方案，從而提升本行的服務及業務能力。我們的分行亦遍布香港，確保客戶可選擇合適渠道，使用本行的銀行服務。



In October, staff volunteers joined underprivileged children supported by the Christian Family Service Centre on a visit to the Tsuen Wan Elderly Organic Community Garden. The visit was organised by Produce Green Foundation.

10月，東亞銀行義工隊與來自基督教家庭服務中心的基層兒童，一同參加由綠田園基金舉辦的荃灣金色有機園團探訪活動。

## CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

### COMMUNITY INVESTMENT

BEA's community investment programme is built on the three pillars of education, social welfare and environmental protection. In celebration of the Bank's 100th Anniversary, the BEA Volunteer Team organised "100 Acts of Kindness". This comprised a total of more than 100 volunteering activities that brought under-resourced and vulnerable members of the community together with our staff members for different fun, educational and supportive events.

BEA also actively engages with the community through programmes managed by The Bank of East Asia Charitable Foundation ("BEA Foundation"). In celebration of the Foundation's 10th Anniversary and the Bank's centenary, the BEA Foundation has announced a range of meaningful new programmes to benefit those in need.

The BEA Inspiring Student Scholarship Programme assists university students who have special educational needs. The BEA Youth Makerspace Programme, run in conjunction with the Warehouse Teenage Club, will give approximately 1,600 youngsters the opportunity to explore and refine their creative talent and strengthen their self-confidence.



BEA won the Gold Award in the Servicing and Trading category of the prestigious Hong Kong Awards for Environmental Excellence in recognition of its excellent performance in environmental management.

東亞銀行在香港環境卓越大獎中的服務及貿易組別榮獲「金獎」，嘉許其在環境管理方面的出色表現。

The BEA Foundation is also supporting the Teen Café Youth Mental Health Promotion Project operated by the Tung Wah Group of Hospitals, which aims at relieving stress among and promoting the mental health of secondary school students. On the occasion of BEA's 100th Anniversary, members of the public are invited to make donations to the Teen Café in lieu of flowers or other gifts.

### ENVIRONMENT

We believe that environmental protection is everyone's responsibility, and we do our part by constantly seeking ways to improve our environmental performance, particularly in regard to our operations. We have implemented a variety of initiatives, such as installing energy-saving equipment and lighting throughout our branches and offices to reduce energy consumption. In addition, we encourage our customers and other stakeholders to adopt more environmentally friendly practices. By the end of June 2018, nearly 94% of all credit card account holders had opted for e-statements over paper statements, exceeding the Bank's target of 90%.



In May, the Shanghai Soong Ching Ling Foundation – BEA Charity Fund and "la Caixa" Foundation renewed their pledge to support the Firefly Centre Development Programme on the Mainland for a second 3-year period.

5月，上海宋慶齡基金會—東亞銀行公益基金及“la Caixa”基金會宣布繼續支持第二階段的內地「螢火蟲樂園發展計劃」，為期3年。

## 社區投資

東亞銀行的社區投資計劃由教育、社會福利及環境保護三大支柱組成。為慶祝本行成立一百周年，東亞銀行義工隊策劃了「一百個慈愛行動」，當中包括逾100項義工活動，讓基層弱勢的社群與我們的員工一起參與各種有趣、富教育意義及互相支持的活動。

另外，東亞銀行亦透過東亞銀行慈善基金舉辦的活動與社區積極互動。為慶祝該基金成立10周年以及本行創行一百周年，東亞銀行慈善基金宣布多項別具意義的全新計劃，惠及有需要人士。

「東亞銀行展毅獎學金計劃」便是其中之一，幫助本港有特殊教育需要的大學生。另外，本行與蒲窩青少年中心合作推出「東亞青年創客空間計劃」，讓約1,600名青年有機會探索及發展其創意才能，加強自信心。

東亞銀行慈善基金亦支持東華三院的「Teen Café 青少年身心健康推廣計劃」，旨在舒緩中學生的壓力，促進他們的精神健康。適逢東亞銀行百周年誌慶，我們鼓勵公眾將他們向本行致賀的花籃或其他禮物，轉為以捐款支持Teen Café。

## 環境保護

我們認為，保護環境人人有責，故本行一直致力提升環保表現，尤其在業務營運方面。我們實施多項措施，例如在各分行及辦事處安裝節能設備及電燈，以減少能源消耗。此外，我們鼓勵客戶及其他持份者採用更環保的做法。截至2018年6月底，近94%的信用卡持有人選擇以電子結單代替郵寄結單，超出本行90%的目標。



Youngsters in the BEA Youth Makerspace Programme will display their talents for the visual arts, craft-making, and other creative disciplines.

青年可透過「東亞青年創客空間計劃」，展現他們在視覺藝術、工藝及其他創意方面的才能。



For the fourth consecutive year, Blue Cross (Asia-Pacific) Insurance Limited was the title sponsor and insurance partner of the Hong Kong Open Fencing Championships. 藍十字(亞太)保險有限公司連續第4年成為「香港公開劍擊錦標賽」的冠名贊助商及保險合作夥伴。

## REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report together with the audited financial statements for the year ended 31st December, 2018 ("Annual Report").

### PRINCIPAL PLACE OF BUSINESS

The Bank of East Asia, Limited is a licensed bank incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 10 Des Voeux Road Central, Hong Kong.

### PRINCIPAL ACTIVITIES

The Bank and its subsidiaries are engaged in the provision of banking and related financial services.

### BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the performance for the year ended 31st December, 2018 and an indication of likely future development in the business of the Group are provided in the Chairman's Statement and the Report of the Senior Management of the Annual Report. Description of the principal risks and uncertainties facing the Group can be found throughout the Annual Report, in particular the Risk Management section. Particulars of important events affecting the Bank that have occurred (if any) can be found in the Annual Report and the Notes to the Financial Statements. An analysis using financial key performance indicators is provided in the Financial Highlights and the Report of the Senior Management. Compliance with relevant laws and regulations which have significant impact on the Group can be found throughout the Annual Report, in particular, the Corporate Governance Report.

In addition, discussions on the Group's environmental policies and relationships with the key stakeholders that have a significant impact on the Group are discussed in the Corporate Social Responsibility section of the Annual Report as well as in the Group's 2018 Environmental, Social and Governance Report which will be available on the Bank's website at [www.hkbea.com](http://www.hkbea.com) (About BEA – Corporate Social Responsibility) in the first half of 2019.

### MAJOR CUSTOMERS

The Directors believe that the five largest customers of the Group accounted for less than 30% of the total of interest income and other operating income of the Group for the year.

### ACCOUNTS

The profit attributable to equity holders of the Group for the year ended 31st December, 2018 and the state of the Bank's and the Group's affairs as at that date are set out in the accounts from pages 168 to 366.

### FIXED ASSETS

Details of the movements in fixed assets are set out in Note 34 on the accounts.

### TRANSFER TO RESERVES

Profit attributable to equity holders of the Group, before dividends, of HK\$6,509 million (2017: HK\$9,347 million) has been transferred to reserves. Other movements in reserves are set out in Note 43 on the accounts.

### DIVIDENDS

An interim dividend of HK\$0.51 per Share (2017: HK\$0.68 per Share) was paid on 12th October, 2018. The Directors have declared the payment of a second interim dividend of HK\$0.32 per Share (2017: a second interim dividend of HK\$0.60 per Share) in respect of the financial year ended 31st December, 2018. In addition, the Directors also declared payment of a 100th anniversary special dividend of HK\$0.35 per Share, together making a total amount of HK\$0.67 per Share.

### FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last 5 years is set out in the Annual Report.

### ISSUE OF SHARES

During the year, the Bank issued shares as follows:

- (a) 39,788,335 Shares were issued at HK\$31.9485 each and 37,868,124 Shares were issued at HK\$27.5215 each to Shareholders who had elected to receive new Shares in lieu of cash dividend in respect of the 2017 second interim dividend and the 2018 interim dividend respectively.
- (b) 2,362,736 Shares were issued for cash of HK\$73,641,569.20 on the exercise of options granted under the approved Staff Share Option Schemes.

Details about the issue of Shares are also set out in Note 41 on the accounts.

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

On 16th March, 2018, the Bank completed the redemption of a face value of US\$15 million of 2.25% Senior Notes (the "2018 USD Senior Notes") upon their maturity. The 2018 USD Senior Notes were issued in 2015 under the Bank's Medium Term Note Programme and listed on the Singapore Exchange.

Save for the redemption of the 2018 USD Senior Notes as disclosed herein, there was no purchase, sale or redemption by the Bank or any of its subsidiaries, of listed securities of the Bank during the year ended 31st December, 2018.



# 董事會報告書

董事會全寅現謹向各股東發表截至2018年12月31日止年度的報告書及已審核財務報表（「年報」）。

## 主要營業地點

東亞銀行有限公司乃一間在香港成立及註冊的持牌銀行，其註冊辦事處和主要營業地點為香港德輔道中10號。

## 主要業務

本行及其附屬公司的主要業務為提供銀行及有關的金融服務。

## 業務審視

有關對本集團截至2018年12月31日止年度業務的中肯審視及該年度表現的討論及分析，以及業務上相當有可能的未來發展的揭示，載於年報的主席報告書及高層管理人員報告書內。對本集團面對的主要風險及不明朗因素的描述，於本年報各部分（尤其在風險管理項下）已作披露。對本集團有影響的重大事件（如有）的詳情，在本年報各部分及財務報表各附註作出披露。運用財務關鍵表現指標進行的分析，見於本年報的財務摘要及高層管理人員報告書。而本集團遵守對本集團有重大影響的有關法律及規例的情況，則已在本年報各部分（尤其在企業管治報告內）作出披露。

此外，本集團的環境政策及其與對本集團有重大影響的主要持分者的關係的討論，披露於本年報的企業責任項下及本集團之2018環境、社會及管治報告內，該報告在2019年上半年登載於本行網站www.hkbea.com（「關於東亞銀行—企業社會責任」）。

## 主要客戶

董事會認為，本集團5位最大客戶所佔是年度本集團總利息收入及其他經營收入少於30%。

## 賬項

本集團截至2018年12月31日止年度的股東應佔溢利，以及本行和本集團於當日的財政狀況，載列由第168頁至第366頁的賬項內。

## 固定資產

固定資產的變動詳情載於賬項附註34。

## 撥入儲備

本集團除股息前的股東應佔溢利中的港幣65.09億元（2017年：港幣93.47億元）已予撥入儲備。至於儲備的其他變動，則載於賬項附註43。

## 股息

中期股息每股港幣0.51元（2017年：每股港幣0.68元）已於2018年10月12日派發。董事會現宣布派發截至2018年12月31日止年度第二次中期股息每股港幣0.32元（2017年：第二次中期股息每股港幣0.60元）。此外，董事會亦宣布派發一百周年特別股息每股港幣0.35元，合共派發每股港幣0.67元。

## 5年財務概要

本集團過去5年的業績、資產及負債的摘要載列於本年報。

## 發行股份

年內，本行發行的股份如下：

- (a) 分別以每股港幣31.9485元發行39,788,335股股份及以每股港幣27.5215元發行37,868,124股股份，派發予選擇以新股代替現金收取2017年度第二次中期股息及2018年度中期股息的股東。
- (b) 在行使認可僱員認股計劃所授予的認股權方面，發行2,362,736股股份，所得現金為港幣73,641,569.20元。

有關發行股份的詳情，亦載於賬項附註41。

## 購入、出售或贖回本行的上市證券

本行於2018年3月16日（票據到期日）完成贖回面值0.15億美元，孳息率為2.25%的高級票據（「2018美元高級票據」）。2018美元高級票據在2015年根據本行的中期票據計劃發行並於新加坡交易所上市。

除上述所披露贖回2018美元高級票據外，在截至2018年12月31日止年度內，本行或其任何附屬公司並無購入、出售或贖回本行的上市證券。

## REPORT OF THE DIRECTORS (CONTINUED)

### ISSUE OF DEBENTURES

During the year ended 31st December, 2018, the following notes were issued by the Bank under its US\$6,000,000,000 Medium Term Note Programme ("MTN Programme") to raise funds for general corporate purposes:

Class	Issued under	Amount Issued (HK\$ equivalent)	Consideration received (HK\$ equivalent)
Senior Notes	MTN Programme	JPY1,500,000,000 (HK\$107,250,000)	JPY1,499,700,000 (HK\$107,228,550)
Total (HK\$ equivalent)		HK\$107,250,000	HK\$107,228,550

### DIRECTORS

The present Directors of the Bank are shown on page 74.

In accordance with the Articles of Association, the terms of office of Dr. the Hon. Sir David LI Kwok-po, Dr. Allan WONG Chi-yun, Mr. Aubrey LI Kwok-sing, Mr. Winston LO Yau-lai, Mr. Stephen Charles LI Kwok-sze, Dr. Daryl NG Win-kong, Mr. Masayuki OKU and Dr. the Hon. Rita FAN HSU Lai-tai will expire at the 2019 AGM. They, being eligible, offer themselves for re-election at the 2019 AGM.

Details of the Directors to be re-elected at the 2019 AGM are set out in the Circular sent to the shareholders.

No Director proposed for re-election at the 2019 AGM has a service contract that is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

The Bank has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the Guidance on Empowerment of INEDs from each of the INEDs, namely: Dr. Allan WONG Chi-yun, Dr. the Hon. Rita FAN HSU Lai-tai, Mr. Meocre LI Kwok-wing, Dr. the Hon. Henry TANG Ying-yen, The Hon. CHAN Kin-por and Dr. Delman LEE and considers them to be independent throughout the period.

### DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Bank (included in the annual consolidated financial statements for the year ended 31st December, 2018) during the year up to 27th February, 2019 (being the date of approval of the Bank's 2018 Annual Report) are available on the Bank's website at [www.hkbea.com](http://www.hkbea.com) under "About BEA – Corporate Governance" section on the home page.

### DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Bank on a named basis are disclosed in Note 22 to the Financial Statements for the year ended 31st December, 2018.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

There was no transaction, arrangement or contracts of significance in relation to the Group's business to which the Bank or any of its subsidiaries was a party and in which a Director of the Bank and/or any of his connected entities (as defined under section 486 of the Ordinance) had, directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors of the Bank is interested in any business apart from the Bank's business that competes or is likely to compete, either directly or indirectly, with the Bank's business.

### MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Bank were entered into or subsisted during the year.

Dr. the Hon. Sir David LI Kwok-po is employed as the Chief Executive of the Bank. His existing three-year term service contract commenced on 1st April, 2018 and will expire on 31st March, 2021.

### PERMITTED INDEMNITY

Pursuant to the Articles of Association, every Director, Secretary and officer of the Bank shall be indemnified out of the funds of the Bank against all liabilities (to the extent permitted by the Ordinance) incurred by such Director, Secretary or officer in the execution of his duties or otherwise in relation thereto. Directors & Officers Liability and Company Reimbursement Insurance has been arranged to indemnify the Directors and officers of the Group.

## 發行債權證

在截至2018年12月31日止年度內，本行根據其6,000,000,000美元中期票據計劃(「中期票據計劃」)發行以下票據，藉以籌集資金用作一般企業用途：

類別	根據以下計劃發行	發行款額(港元等值)	收取的代價(港元等值)
高級票據	中期票據計劃	1,500,000,000 日元 (港幣 107,250,000 元)	1,499,700,000 日元 (港幣 107,228,550 元)
合共(港元等值)		港幣 107,250,000 元	港幣 107,228,550 元

## 董事會

本行現任董事的名單載於第74頁。

根據組織章程細則規定，李國寶爵士、黃子欣博士、李國星先生、羅友禮先生、李國仕先生、黃永光博士、奧正之先生及范徐麗泰博士將於2019股東周年常會上卸任，並願膺選連任。

所有在2019股東周年常會重選的董事的資料，載於寄發予股東的通函內。

所有擬在2019股東周年常會上膺選連任的董事，並沒有本行或其附屬公司在1年內不可在不予賠償(法定賠償除外)的情況下終止的服務合約。

本行已收到每位獨立非執行董事：黃子欣博士、范徐麗泰博士、李國榮先生、唐英年博士、陳建波議員及李國本博士，根據《上市規則》第3.13條及提升獨立非執行董事的專業能力指引而作出的年度獨立性確認函。本行對他們在整個期間的獨立性表示認同。

## 附屬公司董事

於年度內及直至2019年2月27日(為通過本行2018年報當天)止之期間，出任本行(包括在截至2018年12月31日止年度的綜合財務報表內)附屬公司董事會的董事姓名名單，已登載於本行網站www.hkbea.com主頁內的「關於東亞銀行—企業管治」項下以供閱覽。

## 董事薪酬

具名列載董事薪酬在截至2018年12月31日止年度的財務報表附註22披露。

## 董事在交易、安排或合約中之權益

於年度結束時或年內任何時間，凡與本集團業務有關而本行或其任何附屬公司有份參與之重要交易、安排或合約，本行各董事及/或與其有關連的實體(根據《條例》第486條之定義)均無直接或間接擁有重大權益。

## 董事在競爭業務之權益

除本行業務外，本行各董事並無在其他直接或間接與本行的業務構成競爭或可能構成競爭的業務中佔有權益。

## 管理合約

年內，除僱傭合約外，並無訂立或存在與本行業務全部或任何重大部分有關的管理及/或行政合約。

李國寶爵士受聘為本行的行政總裁。他現行為期3年的僱傭合約已於2018年4月1日起生效，並將於2021年3月31日屆滿。

## 獲准許的彌償條文

根據組織章程細則，每名本行董事、秘書或職員在其執行職責或其他方面與此有關之情況下所蒙受或產生之所有債務(受限於《條例》的規定)，有權獲得從本行基金中撥付彌償。此外，本行已購買董事和職員責任及公司償還保險，以保障本集團的董事及員工。

## REPORT OF THE DIRECTORS (CONTINUED)

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31st December, 2018, the interests and short positions of the Directors and Chief Executive 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	81,974,555	95,229,736 <sup>1</sup>	3.35
	Interest of spouse	2,144,976		
	Interest of corporation	249,214		
	Executor of estate	10,860,991		
Arthur LI Kwok-cheung	Beneficial owner	12,883,488	41,181,772 <sup>2</sup>	1.45
	Interest of corporation	17,437,293		
	Executor of estate	10,860,991		
Allan WONG Chi-yun	Beneficial owner	449,560	17,308,617 <sup>3</sup>	0.61
	Interest of spouse	136		
	Founder and beneficiary of discretionary trust	16,858,921		
Aubrey LI Kwok-sing	Beneficial owner	1,201,432	18,177,473 <sup>4</sup>	0.64
	Interest of spouse	23,659		
	Interest of corporation	16,952,382		
Winston LO Yau-lai	-	-	Nil	Nil
Stephen Charles LI Kwok-sze	Beneficial owner	11,377,157	13,579,555 <sup>5</sup>	0.48
	Interest of children	661,368		
	Beneficiary of discretionary trusts	240,103		
	Administrator of estate	1,300,927		
Isidro FAINÉ CASAS	-	-	Nil	Nil
Peter LEE Ka-kit	Interest of corporation	679,000	679,000 <sup>6</sup>	0.02
Adrian David LI Man-kiu	Beneficial owner	1,079,032	3,158,873 <sup>7</sup>	0.11
	Interest of child	7,511		
	Settlor/Founder of discretionary trust	2,072,330		
Brian David LI Man-bun	Beneficial owner	2,400,685	3,194,765 <sup>8</sup>	0.11
	Interest of corporation	794,080		
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
CHAN Kin-por	-	-	Nil	Nil
Delman LEE	-	-	Nil	Nil

Notes:

<sup>1</sup> David LI Kwok-po was the beneficial owner of 81,974,555 shares and he was deemed to be interested in 2,144,976 shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 249,214 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 10,860,991 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 10,860,991 shares as one of the executors of the estate (please refer to Note 2 below).

## 董事會報告書(續)

## 董事及行政總裁權益

於2018年12月31日，根據《證券及期貨條例》第352條須予備存的登記冊(「該登記冊」)所記錄，本行各董事及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	81,974,555	95,229,736 <sup>1</sup>	3.35
	配偶的權益	2,144,976		
	法團的權益	249,214		
	遺產執行人	10,860,991		
李國章	實益擁有人	12,883,488	41,181,772 <sup>2</sup>	1.45
	法團的權益	17,437,293		
	遺產執行人	10,860,991		
黃子欣	實益擁有人	449,560	17,308,617 <sup>3</sup>	0.61
	配偶的權益	136		
	酌情信託的成立人及受益人	16,858,921		
李國星	實益擁有人	1,201,432	18,177,473 <sup>4</sup>	0.64
	配偶的權益	23,659		
	法團的權益	16,952,382		
羅友禮	-	-	無	無
李國仕	實益擁有人	11,377,157	13,579,555 <sup>5</sup>	0.48
	子女的權益	661,368		
	酌情信託的受益人	240,103		
	遺產管理人	1,300,927		
范禮賢	-	-	無	無
李家傑	法團的權益	679,000	679,000 <sup>6</sup>	0.02
李民橋	實益擁有人	1,079,032	3,158,873 <sup>7</sup>	0.11
	子女的權益	7,511		
	酌情信託的財產授予人/成立人	2,072,330		
李民斌	實益擁有人	2,400,685	3,194,765 <sup>8</sup>	0.11
	法團的權益	794,080		
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
陳健波	-	-	無	無
李國本	-	-	無	無

附註：

- 1 李國寶為81,974,555股的實益擁有人。由於其配偶潘金翠擁有2,144,976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249,214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10,860,991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10,860,991股(請參閱下列附註2)。

## REPORT OF THE DIRECTORS (CONTINUED)

- 2 *Arthur LI Kwok-cheung was the beneficial owner of 12,883,488 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 10,860,991 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 10,860,991 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 449,560 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 16,858,921 shares held by a discretionary trust, Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary.*
- 4 *Aubrey LI Kwok-sing was the beneficial owner of 1,201,432 shares and he was deemed to be interested in 23,659 shares through the interests of his spouse, Elizabeth WOO. He was also deemed to be interested in 16,952,382 shares held by Hope Lake Ltd., which is wholly-owned by him.*
- 5 *Stephen Charles LI Kwok-sze was the beneficial owner of 11,377,157 shares, and he was deemed to be interested in 661,368 shares through the interests of his children. He was also deemed to be interested in 1,300,927 shares held by an estate of which he is one of the Administrators. He was also deemed to be interested in 240,103 shares held by a discretionary trust, Longevity Trust, of which his children were beneficiaries.*
- 6 *Peter LEE Ka-kit was deemed to be interested in 679,000 shares owned by Successful Lotus Limited, which is wholly-owned by him.*
- 7 *Adrian David LI Man-kiu was the beneficial owner of 1,079,032 shares, and he was deemed to be interested in 7,511 shares through the interests of his child under the age of 18. Adrian David LI Man-kiu has made a voluntary disclosure of 2,072,330 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.*
- 8 *Brian David LI Man-bun was the beneficial owner of 2,400,685 shares. He was also deemed to be interested in 794,080 shares held by Triple Kingdom Limited, which is wholly-owned by him.*

### II. Long positions (in respect of equity derivatives) in underlying shares of the Bank:

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Adrian David LI Man-kiu and Brian David LI Man-bun pursuant to the approved Staff Share Option Schemes. Information in relation to these share options during the year ended 31st December, 2018 was shown in the section under "Information on Share Options" of this Report.

### III. Interests in Hybrid Tier I Capital Instruments:

Allan WONG Chi-yun was the beneficial owner of the following capital instruments<sup>Note:</sup>

Issuer	Type/Class of Securities	Amount of Debentures	No. of shares
The Bank of East Asia, Limited	Subordinated Notes	US\$7,000,000	-
Innovate Holdings Limited	Preference Shares	-	7,000
The Bank of East Asia, Limited	Substitute Preference Shares (unissued)	-	7,000

*Note: In November 2009, the Bank issued capital instruments qualifying as hybrid tier 1 capital with a face value of US\$500 million. The capital instruments comprise 8.5% step-up subordinated notes due 2059 issued by the Bank (the "2059 Notes") stapled with perpetual non-cumulative step-up preference shares issued by Innovate Holdings Limited, a wholly-owned subsidiary of the Bank (the "Innovate Preference Shares"). The 2059 Notes and the Innovate Preference Shares are listed as stapled units on Singapore Exchange. The Substitute Preference Shares (being perpetual non-cumulative step-up preference shares) are created, and to be issued by the Bank upon the occurrence of a Substitution Event (as defined in the circular to shareholders of the Bank dated 11th November, 2009) as one of the terms of the issue of the 2059 Notes and the Innovate Preference Shares.*

Save as disclosed above, no other interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations were recorded in the Register.

At no time during the year was the Bank or any of its subsidiaries a party to any arrangement to enable the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate with the exception of the Staff Share Option Schemes, details of which are set out in the following section under "Information on Share Options", and Notes 2(y)(iv) and 40 on the accounts.

## 董事會報告書(續)

- 2 李國章為12,883,488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10,860,991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10,860,991股（請參閱上列附註1）。
- 3 黃子欣為449,560股的實益擁有人。由於其配偶郭志蕙（已歿）擁有136股之權益，黃子欣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16,858,921股。
- 4 李國星為1,201,432股的實益擁有人。由於其配偶吳伊莉擁有23,659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16,952,382股。
- 5 李國仕為11,377,157股的實益擁有人。他亦被視為擁有由其子女持有的661,368股。李國仕作為一個遺產的其中一位管理人，因而被視為擁有該遺產持有的1,300,927股。而由於李國仕的子女為一個酌情信託Longevity Trust的受益人，李國仕亦被視為擁有該酌情信託所持有的240,103股。
- 6 李家傑被視為擁有由Successful Lotus Limited持有的679,000股，該公司為李家傑全資擁有。
- 7 李民橋為1,079,032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7,511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2,072,330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。
- 8 李民斌為2,400,685股的實益擁有人。他亦被視為擁有由Triple Kingdom Limited持有的794,080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付的期權。有關此等認股權在截至2018年12月31日止年度內的資料，見於本報告「認股權資料」項下。

## III. 混合一級資本工具的權益：

黃子欣為下列資本工具的實益擁有人<sup>附註</sup>：

發行人	證券種類/類別	債權證數額	股份數目
東亞銀行有限公司	後償票據	7,000,000美元	-
Innovate Holdings Limited	優先股	-	7,000
東亞銀行有限公司	替代優先股（尚未發行）	-	7,000

附註：本行於2009年11月發行面值為5億美元的混合一級資本工具。該資本工具包括由本行發行並於2059年到期的步升後償票據（票據息率為年利率8.5%）（「2059票據」），以及由本行全資附屬公司Innovate Holdings Limited發行之永久非累積步升優先股（「Innovate優先股」）。2059票據連同Innovate優先股以不可分拆單位形式於新加坡交易所上市。替代優先股（永久非累積步升優先股）由本行設立及將於發生替代事件（定義見日期為2009年11月11日本行發出之致股東通函）時發行以作為發行2059票據及Innovate優先股的條款之一。

除上述披露外，概無其他本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉載於該登記冊內。

除於下列「認股權資料」項下及賬項附註2(y)(iv)及40所詳載的僱員認股計劃外，本年內本行或其任何附屬公司並無作任何安排，以致本行各董事或行政總裁或他們的配偶或18歲以下子女從中取得本行或其他法人團體的股份或債券而獲益。

## REPORT OF THE DIRECTORS (CONTINUED)

### INFORMATION ON SHARE OPTIONS

Information in relation to share options disclosed in accordance with the Listing Rules was as follows:

(1) Movement of share options during the year ended 31st December, 2018:

Name	Date of Grant	Number of Share Options				Outstanding at 31/12/2018	
		Outstanding at 01/1/2018	Granted	Exercised	Lapsed/Cancelled		
David LI Kwok-po	05/5/2011 <sup>a</sup>	666,000 <sup>T2</sup>	-	666,000 <sup>c</sup>	-	0	
	05/5/2011 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000	
	03/5/2013 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000	
	02/5/2014 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000	
	02/5/2014 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000	
	02/5/2014 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000	
	04/5/2015 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000	
	04/5/2015 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000	
	04/5/2015 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000	
	08/4/2016 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000	
	08/4/2016 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000	
	07/4/2017 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000	
	07/4/2017 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000	
	07/4/2017 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000	
	10/4/2018 <sup>b</sup>	-	666,000 <sup>T1</sup>	-	-	-	666,000
	10/4/2018 <sup>b</sup>	-	666,000 <sup>T2</sup>	-	-	-	666,000
10/4/2018 <sup>b</sup>	-	668,000 <sup>T3</sup>	-	-	-	668,000	
Adrian David LI Man-kiu	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	216,000 <sup>c</sup>	-	0	
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000	
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000	
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000	
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000	
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000	
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000	
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000	
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000	
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000	
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000	
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000	
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000	
	08/4/2016 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000	
	08/4/2016 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000	
	08/4/2016 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000	
07/4/2017 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000		
07/4/2017 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000		
07/4/2017 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000		
10/4/2018 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	-	216,000	
10/4/2018 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	-	216,000	
10/4/2018 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	-	218,000	



## 董事會報告書(續)

## 認股權資料

根據《上市規則》所披露有關認股權的資料如下：

(1) 截至2018年12月31日止年度內認股權的變動：

姓名	授予日期	認股權數目				
		於01/1/2018 尚未行使	授出	行使	失效/註銷	於31/12/2018 尚未行使
李國寶	05/5/2011 <sup>a</sup>	666,000 <sup>T2</sup>	-	666,000 <sup>c</sup>	-	0
	05/5/2011 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	03/5/2013 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	02/5/2014 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	04/5/2015 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	08/4/2016 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	08/4/2016 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	07/4/2017 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	07/4/2017 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	07/4/2017 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	10/4/2018 <sup>b</sup>	-	666,000 <sup>T1</sup>	-	-	666,000
10/4/2018 <sup>b</sup>	-	666,000 <sup>T2</sup>	-	-	666,000	
10/4/2018 <sup>b</sup>	-	668,000 <sup>T3</sup>	-	-	668,000	
李民橋	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	216,000 <sup>c</sup>	-	0
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	08/4/2016 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
07/4/2017 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000	
10/4/2018 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	216,000	
10/4/2018 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	216,000	
10/4/2018 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	218,000	

## REPORT OF THE DIRECTORS (CONTINUED)

Name	Date of Grant	Number of Share Options				Outstanding at 31/12/2018
		Outstanding at 01/1/2018	Granted	Exercised	Lapsed/Cancelled	
Brian David LI Man-bun	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	216,000 <sup>c</sup>	-	0
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	08/4/2016 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	07/4/2017 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/4/2018 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	-
10/4/2018 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	-	216,000
10/4/2018 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	-	218,000
Aggregate of other Employees*	05/5/2011 <sup>a</sup>	291,000 <sup>T2</sup>	-	291,000 <sup>c</sup>	-	0
	05/5/2011 <sup>a</sup>	686,000 <sup>T3</sup>	-	-	-	686,000
	10/5/2012 <sup>a</sup>	532,000 <sup>T1</sup>	-	532,000 <sup>c</sup>	-	0
	10/5/2012 <sup>a</sup>	582,000 <sup>T2</sup>	-	-	-	582,000
	10/5/2012 <sup>a</sup>	636,000 <sup>T3</sup>	-	-	-	636,000
	03/5/2013 <sup>a</sup>	632,000 <sup>T1</sup>	-	-	-	632,000
	03/5/2013 <sup>a</sup>	682,000 <sup>T2</sup>	-	50,000 <sup>c</sup>	-	632,000
	03/5/2013 <sup>a</sup>	736,000 <sup>T3</sup>	-	50,000 <sup>c</sup>	-	686,000
	02/5/2014 <sup>a</sup>	844,000 <sup>T1</sup>	-	130,000 <sup>c</sup>	-	714,000
	02/5/2014 <sup>a</sup>	844,000 <sup>T2</sup>	-	-	-	844,000
	02/5/2014 <sup>a</sup>	849,500 <sup>T3</sup>	-	-	-	849,500
	04/5/2015 <sup>a</sup>	882,000 <sup>T1</sup>	-	-	-	882,000
	04/5/2015 <sup>a</sup>	882,000 <sup>T2</sup>	-	-	-	882,000
	04/5/2015 <sup>a</sup>	886,000 <sup>T3</sup>	-	-	-	886,000
	08/4/2016 <sup>a</sup>	632,000 <sup>T1</sup>	-	-	-	632,000
	08/4/2016 <sup>a</sup>	935,000 <sup>T2</sup>	-	37,000 <sup>c</sup>	-	898,000
	08/4/2016 <sup>a</sup>	942,500 <sup>T3</sup>	-	-	-	942,500
	07/4/2017 <sup>a</sup>	982,000 <sup>T1</sup>	-	-	-	982,000
	07/4/2017 <sup>a</sup>	982,000 <sup>T2</sup>	-	-	-	982,000
	07/4/2017 <sup>a</sup>	986,000 <sup>T3</sup>	-	-	-	986,000
10/4/2018 <sup>b</sup>	-	1,077,000 <sup>T1</sup>	-	-	-	1,077,000
10/4/2018 <sup>b</sup>	-	1,077,000 <sup>T2</sup>	-	-	-	1,077,000
10/4/2018 <sup>b</sup>	-	1,083,500 <sup>T3</sup>	-	-	-	1,083,500

## 董事會報告書(續)

姓名	授予日期	認股權數目				
		於01/1/2018 尚未行使	授出	行使	失效/註銷	於31/12/2018 尚未行使
李民斌	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	216,000 <sup>c</sup>	-	0
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	08/4/2016 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	08/4/2016 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	07/4/2017 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	07/4/2017 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/4/2018 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	216,000
10/4/2018 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	216,000	
10/4/2018 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	218,000	
其他僱員的總數*	05/5/2011 <sup>a</sup>	291,000 <sup>T2</sup>	-	291,000 <sup>c</sup>	-	0
	05/5/2011 <sup>a</sup>	686,000 <sup>T3</sup>	-	-	-	686,000
	10/5/2012 <sup>a</sup>	532,000 <sup>T1</sup>	-	532,000 <sup>c</sup>	-	0
	10/5/2012 <sup>a</sup>	582,000 <sup>T2</sup>	-	-	-	582,000
	10/5/2012 <sup>a</sup>	636,000 <sup>T3</sup>	-	-	-	636,000
	03/5/2013 <sup>a</sup>	632,000 <sup>T1</sup>	-	-	-	632,000
	03/5/2013 <sup>a</sup>	682,000 <sup>T2</sup>	-	50,000 <sup>c</sup>	-	632,000
	03/5/2013 <sup>a</sup>	736,000 <sup>T3</sup>	-	50,000 <sup>c</sup>	-	686,000
	02/5/2014 <sup>a</sup>	844,000 <sup>T1</sup>	-	130,000 <sup>c</sup>	-	714,000
	02/5/2014 <sup>a</sup>	844,000 <sup>T2</sup>	-	-	-	844,000
	02/5/2014 <sup>a</sup>	849,500 <sup>T3</sup>	-	-	-	849,500
	04/5/2015 <sup>a</sup>	882,000 <sup>T1</sup>	-	-	-	882,000
	04/5/2015 <sup>a</sup>	882,000 <sup>T2</sup>	-	-	-	882,000
	04/5/2015 <sup>a</sup>	886,000 <sup>T3</sup>	-	-	-	886,000
	08/4/2016 <sup>a</sup>	632,000 <sup>T1</sup>	-	-	-	632,000
	08/4/2016 <sup>a</sup>	935,000 <sup>T2</sup>	-	37,000 <sup>c</sup>	-	898,000
	08/4/2016 <sup>a</sup>	942,500 <sup>T3</sup>	-	-	-	942,500
	07/4/2017 <sup>a</sup>	982,000 <sup>T1</sup>	-	-	-	982,000
	07/4/2017 <sup>a</sup>	982,000 <sup>T2</sup>	-	-	-	982,000
	07/4/2017 <sup>a</sup>	986,000 <sup>T3</sup>	-	-	-	986,000
10/4/2018 <sup>b</sup>	-	1,077,000 <sup>T1</sup>	-	-	1,077,000	
10/4/2018 <sup>b</sup>	-	1,077,000 <sup>T2</sup>	-	-	1,077,000	
10/4/2018 <sup>b</sup>	-	1,083,500 <sup>T3</sup>	-	-	1,083,500	

## REPORT OF THE DIRECTORS (CONTINUED)

Name	Date of Grant	Number of Share Options				
		Outstanding at 01/1/2018	Granted	Exercised	Lapsed/ Cancelled	Outstanding at 31/12/2018
Other Participants**	05/5/2011 <sup>a</sup>	100,000 <sup>T2</sup>	-	100,000 <sup>c</sup>	-	0
	05/5/2011 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	50,000 <sup>T1</sup>	-	50,000 <sup>c</sup>	-	0
	10/5/2012 <sup>a</sup>	100,000 <sup>T2</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	-	100,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000
	04/5/2015 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	04/5/2015 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	04/5/2015 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	34,254 <sup>#</sup>	15,746
	08/4/2016 <sup>a</sup>	50,000 <sup>T2</sup>	-	24,736 <sup>c</sup>	25,264 <sup>#</sup>	0
	08/4/2016 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000
	10/4/2018 <sup>b</sup>	-	50,000 <sup>T1</sup>	-	-	50,000
	10/4/2018 <sup>b</sup>	-	50,000 <sup>T2</sup>	-	-	50,000
10/4/2018 <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 three former employees of the Bank. The share options were granted to them prior to their cessation as employees of the Bank.

# Share options were forfeited and cancelled. Please refer to paragraph (2) under this section for the details.

## Notes:

a Particulars of share options granted in years 2011 to 2017:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
05/5/2011	T2	05/5/2011 – 04/5/2013	05/5/2013 – 05/5/2018	32.00
05/5/2011	T3	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00
10/5/2012	T1	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T1	03/5/2013 – 02/5/2014	03/5/2014 – 03/5/2019	31.40
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25

## 董事會報告書(續)

姓名	授予日期	認股權數目				於31/12/2018 尚未行使
		於01/1/2018 尚未行使	授出	行使	失效/註銷	
其他參與人 **	05/5/2011 <sup>a</sup>	100,000 <sup>T2</sup>	-	100,000 <sup>c</sup>	-	0
	05/5/2011 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	50,000 <sup>T1</sup>	-	50,000 <sup>c</sup>	-	0
	10/5/2012 <sup>a</sup>	100,000 <sup>T2</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	-	100,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000
	04/5/2015 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	04/5/2015 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	04/5/2015 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	34,254 <sup>#</sup>	15,746
	08/4/2016 <sup>a</sup>	50,000 <sup>T2</sup>	-	24,736 <sup>c</sup>	25,264 <sup>#</sup>	0
	08/4/2016 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	07/4/2017 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000
	10/4/2018 <sup>b</sup>	-	50,000 <sup>T1</sup>	-	-	50,000
10/4/2018 <sup>b</sup>	-	50,000 <sup>T2</sup>	-	-	50,000	
10/4/2018 <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3位本行前僱員。在其終止為本行僱員前已獲授予該等認股權。

# 認股權已被撤銷並註銷。詳情請參閱本節第(2)段。

附註：

a 於2011年至2017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)
05/5/2011	T2	05/5/2011 – 04/5/2013	05/5/2013 – 05/5/2018	32.00
05/5/2011	T3	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00
10/5/2012	T1	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T1	03/5/2013 – 02/5/2014	03/5/2014 – 03/5/2019	31.40
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25

## REPORT OF THE DIRECTORS (CONTINUED)

### b Share options granted in year 2018:

#### (i) Particulars:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25

(ii) The closing price of the shares of the Bank on 9th April, 2018 (being the business day immediately preceding 10th April, 2018 on which the options were granted) was HK\$32.20.

(iii) Fair value of share options granted during the year ended 31st December, 2018 and the assumptions are set out in Note 40 on the accounts.

### c The annual weighted average ("AWA") closing price of the shares of the Bank immediately before the date on which the options were exercised during the year ended 31st December, 2018:

Date of Grant	Tranche	No. of Options Exercised	Exercise Price Per Share HK\$	AWA Closing Price HK\$
05/5/2011	T2	1,489,000	32.00	34.34
10/5/2012	T1	582,000	28.99	34.07
03/5/2013	T2	50,000	31.40	33.80
03/5/2013	T3	50,000	31.40	32.85
02/5/2014	T1	130,000	32.50	34.86
08/4/2016	T2	61,736	28.45	32.20

### (2) The following share options were forfeited and cancelled during the year ended 31st December, 2018:

Date of Grant	Tranche	No. of Share Options Forfeited and Cancelled	Exercise Price Per Share HK\$
04/5/2015	T3	34,254	34.15
08/4/2016	T2	25,264	28.45

### (3) The accounting policy adopted for share options is set out in Note 2(y)(iv) on the accounts.

Save as disclosed above, as at 31st December, 2018, none of the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

## INFORMATION ON SHARE OPTION SCHEME

The following is a summary of the 2016 Scheme disclosed in accordance with the Listing Rules:

### 1. Purpose of the 2016 Scheme:

- The 2016 Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible persons had made or may make to the Group.
- The 2016 Scheme will provide the eligible persons with an opportunity to have a personal stake in the Bank with the view to motivating the eligible persons to optimise their performance and efficiency for the benefit of the Group.

### 2. Participants of the 2016 Scheme:

The Board may at its discretion grant options to any employees including Executive Directors and Chief Executive of the Group.

### 3. Total number of shares available for issue under the 2016 Scheme and % of issued shares at 31st December, 2018:

The total number of shares available for issue under the 2016 Scheme is 13,087,500 ordinary shares representing 0.46% of the issued shares of the Bank at 31st December, 2018.

## 董事會報告書(續)

b 於2018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)
10/4/2018	T1	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018	T2	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018	T3	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25

(ii) 本行股份在2018年4月9日(即2018年4月10日授出認股權當日之前一個營業日)的收市價為港幣32.20元。

(iii) 在截至2018年12月31日止年度內授出認股權的公平價值及假設載於賬項附註40。

c 在截至2018年12月31日止年度內本行股份在緊接有關認股權行使日期之前的全年加權平均收市價：

授予日期	部分	行使認股權數目	每股行使價 港幣(元)	全年加權平均收市價 港幣(元)
05/5/2011	T2	1,489,000	32.00	34.34
10/5/2012	T1	582,000	28.99	34.07
03/5/2013	T2	50,000	31.40	33.80
03/5/2013	T3	50,000	31.40	32.85
02/5/2014	T1	130,000	32.50	34.86
08/4/2016	T2	61,736	28.45	32.20

(2) 在截至2018年12月31日止年度內被撤銷並註銷的認股權：

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)
04/5/2015	T3	34,254	34.15
08/4/2016	T2	25,264	28.45

(3) 有關認股權的會計政策載於賬項附註2(y)(iv)。

除上述所披露外，於2018年12月31日，本行的董事或行政總裁或他們的配偶或18歲以下子女概無獲授或行使任何權利以認購本行或其任何相聯法團的股本或債務證券。

### 認股權計劃資料

根據《上市規則》披露的有關2016計劃的摘要如下：

#### 1. 2016計劃的目的：

- 2016計劃屬於一項股份獎勵計劃，設立的目的是在於肯定合資格人士對本集團作出或可能作出的貢獻。
- 2016計劃為合資格人士提供機會持有本行的股權，藉此鼓勵僱員努力工作，提高效率，為本集團賺取更多利益。

#### 2. 2016計劃的參與人：

董事會可按其酌情權，向本集團任何僱員，包括執行董事和行政總裁，授予認股權。

#### 3. 2016計劃中可予發行的股份數目及其於2018年12月31日佔已發行股份的百分率：

2016計劃中可予發行的股份數目為13,087,500股普通股，佔本行於2018年12月31日已發行股份的0.46%。

## REPORT OF THE DIRECTORS (CONTINUED)

### 4. Maximum entitlement of each participant under the 2016 Scheme:

No options may be granted to any eligible persons, which if exercised in full would result in the total number of Shares issued and to be issued upon exercise of the share options already granted or to be granted to such eligible person under the 2016 Scheme or any other schemes (which are subject to regulation under Chapter 17 of the Listing Rules) of the Bank (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such new grant exceeding 1% of the issued share capital as at the date of such new grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the 2016 Scheme.

### 5. The period within which the shares must be taken up under an option:

Beginning on the vesting date of such options, the date on which such option is vested and becomes exercisable, and ending on the fifth anniversary of the vesting date thereof, except as provided otherwise in the rules of the 2016 Scheme.

### 6. The minimum period for which an option must be held before it can be exercised:

From the Date of Grant of such options up to the day immediately before the vesting date thereof.

### 7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid:

N/A

### 8. The basis of determining the exercise price:

The exercise price is determined by the Directors and being not less than the highest of:

- (a) the closing price of the Bank's ordinary shares in the Stock Exchange's daily quotations sheet on the date of grant of the relevant options; and
- (b) an amount equivalent to the average closing price of the Bank's ordinary shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant options.

### 9. Vesting of Options:

Save as provided otherwise in the rules of the 2016 Scheme, an option granted under the 2016 Scheme shall be vested and become exercisable as follows:

- (a) not more than one third of the option shall be vested and become exercisable on the first anniversary of the Date of Grant;
- (b) not more than one third of the option shall be vested and become exercisable on the second anniversary of the Date of Grant; and
- (c) the remaining balance of the option shall be vested and become exercisable on the third anniversary of the Date of Grant.

### 10. The remaining life of the 2016 Scheme:

The Scheme Period will end on 18th April, 2021.



**4. 2016計劃中每名參與人可獲授權益上限：**

凡合資格人士在行使全部認股權後，會導致該位合資格人士在截至獲授新認股權之日（包括當日）止12個月內，因行使已經根據或將會根據2016計劃及本行任何其他計劃（該計劃受《上市規則》第17章的規定所規限）獲授的認股權（包括已行使、已註銷及尚未行使的認股權）時，所獲發行及將予發行的股份總數超出新認股權授出當日的已發行股份的1%，則不得向該位合資格人士再授出新認股權。再度授出超出該上限的認股權，須受載於2016計劃的規則內的若干規定所約束。

**5. 可根據認股權認購股份的期限：**

除2016計劃的規則另有規定外，由該認股權歸屬日（該認股權被歸屬並成為可行使之日期）開始截至歸屬日的第5周年止。

**6. 認股權行使之前必須持有的最短期限：**

由認股權授出之日起直至歸屬日之前一日。

**7. 申請或接受認股權須付金額以及付款或通知付款的期限或償還申請期權貸款的期限：**

不適用

**8. 行使價的釐定基準：**

行使價由董事會釐定，但不少於下列的較高價：

- (a) 於授出有關認股權當日，本行普通股股份於聯交所日報表的收市價；及
- (b) 相等於緊接授出有關認股權當日之前5個營業日，本行普通股股份於聯交所日報表的平均收市價。

**9. 認股權的歸屬：**

除2016計劃的規則另有規定外，按2016計劃授出的認股權將被歸屬及成為可行使如下：

- (a) 不多於三分之一的認股權將於授予日的第1周年被歸屬及成為可行使；
- (b) 不多於三分之一的認股權將於授予日的第2周年被歸屬及成為可行使；及
- (c) 餘下的認股權將於授予日的第3周年被歸屬及成為可行使。

**10. 2016計劃尚餘的有效期：**

計劃期間於2021年4月18日終止。

## REPORT OF THE DIRECTORS (CONTINUED)

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31st December, 2018, 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 31st December, 2018, they stood at 555,395,365 shares (equivalent to approximately 19.52% of the issued shares of the Bank as at 31st December, 2018). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- 2 As at 31st December, 2018, Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") owned a 100% interest in Criteria Caixa, S.A., Sociedad Unipersonal ("Criteria Caixa"). la Caixa was deemed to be interested in the 464,287,319 shares of the Bank held by Criteria Caixa.

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 31st December, 2018, they stood at 500,584,162 shares (equivalent to approximately 17.59% of the issued shares of the Bank as at 31st December, 2018). 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 12.99% of the issued shares of the Bank as at 31st December, 2018). 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 12.99% of the issued shares of the Bank as at 31st December, 2018) 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.

## 主要股東及其他人士的權益

於2018年12月31日，根據《證券及期貨條例》第336條須予備存的登記冊（「該登記冊」）所記錄，主要股東及其他人士擁有本行的股份及相關股份的權益如下：

本行普通股股份權益的好倉：

姓名	身分及性質	股份數目	佔已發行有投票權股份的百分率
三井住友銀行	實益擁有人	510,003,673 <sup>1</sup>	19.01
三井住友金融集團	法團的權益	510,003,673 <sup>1</sup>	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	實益擁有人	464,287,319 <sup>2</sup>	17.30
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	法團的權益	464,287,319 <sup>2</sup>	17.30
國浩管理有限公司	實益擁有人	369,755,978 <sup>3,4</sup>	14.15 <sup>5</sup>
國浩集團有限公司	法團的權益	369,755,978 <sup>3</sup>	14.15
GuoLine Overseas Limited	法團的權益	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
GuoLine Capital Assets Limited	法團的權益	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
Hong Leong Company (Malaysia) Berhad	法團的權益	369,755,978 <sup>3,4</sup>	14.15
HL Holdings Sdn Bhd	法團的權益	369,755,978 <sup>3</sup>	14.15
郭令燦	法團的權益	369,755,978 <sup>3</sup>	14.15
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	369,755,978 <sup>4</sup>	14.15
Davos Investment Holdings Private Limited	法團的權益	369,755,978 <sup>4</sup>	14.15
KWEK Leng Kee	法團的權益	369,755,978 <sup>4</sup>	14.15
Elliott Capital Advisors, L.P.	法團的權益	218,080,742 <sup>6</sup>	8.00

附註：

- 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2018年12月31日的持股量已增加至555,395,365股（相等於本行於2018年12月31日已發行股份約19.52%）。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。
- 於2018年12月31日，Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"（「la Caixa」）全資擁有Criteria Caixa, S.A., Sociedad Unipersonal（「Criteria Caixa」）。la Caixa因此而被視為擁有Criteria Caixa所持有的464,287,319股的權益。  
本行已收到通知上述兩個法團於2018年12月31日的持股量已增加至500,584,162股（相等於本行於2018年12月31日已發行股份約17.59%）。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。
- 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2018年12月31日已發行股份約12.99%）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。
- 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2018年12月31日已發行股份約12.99%）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。

## REPORT OF THE DIRECTORS (CONTINUED)

- 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 7.66% of the issued shares of the Bank as at 31st December, 2018) comprising 198,044,142 shares held by Elliott International L.P. ("EILP"), 20,035,600 shares held by The Liverpool Limited Partnership ("Liverpool LP"), 200 shares held by Artan Investments Ltd, 200 shares held by Frasco Investments Ltd, 200 shares held by Milton Investments Ltd, 200 shares held by Parlan Investments Ltd and 200 shares held by Trevet Investments Ltd.*

*Liverpool LP was 100% controlled by Liverpool Associates, Ltd. Liverpool Associates, Ltd, Artan Investments Ltd and Frasco Investments Ltd were 100% controlled by Elliott Associates, L.P.. Milton Investments Ltd, Parlan Investments Ltd and Trevet Investments Ltd. were 100% controlled by EILP which in turn was 100% controlled by Hambledon, Inc..*

*Both Elliott Associates, L.P. and Hambledon, Inc. were 100% controlled by ECALP which is accustomed to act in accordance with the instructions of Paul Singer.*

Save as disclosed above, no other interest or short position in the shares or underlying shares of the Bank were recorded in the Register.

### EQUITY-LINKED AGREEMENTS

During the year, other than the Staff Share Option Schemes as set out in the above section under "Information on Share Options" and Notes 2(y)(iv) and 40 on the accounts, the Bank has not entered into any equity-linked agreement.

### PUBLIC FLOAT

As at the date of this Report, the Bank has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Bank and within the knowledge of the Directors.

### DONATIONS

Donations made by the Group during the year for charitable and community purposes amounted to approximately HK\$10 million (2017: HK\$4 million).

### CORPORATE GOVERNANCE

The Bank is committed to maintaining high standards of corporate governance. Information on the corporate governance practices adopted by the Bank is set out in the Corporate Governance Report of this Annual Report.

### COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The Annual Report for the financial year ended 31st December, 2018 complies with the applicable disclosure requirements of the Banking (Disclosure) Rules.

### AUDITORS

A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board  
**David Li Kwok-po**  
 Chairman & Chief Executive

Hong Kong, 27th February, 2019

## 董事會報告書(續)

- 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2018年12月31日已發行股份約7.66%)，其中包括Elliott International L.P. (「EILP」) 持有的198,044,142股、The Liverpool Limited Partnership (「Liverpool LP」) 持有的20,035,600股、Artan Investments Ltd 持有的200股、Frasco Investments Ltd持有的200股、Milton Investments Ltd持有的200股、Parlan Investments Ltd持有的200股及Trevet Investments Ltd持有的200股。

Liverpool Associates, Ltd全資擁有Liverpool LP；Elliott Associates, L.P.全資擁有Liverpool Associates, Ltd、Artan Investments Ltd及Frasco Investments Ltd；而EILP則全資擁有Milton Investments Ltd、Parlan Investments Ltd及Trevet Investments Ltd。Hambleton, Inc.則全資擁有EILP。

ECALP全資擁有Elliott Associates, L.P.及Hambleton, Inc.。而ECALP則慣於按照Paul Singer的指令行事。

除上述所披露外，概無其他本行股份或相關股份的權益或淡倉載於該登記冊內。

### 股票掛鈎協議

於年內，除於上列「認股權資料」項下及賬項附註2(y)(iv)及40所載的僱員認股計劃外，本行並無訂立任何股票掛鈎協議。

### 公眾持股量

基於公開予本行查閱之資料及據董事所知悉，截至本報告日期為止，本行一直維持《上市規則》所訂明之公眾持股量。

### 捐款

本集團本年內所作出的慈善及公益捐款約為港幣1,000萬元(2017：港幣400萬元)。

### 企業管治

本行致力維持良好的企業管治標準。有關本行所採納的企業管治常規的資料，載列於本年報的企業管治報告內。

### 符合《銀行業(披露)規則》

截至2018年12月31日止年度的年報已符合《銀行業(披露)規則》中所適用的披露規定。

### 核數師

在即將召開的股東周年常會中，將提請通過續聘畢馬威會計師事務所為本行核數師的議案。

承董事會命  
主席兼行政總裁  
**李國寶**

香港，2019年2月27日

# INDEPENDENT AUDITOR'S REPORT



## TO THE MEMBERS OF THE BANK OF EAST ASIA, LIMITED

(Incorporated in Hong Kong with limited liability)

### OPINION

We have audited the consolidated financial statements of The Bank of East Asia, Limited ("the Bank") and its subsidiaries (together "the Group") set out on pages 168 to 366, which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

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

Impairment allowances of loans and advances to customers	
Refer to notes 2(h)(vii), 29(a), 45(a)(x) to the consolidated financial statements	
Key audit matter	How the matter was addressed in our audit
<p>The Group's advances to customers as at 31 December 2018 amounted to HK\$500,631 million, with total expected credit losses ("ECL") amounting to HK\$2,347 million as at 31 December 2018. 41% of the Group's advances to customers related to exposures in Mainland China.</p> <p>Impairment allowances of loans and advances to customers across the banking industry continues to be an area of concern and elevated focus due to the uncertain global economic outlook.</p> <p>The Group has applied Hong Kong Financial Reporting Standard 9 – Financial Instruments ("HKFRS 9") which replaced Hong Kong Accounting Standard 39, Financial Instruments: recognition and measurement, since 1 January 2018.</p>	<p>Our audit procedures to assess the impairment allowances on loans and advances to customers measured at amortised cost included the following:</p> <ul style="list-style-type: none"> <li>understanding and assessing the design, implementation and operating effectiveness of key internal controls on financial reporting over the change of financial instruments standard, approval, recording and monitoring of loans measured at amortised cost, the credit grading process, the ECL model development, approval, monitoring, governance and validation process, and the measurement of provisions for impairment allowances;</li> <li>evaluating the accuracy of the classification of advances to customers. We obtained information on how management applied the classification requirements of the new financial instruments standard and the classification results and on a sample basis we assessed the contractual cash flow characteristics of advances to customers and relevant documents in relation to the business model;</li> </ul>

# 獨立核數師報告



致東亞銀行有限公司成員  
(於香港註冊成立的有限公司)

## 意見

本核數師(以下簡稱「我們」)已審計列載於第168至第366頁的東亞銀行有限公司(以下簡稱「貴銀行」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表和截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了 貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》妥為擬備。

## 意見的基礎

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

## 關鍵審計事項

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

### 客戶貸款及墊款的減值準備

請參閱綜合財務報表附註2(h)(vii)、29(a)和45(a)(x)

#### 關鍵審計事項

於二零一八年十二月三十一日，貴集團的客戶墊款達到港幣5,006.31億元，預期信貸損失於二零一八年十二月三十一日總額為港幣23.47億元。貴集團的客戶墊款中，41%與中國內地的信貸風險相關。

由於全球經濟前景不明朗，銀行業界的客戶貸款及墊款的減值準備繼續成為主要關注事項。

貴集團已自二零一八年一月一日起採用《香港財務報告準則》第9號「金融工具」，該準則已取代《香港會計準則》第39號「金融工具：確認與計量」。

#### 審計對策

與評估以攤銷成本計量的客戶貸款及墊款的減值準備相關的審計程序包括以下各項：

- 瞭解並評估與以下項目有關的關鍵財務報告內部控制的設計、實施及操作成效：金融工具準則的變更，以攤銷成本計量的貸款的審批、記錄和監管，信貸評級流程、預期信貸損失模型的制定、審批、監管、管治和驗證程序，以及減值準備的撥備計量；
- 評價客戶墊款分類的準確性。我們已取得有關管理層如何應用新金融工具準則的分類要求及相關分類結果的資訊，並在抽樣基礎上評估了客戶貸款的合約現金流特徵以及與商業模式有關的檔；

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 29(a), 45(a)(x) to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>The new financial instruments standard has amended the previous classification and measurement framework of financial instruments, which determines the amount of loans and advances subject to assessment of impairment allowances. ECL may be materially misstated if the classification and measurement framework of financial instruments is not properly adopted. Therefore, the determination of impairment allowances of loans and advances to customers is subject to the accuracy of the classifications of the Group's loans and advances to customers.</p> <p>The new financial instruments standard also introduced a more complex expected credit loss model to assess impairment allowances of loans and advances to customers measured at amortised cost.</p> <p>The Group is required to retrospectively apply the classification and measurement (including impairment allowances) requirements and recognise any difference between the original carrying amount and new carrying amount at the date of initial application (i.e. 1 January 2018) in the opening retained earnings or other components of equity ("Transition adjustments").</p> <p>In order to adopt the new requirements, the Group has developed a new model for measuring impairment allowances of financial assets including advances to customers. Loan exposures that are not already credit-impaired are classified as stage 1 on origination and a 12-month ECL provision is recognised. Loan exposures will remain in stage 1 until they are repaid, unless they experience a significant increase in credit risk (stage 2) or they become credit-impaired (stage 3).</p> <p>Loan exposures will transfer to stage 2 when there has been a significant increase in credit risk compared to origination. Loan exposures are classified as stage 3 when they become credit-impaired. A lifetime ECL provision is recognised for loans classified as stage 2 and stage 3.</p> <p>ECL may be materially misstated if the exposures with a significant increase in credit risk are not properly identified, leading to inaccurate recognition of ECL.</p> <p>The determination of impairment allowances using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgement is involved in the selection of those parameters and the application of the assumptions.</p>	<ul style="list-style-type: none"> <li>• obtaining journal entries relating to adjustments made on transition to the new financial instruments standard and comparing the list of classification of advances to customers, the original carrying amounts and new carrying amounts of advances to customers to assess if the journal entries have been properly recorded in the accounting systems;</li> <li>• involving specialists in assessing the reliability of the ECL model used by management in determining impairment allowances, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of loss stages, probability of default, loss given default, exposure at default, discount rate, adjustments for forward-looking information and other management adjustments;</li> <li>• assessing the completeness and accuracy of data used for the key parameters in the expected credit loss model, by comparing individual loan information on a sample basis with the underlying agreements and other related documentation to assess the accuracy of the loan information in the expected credit loss model. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with publicly available sources;</li> <li>• for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing it to the Group's internal records including historical loss experience and type of collateral. As part of these procedures, we challenged management's revisions to estimates and input parameters compared with the estimates and input parameters on transition to the new accounting standard and considered the consistency of judgement. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development;</li> <li>• for key parameters used in the expected credit loss model which were derived from system-generated internal data, assessing the accuracy of input data by comparing the input data with original documents on a sample basis. We involved our information technology specialists in assessing the information systems controls critical to the credit grading process, such as the compilation of the overdue reports for advances to customers. We also assessed the design, implementation and operating effectiveness of relevant automated application controls within these systems, as well as the key internal controls over these underlying systems, including controls over access to these systems and controls over data and change management;</li> </ul>



**客戶貸款及墊款的減值準備**

請參閱綜合財務報表附註2(h)(vii)、29(a)和45(a)(x)

**關鍵審計事項**

新的金融工具準則已修改此前的金融工具分類及計量框架，而確定應進行減值準備評估的貸款及墊款金額。倘未能恰當採用金融工具的分類及計量框架，預期信貸損失可能會存在重大錯誤陳述。因此，貴集團客戶貸款及墊款的分類是否準確，會影響客戶貸款及墊款之減值準備的釐定。

新的金融工具準則還引入了更為複雜的預期信貸損失模型，以評估以攤銷成本計量的客戶貸款及墊款的減值準備。

貴集團需要追溯應用新的分類及計量(包括減值準備)的要求，並將原賬面金額與初始應用日(即二零一八年一月一日)的新賬面金額之間的任何差異計入期初留存溢利或其他權益項目(「過渡調整」)。

因應新的要求，貴集團已就測量金融資產(包括客戶墊款)的減值準備制定新的模型。尚未成為不良信貸的貸款於發放時被劃歸為第一階段，並按照相當於12個月的預期信貸損失的金額確認撥備。在貸款被償還前，貸款會保留於第一階段，除非其信貸風險有顯著增加(第二階段)或已成為不良信貸(第三階段)。

倘貸款的信貸風險與發放時相比有顯著增加，貸款將轉入第二階段。倘貸款成為不良信貸，貸款將會劃入第三階段。對於被歸類為第二階段和第三階段的貸款，應按照相當於合約期內之預期信貸損失的金額確認撥備。

倘貸款的信貸風險顯著增加卻未被恰當地識別，可能導致預期信貸損失存在重大錯誤陳述及不準確確認。

採用預期信貸損失模型釐定減值準備時須考慮若干關鍵參數及假設，包括所識別的損失階段、所估計的違約概率、違約損失率、違約風險承擔和貼現率，就前瞻性資訊所作的調整以及其他調整因素。在選取該等參數及應用上述假設時亦須管理層作出判斷。

**審計對策**

- 獲取在新金融工具準則過渡時所作的調整有關的會計分錄，並對比客戶墊款分類列表以及客戶墊款的原賬面金額與新賬面金額，以評估該會計分錄是否已恰當地計入會計系統；
- 使用專家評估管理層在釐定減值準備時所用的預期信貸損失模型的可靠性，包括評估預期信貸損失模型所用的關鍵參數及假設是否恰當，這包括所識別的損失階段、違約概率、違約損失率、違約風險承擔和貼現率，就前瞻性資訊所作的調整以及管理層所作的其他調整；
- 通過在抽樣基礎上對比個別貸款資訊與相關協議及其他相關文檔，評估預期信貸損失模型中的貸款資訊是否準確，以此評估預期信貸損失模型中的關鍵參數所用的數據是否完整及準確。對於源自外部數據的關鍵參數，我們採用抽樣方式將該等數據與公開可獲取的數據進行比較，以檢查該等數據的準確性；
- 對於涉及判斷的關鍵參數，從外部管道獲得證據並將其與貴集團的內部記錄(包括以往損失經驗和抵押品的類型)進行比較，以對輸入參數進行審慎評估。在這一過程中，我們通過與新會計準則過渡時的估計及輸入參數進行比較，就管理層對估計及輸入參數的修訂提出質詢，並考慮判斷的一致性。我們將模型中所運用的經濟因素與市場資訊進行對比，以評估這些數據是否與市場及經濟發展相符；
- 對於預期信貸損失模型中所用的、源自系統生成的內部數據的關鍵參數，在抽樣基礎上將輸入數據與原始檔進行對比以評估輸入參數的準確性。我們使用本所的資訊技術專家來評估對信貸評級流程有重要影響的資訊系統控制，包括客戶墊款逾期報告的編制。我們還評估這些系統內的相關自動化應用程式控制，以及對這些相關系統的主要內部控制(包括對系統登入的控制以及對數據和變更管理的控制)在設計、實施和操作上的成效；

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Impairment allowances of loans and advances to customers

Refer to notes 2(h)(vii), 29(a), 45(a)(x) to the consolidated financial statements

#### Key audit matter

In particular, the determination of the impairment allowances is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The expected credit losses are derived from estimates including the historical losses, internal and external credit grading and other adjustment factors. The expected credit losses for personal loans are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience for personal loans and other adjustment factors.

Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the seniority of the claim and the existence and cooperativeness of other creditors. Management refers to valuation reports issued by qualified third party valuers and considers the influence of various factors including the market price, location and use when assessing the value of property held as collateral. The enforceability, timing and means of realisation of collateral can also have an impact on the recoverable amount of collateral and, therefore, the amount of impairment allowances as at the end of the reporting period.

We identified the impairment allowances of loans and advances to customers measured at amortised cost as a key audit matter because of the complexity of the inherent uncertainty and management judgement involved and because of its significance to the financial results and capital of the Group.

#### How the matter was addressed in our audit

- for selected samples of loans and advances to customers that are credit-impaired, evaluating management's assessment of the value of any property collateral held by comparison with market prices based on the location and use of the property and the prices of neighbouring properties. We also evaluated the timing and means of realisation of collateral, evaluated the forecast cash flows, challenged the viability of the Group's recovery plans and evaluated other credit enhancements that are integral to the contract terms;
- in respect of identifying exposures with a significant increase in credit risk, evaluating the validity of management's assessment on whether the credit risk of the loan has, or has not, increased significantly since initial recognition and whether the loan is credit-impaired by selecting samples for which we checked loan overdue information, made enquiries of the credit managers about the borrowers' business operations, checked borrowers' financial information and researched market information about borrowers' businesses;
- in respect of assessing the accuracy of ECL calculation, recalculating the amount of credit loss allowance for 12-month and life-time credit losses using the expected credit loss model based on the above parameters and assumptions for a sample of loans and advances to customers where the credit risk of the loan has not, or has, increased significantly since initial recognition, respectively and comparing to the results from the Group;
- assessing the appropriateness of material manual adjustments and overlays on ECL model outputs;
- evaluating whether the presentation and disclosures on impairment allowances of loans and advances to customers measured at amortised cost meet the requirements in HKAS 32 Financial Instruments: Presentation and HKFRS 7 Financial Instruments: Disclosures; and
- assessing whether the relevant disclosures in relation to the change in the financial instruments standard are in compliance with the Hong Kong Financial Reporting Standards.

**客戶貸款及墊款的減值準備**

請參閱綜合財務報表附註2(h)(vii)、29(a)和45(a)(x)

**關鍵審計事項**

當中，減值準備的釐定在很大程度上取決於外部宏觀環境及貴集團的內部信貸風險管理策略。預期信貸損失乃源自於對歷史損失、內部及外部信貸評級及其他調整因素的估計。個人貸款的預期信貸損失乃源自於管理層考慮了歷史逾期數據、個人貸款的以往損失經驗以及其他調整因素而作出的估計。

管理層在釐定違約損失率的金額時亦會根據多項因素作出判斷。這些因素包括收回墊款的方式、借款人的財務狀況、抵押品的可收回金額、索賠受償順序及其他債權人是否存在及其合作意向等。在評估持有抵押品的物業的價值時，管理層會參考合資格第三方評估師出具的估值報告，並考慮各種因素的影響，包括物業的市場價格、位置及用途。抵押品的法律效力、變現時間和方法亦會影響抵押品的可收回金額，並從而影響報告期末的減值準備金額。

由於以攤銷成本計量的客戶貸款及墊款的減值準備所涉及的複雜性、管理層判斷以及內含的不確定性，同時由於其對貴集團財務業績和資本的重大影響，我們將其認定為一項關鍵審計事項。

**審計對策**

- 對於已抽選的不良信貸的客戶貸款及墊款樣本，根據持有抵押品的物業的位置及用途以及鄰近物業的價格，將持有抵押品的物業的價值與市場價格進行比較，以評價管理層對該類物業價值的評估。我們還評價了抵押品的變現時間和方法以及現金流預測，對貴集團回收方案的可行性提出了質詢，並對合同條款中的其他信貸提升進行了評價；
- 在識別信貸風險已顯著增加的貸款方面，採用抽樣的方式檢查貸款逾期資訊，就借款人的業務運營詢問信貸經理，檢查借款人的財務信息並查考有關借款人業務的市場資訊，以評價管理層對於貸款的信貸風險自初始確認以來是否已，或尚未有，顯著增加以及貸款是否已成為不良信貸的評估是否恰當；
- 在評估預期信貸損失計算的準確性方面，抽選信貸風險自初始確認以來尚未顯著增加或已顯著增加的客戶貸款及墊款樣本，同時根據上述參數及假設並使用預期信貸損失模型，分別重新計算該等樣本按照12個月內的信貸損失和合約期內的信貸損失計量的信貸損失準備金額，並將該計算結果與貴集團的結果進行比較；
- 評估重大的手動調整以及預期信貸損失模型輸出值的調整是否恰當；
- 評價以攤銷成本計量的客戶貸款及墊款的減值準備的列報與披露是否滿足《香港會計準則》第32號「金融工具：列報」以及《香港財務報告準則》第7號「金融工具：披露」的要求；及
- 評估與金融工具準則變更有關的披露是否符合《香港財務報告準則》的要求。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Assessment of the fair value of financial instruments

Refer to notes 2(h)(iii), 27, 28, 30, 46(a) to the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
<p>Financial instruments carried at fair value account for a significant portion of the Group's assets. As at 31 December 2018 the fair value of these financial instruments was HK\$151,166 million of which HK\$25,967 million, HK\$124,202 million and HK\$997 million was classified as level 1, 2 and 3 financial instruments respectively.</p> <p>The valuation of the Group's financial instruments, which are stated at their fair values, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of level 3 financial instruments, estimates need to be developed which can involve significant management judgement.</p> <p>In addition, the Group has developed its own models to value certain level 2 and 3 financial instruments, which involves significant management judgement.</p> <p>We identified the assessment of the fair value of financial instruments as a key audit matter because of the complexity and significant management judgement required in the valuation of some financial instruments and because of the lower transparency of inputs used in the valuation techniques for certain financial instruments which increases the risk of potential error.</p>	<p>Our audit procedures to assess the fair value of financial instruments included the following:</p> <ul style="list-style-type: none"> <li>• assessing the design, implementation and operating effectiveness of key internal controls over the valuation, independent price verification and model validation for financial instruments. For the key underlying systems used for the processing of transactions in relation to financial instruments we involved specialists to assess the design, implementation and operating effectiveness of relevant automated controls within these systems. We also assessed the design, implementation and operating effectiveness of the key internal controls over these underlying systems, including controls over access to these systems and controls over data and change management;</li> <li>• evaluating the fair values of financial instruments with quoted price by comparing the fair values applied by the Group with publicly available market data on a sample basis;</li> <li>• involving our internal valuation specialists to perform independent valuations of level 2 and level 3 financial instruments on a sample basis and comparing these valuations with the Group's valuations. Our internal valuation specialists performed independent valuations by developing models, obtaining inputs independently and verifying the inputs, evaluating the methodology adopted by management for the valuation of these financial instruments and assessing the inputs and assumptions used in the valuations;</li> <li>• assessing the appropriate application of Credit Value and Debit Value Adjustments ("CVA/DVA") that form an integral part of fair values; inquiring of management about any changes in the CVA/DVA methodology and assessing the inputs applied; and</li> <li>• assessing whether the disclosures in the consolidated financial statements appropriately reflected the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.</li> </ul>

**評估金融工具的公平價值**

請參閱綜合財務報表附註2(h)(iii)、27、28、30和46(a)

**關鍵審計事項**

以公平價值列賬的金融工具為貴集團持有的重要資產之一。貴集團於二零一八年十二月三十一日持有此類金融工具的公平價值金額為港幣1,511.66億元，其中在公平價值分級內第一級、第二級和第三級的金融工具公平價值分別為港幣259.67億元、港幣1,242.02億元及港幣9.97億元。

貴集團以公平價值列賬的金融工具的估值以市場數據和估值模型為基礎，其中估值模型通常需要大量的參數輸入。大部分參數源自於高流動性市場中可獲取的數據。當可觀察的數據無法從高流動性市場獲取時，即公平價值屬於第三級的情形下，管理層便需提供估算，這當中會涉及管理層的重大判斷。

此外，貴集團已對特定的第二級及第三級金融工具開發了自有估值模型，這也會涉及管理層的重大判斷。

由於金融工具公平價值的評估涉及一定複雜性，而部分金融工具亦涉及管理層的重大判斷，以及部分金融工具使用的參數的透明度較低而增加潛在錯誤風險，我們因此將金融工具公平價值的評估識別為關鍵審計事項。

**審計對策**

與評估金融工具公平價值相關的審計程序包括以下各項：

- 評估與金融工具估值、獨立價格驗證及模型驗證相關的內部控制的設計、實施和操作上的成效。利用本所專家，評估處理金融工具相關交易的主要系統內自動化控制於設計、實施和操作上的成效。我們還評估了這些相關系統的關鍵內部控制(包括對系統登入的控制以及對數據和變更管理的控制)在設計、實施和操作上的成效；
- 採用抽樣的方式，通過比較貴集團採用的公平價值與公開可獲取的市場數據，評估具有市場報價的金融工具的公平價值；
- 採用抽樣的方式，由本所內部估值專家對公平價值屬於第二級和第三級的金融工具進行獨立估值，並將我們的估值結果與貴集團的估值結果進行比較。我們的程序包括制定估值模型、獨立獲取及驗證參數、評估管理層所採用的金融工具估值法，以及評估估值時所使用的參數和假設；
- 在評估對構成公平價值組成部分的信用估值調整和債務價值調整的運用是否適當時，詢查管理層計算信用估值調整和債務價值調整的方法曾否發生變化，並評估參數運用的恰當性；及
- 評估綜合財務報表中與金融工具相關的披露是否符合有關會計準則的要求，恰當反映了貴集團的金融工具估值風險。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

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

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

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

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

### 綜合財務報表及其核數師報告以外的資訊

董事需對其他資訊負責。其他資訊包括刊載於年報內的全部資訊，但不包括綜合財務報表及我們的核數師報告。

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

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

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

### 董事就綜合財務報表須承擔的責任

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

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

審計委員會協助董事履行監督 貴集團的財務報告過程的責任。

### 核數師就審計綜合財務報表承擔的責任

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

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

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Donowho, Simon Christopher.

### **KPMG**

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

27 February 2019



## 獨立核數師報告(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是鄧諾豪(Donowho, Simon Christopher)。

**畢馬威會計師事務所**

執業會計師

香港中環

遮打道十號

太子大廈八樓

二零一九年二月二十七日

# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

For the year ended 31st December, 2018 截至2018年12月31日止年度

		Notes 附註	2018 HK\$ Mn 港幣百萬元	2017 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務			
Interest income	利息收入	5	25,598	21,629
Interest income calculated using the effective interest method	按有效利率方法計算的利息收入		25,058	21,509
Other interest income	其他利息收入		540	120
Interest expense	利息支出	6	(12,639)	(9,797)
Net interest income	淨利息收入		12,959	11,832
Fee and commission income	服務費及佣金收入	7	3,813	3,557
Fee and commission expense	服務費及佣金支出		(1,160)	(1,064)
Net fee and commission income	服務費及佣金收入淨額		2,653	2,493
Net trading profits	交易溢利淨額	8	994	526
Net result from other financial instruments at FVTPL	通過損益以反映公平價值其他金融工具的淨表現	9	(286)	35
Net hedging profit/(loss)	對沖溢利/(虧損)淨額	10	43	(2)
Net insurance revenue	保險業務淨收入	11(a)	295	687
Other operating income	其他經營收入	12	414	382
Non-interest income	非利息收入		4,113	4,121
Operating income	經營收入		17,072	15,953
Operating expenses	經營支出	13	(8,563)	(8,067)
Operating profit before impairment losses	未扣除減值損失之經營溢利		8,509	7,886
Impairment losses on financial instruments	金融工具減值損失	14	(1,188)	(1,744)
Impairment losses on assets held for sale	持有作出售資產減值損失		-	(63)
Impairment losses on intangible assets	無形資產減值損失	33(b)	(5)	(650)
Impairment losses on associate	聯營公司減值損失	32	(397)	-
Impairment losses	減值損失		(1,590)	(2,457)
Operating profit after impairment losses	已扣除減值損失後之經營溢利		6,919	5,429
Net profit on sale of held-to-maturity investments	出售持至到期投資之淨溢利		-	6
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利	15	-	1,057
Net profit on sale of financial assets at FVOCI	出售通過全面收益以反映公平價值金融資產之淨溢利	16	62	-
Net profit on sale of disposal groups and assets held for sale	出售出售組別及持有作出售資產之淨溢利		56	183
Net profit on disposal of subsidiaries/associates	出售附屬/聯營公司之淨溢利		1	2
Net loss on disposal of fixed assets	出售固定資產之淨虧損	17	(9)	(22)
Valuation gains on investment properties	重估投資物業盈利	34	465	522
Share of profits less losses of associates	應佔聯營公司溢利減虧損	32	566	388
Profit for the year before taxation	年度內除稅前溢利		8,060	7,565
Income tax	所得稅	18	(1,506)	(1,195)
Profit for the year from continuing operations	年度內持續經營業務溢利		6,554	6,370
DISCONTINUED OPERATIONS	已終止經營業務			
Profit from discontinued operations	已終止經營業務溢利	56	-	4,145
Profit for the year	年度內溢利		6,554	10,515

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

### 綜合收益表(續)

For the year ended 31st December, 2018 截至2018年12月31日止年度

		Notes 附註	2018 HK\$ Mn 港幣百萬元	2017 HK\$ Mn 港幣百萬元
Attributable to:	可歸屬於：			
Owners of the parent	本集團股東			
– from continuing operations	– 來自持續經營業務		6,509	6,298
– from discontinued operations	– 來自已終止經營業務		–	3,049
		43(k)	6,509	9,347
Non-controlling interests	非控股權益	44	45	1,168
Profit for the year	年度內溢利		6,554	10,515
Earnings per share	每股盈利		HK\$ 港幣元	HK\$ 港幣元
Basic	基本	21		
– profit for the year	– 年度內溢利		2.07	3.21
– profit from continuing operations	– 來自持續經營業務溢利		2.07	2.09
Diluted	攤薄	21		
– profit for the year	– 年度內溢利		2.07	3.20
– profit from continuing operations	– 來自持續經營業務溢利		2.07	2.09

The notes on pages 177 to 366 form part of these financial statements. Details of dividends payable to equity shareholders of the Bank attributable to the profit for the year are set out in Note 19.

第177至366頁之附註屬本財務報表之一部分。有關屬年度內溢利並應付予本行股東之股息詳情已詳載於附註19。

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

For the year ended 31st December, 2018 截至2018年12月31日止年度

		Notes 附註	2018 HK\$ Mn 港幣百萬元	2017 HK\$ Mn 港幣百萬元
Net profit	淨溢利		6,554	10,515
Other comprehensive income for the year:	年度內其他全面收益：			
Items that will not be reclassified to income statement:	不可轉回收益表的項目：			
Premises:	行址：			
– unrealised surplus on revaluation of premises	– 重估行址所產生的未實現盈餘	43(b)	8	44
– deferred taxes	– 遞延稅項	43(b)	(13)	1
Fair value reserve (equity instruments at FVOCI):	公平價值儲備(通過全面收益以反映公平價值股份工具)：			
– net change in fair value	– 公平價值變動	43(g)	296	–
– deferred taxes	– 遞延稅項	43(g)	(5)	–
Liability credit reserve:	負債信貸儲備：			
– net change in fair value attributable to Group's own credit risk	– 因集團自身信貸風險而引致的公平價值變動	43(i)	3	–
Items that may be reclassified subsequently to income statement:	以後可能轉回收益表的項目：			
Fair value reserve (debt instruments at FVOCI):	公平價值儲備(通過全面收益以反映公平價值債務工具)：			
– net change in fair value	– 公平價值變動	43(g)	(932)	–
– amount transferred to income statement on disposal	– 於出售時轉入收益表的金額	43(g)	(52)	–
– on amortisation	– 攤銷	43(g)	(4)	–
– deferred taxes	– 遞延稅項	43(g)	69	–
Fair value reserve (available-for-sale financial assets):	公平價值儲備(可供出售金融資產)：			
– net change in fair value	– 公平價值變動	43(g)	–	1,458
– fair value changes reclassified to income statement on disposal	– 於出售時轉入收益表的公平價值變動	43(g)	–	(1,320)
– deferred taxes	– 遞延稅項	43(g)	–	(65)
Hedging reserve (cash flow hedges):	對沖儲備(現金流對沖)：			
– effective portion of changes in fair value of hedging instruments	– 對沖工具公平價值變動的有效部分	43(h)	(1)	20
– fair value change reclassified from income statement	– 轉自收益表的公平價值變動	43(h)	5	13
Share of changes in equity of associates	應佔聯營公司權益的變動	43(j)	(42)	(54)
Exchange differences arising from translation of accounts/disposal of overseas branches, subsidiaries and associates	從海外分行、附屬公司及聯營公司的賬項折算/出售所產生的匯兌差額		(1,908)	2,818
Other comprehensive income	其他全面收益		(2,576)	2,915
Total comprehensive income	全面收益總額		3,978	13,430
Total comprehensive income attributable to:	全面收益總額可歸屬於：			
Owners of the parent	本集團股東		3,928	12,206
Non-controlling interests	非控股權益		50	1,224
			3,978	13,430

The notes on pages 177 to 366 form part of these financial statements.

第177至366頁之附註屬本財務報表之一部分。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31st December, 2018 2018年12月31日

			2018	2017
	Notes 附註	HK\$ Mn 港幣百萬元	Restated 重報	HK\$ Mn 港幣百萬元
<b>ASSETS</b>	<b>資產</b>			
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存 25		48,106	55,696
Placements with and advances to banks and other financial institutions	在銀行及其他金融機構的存款及墊款 26		60,373	58,583
Trade bills	貿易票據 27		14,646	13,909
Trading assets	交易用途資產 28		3,483	6,956
Derivative assets	衍生工具資產 47(b)(ii)		10,211	11,335
Loans and advances to customers	客戶貸款及墊款 29		498,284	470,339
Investment securities	投資證券 30		144,729	134,425
Investments in associates	聯營公司投資 32		9,129	9,429
Fixed assets	固定資產 34		13,165	12,750
– Investment properties	– 投資物業		5,249	5,107
– Other properties and equipment	– 其他物業及設備		7,916	7,643
Goodwill and intangible assets	商譽及無形資產 33		1,940	1,959
Deferred tax assets	遞延稅項資產 37(b)		481	602
Other assets	其他資產 35		34,904	32,959
<b>Total Assets</b>	<b>資產總額</b>		<b>839,451</b>	<b>808,942</b>
<b>EQUITY AND LIABILITIES</b>	<b>股東權益及負債</b>			
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘		27,490	26,981
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值 36		1,335	3,110
– At amortised cost	– 攤銷成本		26,155	23,871
Deposits from customers	客戶存款		574,114	571,684
Trading liabilities	交易用途負債 38(a)		–	11
Derivative liabilities	衍生工具負債 47(b)(ii)		9,496	12,077
Certificates of deposit issued	已發行存款證		58,490	36,466
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值 36		9,462	11,655
– At amortised cost	– 攤銷成本		49,028	24,811
Current taxation	本期稅項 37(a)		1,437	1,160
Debt securities issued	已發行債務證券		564	1,007
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值 36		407	851
– At amortised cost	– 攤銷成本		157	156
Deferred tax liabilities	遞延稅項負債 37(b)		483	551
Other liabilities	其他負債 38(b)		51,444	45,378
Loan capital – at amortised cost	借貸資本 – 攤銷成本 39		12,358	12,413
<b>Total Liabilities</b>	<b>負債總額</b>		<b>735,876</b>	<b>707,728</b>
Share capital	股本 41		39,925	37,527
Reserves	儲備 43		51,901	51,955
<b>Total equity attributable to owners of the parent</b>	<b>歸屬於本集團股東權益總額</b>		<b>91,826</b>	<b>89,482</b>
Additional equity instruments	額外股本工具 42		8,894	8,894
Non-controlling interests	非控股權益 44		2,855	2,838
<b>Total Equity</b>	<b>股東權益總額</b>		<b>103,575</b>	<b>101,214</b>
<b>Total Equity and Liabilities</b>	<b>股東權益及負債總額</b>		<b>839,451</b>	<b>808,942</b>

Approved and authorised for issue by the Board on 27th February, 2019.

Chairman and Chief Executive  
DirectorDavid LI Kwok-po  
Meocre LI Kwok-wing

董事會於2019年2月27日核准及授權發布。

主席兼行政總裁  
董事李國寶  
李國榮

The notes on pages 177 to 366 form part of these financial statements.

第177至366頁之附註屬本財務報表之一部分。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31st December, 2018 截至2018年12月31日止年度

		Share capital	General reserve	Revaluation reserve of bank premises	Capital reserve	Exchange revaluation reserve	Capital reserve – staff share options issued	Fair value reserve	Hedging reserve	Liability credit reserve	Other reserves <sup>1</sup>	Retained profits	Total	Additional equity instruments	Non-controlling interests	Total equity
		股本	一般儲備	行址重估儲備	資本儲備	匯兌重估儲備	資本儲備 – 已發行僱員認股權	公平價值儲備	對沖儲備	負債信貸儲備	其他儲備 <sup>1</sup>	留存溢利	總額	額外股本工具	非控股權益	權益總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2018	於2018年1月1日	37,527	14,060	1,757	230	487	135	1,454	11	-	4,931	28,890	89,482	8,894	2,838	101,214
Impact of adopting HKFRS 9 at 1st January, 2018 (Note 3)	於2018年1月1日因採納《香港財務報告準則》第9號之影響(附註3)	-	-	-	-	-	-	(162)	-	(6)	-	(32)	(200)	-	-	(200)
Restated balance at 1st January, 2018	於2018年1月1日已重報後的結餘	37,527	14,060	1,757	230	487	135	1,292	11	(6)	4,931	28,858	89,282	8,894	2,838	101,014
Changes in equity	權益變動															
Profit for the year	年度內溢利	-	-	-	-	-	-	-	-	-	-	6,509	6,509	-	45	6,554
Other comprehensive income	其他全面收益	-	-	(5)	-	(1,913)	-	(628)	4	3	(42)	-	(2,581)	-	5	(2,576)
Total comprehensive income	全面收益總額	-	-	(5)	-	(1,913)	-	(628)	4	3	(42)	6,509	3,928	-	50	3,978
Shares issued in lieu of dividend (Note 41)	以股代息發行的股份(附註41)	2,313	-	-	-	-	-	-	-	-	-	-	2,313	-	-	2,313
Shares issued under Staff Share Option Schemes (Note 41)	根據僱員認股計劃發行的股份(附註41)	73	-	-	-	-	-	-	-	-	-	-	73	-	-	73
Equity settled share-based transaction (Note 43(f))	以股份為基礎作支付之交易(附註43(f))	-	-	-	-	-	35	-	-	-	-	-	35	-	-	35
Transfer	轉賬	12	(6)	-	703	-	(12)	-	-	-	74	(771)	-	-	-	-
Distribution/Dividends declared or approved during the year	年度內的分派及已宣布或核准派發股息	-	-	-	-	-	-	-	-	-	-	(3,805)	(3,805)	-	(53)	(3,858)
Change of ownership in subsidiaries (Note 44)	附屬公司之擁有權變動(附註44)	-	-	-	-	-	-	-	-	-	-	-	-	-	55	55
Decrease in non-controlling interests arising from capital reduction of a subsidiary (Note 44)	一附屬公司減本而導致非控股權益減少(附註44)	-	-	-	-	-	-	-	-	-	-	-	-	-	(35)	(35)
At 31st December, 2018	於2018年12月31日	39,925	14,054	1,752	933	(1,426)	158	664	15	(3)	4,963	30,791	91,826	8,894	2,855	103,575

1. Other reserves include statutory reserve and other reserves.

1. 其他儲備包括法定儲備及其他儲備。

The notes on pages 177 to 366 form part of these financial statements.

第177至366頁之附註屬本財務報表之一部分。

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### 綜合權益變動表(續)

For the year ended 31st December, 2017 截至2017年12月31日止年度

		Share capital	General reserve	Revaluation reserve of bank premises	Capital reserve	Exchange revaluation reserve	Capital reserve – staff share options issued	Fair value reserve	Hedging reserve	Liability credit reserve	Other reserves <sup>2</sup>	Retained profits	Total	Additional equity instruments	Non-controlling interests	Total equity
		股本	一般儲備	行址重估儲備	資本儲備	匯兌重估儲備	資本儲備—已發行	公平價值儲備	對沖儲備	負債信貸儲備	其他儲備 <sup>2</sup>	留存溢利	總額	額外股本工具	非控股權益	權益總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2017	於2017年1月1日	35,490	14,035	1,728	230	(2,275)	124	1,381	(22)	-	5,293	22,447	78,431	5,016	3,189	86,636
Changes in equity	權益變動															
Profit for the year	年度內溢利	-	-	-	-	-	-	-	-	-	-	9,347	9,347	-	1,168	10,515
Other comprehensive income	其他全面收益	-	-	45	-	2,762	-	73	33	-	(54)	-	2,859	-	56	2,915
Total comprehensive income	全面收益總額	-	-	45	-	2,762	-	73	33	-	(54)	9,347	12,206	-	1,224	13,430
Issue of additional equity instruments <sup>1</sup>	發行額外股本工具 <sup>1</sup>	-	-	-	-	-	-	-	-	-	-	-	-	3,878	-	3,878
Shares issued in lieu of dividend (Note 41)	以股代息發行的股份(附註41)	1,927	-	-	-	-	-	-	-	-	-	-	1,927	-	-	1,927
Shares issued under Staff Share Option Schemes (Note 41)	根據僱員認股計劃發行的股份(附註41)	93	-	-	-	-	-	-	-	-	-	-	93	-	-	93
Equity settled share-based transaction (Note 43(f))	以股份為基礎作支付之交易(附註43(f))	-	-	-	-	-	36	-	-	-	-	-	36	-	-	36
Transfer	轉賬	17	25	(16)	-	-	(25)	-	-	-	(308)	307	-	-	-	-
Distribution/Dividends declared or approved during the year	年度內的分派及已宣布或核准派發股息	-	-	-	-	-	-	-	-	-	-	(3,211)	(3,211)	-	(1,422)	(4,633)
Change of ownership in subsidiaries (Note 44)	附屬公司之擁有權變動(附註44)	-	-	-	-	-	-	-	-	-	-	-	-	-	(18)	(18)
Decrease in non-controlling interests arising from capital reduction of a subsidiary (Note 44)	一附屬公司減本而導致非控股權益減少(附註44)	-	-	-	-	-	-	-	-	-	-	-	-	-	(135)	(135)
At 31st December, 2017	於2017年12月31日	37,527	14,060	1,757	230	487	135	1,454	11	-	4,931	28,890	89,482	8,894	2,838	101,214

1. In 2017, the Bank issued HK\$3,892 million (USD500 million) undated non-cumulative subordinated Additional Tier 1 capital securities ("AT1"). Direct issuance costs of HK\$14 million are accounted for as a deduction from the equity instruments.

2. Other reserves include statutory reserve and other reserves.

The notes on pages 177 to 366 form part of these financial statements.

1. 在2017年，本行發行港幣38.92億元(5億美元)無到期日非累積後償額外一級資本工具(「額外一級資本工具」)。直接發行成本港幣1,400萬元經已入賬，並已從股本工具中扣除。

2. 其他儲備包括法定儲備及其他儲備。

第177至366頁之附註屬本財務報表之一部分。

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31st December, 2018 截至2018年12月31日止年度

		2018		2017		
		Notes 附註	HKS Mn 港幣百萬元	HK\$ Mn 港幣百萬元		
<b>OPERATING ACTIVITIES</b>	<b>經營業務活動</b>					
Profit for the year before taxation	年度內除稅前溢利		<b>8,060</b>			11,724
Adjustments for:	調整：					
Charge for impairment losses on financial instruments	金融工具減值損失支銷		<b>1,188</b>			1,744
Charge for impairment losses on intangible assets	無形資產減值損失支銷	33(b)	<b>5</b>			650
Charge for impairment losses on assets held for sale	持有作出售資產減值損失支銷		<b>-</b>			63
Charge for impairment losses on associate	聯營公司減值損失支銷		<b>397</b>			-
Share of profits less losses of associates	應佔聯營公司溢利減虧損		<b>(566)</b>			(388)
Net profit on sale of held-to-maturity investments	出售持至到期投資之淨溢利		<b>-</b>			(6)
Net profit on sale of financial assets at FVOCI	出售通過全面收益以反映公平價值金融資產之淨溢利		<b>(62)</b>			-
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利		<b>-</b>			(1,057)
Net profit on disposal of subsidiaries and associates	出售附屬公司及聯營公司之淨溢利		<b>(1)</b>			(2)
Net profit on sale of disposal groups and assets held for sale	出售出售組別及持有作出售資產之淨溢利		<b>(56)</b>			(183)
Net profit on sale of discontinued operations	出售已終止經營業務之淨溢利		<b>-</b>			(4,084)
Net loss on disposal of fixed assets	出售固定資產之淨虧損		<b>9</b>			22
Interest expense on certificates of deposit, debt securities and loan capital issued	已發行存款證、債務證券及借貸資本利息支出		<b>1,340</b>			1,531
Depreciation on fixed assets	固定資產折舊	34	<b>473</b>			466
Dividend income from equity securities at FVOCI	通過全面收益以反映公平價值股份證券股息收入	12	<b>(23)</b>			-
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入	12	<b>-</b>			(34)
Amortisation of intangible assets	無形資產攤銷	13	<b>14</b>			32
Amortisation of premium/discount on certificates of deposit, debt securities and loan capital issued	已發行存款證、債務證券及借貸資本的溢價/折扣攤銷		<b>524</b>			309
Revaluation gains on certificates of deposit, debt securities and loan capital issued	重估已發行存款證、債務證券及借貸資本盈利		<b>(97)</b>			(169)
Valuation gains on investment properties	重估投資物業盈利	34	<b>(465)</b>			(522)
Equity settled share-based payment expenses	以股份為基礎作支費用	13,43(f)	<b>35</b>			36
<b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>	<b>營運資金變動前的經營溢利</b>		<b>10,775</b>			10,132



## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

### 綜合現金流量表(續)

For the year ended 31st December, 2018 截至2018年12月31日止年度

		2018	2017
Notes 附註		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(Increase)/decrease in operating assets:	經營資產(增)/減額:		
Cash and balances with banks with original maturity beyond three months	原本期限為3個月以上的現金及其他銀行存款的結存	8,361	(953)
Placements with and advances to banks and other financial institutions with original maturity beyond three months	原本期限為3個月以上的銀行及其他金融機構存款及墊款	(2,888)	7,000
Trade bills	貿易票據	(710)	(1,970)
Trading assets	交易用途資產	2,933	(3,002)
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	1,495	(615)
Derivative assets	衍生工具資產	1,124	(2,397)
Loans and advances to customers	客戶貸款及墊款	(28,705)	(21,892)
Debt securities at amortised cost	攤銷成本債務證券	(1,336)	-
Held-to-maturity debt securities	持至到期債務證券	-	(3,475)
Debt securities at FVOCI	通過全面收益以反映公平價值債務證券	(12,661)	-
Available-for-sale debt securities	可供出售債務證券	-	(5,447)
Debt securities mandatorily measured at FVTPL	強制按通過損益以反映公平價值計量債務證券	(1,953)	-
Other assets	其他資產	(1,725)	2,737
Increase/(decrease) in operating liabilities:	經營負債增/(減)額:		
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	509	506
Deposits from customers	客戶存款	2,430	35,895
Trading liabilities	交易用途負債	(11)	(39)
Derivative liabilities	衍生工具負債	(2,581)	4,095
Other liabilities	其他負債	5,856	(4,067)
Exchange adjustments	匯兌調整	1,660	(2,382)
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS</b>	<b>經營活動現金(流出)/流入淨額</b>	<b>(17,427)</b>	<b>14,126</b>
Income tax paid	已付所得稅		
Hong Kong profits tax paid	已付香港利得稅	(625)	(812)
Outside Hong Kong profits tax paid	已付海外利得稅	(568)	(649)
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(用於)/源自經營活動之現金淨額</b>	<b>(18,620)</b>	<b>12,665</b>

## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

## 綜合現金流量表(續)

For the year ended 31st December, 2018 截至2018年12月31日止年度

			2018	2017
	Notes 附註	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>			
Dividends received from associates	收取聯營公司股息		49	83
Dividends received from non-trading equity securities	收取非交易用途股份證券股息		23	34
Purchase of non-trading equity securities	購入非交易用途股份證券		(2,428)	(4,723)
Proceeds from sale of non-trading equity securities	出售非交易用途股份證券所得款項		2,550	5,328
Purchase of fixed assets	購入固定資產		(657)	(409)
Purchase of investment properties	購入投資物業		(7)	-
Proceeds from disposal of other properties and equipment	出售其他物業及設備所得款項		28	27
Proceeds from sale of disposal groups and assets held for sale	出售出售組別及持有作出售資產所得款項		137	653
Proceeds from sale of discontinued operations	出售已終止經營業務所得款項		-	5,947
Proceeds from disposal of associate	出售聯營公司所得款項		11	-
Increase of shareholding in associates	增加聯營公司權益		(304)	(2,612)
Change of ownership in subsidiaries	附屬公司之擁有權變動		-	(18)
Decrease in non-controlling interests arising from capital reduction of a subsidiary	一附屬公司減本而導致非控股權益減少		(35)	(135)
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	<b>(用於) / 源自投資活動之現金淨額</b>		<b>(633)</b>	<b>4,175</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>			
Ordinary dividends paid	支付普通股股息		(832)	(2,106)
Distribution to Hybrid/Additional Tier 1 issue holders	派發予混合 / 額外一級資本工具持有人	20(c), 43(k)	(713)	(600)
Issue of ordinary share capital	發行普通股股本	41	73	93
Issue of additional equity instruments	發行額外股本工具		-	3,892
Issue of certificates of deposit	發行存款證		107,441	74,007
Issue of debt securities	發行債務證券		114	1,367
Redemption of certificates of deposit issued	贖回已發行存款證		(85,576)	(67,055)
Redemption of debt securities issued	贖回已發行債務證券		(565)	(7,617)
Redemption of loan capital	贖回已發行借貸資本		-	(8,580)
Interest paid on certificates of deposit and debt securities issued	支付已發行存款證及債務證券利息		(626)	(769)
Interest paid on loan capital	支付借貸資本利息		(617)	(920)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>源自 / (用於) 融資活動之現金淨額</b>		<b>18,699</b>	<b>(8,288)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及等同現金項目淨(減) / 增額</b>		<b>(554)</b>	<b>8,552</b>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	<b>於1月1日之現金及等同現金項目</b>	48(a)	<b>89,980</b>	<b>75,841</b>
Effect of foreign exchange rate changes	匯率變動的影響		(3,406)	5,587
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER</b>	<b>於12月31日之現金及等同現金項目</b>	48(a)	<b>86,020</b>	<b>89,980</b>
Cash flows from operating activities included:	源自經營業務活動的現金流量包括:			
Interest received	利息收入		24,710	21,300
Interest paid	利息支出		12,547	10,423
Dividend received	股息收入		73	79

The notes on pages 177 to 366 form part of these financial statements.

第177至366頁之附註屬本財務報表之一部分。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 1. PRINCIPAL ACTIVITIES 主要業務

The Bank and its subsidiaries (the "Group") are engaged in the provision of banking and related financial services, and business, corporate and investor services.

本行及其附屬公司(「本集團」)的主要業務為提供銀行及有關的金融服務、以及商務、企業及投資者服務。

### 2. SIGNIFICANT ACCOUNTING POLICIES 主要會計政策

#### (a) Statement of Compliance

These financial statements have been prepared in accordance with all applicable HKFRS, which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

#### (b) Basis of Preparation of the Financial Statements

The financial statements for the year ended 31st December, 2018 comprise the Group and the Group's interest in associates.

The measurement basis used in the preparation of the financial statements is historical cost except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as trading, designated or mandatorily measured at fair value through profit or loss and measured at fair value through other comprehensive income (2017: available-for-sale) (Note 2(h)(ii));
- derivative financial instruments (Notes 2(l) and 2(k)); and
- investment properties (Note 2(o)(ii)).

The preparation of financial statements in conformity with HKFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

#### (a) 符合指引聲明

本財務報表乃按照香港會計師公會頒布所有適用的《香港財務報告準則》，其整體已包括個別適用的《香港財務報告準則》、《香港會計準則》及詮釋，以及香港一般採用的會計原則及《公司條例》的要求。本財務報表亦符合聯交所《上市規則》有關的披露規定。本集團採納的主要會計政策簡列如下。

香港會計師公會已頒布數項新增及經修訂的《香港財務報告準則》，並於本年度本集團的會計期首次生效或可被提早採納。附註3提供因首次應用該等準則而引致會計政策變動的資料，而該等資料只包括與本集團有關而須反映在本期及去年會計期的財務報表。

#### (b) 財務報表編製基準

截至2018年12月31日止年度的財務報表包括本集團及其應佔聯營公司之權益。

除以下資產及負債是以公平價值列賬外，本財務報表是以原值成本作為計量基準。有關詳情載列於下列會計政策：

- 分類作交易用途、指定或強制通過損益以反映公平價值及通過全面收益以反映公平價值的金融工具(2017年：可供出售)(附註2(h)(ii))；
- 衍生金融工具(附註2(l)及2(k))；及
- 投資物業(附註2(o)(ii))。

按《香港財務報告準則》之要求，在編製財務報表時，管理層須作判斷、估計及假設從而影響政策實施及資產及負債、及收入與支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計存在差異。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Details of judgements made by management in the application of HKFRS that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 54.

### (c) Basis of Consolidation

These consolidated financial statements cover the consolidated position of the Bank and all subsidiaries unless otherwise stated and the Group's interest in associates. For information required to be reported in accordance with the Banking (Disclosures) Rules, the basis of consolidation is set out in the Note 1 in the Unaudited Supplementary Financial Information.

#### (i) Subsidiaries and Non-controlling interests

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to 31st December each year. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Bank, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity shareholders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the net profit and total comprehensive income for the year between non-controlling interests and equity shareholders of the Bank.

有關估計及假設須持續作檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來會計期，則於修訂期及未來會計期內確認。

在附註54內，管理層已解釋實施對財務報表有重大影響的《香港財務報告準則》所作的詳細判斷及不明朗估計的主要來源。

### (c) 綜合基準

除另外陳述外，本綜合財務報表包括本行及其所有附屬公司及本集團所佔聯營公司之權益的綜合狀況。根據《銀行業(披露)規則》所要求匯報的資料，所採納的綜合基準已在未經審核補充財務資料附註1列載。

#### (i) 附屬公司及非控股權益

本綜合財務報表包括本行及其所有附屬公司截至各相關年度之12月31日止的財務報表。附屬公司為本集團所控制之實體。本集團基於對有關實體之權利、參與度及權力並可運用此等條件以影響其所得回報，則視為本集團對該實體擁有控制權。在評估是否有控制權時，本集團只考慮實質的權力(由本集團及其他人士所擁有)。

附屬公司之投資由控制權生效日起至控制權失效日止在綜合財務報表內計算。在編製綜合財務報表時，集團之間的結餘、交易及現金流及任何因集團之間交易所產生的未實現溢利均被抵銷。跟未實現盈利相同，因集團之間交易所產生的未實現虧損亦同樣被抵銷，但只局限於未有減值證據。

非控股權益指無論是直接或間接並不歸屬於本行之附屬公司的權益部分，及本集團並未與該等權益持有者達成附加協議，致令本集團整體上對該等權益產生符合金融負債定義的法定義務。就每一業務合併而言，本集團可選擇按公平價值或非控股權益按比例應佔該附屬公司的可辨識淨資產以計量非控股權益。

非控股權益在綜合財務狀況表內的股東權益中列示，但與可歸屬於本集團股東權益分開。非控股權益佔本集團之業績，在綜合收益表內以分配年度溢利之形式列示，而在綜合全面收益表則以分配年度全面收益總額予非控股權益與及可歸屬於本集團股東權益之形式列示。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(h)) or, when appropriate, the cost on initial recognition of an investment in an associate (Note 2(c)(ii)), and is offset against the gain or loss on the loss of control of that subsidiary.

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost less any impairment losses, if any (Note 2(r)).

#### (ii) Associates

The consolidated financial statements include the attributable share of the results and reserves of associates based on financial statements prepared at dates not earlier than three months prior to 31st December each year. An associate is a company in which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the associate's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the associate's net assets and any impairment loss relating to the investment see (Note 2(q) and 2(r)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the associates and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the associate's other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associates, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For these purposes, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

本集團將不導致喪失控股權之附屬公司權益的變動按權益交易方式入賬，即只調整在綜合權益內之控股及非控股權益的金額以反映其相關權益的變動，但不調整商譽及確認盈虧。

當本集團喪失對一附屬公司之控股權，將按出售該附屬公司之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失控股權日仍保留該前度附屬公司之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(h))的公平價值，或(如適用)按成本初始確認一聯營公司投資(附註2(c)(ii))，及當喪失對該附屬公司控股權時與盈虧沖銷。

在本行的財務狀況表中，附屬公司投資是以成本減除任何減值損失(附註2(r))列賬。

#### (ii) 聯營公司

本綜合財務報表包括根據截至每年的12月31日止之前不超過三個月的財務報表所編製應佔聯營公司的業績及儲備。聯營公司是指本集團或本行可對其管理發揮重大影響力，包括參予其財務及經營政策的決策，但並不控制或共同控制其管理層。

聯營公司投資是以權益會計法在綜合財務報表內入賬。根據權益會計法，投資的入賬方法是先以成本另調整本集團於購入後應佔該聯營公司的可辨識淨資產所超出成本之任何金額。往後，需調整在收購後本集團應佔聯營公司淨資產之變動及在(附註2(q)和2(r))所載有關投資的減值損失。任何超出於收購日之成本、本集團應佔聯營公司收購後和已除稅的業績及年度內的任何減值損失均在綜合收益表內確認，而本集團應佔聯營公司收購後和已除稅之其他全面收益項目則在綜合全面收益表內確認。

除本集團對該聯營公司所作具法律或推定義務或替該公司償付的承擔外，當本集團應佔該聯營公司的虧損超出本集團應佔該聯營公司之權益時，超出的虧損將不被確認，而本集團應佔該聯營公司之權益將被減值至零。因此，本集團應佔該聯營公司權益即按權益會計法計算投資賬面值，及實質上構成本集團應佔該聯營公司淨資產的長期權益。

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)**

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, except when unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former associate at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (Note 2(h)).

The Bank accounts for the results of associates to the extent of dividends received. Investments in associates are stated in the Bank's statement of financial position at cost less any impairment losses (Note 2(r)).

An associate is considered material if it is material to either income statement or statement of financial position of the Group in two consecutive years.

本集團與聯營公司交易而產生之未實現溢利及虧損，按本集團應佔該聯營公司之權益為限作沖銷。若有證據顯示未實現虧損屬資產轉讓的減值損失，則須立即於損益賬內確認。

當本集團喪失對一聯營公司之重大影響力，將按出售該聯營公司之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失控股權日仍保留該前度聯營公司之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(h))的公平價值。

本行按照已收取股息計算應佔聯營公司業績。在本行的財務狀況表中，聯營公司投資是以成本減除任何減值損失(附註2(r))列賬。

若連續兩年對於本集團的收益表或財務狀況表有重大影響，該聯營公司會被視為重大。

**(d) Translation of Foreign Currencies**

Foreign currencies transactions during the year are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the end of the reporting period. Exchange gains and losses are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollars using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to investments at fair value through profit or loss (FVTPL) and derivative financial instruments are included in gains less losses from trading securities or financial instruments at fair value through profit or loss. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in the income statement. Differences arising on translation of available-for-sale equity instruments (before 1st January, 2018) or equity investments which an election has been made to present subsequent changes in fair value in other comprehensive income (from 1st January, 2018) are recognised in other comprehensive income and accumulated separately in equity.

**(d) 外幣換算**

年度內的外幣交易按交易日的匯率折算為港幣。以外幣為單位的貨幣性資產及負債按報告期結束日的匯率折算為港幣。匯兌盈虧則計入收益表內。

以原值成本列賬但以外幣為單位的非貨幣性資產及負債按交易日的匯率折算為港幣。以外幣為單位及按公平價值列賬的非貨幣性資產及負債按釐定其公平價值日的匯率折算。

有關通過損益以反映公平價值投資及衍生金融工具的匯兌差額分別包括於交易用途證券淨盈虧或指定通過損益以反映公平價值投資淨盈虧。其他有關貨幣性資產及負債的匯兌差額則於收益表之外幣買賣溢利項下列示。因折算可供出售股份證券(2018年1月1日以前)或已選擇將往後公平價值變動在其他全面收益列示(由2018年1月1日起)的股份證券所產生的差額則於其他全面收益內確認，並在股東權益內分開累計。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Items of statement of financial position, including goodwill arising on consolidation of foreign operations acquired on or after 1st January, 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1st January, 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement when the profit or loss on disposal is recognised.

#### (e) Interest

##### **Policy applicable from 1st January, 2018**

##### Effective interest rate

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

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument but not expected credit losses. For financial assets that were purchased or originated credit-impaired on initial recognition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses (i.e. no expected credit loss provision is required at initial recognition).

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. The transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

##### Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance (or impairment allowance before 1st January, 2018).

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

海外業務之業績按交易日相約的匯率折算為港幣。資產負債表項目，財務狀況表的項目中，包括於2005年1月1日或以後因收購海外業務而在綜合時所產生的商譽，按報告期結束日的匯率折算為港幣。產生的匯兌差額直接在其他全面收益內確認，並在股東權益之匯兌儲備內分開累計。因於2005年1月1日以前收購海外業務而在綜合時所產生的商譽按收購海外業務日的匯率折算。

當確認出售海外業務的損益時，因該海外業務產生的累計匯兌差額由股東權益計入收益表。

#### (e) 利息

##### **由2018年1月1日起適用的政策**

##### 有效利率

所有帶息金融工具的利息收入及支出均按有效利率方法於收益表內以應計基準確認。

有效利率是可準確將金融工具在預計年期內產生之未來現金支出或收入折算為該金融資產的賬面值或該金融負債的攤銷成本的利率。

在計算除信貸不良資產外的金融工具的有效利率時，本集團計及金融工具的所有合約條款，但不計及預期信貸損失，以估計未來現金流。就初始確認時已購買或發起的信貸不良金融資產，使用估計未來現金流(包括預期信貸損失)計算信貸調整有效利率(即在初始確認時無需作出預期信貸損失撥備)。

有效利率的計算包括構成有效利率組成部分的交易成本及費用以及基點支出或收入。交易成本包括金融資產或金融負債的收購或發行直接應佔的增加成本。

##### 攤銷成本及賬面值總額

金融資產或金融負債的「攤銷成本」是金融資產或金融負債於初始確認時計量的金額減本金還款額，加減使用有效利率方法計算的初始確認金額與到期金額之任何差額而計算的累計攤銷，而就金融資產而言，經任何預期信貸損失準備(或2018年1月1日前的減值準備)作調整。

「金融資產的賬面值總額」是金融資產就任何預期信貸損失準備作調整前的攤銷成本。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

### Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were purchased or originated credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, please refer to Note 2(h)(vii).

### **Policy applicable before 1st January, 2018**

#### Effective interest rate

Interest income and expense for all interest-bearing financial instruments were recognised in the income statement on an accruals basis using the effective interest method.

The effective interest rate was the rate that exactly discounted estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Group estimated cash flows considering all contractual terms of the financial instrument but not future credit losses. The calculation included all fees and points paid or received between parties to the contract that were an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

For impaired loans, the accrual of interest income based on the original terms of the loan was discontinued, but any increase in the present value of impaired loans due to the passage of time was reported as interest income.

### (f) Fee and Commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate calculation (Note 2(e)).

Other fee and commission income is recognised in the income statement when the corresponding service is provided. Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. If it is uncertain that a loan commitment will result in draw-down of a loan, then the related loan commitment fee is recognised as revenue on a straight-line basis over the commitment period.

### 計算利息收入及支出

在計算利息收入及支出時，有效利率應用於資產的賬面值總額（當資產並非信貸不良時）或負債的攤銷成本。

然而，就初始確認後成為信貸不良的金融資產而言，透過將有效利率應用於該金融資產的攤銷成本而計算利息收入。若資產不再屬信貸不良，則恢復使用總額基準計算利息收入。

就初始確認時已購買或發起的信貸不良金融資產而言，透過將經信貸調整的有效利率應用於該資產的攤銷成本計算利息收入。即使該資產的信貸風險有所改善，亦不恢復使用總額基準計算利息收入。

有關金融資產屬信貸不良時的資料見附註2(h)(vii)。

### **2018年1月1日以前適用的政策**

#### 有效利率

所有帶息金融工具的利息收入及支出均按有效利率方法於收益表內以應計基準確認。

有效利率方法是一種計算攤銷成本及分配利息收入於相關期間的方法。有效利率是可準確將金融工具在預計年內產生之未來現金支出或收入折算為現值，或在較短期內折算為該金融工具賬面值的利率（如適用）。當計算有效利率時，本集團在估計現金流須考慮金融工具的所有合約條款，但不包括未來信貸損失。有效利率組成部分的計算包括所有合約對手之間的費用及基點支出或收入、交易成本及其他所有溢價或折扣。

就減值貸款而言，根據貸款原本條款計算的應計利息收入終止，但因隨時間過去令致減值貸款之現值增加則列作利息收入。

### (f) 服務費及佣金

有效利率的計算(附註2(e))包括金融資產及金融負債中構成有效利率組成部分的服務費及佣金收入及支出。

其他服務費及佣金收入在有關服務提供時確認在收益表內。因本集團開展或購入金融資產而產生之開立或承擔服務費收入/支出須遞延及確認為有效利率之調整。如不確定會否借出貸款，該相關承擔服務費按承擔期限以直線法列作收入。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed when the services are received.

其他服務費及佣金支出主要是交易及服務費，並在獲得服務時支銷。

#### (g) Other Revenue Recognition

Other revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

- (i) Net income from financial instruments at fair value through profit or loss and net trading income  
Net income from financial instruments designated as at FVTPL, net income from non-trading financial assets mandatorily measured at FVTPL (from 1st January, 2018) and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with foreign exchange differences and dividend income attributable to these financial instruments. Coupon interest from these financial assets and financial liabilities measured at FVTPL is accrued and presented as interest income or interest expense.
- (ii) Finance income from finance leases  
Finance income implicit in finance leases is recognised as interest income over the period of the lease so as to produce an approximately constant periodic rate of return of the outstanding net investment in the leases for each accounting period.
- (iii) Rental income from operating leases  
Rental income received under operating leases is recognised as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.
- (iv) Dividend income  
Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established unconditionally. Dividend income from listed investments is recognised when the share price of the investment is quoted ex-dividend.

#### (g) 其他收入確認

其他收入按已收或應收價款的公平價值釐定。假設經濟利益有可能流向本集團及收入和支出(如適用)屬可靠計量的，在收益表內確認收入的方法如下：

- (i) 通過損益以反映公平價值金融工具的淨收入及淨交易收入  
指定通過損益以反映公平價值金融工具的淨收入，強制通過損益以反映公平價值(由2018年1月1日起)之非交易用途金融資產及淨交易收入包括所有金融資產及金融負債之公平價值變動產生的盈虧(減除應計利息)，以及應歸屬於該等金融工具的匯兌差額及股息收入。由該等通過損益以反映公平價值金融資產及金融負債產生的應計票面利息列作利息收入或利息支出。
- (ii) 融資租賃收入  
融資租賃隱含財務收入按租賃年期確認為利息收入，以令每個會計年度期間剩餘的淨租賃投資回報大致相同。
- (iii) 經營租賃租金收入  
除非有更具代表性的基準衡量從租賃資產獲取利益的模式，其經營租賃之租金收入按該租期所涵蓋的年期以等額分期確認為其他經營收入。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨收款總額的組成部分。或有租金以賺取該收入的會計期間列作收入。
- (iv) 股息收入  
非上市投資股息收入在股東收取權被無條件確立時才予以確認。上市投資股息收入則在該投資的股價除息時才被確認。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (h) Financial Instruments

## (i) Initial recognition

The Group initially recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of investment securities classified as measured at FVTPL, fair value through other comprehensive income (FVOCI) (from 1st January, 2018), available-for-sale or held-to-maturity (before 1st January, 2018) financial assets and financial liabilities at FVTPL or debts issued are recognised using trade date accounting. Other financial assets and financial liabilities are recognised using settlement date accounting.

Financial instruments are measured initially at fair value, which normally will be equal to the transaction price plus, in case of a financial asset or financial liability not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

From the date of initial recognition, any gains and losses arising from changes in fair value of the financial assets or financial liabilities measured at fair value are recorded.

Accrued contractual interests from financial assets and liabilities are presented as accrued interest receivables and payables separately in the financial statements.

## (ii) Classification

**Financial assets and liabilities – Policy applicable from 1st January, 2018**

## Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## (h) 金融工具

## (i) 初始確認

當本集團成為金融工具合約其中一方時，初始確認金融資產和金融負債。以正常方式購買或出售分類為按通過損益以反映公平價值、通過其他全面收益以反映公平價值(自2018年1月1日起)、可供出售或持至到期(2018年1月1日之前)計量的投資證券、通過損益以反映公平價值的金融資產及金融負債或已發行債務俱按交易日會計法確認。其他金融資產和金融負債則按結算日會計法確認。

金融工具於初始期按公平價值計量，而公平價值大致與交易價相同。如金融資產或金融負債不屬於通過損益以反映公平價值，則包括直接歸屬於購入之金融資產或發行金融負債的交易成本。通過損益以反映公平價值的金融資產或金融負債的交易成本立即作費用支銷。

自初始確認日期起，按公平價值計量的金融資產或金融負債因公平價值變動而產生的任何盈利及虧損均予以記錄。

金融資產/負債的應計合約利息在財務報表中作為應計應收/應付利息分開列示。

## (ii) 分類

**金融資產及金融負債 - 由2018年1月1日起適用的政策**

## 金融資產

於初始確認時，金融資產分類為：按攤銷成本、通過其他全面收益以反映公平價值或通過損益以反映公平價值計量。

一項金融資產按攤銷成本計量，其必須符合以下條件及未有指定為通過損益以反映公平價值：

- 該資產是在一個以持有該資產以收取合約現金流為目的之商業模式中持有；及
- 該金融資產的合約條款於指定日期產生符合本金及按本金結餘的利息支付特徵的現金流。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income – (Note 2(n)). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

一項債務工具按通過其他全面收益以反映公平價值計量，其必須符合以下條件及未有指定為通過損益以反映公平價值：

- 該資產是在一個以收取合約現金流及出售金融資產為目的之商業模式中持有；及
- 該金融資產的合約條款於指定日期產生符合本金及按本金結餘的利息支付特徵的現金流。

非交易用途之股份投資初始確認時，本集團可作出不可撤回的選擇，將其後續公平價值變化確認於其他全面收益——(附註2(n))。該選擇是按投資逐項作出。

所有其他金融資產均分類為按通過損益以反映公平價值計量。

此外，於初始確認時，在可消除或明顯減少會計錯配的情況下，本集團可不可撤回地指定在其他情況下符合按攤銷成本或通過其他全面收益以反映公平價值條件的金融資產為通過損益以反映公平價值計量。

#### 商業模式評估

本集團評估在組合層面持有資產的商業模式之目標，因為這最能反映業務管理的方法及向管理層提供資料的方式。所考慮的資料包括：

- 組合的既定政策和目標以及該等政策的實際操作。尤其是，管理層的策略專注於賺取合約利息收入、維持特定的利率曲線、將金融資產的期限與為該等資產提供資金的負債或通過出售資產變現現金流的期限相配；
- 如何評估組合的表現並向本集團的管理層報告；
- 影響商業模式(及該商業模式下持有的金融資產)表現的風險以及如何管理該等風險；

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

- 業務管理人員如何得到補償 — 例如，補償是否根據所管理資產的公平價值或所收取的合約現金流釐定；及

- 過往期間的出售頻率、銷量和出售時點，出售原因以及其對未來出售活動的預期。然而，銷售活動的資料並非孤立考慮，而是作為關於本集團如何實現既定的金融資產管理目標及如何實現現金流的整體評估的一部分。

持作交易用途或管理或按公平值基準評估其表現的金融資產乃按通過損益以反映公平價值計量，因其既非持作收取合約現金流之用，亦非持作收取合約現金流及出售金融資產之用。

評估合約現金流是否純粹為支付本金及利息

就此項評估而言，「本金」的定義是金融資產在初始確認時的公平價值。「利息」的定義是貨幣的時間價值以及與特定時段內未償還本金有關的信用風險以及其他基本貸款風險和成本(例如流動性風險和管理費用)及利潤率的代價。

在評估合約現金流是否純粹為支付本金及利息時，本集團考慮工具的合約條款。這包括評估金融資產是否包含可能改變合約現金流的時點或金額，致使其不符合該項條件。在評估時，本集團考慮：

- 將會改變現金流金額及時點的或有事件；
- 槓桿特徵；
- 提前還款和延期條款；
- 限制本集團要求取得指定資產(例如無追索權資產安排)的現金流的條款；及
- 修正金錢時間值代價的特徵(例如定期調整利率)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets. When (and only when) the Group changes its business model for managing financial assets, it reclassifies all affected financial assets in accordance with the new business model. The reclassification should be applied prospectively from the 'reclassification date', which is defined as, 'the first day of the first reporting period following the change in business model that results in reclassifying financial assets'. Accordingly, any previously recognised gains, losses or interest will not be restated.

If a financial asset is reclassified out of the amortised cost measurement category and into the FVTPL or FVOCI measurement category, its fair value is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortised cost of the financial asset and fair value is recognised in profit or loss (if reclassification as FVTPL measurement category) or is recognised in other comprehensive income (if reclassification as FVOCI measurement category).

If a financial asset is reclassified out of the FVOCI measurement category and into the amortised cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognised in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost.

If a financial asset is reclassified out of the FVOCI measurement category and into the FVTPL measurement category, the financial asset continues to be measured at fair value. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

If a financial asset is reclassified out of the FVTPL measurement category and into the amortised cost measurement category, its fair value at the reclassification date becomes its new gross carrying amount.

If an entity reclassifies a financial asset out of the FVTPL measurement category and into the FVOCI measurement category, the financial asset continues to be measured at fair value and subsequent changes in fair value will be recognised in other comprehensive income.

#### 重新分類

除於本集團改變管理金融資產的商業模式後期間外，金融資產在初始確認後不會作出重新分類。當(並且僅當)本集團更改其管理金融資產的商業模式時，所有受影響的金融資產會根據新商業模式重新分類。重新分類應由「重分類日」前瞻性地應用。「重分類日」定義為「因商業模式變化而重新分類金融資產後的第一個報告期首天」。因此，任何之前確認的收益、虧損或利息不會重報。

如金融資產從按攤銷成本重新分類為通過損益以反映公平價值計量或通過其他全面收益以反映公平價值，則其公平價值會在重分類日計量。金融資產的先前攤銷成本與公平價值之間的差額產生的任何收益或損失會在收益表內確認(如重分類為通過損益以反映公平價值計量)或在其他全面收益內中確認(如果重新分類為通過其他全面收益以反映公平價值)。

如金融資產從通過其他全面收益以反映公平價值重新分類為按攤銷成本，則金融資產會在重分類日按其公平價值重新分類。然而，先前於其他全面收益確認的累計收益或虧損將從權益中扣除，並於重分類日按金融資產的公平價值調整。因此，金融資產在重分類日進行計量，就好像它一直以攤餘成本計量一樣。

如金融資產從通過其他全面收益以反映公平價值重新分類為通過損益以反映公平價值計量，則該金融資產會繼續以公平價值計量。先前於其他全面收益確認的累計收益或虧損於重分類日重新分類由權益轉入收益表作為重分類調整。

如金融資產從通過損益以反映公平價值計量重新分類為按攤銷成本，則其在重分類日的公平價值作為新的總賬面值。

如金融資產從通過損益以反映公平價值計量重新分類為通過其他全面收益以反映公平價值，則該金融資產會繼續以公平價值計量，而其後的公平價值變動會在其他全面收益中確認。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

#### *Financial liabilities*

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

The Group has designated certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### ***Financial assets and liabilities – Policy applicable before 1st January, 2018***

The Group classified its financial instruments into different categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred. The categories were: fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities.

#### *Fair value through profit or loss*

This category comprised financial assets and financial liabilities held for trading (Note 2(i)) and those designated at fair value through profit or loss upon initial recognition, but excluded those investments in equity instruments that did not have a quoted market price and whose fair value could not be reliably measured.

Financial instruments were designated at fair value through profit or loss upon initial recognition when:

- the assets or liabilities were managed, evaluated and reported internally on a fair value basis;
- the designation eliminated or significantly reduced an accounting mismatch which would otherwise arise; or
- the asset or liability contained an embedded derivative that significantly modified the cash flows that would otherwise be required under the contract and the separation of the embedded derivatives from the financial instrument was not prohibited.

Financial assets and financial liabilities under this category were carried at fair value. Changes in the fair value were included in the income statement in the period in which they arise. Upon disposal or repurchase, the difference between the net sales proceeds or the net payment and the carrying value was included in the income statement.

#### *金融負債*

本集團將其金融負債(財務擔保及貸款承擔除外)分類為按攤銷成本或按通過損益以反映公平價值計量類別。

在以下任一情況下,本集團已將若干金融負債指定為按通過損益以反映公平價值計量:

- 該負債是按公平價值作內部管理、評估及呈報;或
- 該指定可抵銷或明顯減少可能產生的會計錯配。

#### ***金融資產及金融負債—2018年1月1日之前適用的政策***

視乎購入資產及引致負債的目的,本集團於初始時分類其金融工具為不同類別。類別為:通過損益以反映公平價值、貸款及應收賬款、持至到期投資、可供出售金融資產及其他金融負債。

#### *通過損益以反映公平價值*

此類別包括持有作交易用途(附註2(i))和初始被指定為通過損益以反映公平價值的金融資產及金融負債,但不包括沒有市場報價的股份證券投資,及其公平價值是不能夠可靠計量的。

在以下情況於初始確認為指定為通過損益以反映公平價值的金融工具:

- 該資產或負債是按公平價值作內部管理、評估及呈報;
- 該指定可抵銷或重大地減低可能產生的會計錯配;或
- 該資產或負債包含嵌入衍生工具,而該嵌入衍生工具可重大地改變按合約產生的現金流及將嵌入衍生工具從金融工具內分開是不被禁止的。

屬於此類別的金融資產及金融負債按公平價值入賬。因公平價值變動產生之未實現盈利和虧損計入在期內發生的收益表。於出售或重購時,出售所得或支付淨額與賬面值的差額計入收益表。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### Loans and receivables

Loans and receivables were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market, other than (i) those that the Group intended to sell immediately or in the near term, which would be classified as held for trading; (ii) those that the Group, upon initial recognition, designated as at fair value through profit or loss or as available-for-sale; or (iii) those where the Group might not recover substantially all of its initial investment, other than because of credit deterioration, which would be classified as available-for-sale. Loans and receivables mainly comprised placements with and advances to banks and other financial institutions, trade bills and loans and advances to customers.

Securities classified as loans and receivables typically comprised securities issued by the same customers with whom the Group had a lending relationship that were not quoted in an active market. Investment decisions for credit substitute securities were subject to the same credit approval processes as loans, and the Group bore the same customer risk as it did for loans extended to those customers. Additionally the yield and maturity terms were generally directly negotiated by the Group with the issuer. These securities included commercial paper, short term debentures and preference shares issued by the borrower.

Loans and receivables and securities classified as loans and receivables were carried at amortised cost using the effective interest method, less impairment losses, if any (Note 2(h)(vii)).

#### Held-to-maturity investments

Held-to-maturity investments were non-derivative financial assets with fixed or determinable payments and fixed maturity which the Group had the positive intention and ability to hold to maturity, other than (i) those that the Group, upon initial recognition, designates as at fair value through profit or loss or available-for-sale; and (ii) those that met the definition of loans and receivables.

Held-to-maturity investments were carried at amortised cost using the effective interest method less impairment losses, if any (Note 2(h)(vii)).

If, as a result of a change in intention or ability, it was no longer appropriate to classify an investment as held-to-maturity, it shall be reclassified as available-for-sale and remeasured at fair value.

#### 貸款和應收賬款

貸款和應收賬款為固定或可確定付款金額及沒有活躍市場報價的非衍生金融資產，但不包括(i)本集團有計劃於短期內出售而被區分為持有作交易用途；(ii)本集團於初始期已指定為通過損益以反映公平價值或可供出售；或(iii)本集團可能不能收回大部分初始投資(但不包括因信貸轉壞的原因)，則須分類為可供出售。貸款和應收賬款主要包括在銀行及其他金融機構的存款、貿易票據及客戶貸款及墊款。

分類為貸款和應收賬款的證券中，較具代表性的包括由客戶發行而在活躍市場沒有報價的證券，而該客戶是本集團在其批發銀行業務中有借貸關係的相同客戶。作出代替信貸之證券的投資決定與貸款的信貸審批程序相同，尤如本集團須承擔等同借款予同一客戶的風險。另外，回報及到期日條款普遍是透過本集團與客戶直接磋商。此類證券包括商業票據、短期債券及由借款人發行的優先股份。

貸款和應收賬款及分類為貸款和應收賬款的證券按有效利率方法計算攤銷成本並減除任何減值損失入賬(附註2(h)(vii))。

#### 持至到期投資

持至到期投資包括有固定或可確定付款金額及有固定期限的非衍生金融資產而本集團有明確意向和能力持至到期日，但不包括(i)本集團於初始期已指定為通過損益以反映公平價值或可供出售，及(ii)符合貸款和應收賬款之定義。

持至到期投資採用有效利率方法計算攤銷成本並減除任何減值損失入賬(附註2(h)(vii))。

若因意向或能力改變而引致不再適合分類為持至到期投資，則將重新分類為可供出售並按公平價值計量。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

#### *Available-for-sale financial assets*

Available-for-sale financial assets were non-derivative financial assets that were designated as available-for-sale or were not classified in any of the other three categories above. They included financial assets intended to be held for an indefinite period of time, but which might be sold in response to needs for liquidity or changes in the market environment.

Available-for-sale financial assets were carried at fair value. Unrealised gains and losses arising from changes in the fair value were recognised in other comprehensive income and accumulated separately in equity, except for impairment losses and foreign exchange gains and losses on monetary items such as debt securities which were recognised in the income statement.

Investments in equity securities that did not have a quoted market price in an active market and whose fair value could not be measured reliably, and derivatives that were linked to and must be settled by delivery of such unquoted equity securities were carried at cost less impairment losses, if any (Note 2(h)(vii)).

When the available-for-sale financial assets were sold, gains or losses on disposal included the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments which were previously recognised in other comprehensive income were reclassified from equity to the income statement.

#### *Other financial liabilities*

Financial liabilities, other than trading liabilities and those designated at fair value through profit or loss, were measured at amortised cost using the effective interest method.

#### (iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

#### *可供出售金融資產*

可供出售金融資產是被指定為可供出售的非衍生金融資產，或並非分類為以上三種類別的金融資產。它包括計劃作不定期限持有的金融資產，但可能因應流動資金之需要或市場環境轉變而出售。

可供出售金融資產按公平價值列賬。除減值損失和貨幣性資產之外匯盈虧(如債務證券)在收益表內確認外，因公平價值的變動所產生的未實現盈虧於其他全面收益內確認，並在股東權益內分開累計。

在活躍市場中沒有市場報價而其公平價值是不能夠可靠計量的股份證券投資，及與之掛勾及在結算時須交出該無報價股份證券的衍生工具，按成本減除任何減值損失(附註2(h)(vii))列賬。

當出售可供出售金融資產時，出售盈虧包括出售所得款項淨額與賬面值的差額，以及曾經確認為其他全面收益之累計公平價值調整須由股東權益重新分類而轉入收益表。

#### *其他金融負債*

除作交易用途及通過損益以反映公平價值的金融負債外，金融負債按有效利率方法計算攤銷成本入賬。

#### (iii) 計量公平價值之原則

金融工具的公平價值是於報告期結束日根據其市場報價但未減除將來的估計出售成本。

如沒有公眾知悉的最後交易價格或在認可交易所的市場報價，或從經紀/交易員獲得屬於非交易所買賣的金融工具報價，又或該市場並不活躍，此工具的公平價值按估值模式估值，而該估值模式可根據實際市場交易提供可靠的估計價格。

當採用現金流折讓價格模式，估計將來現金流按管理層的最佳估計及採用的貼現率是在報告期結束日適用於相同條款工具的市場利率。當採用其他價格模式時，參數是在報告期結束日的市場價格資料。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (iv) Derecognition

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset, together with substantially all the risks and rewards of ownership, have been transferred.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the income statement. From 1st January, 2018 any cumulative gain/loss recognised in other comprehensive income in respect of equity investment securities designated as at FVOCI is not recognised in the income statement on derecognition of such securities, as explained in (Note 2(n)).

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

The Group uses the weighted average or first-in first-out method, where appropriate, to determine realised gains and losses to be recognised in the income statement on derecognition.

#### (v) Modifications of financial assets and financial liabilities

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised (Note 2(h)(iv)) and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the income statement. If such a modification is carried out because of financial difficulties of the borrower (Note 2(h)(vii)), then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the income statement.

#### (iv) 終止確認

當從金融資產獲得現金流的法定權利屆滿或已將重大風險及回報擁有權同時轉移後，本集團終止確認金融資產。

於終止確認金融資產時，資產賬面值（或終止確認部分資產的賬面值）與(i)已收代價（包括任何所得新資產減任何新負債）及(ii)已於其他全面收益確認的任何累計收益或虧損會於收益表內確認。自2018年1月1日起，指定為通過其他全面收益以反映公平價值的股份投資證券在其他全面收益中確認的任何累計收益／虧損均不會在終止確認時在收益表中確認（附註2(n)）。

當合約的義務已被履行、取消或期滿，本集團終止確認金融負債。

本集團採用加權平均法或先進先出法（如適用）以釐定在終止確認時須在收益表確認的已實現盈利和虧損。

#### (v) 修改金融資產及金融負債

若金融資產的條款被修改，本集團會評估經修訂資產的現金流量是否重大不同。如現金流量有重大不同，則原金融資產的現金流量的法定權利被視為已過期。在此情況下，原金融資產會被終止確認（附註2(h)(iv)），並按公平價值確認為新金融資產。

如果按攤銷成本計量的已修訂資產之現金流量並無重大差異，則該修訂不會終止確認該金融資產。在這種情況下，本集團會重新計算金融資產的總賬面值，並將調整總賬面值所產生的金額在收益表內確認為修訂損益。如果由於借款人的財務困難而進行此類修改（附註2(h)(vii)），則將損益與減值損失一併列報。在其他情況下，應列示為利息收入。

當合約條款被修改及已修訂之金融負債的現金流量有重大不同，本集團會終止確認其金融負債。在這種情況下，基於修改後的條款之新金融負債會按公平價值確認。已終止的金融負債與已修改條款的新金融負債的賬面值差額會在收益表內確認。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (vi) Offsetting

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

## (vii) Impairment

**Policy applicable from 1st January, 2018**

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued;
- loan commitments issued; and
- contract assets.

No impairment loss is recognised on equity investments.

The Group measures loss allowances for 12-month or lifetime ECL using a 3-stage approach as follows:

## (vi) 抵銷

只有具法定權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，金融資產和金融負債互相抵銷，並在財務狀況表內以淨額列示。

## (vii) 減值

**由2018年1月1日起適用的政策**

本集團就以下非通過損益以反映公平價值計量的金融工具的預期信貸損失確認減值準備：

- 屬債務工具的金融資產；
- 租賃應收賬款；
- 已發出的財務擔保合約；
- 已發出的貸款承擔；及
- 合約資產。

無需為股份投資計算減值。

本集團使用3階段法計量12個月或合約期內之預期信貸損失的減值準備如下：

Stage 階段	Description 描述	Impairment Loss Allowance Measurement 減值損失準備計量
1	Performing 履行中	12-month ECL 12個月內之預期信貸損失
2	Performing but with credit risk increased significantly at reporting date since its initial recognition 履行中但於報告日，信貸風險自初始確認以來已顯著增加	Lifetime ECL 合約期內之預期信貸損失
3	Non-performing 不良	Lifetime ECL 合約期內之預期信貸損失

12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

12個月內之預期信貸損失指金融工具在報告日後之12個月內，所有潛在違約事件所導致的信貸損失。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group adopts the criteria of stage allocation as follows:-

本集團採納階段分配的準則如下：

HKMA's 5-Grade Asset classification 金管局的5級資產類別	Stage Allocation 階段分配
Pass 合格	1
Special Mention 需要關注	2
Substandard 次級	2
Doubtful 呆滯	3
Loss 虧損	

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

1. 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
2. The rating of the exposure falls out of the "Low-Credit Risk Threshold" that is equivalent to the globally understood definition of "investment grade".

#### Measurement of ECL

ECL are a probability-weighted estimate of credit losses under different economic scenarios. They are measured as:

$$\text{Exposure at Default} \times \text{Probability of Default} \times \text{Loss Given Default}$$

#### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes but not limited to the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;

「信貸風險顯著增加」的準則已計及兩個關鍵因素：

1. 風險的內部或外部評級與風險產生之時的評級相比顯著轉差；及
2. 風險的評級不再屬於相當於普遍理解的「投資級別」定義的「低信貸風險界限」。

#### 計量預期信貸損失

預期信貸損失是在不同經濟情景中一個信貸損失的概率在加權後的估算值，以如下方法計量：

$$\text{違約風險承擔} \times \text{違約概率} \times \text{違約損失率}$$

#### 信貸不良金融資產

於各報告日，本集團評估按攤銷成本列賬的金融資產及按通過其他全面收益以反映公平價值列賬的債務金融資產是否為信貸不良。當發生一宗或多宗對金融資產的估計未來現金流造成不利影響的事件，則該金融資產屬「信貸不良」。

金融資產出現信貸減值的證據包括但不限於以下可觀察數據：

- 借款人或發行人出現重大財政困難；
- 違反合約，如拖欠或逾期事件；

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

##### *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision on the liabilities side; and
- debt instruments measured at FVOCI: no loss allowance is presented in the statement of financial position because the carrying amount of these assets is their fair value, inclusive of any ECL. However, the loss allowance is recognised in the fair value reserve and disclosed separately.

##### *Write-off*

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

##### **Policy applicable before 1st January, 2018**

At each end of the reporting period, the carrying amount of the Group's assets were reviewed to determine whether there was objective evidence of impairment. If internal and external sources of information indicate such evidence exists, the carrying amount was reduced to the estimated recoverable amount and an impairment loss was recognised in the income statement.

- 本集團根據其他情況下不會考慮的條款重組貸款或墊款；
- 借款人很可能會破產或進行其他財務重組；或
- 因財政困難而導致某擔保失去活躍市場。

因借款人的財政狀況惡化而重訂條款的貸款，除有證據證明無法收取合約現金流的風險已顯著減低且並無其他減值跡象外，通常被視為信貸不良。此外，逾期90日或以上的貸款被視為已減值。

##### *在財務狀況表中列示預期信貸損失的準備*

預期信貸損失的損失準備在財務狀況表中按以下方式列示：

- 按攤銷成本計量的金融資產：從資產的賬面值總額中扣除；
- 貸款承擔及財務擔保合約：一般作為負債方面的撥備；及
- 按通過其他全面收益以反映公平價值計量的債務工具：在財務狀況表中並不列示損失準備，因該等資產的賬面值為其公平價值，包括任何預期信貸損失。然而，損失準備在公平價值儲備內確認並單獨披露。

##### *撤銷*

若貸款及債務證券無實際可收回的前景，則予撤銷(部分或全部)。當本集團判斷借款人並無資產或收入來源可產生足夠的現金流以償還應撤銷的金額時，一般會如此處理。然而，已撤銷的金融資產仍可能受到執行活動的影響，以遵守本集團收回應收金額的程序。

##### **2018年1月1日以前適用的政策**

本集團須於報告期結束日檢討資產的賬面值以判斷是否有客觀減值證據。如對內及對外資料來源均顯示減值證據存在，須減低賬面值至可收回金額，而減值損失於收益表內入賬。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (i) Loans and receivables

The impairment losses of loans and receivables were measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets). Receivables with a short duration were not discounted if the effect of discounting was immaterial.

The total allowance for impairment losses consisted of two components: individual impairment allowances, and collective impairment allowances.

The Group first assessed whether objective evidence of impairment existed individually for financial assets that were individually significant, and collectively for financial assets that were not individually significant. If the Group determined that no objective evidence of impairment existed for an individually assessed financial asset, whether significant or not, it included the asset in a group of financial assets with similar credit risk characteristics and collectively assessed them for impairment. Assets that were individually assessed for impairment and for which an impairment loss was or continued to be recognised were not included in a collective assessment of impairment.

The individual impairment allowance was based upon management's best estimate of the present value of the cash flows which were expected to be received discounted at the original effective interest rate. In estimating these cash flows, management made judgements about the borrower's financial situation and the net realisable value of any underlying collateral or guarantees in favour of the Group. Each impaired asset was assessed on its own merits.

In assessing the need for collective impairment allowances, management considered factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, the Group made assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the impairment allowances the Group made depended on how well the Group could estimate future cash flows for individually assessed impairment allowances and the model assumptions and parameters used in determining collective impairment allowances. While this necessarily involved judgement, the Group believed that the impairment allowances on loans and advances to customers were reasonable and supportable.

All loans and receivables were reviewed and analysed periodically. Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that could be linked objectively to an event occurring after the write-down, would result in a change in the impairment allowances on loans and receivables and would be charged or credited to the income statement. A reversal of impairment losses was limited to the loans and receivables' carrying amount that would have been determined had no impairment loss been recognised in prior years.

#### (i) 貸款和應收賬款

貸款和應收賬款的減值損失，是根據資產賬面值及估計未來現金流按資產原本之有效利率（即於初始時確認該等資產之有效利率）折算為現值，以二者之差額計算。如果折算現值後的影響不大，不會折算短期應收賬款。

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

本集團首先評估客觀減值證據是否個別存在於個別重大金融資產，及整體存在於非個別重大金融資產。若本集團判斷客觀減值證據並不存在於個別評估金融資產，無論重大與否，本集團將有相同風險特性的金融資產歸類，及作整體減值評估。已作個別減值評估的資產而減值損失已持續確認，該資產不會包括於整體減值評估內。

個別減值準備是根據管理層的最佳估計將可能收回之現金流按原本的有效利率折算為現值。在估計現金流時，管理層須判斷借款人的財政狀況及給予本集團的抵押品或擔保之可變現淨值。並須評估每宗減值資產的自身價值。

當評估所需的整體減值準備時，管理層須考慮的因素包括信貸質素、組合規模、信貸集中、及經濟因素。為求估計所需的準備，本集團根據過往之經驗和現時之經濟情況作假設以模擬潛在損失及判斷所需之參數。

撥備的準確性，須視乎本集團能否在評估個別準備時準確估計交易對手的未來現金流及在判斷整體減值準備時所採用的假設模式及參數。雖然視乎判斷而定，本集團相信貸款損失準備是合理和足夠的。

所有貸款和應收賬款須定期作檢討及分析。在較後期間，任何因估計未來現金流的金額及時間與先前估計的有所轉變，而該轉變是可客觀地與撇銷後發生的事件有關連，從而導致貸款和應收賬款之減值損失準備亦需改變，該轉變會支銷或存入收益表。減值損失之轉回只限於假設該貸款和應收賬款於過往從來未有確認減值損失的賬面值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

Where there was no reasonable prospect of recovery, the loan and the related interest receivables were written off.

Loans and receivables with renegotiated terms were loans that had been restructured due to deterioration in the borrower's financial position and where the Group had made concessions that it would not otherwise consider. Renegotiated loans and receivables were subject to ongoing monitoring to determine whether they remained impaired or past due.

## (ii) Held-to-maturity investments

Impairment on held-to-maturity investments was considered at both an individual and collective level. The individual impairment allowance was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at asset's original effective interest rate, where the effect of discounting was material.

All significant assets found not to be individually impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were then collectively assessed for impairment by grouping together financial assets with similar risk characteristics.

If in a subsequent period the amount of an impairment loss decreased and the decrease could be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss was reversed through the income statement. A reversal of impairment losses was limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

## (iii) Available-for-sale financial assets

When there was objective evidence that an available-for-sale financial asset was impaired, the cumulative loss that had been recognised in the fair value reserve was reclassified to the income statement. The amount of the cumulative loss that was recognised in the income statement was the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

For unquoted available-for-sale equity securities that were carried at cost, the impairment loss was measured as the difference between the carrying amount of the equity securities and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, where the effect of discounting was material.

Impairment losses recognised in the income statement in respect of available-for-sale equity securities were not reversed through the income statement. Any subsequent increase in the fair value of such assets was recognised directly in other comprehensive income.

倘再無合理預期可收回時，則貸款及相關的應收利息會被撇銷。

經重訂條款的貸款和應收賬款是因借款人的財政狀況惡化而須重組的貸款，而本集團已顧及借款人的財政狀況而有所讓步，否則會不作此考慮。經重訂的貸款和應收賬款須持續受監控以判斷它們是否仍然已減值或逾期。

## (ii) 持至到期投資

持至到期投資之減值按個別及整體層面考慮。當折算的效果是重大的，個別減值準備按資產賬面值，及估計未來現金流按資產原本之有效利率折算為現值，以二者之差額計算減值損失。

如所有重大資產毋須作個別減值，則須為已發生而未被發現的減值作整體評估。非個別重大資產按相同風險特性歸類及作整體減值評估。

若在較後期間，減值損失的金額減少而該減少是可客觀地與確認減值損失後發生的事件有關連，減值損失轉回收益表內。減值損失轉回收益表的金額不能超過假設該資產於往年從來未有確認減值損失的賬面值。

## (iii) 可供出售金融資產

當有客觀證據顯示可供出售金融資產已減值，已直接確認在公平價值儲備內的累計虧損會被轉入收益表內。須於損益賬內入賬的累計虧損金額，是購入成本（減除任何本金償還及攤銷）與現時公平價值二者之差額，再減除往年已於收益表內入賬的減值損失。

按成本列賬之無報價可供出售股份證券，當折算的效果是重大的，股份證券的賬面值及估計未來現金流按相同金融資產的現時市場回報率折算為現值，以二者之差額計算減值損失。

已確認於收益表之可供出售股份證券的減值損失是不能轉回收益表。其後該資產之公平價值增加則直接確認在其他全面收益。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Impairment losses in respect of available-for-sale debt securities were reversed if the subsequent increase in fair value could be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances were recognised in the income statement.

而可供出售債務證券之公平價值增加，而該增加是可客觀地與已確認減值損失後發生的事件有關連，減值損失可轉回。在此情況下，轉回減值損失於收益表內入賬。

#### (i) Trading Assets and Liabilities

Trading assets and liabilities are those assets and liabilities which are acquired or incurred principally for the purpose of selling or repurchasing them in the near term, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Trading assets and liabilities are initially recognised and subsequently measured at fair value through profit or loss.

#### (i) 交易用途資產及負債

作交易用途的資產和負債包括主要是作短期出售或購入的金融資產和金融負債，或屬於組合一部分並共同管理的可辨識金融工具，及有證據顯示近期有短期出售以賺取利潤的模式。交易資產和負債於初始確認，及其後以公平價值計量且其變動計入當期損益。

#### (j) Contract Assets

When revenue is recognised by transferring goods or services to a customer before the consideration is received or before payment is due, the Group presents the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is recognised in statement of financial position when there is a right to consideration that is conditional on factors other than the passage of time. The contract asset is transferred to receivables when the right to consideration becomes unconditional. Impairment of a contract asset is measured on the same basis as a financial asset as (Note 2(h)(vii)) above.

#### (j) 合約資產

若本集團透過向客戶轉讓貨品或服務履約並於客戶支付代價或款項到期前確認收入，則本集團應將該合約列示為合約資產，惟任何列示為應收賬款的金額除外。若獲取代價的權利以除時間流逝以外的因素為條件，則合約資產於財務狀況表中確認。當獲取代價的權利成為無條件時，合約資產將轉至應收賬款。合約資產減值與金融資產(附註2(h)(vii))的計算相同。

As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Group may recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

視乎實際情況，若本集團在訂立合約時預期實體向客戶轉讓已承諾的貨品或服務之時起至客戶支付該貨品或服務款項時止的期間為一年或以內，則本集團毋須就重大融資組成部分的影響而調整已承諾的代價金額。若本集團原本會確認的資產攤銷期為一年或以內，則本集團可於產生時將獲得合約的增加成本確認為支出。

#### (k) Hedging

Hedge accounting recognises the offsetting effects on income statement of changes in the fair values of the hedging instrument and the hedged item. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. The Group discontinues prospectively hedge accounting when (i) the hedging instrument expires or is sold, terminated or exercised; (ii) the hedge no longer meets the criteria for hedge accounting; or (iii) the Group revokes the designation.

#### (k) 對沖

對沖會計法是確認因用作對沖工具與被對沖項目因公平價值變動而在收益表內產生之相互抵銷損益的影響。於衍生工具開始列作對沖工具及在對沖期間，本集團會評估及記錄用作對沖交易的金融工具是否有效地對沖相關項目的公平價值變動或現金流之風險。當 (i) 該用作對沖工具到期或已出售、終止或行使；(ii) 該對沖交易不再符合對沖會計法的要求；或 (iii) 本集團取消對沖指定，本集團會停止繼續採用對沖會計法。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (i) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, or the foreign currency risk of a committed future transaction, the effective part of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in the income statement.

If the hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (such as when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to the income statement immediately.

## (ii) Fair value hedges

A fair value hedge seeks to offset risks of changes in the fair value of recognised asset or liability that will give rise to a gain or loss being recognised in the income statement.

The hedging instrument is measured at fair value, with fair value changes recognised in the income statement. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of hedging instrument attributable to the risk being hedged. This adjustment is recognised in the income statement to offset the effect of the gain or loss on the hedging instrument.

When a hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting, or the Group revokes designation of the hedge relationship, any adjustment up to that point, to a hedged item for which the effective interest method is used, is amortised to the income statement as part of the recalculated effective interest rate of the item over its remaining life.

## (i) 現金流量對沖

當衍生金融工具被指定對沖已確認資產或負債的不既定現金流量，或是甚有可能發生的預計交易，或已承諾未來交易之外匯風險，其重新計量衍生金融工具至公平價值有效對沖部分盈利或虧損會在其他全面收益內確認，並在股東權益中的對沖儲備內分開累計。而無效對沖部份的盈利或虧損則立即在收益表內確認。

如因對沖預計交易而其後須確認為非金融資產或非金融負債，其相關之盈虧由股東權益重新分類並包括在該非金融資產或負債的初始成本或其他賬面值內。如因對沖一項預計交易而其後須確認為金融資產或金融負債，其相關之盈虧由股東權益轉入收益表並計入相同期間或當購入資產或引起負債而影響該期間之收益表(如當確認為利息收入或支出)。

就現金流量對沖而言，除以上兩段政策已涵蓋外，其相關之盈虧由股東權益重新分類並包括在相同期間或受對沖預計交易所影響期間的收益表。當用作對沖工具已到期或出售，終止或行使，或當本集團取消指定對沖關係但對沖預計交易預期仍會發生，截至此期間所累計的盈利或虧損仍保留在股東權益內，直至交易發生時按以上的政策確認。如預計對沖交易不會發生，在股東權益內的累計盈利或虧損會立即由股東權益轉入收益表。

## (ii) 公平價值對沖

公平價值對沖用作抵銷已確認資產或負債因公平價值變動產生須在收益表內入賬的盈利和虧損的風險。

對沖工具按公平價值列賬，而公平價值的變動在收益表內入賬。被對沖項目的賬面值按對沖工具所對沖之風險的價格變動予以調整。此調整在收益表內入賬以抵銷對沖工具產生的盈利和虧損。

當用作對沖工具到期或已出售，終止或行使，或當對沖不再符合對沖會計法的要求，或本集團取消對沖指定關係，所有截至此期間內按有效利率方式調整的被對沖項目，會按該項目餘下年期當作重新計算有效利率在收益表內攤銷。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (iii) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

For fair value hedge relationships, the Group utilises the cumulative dollar offset method or regressive analysis as effectiveness testing methodologies. For cash flow hedge relationship, the Group utilises the change in variable cash flow method or the cumulative dollar offset method using the hypothetical derivative approach.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the range of 80 per cent to 125 per cent for the hedge to be deemed effective.

#### (l) Derivatives

Derivatives are recognised initially and are subsequently remeasured, at fair value. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative, this includes embedded derivatives which are bifurcated from the host contract, when they meet the definition of a derivative on a standalone basis.

##### **Policy applicable from 1st January, 2018**

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of HKFRS 9;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

#### (iii) 對沖效用測試

為符合對沖會計法，本集團必須進行兩種測試：在開始對沖時進行「預計效用」測試，顯示預期成效極高；在對沖期內持續進行「追溯效用」測試，證明實際有效。

有關各對沖關係之文件載有如何評估對沖效用。本集團採納之對沖效用評估方法，是按照既定風險管理策略而實施。

對於公平價值對沖關係，本集團採用累計價值抵銷法作為效用測試之方法。對於現金流量對沖關係，本集團會測試現金流量的變動或對沖組合的規模是否充足，或以模擬衍生工具方式，運用累計價值抵銷法測試。

就預計效用而言，對沖工具必須被預期為在劃定對沖期間內，能高度有效地抵銷對沖風險之公平價值或現金流量之變動。就實際效用而言，公平價值或現金流量之變動抵銷額在80%至125%範圍才被視為有效。

#### (l) 衍生工具

衍生工具初始確認及其後按公平價值重新計量。當衍生工具的公平價值為正數時，衍生工具分類為資產；當公平價值為負數時，衍生工具則分類為負債，這包括在獨立基礎上符合衍生工具定義但從主合同分拆的嵌入式衍生工具。

##### **由2018年1月1日起適用的政策**

衍生工具可能嵌入另一合同(主合同)。在下列情況下，本集團會分開計算主合同及嵌入的衍生工具：

- 該主合同並非在《香港財務報告準則》第9號所覆蓋的資產；
- 該主合同不是通過損益以反映公平價值計量；
- 嵌入衍生工具的條款如果包含在單獨的合同中，符合衍生工具的定義；及
- 該嵌入衍生工具的經濟特性及風險與主合同並非緊密關連的。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form part of a qualifying cash flow or net investment hedging relationship.

### **Policy applicable before 1st January, 2018**

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract was not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative were not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives were measured at fair value, with all changes in fair value recognised in profit or loss unless they form part of a qualifying cash flow or net investment hedging relationship.

### (m) Loans and Advances

#### **Policy applicable from 1st January, 2018**

Loans and advances mainly comprise placements with and advances to banks and other financial institutions, trade bills and loans and advances to customers:

- loans and advances measured at amortised cost (Note 2(h)(ii)); they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- loans and advances mandatorily measured at FVTPL or designated as at FVTPL (Note 2(h)(ii)); these are measured at fair value with changes recognised immediately in the income statement;
- loans and advances measured at FVOCI (Note 2(h)(ii)); and
- finance lease receivables (Note 2(s)).

When the Group purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Group's financial statements.

分離的嵌入式衍生工具按公平價值計量，公平價值的所有變動均在收益內確認，除非他們構成合資格現金流量或淨投資對沖關係的一部分。

### **2018年1月1日之前適用的政策**

衍生工具可能嵌入另一合同(主合同)。在下列情況下，本集團會分開計算主合同及嵌入的衍生工具：

- 該主合同不是通過損益以反映公平價值計量；
- 嵌入衍生工具的條款如果包含在單獨的合同中，符合衍生工具的定義；及
- 該嵌入衍生工具的經濟特性及風險與主合同並非緊密關連的。

分離的嵌入式衍生工具按公平價值計量，公平價值的所有變動均在收益內確認，除非他們構成合資格現金流量或淨投資對沖關係的一部分。

### (m) 貸款及墊款

#### **由2018年1月1日起適用的政策**

貸款和墊款主要包括在銀行及其他金融機構的存款及墊款、貿易票據和客戶貸款及墊款：

- 按攤銷成本計量的貸款和墊款(附註2(h)(ii))：初始以公平價值加上直接相關的交易成本計量，其後以有效利率法按攤銷成本計量；
- 強制性通過損益以反映公平價值計量的貸款及墊款(附註2(h)(ii))：以公平價值計量，其變動立即在收益表內確認；
- 通過其他全面收益以反映公平價值計量的貸款及墊款(附註2(h)(ii))；及
- 融資租賃應收款項(附註2(s))。

當本集團購買金融資產並同時訂立協議以未來日期的固定價格(反向回購或股票借入)轉售資產(或實質上相似的資產)時，該安排將作為貸款及墊款入賬，相關資產不會在本集團財務報表中確認。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### **Policy applicable before 1st January, 2018**

Loans and advances were non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and that the Group did not intend to sell immediately or in the near term.

Loans and advances were classified as loans and receivables (Note 2(h)(ii)). They were initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

Loans and advances also included finance lease receivables in which the Group was the lessor (Note 2(s)).

When the Group purchased a financial asset and simultaneously entered into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement was accounted for as a loan or advance, and the underlying asset was not recognised in the Group's financial statements.

#### **(n) Investment Securities**

##### **Policy applicable from 1st January, 2018**

The 'investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost (Note 2(h)(ii)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt and equity investment securities mandatorily measured at FVTPL or designated as at FVTPL (Note 2(h)(ii)); these are at fair value with changes recognised immediately in the income statement;
- debt securities measured at FVOCI (Note 2(h)(ii)); and
- equity investment securities designated as at FVOCI (Note 2(h)(ii)).

For debt securities measured at FVOCI, gains and losses are recognised in other comprehensive income, except for the following, which are recognised in the income statement in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

#### **2018年1月1日之前適用的政策**

貸款及墊款為固定或可確定付款金額及沒有活躍市場報價，而本集團並不打算立即或在短期內出售的非衍生金融資產。

貸款及墊款分類為貸款和應收賬款(附註2(h)(ii))，初始以公平價值加上直接相關的交易成本計量，其後以有效利率法按攤銷成本計量。

貸款及墊款亦包括本集團為出租人的融資租賃應收款項(附註2(s))。

當本集團購買金融資產並同時訂立協議以未來日期的固定價格(反向回購或股票借入)轉售資產(或實質上相似的資產)時，該安排將作為貸款及墊款入賬，相關資產不會在本集團財務報表中確認。

#### **(n) 投資證券**

##### **由2018年1月1日起適用的政策**

財務狀況表中的「投資證券」包括：

- 以攤銷成本計量的債務投資證券(附註2(h)(ii))；這些初始按公平價值加上直接相關交易成本計量，其後以有效利率法按攤餘成本計量；
- 債務和股權投資證券強制性通過損益以反映公平價值計量或指定為通過損益以反映公平價值計量(附註2(h)(ii))，其公平價值變動立即在收益表中確認；
- 通過其他全面收益以反映公平價值計量的債務證券(附註2(h)(ii))；及
- 指定為通過其他全面收益以反映公平價值的股權投資證券(附註2(h)(ii))。

就通過其他全面收益以反映公平價值計量的債務證券而言，收益及虧損於其他全面收益確認，惟以下各項會於收益表內確認，與按攤銷成本計量的金融資產相同：

- 以有效利率法計算的利息收入；
- 預期信用損失和轉回；及
- 外匯收益和損失。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statement.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to the income statement and no impairment is recognised in the income statement. Dividends are recognised in the income statement unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income. Cumulative gains and losses recognised in other comprehensive income are transferred to retained earnings on disposal of an investment.

#### **Policy applicable before 1st January, 2018**

Investment securities were initially measured at fair value plus, in the case of investment securities not at FVTPL, incremental direct transaction costs, and subsequently accounted for depending on their classification as either held-to-maturity, FVTPL or available-for-sale (Note 2(h)(ii)).

### (o) Properties

- (i) Bank premises are stated in the statement of financial position at cost or at Directors' valuation as of 1989, by reference to an independent professional valuation, less accumulated depreciation and accumulated impairment loss (Note 2(r)).

When a deficit arises on revaluation, it will be charged to the income statement, to the extent that it exceeds the amount held in the bank premises revaluation reserve in respect of that same asset immediately prior to the revaluation; and when a surplus arises on revaluation, it will be credited to the income statement, to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the income statement.

In preparing these financial statements, advantage has been taken of the transitional provisions set out in paragraph 80AA of HKAS 16 "Property, Plant and Equipment" issued by the HKICPA, with the effect that bank premises have not been revalued to fair value at the end of the reporting period.

- (ii) Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Investment properties are valued semi-annually by external independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

當通過其他全面收益以反映公平價值計量的債務證券被終止確認時，以前在其他全面收益中確認的累計收益或虧損將從權益重新分類至收益表內。

本集團選擇在其他全面收益中列示非持作買賣的股份工具投資之公平價值變動。該選擇是按個別工具於初始確認時進行，並不可撤銷的。

此類股份工具的收益和損失不會重新分類至收益表，亦不會在收益表中確認減值。股息在收益表內確認，但若該等股息明確顯示為收回部分投資成本者，會在其他全面收益中確認。其他全面收益中確認的累計收益和損失會轉入出售投資的未分配利潤。

#### **2018年1月1日以前適用的政策**

投資證券初始按公平價值加上，若非通過損益以反映公平價值計量的投資證券，直接相關交易成本，並其後根據其分類為持有至到期，通過損益以反映公平價值計量或可供出售進行會計處理(附註2(h)(ii))。

### (o) 物業

- (i) 行址是按成本或於1989年董事參照獨立專業評估作出的估值，減除累計折舊及減值損失(附註2(r))後於財務狀況表中列賬。

當重估出現虧損時，於收益表支銷的金額，只限於超過以往因重估相同行址而存入行址重估儲備的結餘；當重估出現盈餘時，存入收益表內的金額不可超過以往因重估相同行址曾於收益表支銷的重估虧損。

在編製此等財務報表時，由於可採用香港會計師公會頒布的《香港會計準則》第16號「物業、廠房及設備」第80AA段所載的過渡條款，故行址並未在報告期結束日重估至公平價值。

- (ii) 投資物業是持有用作賺取租金收益或資本增值或二者皆是的物業。投資物業按公平價值列賬。投資物業由外來獨立估價公司每半年作估值，該公司擁有適當認可專業資格及對估物業的所在地和類別有近期經驗。估值並未計算任何抵押、按揭、欠款、及在出售時可能產生的任何費用或稅項。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in (Note 2(g)(iii)).

因公平價值變動而產生的損益在收益表內入賬。投資物業租金收入按附註2(g)(iii)所載計算。

When a bank property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the bank property immediately prior to transfer and its fair value is recognised as a revaluation of bank premises as described in (Note 2(o)(i)).

如附註2(o)(i)所載，當一項物業因其用途改變而須轉作投資物業時，該物業於轉賬日前的賬面值與公平價值之差額視作行址重估。

If an investment property becomes owner-occupied, it is reclassified as bank premises and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

如一投資物業轉為自用，該物業須重新分類為行址。於重新分類日的公平價值視作日後會計用途的成本值。

A property interest under an operating lease is classified and accounted for as an investment property when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in (Note 2(s)).

本集團以經營租賃方式持有用作租金收入或資本增值或二者皆是的物業權益分類為投資物業。此等以經營租賃方式持有的物業權益按公平價值列賬。租金支出按附註2(s)所載入賬。

- (iii) Profit or loss on disposal of bank premises and investment properties is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the income statement upon disposal. Any surplus that is included in the bank premises revaluation reserve related to the bank premises disposed is transferred to the general reserve.

- (iii) 出售行址及投資物業的損益是以出售所得款項淨額與資產賬面值的差價計算，並在出售時於收益表內入賬。任何有關之重估行址盈餘於出售時從行址重估儲備撥入一般儲備內。

#### (p) Amortisation and Depreciation

##### (i) Bank premises

Freehold land is not amortised. Leasehold land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease. Leasehold land is amortised on a straight line basis over the remaining term of the lease. Buildings are depreciated on a straight line basis at rates calculated to write off the cost or valuation of each building over its estimated useful life of 50 years or the remaining lease period of the land on which it is situated, whichever is the shorter.

Investment properties are not depreciated.

##### (ii) Other fixed assets

Other fixed assets are stated in the statement of financial position at cost less accumulated depreciation and impairment losses, which is calculated on a straight line basis to write off the assets over their estimated useful lives from 4 to 20 years.

#### (p) 攤銷及折舊

##### (i) 行址

永久業權之土地不予攤銷。用作經營租賃的租賃土地，而其公平價值是不能夠與租賃於初始時已存在之建築物的公平價值分開計量，則當作持有融資租賃入賬。租賃土地以直線法按租賃剩餘年期攤銷。建築物的成本或估值以直線法按其預計使用年限50年或其座落土地剩餘租賃期兩者中的較短期限計算折舊。

投資物業是不予折舊。

##### (ii) 其他固定資產

其他固定資產是按成本減累計折舊及減值損失於財務狀況表中列賬。該等資產是以直線法按照由4年至20年的預計使用年期計算折舊。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

### (q) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (Note 2(r)).

On disposal of a cash generating unit, any attributable amount of purchased goodwill is included in the calculation of the profit and loss on disposal.

Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

### (r) Impairment of Non-Financial Assets

Internal and external sources of information are reviewed at each end of the reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment (other than properties carried at revalued amounts);
- investments in subsidiaries and associates;
- goodwill; and
- intangible assets.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

#### Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

### (q) 商譽

商譽指

- (i) 對價轉讓的公平價值、任何被購入者的非控股權益金額及以往本集團曾經持有該被購入者的股東權益公平價值的總和；超出
- (ii) 本集團在收購日計量應佔該被購入者之可辨識資產及負債的公平價值淨額。

當(ii)是大於(i)時，此超出金額立即在損益賬確認為一項議價收購的盈利。

商譽按成本減除累計減值損失列賬。因商業合併而產生的商譽被分配予每一現金生產單位，或一組合之現金生產單位，而預計該現金生產單位是可從商業合併中獲得協同效應，以及須每年接受減值測試(附註2(r))。

當出售單一現金生產單位時，計算出售溢利包括任何可歸屬購入商譽的金額。

由內部產生之商譽及品牌的開支按在發生期間內確認為支出。

### (r) 非金融資產減值

在報告期結束日，須檢討對內及對外資料來源以辨識以下資產是否有減值徵兆或，除商譽外，以往已確認之減值損失是否仍然存在或可能已經減少：

- 物業及設備(以重估金額列賬的物業除外)；
- 附屬及聯營公司投資；
- 商譽；及
- 無形資產。

如任何該等徵兆存在，須估計該資產的可收回金額。此外，商譽須每年估計可收回金額以確定是否有減值徵兆。

#### 可收回金額之計算

可收回金額是公平價值減出售成本及使用價值二者中之較高者。在評估使用價值時，會採用一項當時市場評估的時間價值及相對於該資產的風險的稅前折扣率將估計未來現金流量折實為現在價值。當某資產未能大部分地獨立於其他資產產生現金流量，其可收回金額取決於可獨立地產生現金流量的最小資產組合(即單一現金生產單位)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### *Recognition of impairment losses*

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, if measurable, or value in use, if determinable.

#### *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

#### (s) Leased Assets

Leases of assets under which the lessee assumes substantially all the risks and rewards of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and rewards of ownership are classified as operating leases.

##### (i) Assets held under finance leases

The amounts due from lessees in respect of finance leases are recorded in the statement of financial position as advances to customers at the amounts of net investment which represent the total rentals receivable under finance leases less unearned income. Revenue arising from finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in (Note 2(e)).

##### (ii) Assets held for use in operating leases

Where the Group leases out assets under operating leases, the leased assets are included in the statement of financial position according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in (Note 2(p)) except where the asset is classified as an investment property. Impairment losses are accounted for in accordance with the accounting policy as set out in (Note 2(r)). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in (Note 2(g)(iii)).

#### *減值損失之確認*

當資產的賬面值或其所屬的現金生產單位超過可收回金額時，須於收益表內確認減值損失。有關確認現金生產單位減值損失時，首先減低分配予現金生產單位（或其單位群組）之賬面值，其後再按比例減低在該單位（或其單位群組）其他資產的賬面值，但該資產的賬面值不可低過其個別公平價值減出售成本（如可計量的話）或使用值（如可確定的話）。

#### *減值損失之轉回*

除商譽外的有關資產，如在用來釐定可收回金額的估計發生有利的變化，則減值損失會被轉回。商譽的減值損失不可轉回。

減值損失轉回只局限於該資產的賬面值，猶如該等減值損失從未在往年被確認。

減值損失轉回在該被確認的年度計入收益表內。

#### (s) 租賃資產

由承租人承擔絕大部分擁有權的相關風險及報酬的資產租賃列為融資租賃。出租人並未轉讓擁有權的所有風險及報酬的資產租賃列為經營租賃。

##### (i) 以融資租賃購入的資產

當本行為融資出租人時，按融資租賃而租出資產的投資淨額，即應收租金總額減未賺取收入，在財務狀況表列作客戶貸款。來自融資租賃的收入會根據本行的收入確認政策附註2(e)所載計算。

##### (ii) 用作經營租賃的資產

除該資產已分類為投資物業，當本集團以經營租賃方式租出資產，該資產根據其性質包括在財務狀況表內，及按附註2(p)所載（如適用者）本集團的折舊會計政策計算折舊。減值損失是根據會計政策附註2(r)所載計算。來自經營租賃的收入是根據本行的收入確認政策附註2(g)(iii)所載計算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

### (iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

### (t) Repossession of Assets

In the recovery of impaired loans and advances, the Group may take possession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group's accounting policy set out in (Note 2(h)(vii)), impairment allowances for impaired loans and advances are maintained after taking into account the net realisable value of the collateral assets, usually resulting in a partial write-off of the loans and advances against impairment allowances. Repossessed assets are reported as assets held for sale under other assets if it is highly probable that the future economic benefits will flow to the Group, their carrying amount will be recovered through a sale transaction rather than through continuing use and the assets are available for sale in their present condition. Related loans and advances are then written off.

Repossessed assets are recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses on initial classification and on subsequent remeasurement are recognised in the income statement.

### (u) Income Tax

(i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

(ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

(iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

### (iii) 經營租賃費用

當本集團使用經營租賃資產，除非有其他更具代表性的基準以衡量從該等經營租賃資產獲得利益的模式，其租賃付款按該租賃期所涵蓋的會計年期以等額分期記入收益表。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨付款的組成部分。或有租金在其產生的會計期內在收益表支銷。

### (t) 收回資產

在收回減值貸款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2(h)(vii)所載的會計政策，計算減值貸款之減值準備已顧及抵押品資產之可變現淨值，通常引致須在減值準備內撇銷部分貸款。如大有可能本集團享有未來經濟收益，其賬面值須透過變賣而不是持續使用該資產，及該資產可在現況下出售，收回資產在其他資產的持有作出售資產項下列賬。有關貸款及墊款隨後撇銷。

收回資產按有關貸款的金額或於轉換日已減除出售成本後之公平價值，按兩者之較低者入賬。收回資產毋須計算折舊或攤銷。

在初始期分類及後期再計量所引致的減值損失於收益表確認。

### (u) 所得稅

(i) 本年度所得稅包括本期及遞延稅項資產和負債的變動。除該稅款與其他全面收益或股東權益有關而須在其他全面收益或股東權益確認的金額外，本期稅項及遞延稅項資產和負債的變動計入收益表內。

(ii) 本期稅項為年度應課稅收入按報告期結束日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。

(iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅損及稅項抵免。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing deductible temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in (Note 2(o)(ii)), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

除了若干有限的例外情況外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在同期內該可扣稅之暫時性差異轉回或在若干期限內由該遞延稅項資產產生的稅損可以收回或留存。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計在某期間內因該稅損或稅免可使用而轉回時，會計入該等差異。

在有限例外情況下，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、初始時已確認不影響會計及應課稅溢利的資產或負債（須不是商業合併的一部分）、及有關投資附屬公司的暫時性差異，就應課稅差異而言，當本集團可控制該差異轉回的時間而該差異在可見將來不會轉回；而就可扣稅差異而言，除非該差異在可見將來可以轉回。

當投資物業根據附註2(o)(ii)所載按公平價值列賬，除該物業是需折舊的及以一商業模式持有，而其目的是要透過時間使用而並非出售該物業以獲取隱含於該物業之重大經濟利益，確認遞延稅項的金額按該物業於結算日假設以賬面值出售的稅率計算。在其他情況下，確認遞延稅項的金額是根據預期變現或償還該資產及負債的賬面值的方式，按在報告日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作折讓。

於每報告期結束日，本行須重新檢視有關的遞延稅項資產的賬面金額，對預期不再有足夠的應課稅溢利以實現相關稅務利益予以扣減。可轉回之金額不可超過預期將來出現足夠可供扣減的應課稅溢利。

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****財務報表附註(續)****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)**

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

**(v) Insurance Reserves and Provisions for Outstanding Claims**

Insurance reserves, except those attributable to long term business, represent the proportion of retained premiums written in the year relating to the period of risk from 1st January in the following year to the subsequent date of expiry of policies which is carried forward as a provision for unearned premiums and calculated on a daily basis.

The insurance reserve for long term business is ascertained by actuarial valuation based on the Group's estimates of future deaths, investment returns and administration expenses at each valuation date.

Full provision is made for the estimated cost of claims notified but not settled at the end of the reporting period and for the estimated cost of claims incurred but not reported by that date, after deducting the amounts due from reinsurers. Provision has also been made for the estimated cost of servicing claims notified but not settled at the end of the reporting period and to meet expenses on claims incurred but not reported at the end of the reporting period.

These reserves and provisions are classified as other accounts and provisions.

The Group's operating income from its insurance business is presented as net insurance revenue in the consolidated income statement. The Group follows the relevant accounting policies for the recognition of such operating income. Details of net insurance revenue are set out in Note 11.

(iv) 本期稅項與遞延稅項結餘及其變動之金額會分別列示而不會相互抵銷。本行或本集團只有在有合法權利對本期稅項資產及負債抵銷及符合以下附帶條件的情況下，才對本期及遞延稅項資產及負債作出抵銷：

- 就本期稅項資產及負債而言，本行或本集團計劃支付淨額或同時收回資產及償還負債；或
- 有關的遞延稅項資產及負債屬同一稅務機關對以下機構徵收所得稅而產生：
  - 同一個應課稅實體；或
  - 不同的應課稅實體，並預計在未來期間會償還或收回重大遞延稅項負債或資產，該實體計劃以淨額形式變現本期稅項資產及償還本期稅項負債，或同時變現及償還。

**(v) 保險基金及未付索償準備**

不包括長期業務部分，保險基金指年度內收取但已作保留的保金部分，而有關的風險是屬於下年度1月1日至保單到期日為止，該保留保金視作未賺取保費準備並按每日計算。

長期業務的保險基金是根據本集團之估計未來死亡率、投資回報及於每一估值日之行政費用並按精算估值。

本集團已就在報告期結束日只已通知但未償付以及已發生但未匯報的索償，經扣除了分保人欠款，作出了充足的準備。此外，已就在報告期結束日已通知但未償付的索償及已發生但未匯報索償而引致的估計費用作出了充足的準備。

此等基金及準備分類為其他賬項及準備。

本集團將由保險業務生的經營收入在綜合收益表中以保險業務淨收入列示。本集團根據有關會計政策確認該經營收入。詳情請參閱附註11保險業務淨收入。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (w) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (x) Financial Guarantees and Loan Commitments

“Financial guarantees” are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. “Loan commitments” are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured as follows:

- from 1st January, 2018: at the higher of this amortised amount and the amount of loss allowance (Note 2(h)(vii)); and
- before 1st January, 2018: at the higher of this amortised amount and the present value of any expected payment to settle the liability when a payment under the contract has become probable.

For other loan commitments:

- from 1st January, 2018: the Group recognises loss allowance (Note 2(h)(vii));
- before 1st January, 2018: the Group recognised a provision in accordance with HKAS 37 if the contract was considered to be onerous.

Liabilities arising from financial guarantees and loan commitments are included within other liabilities.

#### (w) 準備及或然負債

當負債的限期或金額不確定，但有可能因過去事項構成法律或推定義務而須付出經濟利益以償責任，並能對此作可靠估計，此負債便確認為準備。當金額的時間值屬重大的，準備金額須按估計清償負債支出的現值列賬。

倘可能不需要付出經濟利益，或不能對金額作可靠估計，除非付出的機會是極微，則此項責任會視作或然負債披露。如潛在義務的存在須視乎會否發生一項或多項未來事件才獲確定，除非付出經濟利益的機會是極微，此潛在義務亦視作或然負債披露。

#### (x) 財務擔保和貸款承諾

「財務擔保」是指要求本集團支付特定款項以償還持有人因其特定債務人在債務工具條款到期時未能支付而產生的損失的合同。「貸款承諾」是在預定的條款和條件下提供信貸的承諾。

已發行的財務擔保或以低於市場利率的貸款承諾初始按公平價值計量，初始公平價值在擔保或承諾期內攤銷。其後計量如下：

- 自2018年1月1日起：按攤銷金額及減值準備金額中的較高者（附註2(h)(vii)）；及
- 2018年1月1日之前：按攤銷金額和當合同可行時預期結算負債金額之現值的較高者。

對於其他貸款承諾：

- 自2018年1月1日起：本集團確認減值準備（附註2(h)(vii)）；
- 2018年1月1日之前：如果合同被認為是虧損性的，則本集團根據香港會計準則第37號確認準備。

財務擔保和貸款承諾產生的負債包含在其他負債中。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (y) Employee Benefits

## (i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are recognised when the absences occur.

## (ii) Performance-related bonus plan

Liabilities for performance-related bonus plan, which are due wholly within twelve months after the end of the reporting period, are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

## (iii) Retirement benefits

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under either the Mandatory Provident Fund Exempted ORSO Scheme ("MPFEOS") or the Mandatory Provident Fund Scheme ("MPFS"). Both are defined contribution schemes. The employer's monthly contributions to both schemes are at a maximum of 10% of each employee's monthly salary.

The pension schemes covering all the Group's PRC and overseas employees are defined contribution schemes at various funding rates, and are in accordance with local practices and regulations.

The cost of all these schemes is charged to the income statement for the period concerned and the assets of all these schemes are held separately from those of the Group. Under the MPFEOS, the employer's contribution is not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Under the MPFS, the employer's contribution is reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

## (iv) Share based payments

The option exercise price is equal to the higher of:

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

## (y) 僱員福利

## (i) 薪酬、花紅及假期福利

僱員應享有的薪酬、年終花紅、有薪年假、旅行假期及其他同種類之非金錢性質福利於確立時確認。至報告期結束日已撥備因僱員提供服務所享有之年假的估計負債。

僱員應享有的病假及分娩假於發生時確認。

## (ii) 表現獎勵花紅計劃

因僱員提供服務而本集團有現存法律或推定義務於報告期結束後12個月內須全數支付表現獎勵花紅計劃的負債，對此並能作可靠估計，便須予以確認為負債。

## (iii) 退休福利

本集團為其合資格的員工提供退休福利。香港員工可獲得強積金豁免的職業退休計劃或強制性公積金計劃的保障。此兩個計劃同時是定額供款計劃。僱主對兩項計劃的每月供款，上限是每位僱員月薪的10%。

本集團為所有國內及海外員工而設的退休計劃是定額供款計劃，供款率按當地慣例及規定而制定。

上述所有計劃的成本在相關期間的收益表內支銷，而所有此類計劃的資產均與本集團的資產分開處理。在強積金豁免的退休保障計劃中，僱主的供款不會因某些僱員於未完全享有僱主的供款前離開計劃被沒收的供款而減少。而強制性公積金計劃方面，僱主的供款則會因某些僱員於未完全享有僱主的供款前離開計劃被沒收的供款而減少。

## (iv) 以股份為基礎作支付

認股權的行使價為以下之較高者：

- (a) 於授出認股權當日日本行股份在聯交所日報表的收市價；及
- (b) 相等於緊接授出有關認股權當日之前五個營業日，本行股份在聯交所日報表的平均收市價。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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.

#### (z) Related Parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) A person, or a close member of that person's family, is related to the Group if that person:
  - (a) has control or joint control over the Group;
  - (b) has significant influence over the Group; or
  - (c) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
  - (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

當認股權被行使時，所得款項計入股東權益。授予僱員之認股權的公平價值於收益表內確認為支出，而在股東權益賬內的資本儲備作相應的增加。公平價值乃採用三項式期權定價模式，按認股權授予日計算，並顧及授予認股權的條款。當僱員須符合歸屬期條件才可無條件享有該等認股權，估計公平價值總額在歸屬期內攤分入賬，並已考慮認股權歸屬的或然率。

估計可歸屬認股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之所需調整須在檢討期內的收益表支銷或回撥，並在資本儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本行股份的市價有關，確認為支出之金額按歸屬認股權的實際數目作調整（並在資本儲備作相應調整）。

屬股東權益金額確認為資本儲備內，直至當認股權被行使及分配新股時（轉入股本），或當認股權之有效期屆滿時（轉入留存溢利）。對於未能符合適用的歸屬條件的承授人，其未歸屬的認股權會全部或部分被撤銷。被撤銷的認股權會被註銷。

#### (z) 關聯人士

在編製本財務報表時，與本集團關聯人士是指：

- (i) 個人或該個人之近親家庭成員，如該個人在以下情況下視為與本集團有關聯：
  - (a) 可控制或共同控制本集團；
  - (b) 對本集團有重大影響力；或
  - (c) 是本集團或本集團之母公司的主要管理人員之成員。
- (ii) 在以下任何情況下，一實體會視為與本集團有關聯：
  - (a) 該實體及本集團皆是同一集團成員（即每一間母公司、附屬公司及同系附屬公司與其他有關聯）。
  - (b) 一實體是另一實體的聯營公司或合營公司（或該聯營公司或合營公司與該另一實體均屬同一集團）。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

- |  |  |
|--|--|
| (c) Both entities are joint venture of the same third party.   | (c) 兩個實體是同一第三者的合營公司。   |
| (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.  | (d) 一實體是一第三者的合營公司而另一實體則是該第三者的聯營公司。                               |
| (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.                                     | (e) 該實體是提供福利予本集團或與本集團有關聯之實體的僱員離職後之福利計劃。                          |
| (f) The entity is controlled or jointly controlled by a person identified in (i).  | (f) 該實體受在(i)項中所辨識的個人所控制或共同控制。                                    |
| (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). | (g) 在(i)(a)項中所辨識的個人而該個人對該實體有重大影響力，或該個人是該實體(或是該實體的母公司)的主要管理人員之成員。 |
| (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.                        | (h) 該實體或是其集團中一部分之任何成員，而提供主要管理人員服務予本集團或本集團之母公司。                   |

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

### (aa) Segment Reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### (aa) 分部報告

經營分部，及在財務報表列報的每一分部項目金額，是從財務資料中辨識出來的，並定期地提供予本集團的最高行政管理層作為資源分配，以及評核本集團各項業務和區域所在地的表現。

除非分部有相同經濟特性及在產品和服務之性質、生產程序之性質、客戶類別和等級、用作銷售產品和提供服務之方法、及監管環境之性質是相同的，個別重大的營運分部不會在財務報表內合計。如它們擁有以上大部份的標準，並非個別重大的營運分部可能會被合計。

### (ab) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including cash, balances with banks and other financial institutions, treasury bills, other eligible bills and certificates of deposit that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### (ab) 現金及等同現金項目

就編製現金流量表而言，現金及等同現金項目包括由購入日起少於3個月到期日的結餘，包括現金、銀行及其他金融機構結餘、國庫債券、及其他受較低風險影響價值及隨時可轉換成預知金額的合格票據及存款證。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (ac) Deposits, Debt Securities Issued and Subordinated Liabilities

Deposits, debt securities issued and subordinated liabilities are the Group's sources of debt funding.

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Subsequent to initial recognition deposits, debt securities issued and subordinated liabilities are measured at their amortised cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss.

#### (ad) Assets Held for Sale

Non-current assets and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (a) their carrying amounts will be recovered principally through sale; (b) they are available for sale in their present condition; and (c) their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the asset (or assets and liabilities in the disposal group) are measured in accordance with applicable HKFRSs. On subsequent remeasurement of a disposal group, the carrying amounts of the assets and liabilities that are not within the scope of the measurement requirements of HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with applicable HKFRSs before the fair value less costs to sell of the disposal group is determined.

Income earned and expenses incurred on assets and liabilities of disposal groups held for sale continue to be recognised in the appropriate line items in the income statement until the transaction is complete.

#### (ae) Interim Financial Reporting and Impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (Note 2(h)(vii) and Note 2(r)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

#### (ac) 存款、已發行債務證券及後償負債

存款、已發行債務證券及後償負債是本集團籌募資金的來源。

本集團按工具合約條款的實質分類資本工具為金融負債或股本工具。

在初始確認後，除本集團指定為通過損益的負債外，存款、已發行債務證券及後償負債按有效利率方式計算攤銷成本。

#### (ad) 持有作出售資產

當(a)其賬面值將主要需通過出售才可收回；(b)它們可以在現況下可供出售；(c)出售之機會率是非常高的，非流動資產及出售組別(包括出售組別的資產和負債)按其賬面值及公平價值減出售成本，兩者之較低者，分類為持有作出售資產。

在被初始分類為持有作出售之前，資產的賬面值(或出售組別的資產和負債)按適用的《香港財務報告準則》計算。而往後在重新計算出售組別時，在未決定出售組別的公平價值減成本前，非在《香港財務報告準則》第5號「持有作出售資產的非流動資產及結束營運」所覆蓋的計算要求的資產和負債之賬面值，按適用的《香港財務報告準則》計算。

出售組別的資產和負債之已賺取收入和已發生支出仍繼續在收益表內之有關項目中確認，直至交易完成。

#### (ae) 中期財務報告及減值

根據聯交所《上市規則》，本集團須按《香港會計準則》第34號「中期財務報告」編制有關年度首6個月的中期財務報告。於中期期末，本集團採用等同年末的減值測試、確認、及轉回標準(附註2(h)(vii)至附註2(r))。

已確認於中期期間的減值損失，均不能在較後期間轉回。就算假如該減值只在與該中期期間有關之年底作評估而該減值損失是不會發生、或損失之金額會較小，在此情況下亦不可轉回。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 3. CHANGES IN ACCOUNTING POLICIES 會計政策之變動

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 9, Financial instruments
- HKFRS 15, Revenue from contracts with customers
- HK(IFRIC) 22, Foreign currency transactions and advance consideration

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The Group has been impacted by HKFRS 9 in relation to classification of financial assets and measurement of credit losses, and impacted by HKFRS 15 in relation to presentation of contract assets and contract liabilities.

##### (a) HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments replaces HKAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

As permitted by HKFRS 9, the Group has elected to continue to apply the hedge accounting requirements of HKAS 39.

As a result of the adoption of HKFRS 9, the Group has adopted consequential amendments to HKAS 1 Presentation of Financial Statements, which require separate presentation in the consolidated income statement of interest revenue calculated using the effective interest method.

Additionally, the Group has adopted consequential amendments to HKFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018, but have not been applied to the comparative information.

The key changes to the Group's accounting policies resulting from its adoption of HKFRS 9 are summarised below.

香港會計師公會頒佈多項新訂《香港財務報告準則》及《香港財務報告準則》之修訂，其於本集團的現行會計期間首次生效。其中，下列變動與本集團的財務報表有關。

- 《香港財務報告準則》第9號「金融工具」
- 《香港財務報告準則》第15號「與客戶之間的合同產生的收入」
- 香港《國際財務報告準則詮釋委員會詮釋》第22號「外幣交易及預付代價」

本集團並未採納任何於本會計期尚未生效的新準則或詮釋。

本集團受到關於《香港財務報告準則》第9號下金融資產分類及信貸損失計量的影響，並受到關於《香港財務報告準則》第15號下合約資產及合約負債列示的影響。

##### (a) 《香港財務報告準則》第9號「金融工具」

《香港財務報告準則》第9號「金融工具」取代《香港會計準則》第39號「金融工具：確認與計量」。新準則對金融資產的會計處理及金融負債的會計處理的若干方面作出重要變動。

在《香港財務報告準則》第9號允許下，本集團已選擇繼續應用《香港會計準則》第39號的對沖會計要求。

由於採納《香港財務報告準則》第9號，本集團已採納《香港財務報告準則》第1號「財務報表披露」之相應修訂，在綜合收益表中的利息收入按有效利率方法分開列示。

另外，本集團已採納《香港財務報告準則》第7號「金融工具：披露」之相應修訂應用有關於2018年的披露，但並未有應用於比較資料。

因本集團採納《香港財務報告準則》第9號而導致的本集團主要會計政策變動於下文概述。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### Classification of financial assets and financial liabilities

HKFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. Classification of a financial asset under HKFRS 9 is generally based on the business model in which the financial asset is managed and the contractual cash flows of the financial asset. For an equity instrument which is not held for trading at initial recognition, an irrevocable election can be made to present subsequent changes in fair value of the equity instrument in OCI. Cumulative gains and losses recognised in OCI are not recycled to profit or loss upon derecognition of the equity instrument, in contrast to debt instrument measured at FVOCI where recycling of cumulative gains and losses to profit or loss upon derecognition is permitted. For derivatives embedded in contracts where the host is a financial asset in the scope of the standard, they are never bifurcated. Instead, the whole hybrid instrument is assessed for classification. The standard removes the HKAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

HKFRS 9 largely retains the requirements in HKAS 39 for the classification of financial liabilities. Although all fair value changes of liabilities designated under the fair value option were recognised in profit or loss under HKAS 39, fair value changes are generally presented under HKFRS 9 as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

The following table shows the original measurement categories in accordance with HKAS 39 and the new measurement categories under HKFRS 9 for the Group's financial assets as at 1st January, 2018.

There is no change in the measurement categories for the Group's financial liabilities between HKAS 39 and HKFRS 9 as at 1st January, 2018.

#### 金融資產及金融負債的分類

《香港財務報告準則》第9號規定金融資產有三大分類，計量類別分類為：攤銷成本、通過其他全面收益以反映公平價值及通過損益以反映公平價值。《香港財務報告準則》第9號下的金融資產分類一般基於管理金融資產的商業模式及該資產的合約現金流特徵。就初始確認時並非交易用途的股份工具而言，可作出不可撤回的選擇，將其後續的重大公平價值變動確認於其他全面收益。在終止確認股份工具時，在其他全面收益確認的累計盈利及虧損並不轉撥至損益，而按通過其他全面收益以反映公平價值計量的債務工具則相反，於終止確認時其累計盈利及虧損可轉撥至損益。就嵌入衍生工具的合約而言，若其主合約屬該準則範圍下的金融資產，該嵌入衍生工具不可與其主合約分開處理，而是將整個混合金融工具以作分類評估。該準則取消了《香港會計準則》第39號所定義的持至到期、貸款及應收賬款以及可供出售的分類。

《香港財務報告準則》第9號基本上保留了《香港會計準則》第39號中對金融負債分類的要求。雖然根據《香港會計準則》第39號，所有指定為通過損益以反映公平價值作計量的金融負債的公平價值變動於損益內確認，但根據《香港財務報告準則》第9號，公平價值變動一般按以下方式列示：

- 因其信貸風險的變動而引致的公平價值變動，需列示於其他全面收益；及
- 公平價值變動總額的剩餘部份則包括於損益表內。

下表顯示本集團於2018年1月1日的金融資產及金融負債根據《香港會計準則》第39號的原有計量類別及根據《香港財務報告準則》第9號的新計量類別。

於2018年1月1日，根據《香港會計準則》第39號及根據《香港財務報告準則》第9號，本集團金融負債的計量類別並未有變動。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED) 會計政策之變動(續)

		Original classification under HKAS 39 根據 《香港會計準則》 第39號的原有分類	New classification under HKFRS 9 根據 《香港財務報告準則》 第9號的新分類	Original carrying amount under HKAS 39 根據 《香港會計準則》 第39號的原有賬面值 HK\$ Mn 港幣百萬元	New carrying amount under HKFRS 9 根據 《香港財務報告準則》 第9號的新賬面值 HK\$ Mn 港幣百萬元
	<i>Notes 附註</i>				
Cash and balances with banks and other financial institutions 現金及在銀行和其他金融機構的結存	25	Loans and receivables 貸款及應收賬款	Amortised cost 攤銷成本	55,696	55,684
Placements with and advances to bank and other financial institutions 在銀行及其他金融機構的存款及墊款	26	Loans and receivables 貸款及應收賬款	Amortised cost 攤銷成本	58,583	58,577
Trade bills 貿易票據	27	Loans and receivables 貸款及應收賬款	Amortised cost 攤銷成本	3,896	3,887
Trade bills <sup>a</sup> 貿易票據 <sup>a</sup>	27	Loans and receivables 貸款及應收賬款	FVOCI 通過其他全面收益 以反映公平價值	10,013	10,033
Trading assets 交易用途資產	28	FVTPL 通過損益以反映 公平價值	FVTPL (mandatory) 通過損益以反映 公平價值(強制性)	6,956	6,956
Derivative assets 衍生工具資產	47(b)(iii)	FVTPL 通過損益以反映 公平價值	FVTPL (mandatory) 通過損益以反映 公平價值(強制性)	11,335	11,335
Loans and advances to customers 客戶貸款及墊款	29	Loans and receivables 貸款及應收賬款	Amortised cost 攤銷成本	470,339	470,738
Investment securities – debt 投資證券 – 債務	30	FVTPL (designated) 通過損益以反映 公平價值(指定)	FVTPL (designated) 通過損益以反映 公平價值(指定)	3,125	3,125
Investment securities – debt <sup>b</sup> 投資證券 – 債務 <sup>b</sup>	30	FVTPL (designated) 通過損益以反映 公平價值(指定)	FVTPL (mandatory) 通過損益以反映 公平價值(強制性)	754	754
Investment securities – debt <sup>c</sup> 投資證券 – 債務 <sup>c</sup>	30	Available-for-sale 可供出售	Amortised cost 攤銷成本	8,512	8,328
Investment securities – debt 投資證券 – 債務	30	Available-for-sale 可供出售	FVOCI 通過其他全面收益以 反映公平價值	100,532	100,532
Investment securities – debt <sup>d</sup> 投資證券 – 債務 <sup>d</sup>	30	Available-for-sale 可供出售	FVTPL (mandatory) 通過損益以反映 公平價值(強制性)	7,690	7,690
Investment securities – debt 投資證券 – 債務	30	Held-to-maturity investments 持至到期投資	Amortised cost 攤銷成本	9,720	9,701
Investment securities – debt <sup>d</sup> 投資證券 – 債務 <sup>d</sup>	30	Held-to-maturity investments 持至到期投資	FVTPL (mandatory) 通過損益以反映 公平價值(強制性)	78	81
Investment securities – debt <sup>d</sup> 投資證券 – 債務 <sup>d</sup>	30	Loans and receivables 貸款及應收賬款	FVTPL (mandatory) 通過損益以反映 公平價值(強制性)	133	132
Investment securities – equity <sup>b</sup> 投資證券 – 股份 <sup>b</sup>	30	FVTPL (designated) 通過損益以反映 公平價值(指定)	FVTPL (mandatory) 通過損益以反映 公平價值(強制性)	166	166
Investment securities – equity 投資證券 – 股份	30	Available-for-sale 可供出售	FVTPL (mandatory) 通過損益以反映 公平價值(強制性)	2,697	2,697
Investment securities – equity <sup>e</sup> 投資證券 – 股份 <sup>e</sup>	30	Available-for-sale 可供出售	FVOCI 通過其他全面收益 以反映公平價值	345	345
Investment securities – investment fund <sup>b</sup> 投資證券 – 投資基金 <sup>b</sup>	30	FVTPL (designated) 通過損益以反映 公平價值(指定)	FVTPL (mandatory) 通過損益以反映 公平價值(強制性)	124	124
Investment securities – investment fund 投資證券 – 投資基金	30	Available-for-sale 可供出售	FVTPL (mandatory) 通過損益以反映 公平價值(強制性)	549	549
Other assets (excluding assets held for sale) 其他資產(不包括持有作出售資產)	35	Loans and receivables 貸款及應收賬款	Amortised cost 攤銷成本	32,493	32,436
Total financial assets 金融資產總額				783,736	783,870

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

- a. Certain trade bills are reclassified to FVOCI because they are held within a business model in which they are managed to meet everyday liquidity needs and often results in sales activity that is significant in value. The Group considers that under HKFRS 9 such portfolios of trade bills are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- b. Before the adoption of HKFRS 9, certain investment securities were designated as at FVTPL because they are managed and their performance is evaluated on a fair value basis or derivatives are held to manage specific risk of these securities and the designation eliminated or significantly reduced an accounting mismatch that would otherwise arise. Under HKFRS 9, these securities meet the criteria of mandatory measurement at FVTPL because the contractual cash flows of these securities are not solely payments of principal and interest on the principal outstanding.
- c. Certain debt securities are held by the Group in a separate portfolio for long-term yield purposes. These securities may be sold, but such sales are not expected to be more than infrequent. The Group considers that these securities are held within a business model whose objective is to hold assets to collect contractual cash flows. These securities are classified as measured at amortised cost under HKFRS 9.
- d. Investment securities are held by the Group in a separate portfolio for long-term yield purposes but the contractual cash flows are not solely payments of principal and interest on the principal outstanding. These securities are therefore mandatorily measured at FVTPL under HKFRS 9.
- e. Certain available-for-sale equity investments held by the Group for strategic purpose have been designated under HKFRS 9 as at FVOCI.
- a. 若干貿易票據的商業模式是透過管理以滿足日常流動資金需求，並通常會導致具重大價值的銷售活動，因此重新分類為通過其他全面收益以反映公平價值。本集團認為，根據《香港財務報告準則》第9號，該等貿易票據組合是同時收取合約現金流及出售為目的之商業模型的金融資產。
- b. 於採納《香港財務報告準則》第9號前，若干投資證券被指定為通過損益以反映公平價值，因其按公平價值基準管理及評定表現，或持有衍生工具以管理該等證券的特定風險，而該指定可消除或明顯減少會計錯配的情況。根據《香港財務報告準則》第9號，該等證券符合強制性按通過損益以反映公平價值計量的準則，因該等證券的合約現金流並非純粹是本金及按本金結餘的利息支付。
- c. 若干債務證券由本集團在獨立的投資組合中持有以獲取長期收益。該等證券可出售，但預期有關出售的頻率很低。本集團認為，其商業模型是持有資產以收取合約現金流為目的。根據《香港財務報告準則》第9號，該等證券被分類為按攤銷成本計量。
- d. 投資證券的合約現金流並非純粹是本金及按本金結餘的利息支付。因此，根據《香港財務報告準則》第9號，該等證券被分類為強制性按通過損益以反映公平價值計量。
- e. 根據《香港財務報告準則》第9號，本集團持有作策略用途的若干可供出售股份投資被指定為按通過其他全面收益以反映公平價值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED) 會計政策之變動(續)

The following table reconciles the carrying amounts under HKAS 39 to the carrying amounts under HKFRS 9 on transition to HKFRS 9 on 1st January, 2018:

下表為根據《香港會計準則》第39號的賬面值與2018年1月1日過渡至《香港財務報告準則》第9號時根據《香港財務報告準則》第9號的賬面值的對賬：

		HKAS 39 carrying amount 31st December 2017 2017年12月31日 根據《香港會計準則》 第39號的賬面值 HK\$ Mn 港幣百萬元	Reclassification 重新分類 HK\$ Mn 港幣百萬元	Remeasurement 重新計量 HK\$ Mn 港幣百萬元	HKFRS 9 carrying amount 1st January 2018 2018年1月1日根據 《香港財務報告準則》 第9號的賬面值 HK\$ Mn 港幣百萬元
<b>Financial assets</b>	<b>金融資產</b>				
<b>Amortised cost</b>	<b>攤銷成本</b>				
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存				
Opening balance	期初結餘	55,696			
Remeasurement	重新計量			(12)	
Closing balance	期末結餘				55,684
Placements with and advances to banks and other financial institutions	在銀行及其他金融機構的存款及墊款				
Opening balance	期初結餘	58,583			
Remeasurement	重新計量			(6)	
Closing balance	期末結餘				58,577
Trade bills	貿易票據				
Opening balance	期初結餘	13,909			
To Trade Bills at FVOCI	轉至按通過其他全面收益以反映公平價值的貿易票據		(10,013)		
Remeasurement	重新計量			(9)	
Closing balance	期末結餘				3,887
Loans and advances to customers	客戶貸款及墊款				
Opening balance	期初結餘	470,339			
Remeasurement	重新計量			399	
Closing balance	期末結餘				470,738
Investment securities	投資證券				
Opening balance	期初結餘	9,931			
From available-for-sale	轉自可供出售		8,512		
To FVTPL	轉至通過損益以反映公平價值		(211)		
Remeasurement	重新計量			(203)	
Closing balance	期末結餘				18,029
Other assets	其他資產				
Opening balance	期初結餘	32,493			
Remeasurement	重新計量			(57)	
Closing balance	期末結餘				32,436
Total amortised cost	攤銷成本總額				639,351

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		HKAS 39 carrying amount 31st December 2017 2017年12月31日 根據《香港會計準則》 第39號的賬面值 HK\$ Mn 港幣百萬元	Reclassification 重新分類 HK\$ Mn 港幣百萬元	Remeasurement 重新計量 HK\$ Mn 港幣百萬元	HKFRS 9 carrying amount 1st January 2018 2018年1月1日根據 《香港財務報告準則》 第9號的賬面值 HK\$ Mn 港幣百萬元
<b>Financial assets</b>	<b>金融資產</b>				
<b>Available-for-sale</b>	<b>可供出售</b>				
Investment securities	投資證券				
Opening balance	期初結餘	120,325			
To FVOCI – debt	轉至通過其他全面收益以反映 公平價值–債務		(100,528)		
To FVOCI – equity	轉至通過其他全面收益以反映 公平價值–股份		(349)		
To FVTPL	轉至通過損益以反映公平價值		(10,936)		
To amortised cost	轉至攤銷成本		(8,512)		
Closing balance	期末結餘				–
<b>Trade Bills at FVOCI</b>	<b>按通過其他全面收益以反映公平價值 的貿易票據</b>				
Trade Bills	貿易票據				
Opening balance	期初結餘	–			
From amortised cost	轉自攤銷成本		10,013		
Remeasurement	重新計量			20	
Closing balance	期末結餘				10,033
<b>FVOCI – debt</b>	<b>通過其他全面收益以反映 公平價值–債務</b>				
Investment securities	投資證券				
Opening balance	期初結餘	–			
From available-for-sale	轉自可供出售		100,528		
Closing balance	期末結餘				100,528
<b>FVOCI – equity</b>	<b>通過其他全面收益以反映 公平價值–股份</b>				
Investment securities	投資證券				
Opening balance	期初結餘	–			
From available-for-sale	轉自可供出售		349		
Closing balance	期末結餘				349
Total FVOCI	通過其他全面收益以反映 公平價值總額				110,910
<b>FVTPL</b>	<b>通過損益以反映公平價值</b>				
Trading assets	交易用途資產	6,956			6,956
Derivative assets	衍生工具資產	11,335			11,335
Investment securities	投資證券				
Opening balance	期初結餘	4,169			
From available-for-sale	轉自可供出售		10,936		
From amortised cost	轉自攤銷成本		211		
Remeasurement	重新計量			2	
Closing balance	期末結餘				15,318
Total FVTPL	通過損益以反映公平價值總額				33,609

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED) 會計政策之變動(續)

The following table shows the effects of the reclassification of financial assets from HKAS 39 categories into the amortised cost category under HKFRS 9.

下表顯示將金融資產由《香港會計準則》第39號的類別重新分類為《香港財務報告準則》第9號下的攤銷成本類別的影響。

		HK\$ Mn 港幣百萬元
<b>Financial assets</b>	<b>金融資產</b>	
<b>From available-for-sale financial assets under HKAS 39</b>	<b>轉自《香港會計準則》第39號下的可供出售金融資產</b>	
Fair value at 31st December, 2018	於2018年12月31日的公平價值	6,980
Fair value loss that would have been recognised during 2018 in OCI if the financial asset had not been reclassified	若金融資產未被重新分類則於2018年本會在其他全面收益中確認的公平價值虧損	(119)

*Impairment of financial assets*

HKFRS 9 replaces the 'incurred loss' model in HKAS 39 with an 'expected credit loss' model. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. Under HKFRS 9, credit losses are recognised earlier than under HKAS 39.

*金融資產的減值*

《香港財務報告準則》第9號以「預期信貸損失」模型替代《香港會計準則》第39號中的「已發生損失」模型。新的減值計算模型亦應用於若干貸款承擔及財務擔保合約，但不應用於股份投資。根據《香港財務報告準則》第9號，信貸損失的確認較根據《香港會計準則》第39號的確認為早。

The Group recognises impairment allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

本集團就以下非通過損益以反映公平價值計量的金融工具的預期信貸損失確認減值準備：

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued;
- loan commitments issued; and
- contract assets.

- 屬債務工具的金融資產；
- 租賃應收賬款；
- 已發出的財務擔保合約；
- 已發出的貸款承擔；及
- 合約資產。

No impairment loss is recognised on equity investments.

無需為股份投資計算減值。

The Group measures impairment allowances for 12-month or lifetime ECL using a 3-stage approach as follows:

本集團使用3階段法計量12個月或合約期內之預期信貸損失的減值準備如下：

Stage 階段	Description 描述	Impairment Loss Allowance Measurement 減值損失準備計量
1	Performing 履行中	12-month ECL 12個月內之預期信貸損失
2	Performing but with credit risk increased significantly at reporting date since its initial recognition 履行中但於報告日，信貸風險自初始確認以來已顯著增加	Lifetime ECL 合約期內之預期信貸損失
3	Non-performing 不良	Lifetime ECL 合約期內之預期信貸損失

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

#### Measurement of ECL

ECL are a probability-weighted estimate of credit losses under different economic scenarios. They are measured as:

$$\text{Exposure at Default} \times \text{Probability of Default} \times \text{Loss Given Default}$$

#### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes but not limited to the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

#### Presentation of allowance for ECL in the statement of financial position

Impairment allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision on the liabilities side; and
- debt instruments measured at FVOCI: no impairment allowance is presented in the statement of financial position because the carrying amount of these assets is their fair value, inclusive of any ECL. However, the impairment allowance is recognised in the fair value reserve and disclosed separately.

12個月內之預期信貸損失指金融工具在報告日後之12個月內，所有潛在違約事件所導致的信貸損失。

#### 計量預期信貸損失

預期信貸損失是在不同經濟情景中一個信貸損失的概率在加權後的估算值，以如下方法計量：

$$\text{違約風險承擔} \times \text{違約概率} \times \text{違約損失率}$$

#### 計量預期信貸損失

於各報告日，本集團評估按攤銷成本列賬的金融資產及按通過其他全面收益以反映公平價值列賬的債務金融資產是否為信貸不良。當發生一宗或多宗對金融資產的估計未來現金流造成不利影響的事件，則該金融資產屬「信貸不良」。

金融資產出現信貸減值的證據包括但不限於以下可觀察數據：

- 借款人或發行人出現重大財政困難；
- 違反合約，如拖欠或逾期事件；
- 本集團根據其他情況下不會考慮的條款重組貸款或墊款；或
- 借款人很可能會破產或進行其他財務重組。

因借款人的財政狀況惡化而重訂條款的貸款，除有證據證明無法收取合約現金流的風險已顯著減低且並無其他減值跡象外，通常被視為信貸不良。此外，逾期90日或以上的貸款被視為已減值。

#### 在財務狀況表中列示預期信貸損失的準備

預期信貸損失的減值準備在財務狀況表中按以下方式列示：

- 按攤銷成本的金融資產：從資產的賬面總額中扣除；
- 貸款承擔及財務擔保合約：一般作為負債方面的撥備；及
- 按通過其他全面收益以反映公平價值計量的債務工具：在財務狀況表中並不列示減值準備，因該等資產的賬面值為其公平價值，包括任何預期信貸損失。然而，減值準備在公平價值儲備內確認並單獨披露。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED) 會計政策之變動(續)

*Write-off*

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The following table reconciles the closing impairment allowance for financial assets in accordance with HKAS 39 and provisions for loan commitments and financial guarantee contracts in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as at 31st December, 2017 to the opening ECL allowance determined in accordance with HKFRS 9 as at 1st January, 2018.

*撤銷*

若貸款及債務證券無實際可收回的前景，則予撤銷(部分或全部)。當本集團判斷借款人並無資產或收入來源可產生足夠的現金流以償還應撤銷的金額時，一般會如此處理。然而，本集團對已撤銷的金融資產會繼續追收債務的工作，以遵守本集團收回應收金額的程序。

下表為2017年12月31日根據《香港會計準則》第39號的期末金融資產減值準備及根據《香港會計準則》第37號「準備、或然負債及或然資產」的貸款承擔及財務擔保合約的撥備與2018年1月1日根據《香港財務報告準則》第9號的期初預期信貸減值準備的對賬。

		31st December 2017 (HKAS 39/ HKAS 37) 2017年12月31日 (《香港會計準則》 第39號/ 《香港會計準則》 第37號)		Reclassification 重新分類	Remeasurement 重新計量	1st January 2018 (HKFRS 9) 2018年1月1日 (《香港財務報告 準則》第9號)
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Loans and receivables and held-to-maturity investments under HKAS 39/financial assets at amortised cost under HKFRS 9	根據《香港會計準則》第39號的貸款及應收賬款以及持至到期投資/根據《香港財務報告準則》第9號的按攤銷成本計量的金融資產	3,454	-	(297)		3,157
Available-for-sale debt securities under HKAS 39 reclassified to amortised cost under HKFRS 9	根據《香港會計準則》第39號的可供出售債務證券重新分類為根據《香港財務報告準則》第9號的按攤銷成本計量	-	-	58		58
		3,454	-	(239)		3,215
Available-for-sale debt securities under HKAS 39/debt securities at FVOCI under HKFRS 9	根據《香港會計準則》第39號的可供出售債務證券/根據《香港財務報告準則》第9號按通過其他全面收益以反映公平價值的債務證券	-	-	212		212
Loans and receivables at amortised cost under HKAS 39 reclassified to FVOCI under HKFRS 9	根據《香港會計準則》第39號按攤銷成本計量的貸款及應收賬款重新分類為根據《香港財務報告準則》第9號的通過其他全面收益以反映公平價值	-	-	18		18
		3,454	-	(9)		3,445
Loan commitments and financial guarantee contracts issued	已發行貸款承擔及財務擔保合約	-	-	164		164
Total	總額	3,454	-	155		3,609



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below.

- Information relating to comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in retained earnings and reserves as at 1st January, 2018. Accordingly, the information presented for 2017 does not reflect the requirements of HKFRS 9 and therefore is not comparable to the information presented for 2018 under HKFRS 9.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
  - The determination of the business model within which a financial asset is held.
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
  - The designation of certain investments in equity instruments not held for trading as at FVOCI.
  - For financial liabilities designated as at FVTPL, the determination of whether presenting the effects of changes in the financial liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.
  - If a debt security had low credit risk at the date of initial application of HKFRS 9, then the Group has assumed that credit risk on the asset had not increased significantly since its initial recognition.

The following table analyses the impact, net of tax, of transition of HKFRS 9 on reserve and retained earnings. The impact relates to liability credit reserve, the fair value reserve and retained earnings. There is no impact on other component of equity.

#### 過渡

因採納《香港財務報告準則》第9號修訂的會計政策變動除以下所列者外已作出追溯性修訂。

- 以往年度的比較數字並未重報。採納《香港財務報告準則》第9號引致的金融資產及金融負債之賬面值差異於2018年1月1日的留存溢利及儲備中確認。因此，就2017年列示的資料並無反映《香港財務報告準則》第9號的規定，故不可與根據《香港財務報告準則》第9號就2018年列示的資料比較。
- 已根據初始應用日的事實及情況作如下評估。
  - 釐定持有的金融資產的商業模式。
  - 指定及撤回之前指定部分金融資產及金融負債為通過損益以反映公平價值分類。
  - 指定部分非交易用途的股份工具為通過其他全面收益以反映公平價值。
  - 於指定為通過損益以反映公平價值的金融負債中，釐定因應金融負債的信貸風險改變確認於其他全面收益會否於損益中造成或擴大會計錯配。
  - 若債務證券於《香港財務報告準則》第9號的初始應用日的信用風險低，則本集團已假定該資產的信用風險自從初始確認以來未有顯著增加。

下表分析過渡至《香港財務報告準則》第9號對儲備及留存溢利的影響(扣除稅項)。該影響涉及負債信貸儲備、公平價值儲備及留存溢利，對其他股東權益部份並無影響。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED) 會計政策之變動(續)

		Impact of adopting HKFRS 9 at 1st January 2018 於2018年 1月1日採納 《香港財務報告準則》 第9號的影響 HK\$ Mn 港幣百萬元
<b>Liability credit reserve</b>	<b>負債信貸儲備</b>	
Closing balance under HKAS 39 (31st December, 2017)	根據《香港會計準則》第39號的期末結餘 (2017年12月31日)	–
Change of credit risk for financial liabilities designated at FVTPL	指定為通過損益以反映公平價值的金融負債的 信貸風險變動	(6)
Opening balance under HKFRS 9 (1st January, 2018)	根據《香港財務報告準則》第9號的期初結餘 (2018年1月1日)	(6)
<b>Fair value reserve</b>	<b>公平價值儲備</b>	
Closing balance under HKAS 39 (31st December, 2017)	根據《香港會計準則》第39號的期末結餘 (2017年12月31日)	1,454
Reclassification of investment securities (debt) from AFS to amortised cost	將投資證券(債務)由可供出售重新分類為 按攤銷成本	(105)
Reclassification of investment securities (debt, equity and investment fund) from AFS to FVTPL	將投資證券(債務、股份及投資基金)由可供出售 重新分類為通過損益以反映公平價值	(270)
Reclassification of trade bills from amortised cost to FVOCI	將貿易票據由按攤銷成本重新分類為通過 其他全面收益以反映公平價值	15
Recognition of expected credit losses under HKFRS 9 for debt financial assets at FVOCI	根據《香港財務報告準則》第9號確認按通過 其他全面收益以反映公平價值的債務 金融資產的預期信貸損失	198
Opening balance under HKFRS 9 (1st January, 2018)	根據《香港財務報告準則》第9號的期初結餘 (2018年1月1日)	1,292
<b>Retained earnings</b>	<b>留存溢利</b>	
Closing balance under HKAS 39 (31st December, 2017)	根據《香港會計準則》第39號的期末結餘 (2017年12月31日)	28,890
Reclassification under HKFRS 9	根據《香港財務報告準則》第9號的重新分類	278
Own credit risk of financial liabilities	金融負債的自身信貸風險	6
Recognition of expected credit losses under HKFRS 9 (including loan commitments and financial guarantee contracts)	根據《香港財務報告準則》第9號確認預期信貸損失 (包括貸款承擔及財務擔保)	(243)
Impact from investment in associates	聯營公司投資的影響	(73)
Opening balance under HKFRS 9 (1st January, 2018)	根據《香港財務報告準則》第9號的期初結餘 (2018年1月1日)	28,858

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (b) HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

The Group performed an assessment of the new standard and concluded that the current treatment of revenue from contracts with customers is consistent with the new principles. Except for the change in presentation of contract assets and liabilities, the adoption of HKFRS 15 does not have any material impact on the financial position and there is no transitional impact to retained earnings. Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before receiving the consideration or being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. The contract asset is transferred to receivables when the right to consideration becomes unconditional. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For the relevant disclosure on contract assets and liabilities, please refer to Notes 35 and 38.

#### (c) HK(IFRIC) 22, Foreign Currency Transactions and Advance Consideration

This interpretation provides guidance on determining “the date of the transaction” for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that “the date of the transaction” is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK(IFRIC) 22 does not have any material impact on the financial position and the financial result of the Group.

#### (b) 《香港財務報告準則》第15號「與客戶之間的合同產生的收入」

《香港財務報告準則》第15號制訂一個確認為來自客戶合約收入及若干費用的綜合架構。《香港財務報告準則》第15號取代涵蓋來自銷售貨品及提供服務而產生的收入的《香港會計準則》第18號「收入」，以及規定建造合約的會計處理的《香港會計準則》第11號「建造合約」。

本集團對新準則進行評估，認為現有與客戶之間的合同產生的收入之會計處理方法與新準則是一致的。除合約資產及負債的列示變動外，採納《香港財務報告準則》第15號對本集團的財務狀況並無任何重大影響，亦不會對留存溢利構成過渡性影響。根據《香港財務報告準則》第15號，僅當本集團擁有代價的無條件權利時方確認應收賬款。若本集團於收到合約內承諾的貨品及服務的代價或無條件享有該代價之前確認相關收入，則該項收取代價的權利被分類為合約資產。當收取代價的權利成為無條件時，合約資產轉至應收賬款。同樣，當客戶支付代價或被合約要求支付的代價且該款項已到期應付時，在本集團確認相關收入前，會確認合約負債（而非應付款項）。有關合約資產及合約負債之披露，請參閱附註35及38。

#### (c) 香港《國際財務報告準則詮釋委員會詮釋》第22號「外幣交易及預付代價」

該詮釋就初始確認實體以外幣收取或支付預付代價的交易的相關資產、支出或收入（或其中的部分）時為釐定所使用的匯率而釐定「交易日期」提供指引。

該詮釋澄清，「交易日期」為初始確認支付或收取預付代價所產生的非貨幣資產或負債之日。若於確認相關項目有多項支出或收入，則各項支出或收入的交易日期應按此方法釐定。採納香港《國際財務報告準則詮釋委員會詮釋》第22號對本集團的財務狀況及財務業績並無任何重大影響。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 4. BANK-LEVEL STATEMENT OF FINANCIAL POSITION 銀行層面之財務狀況表

		2018	2017
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
ASSETS	資產		
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	16,072	18,082
Placements with and advances to banks and other financial institutions	在銀行及其他金融機構的存款及墊款	49,204	37,639
Trade bills	貿易票據	6,696	6,824
Trading assets	交易用途資產	1,376	3,018
Derivative assets	衍生工具資產	1,862	1,839
Loans and advances to customers	客戶貸款及墊款	349,943	321,007
Investment securities	投資證券	97,365	95,762
Amounts due from subsidiaries	附屬公司欠款	12,882	10,967
Investments in subsidiaries	附屬公司投資	18,466	18,218
Investments in associates	聯營公司投資	4,756	4,756
Fixed assets	固定資產	9,589	8,904
– Investment properties	– 投資物業	5,179	4,996
– Other properties and equipment	– 其他物業及設備	4,410	3,908
Goodwill and intangible assets	商譽及無形資產	1,460	1,460
Deferred tax assets	遞延稅項資產	98	84
Other assets	其他資產	8,573	6,673
Total Assets	資產總額	578,342	535,233
EQUITY AND LIABILITIES	股東權益及負債		
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	19,091	19,203
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	1,335	3,110
– At amortised cost	– 攤銷成本	17,756	16,093
Deposits from customers	客戶存款	403,200	372,362
Trading liabilities	交易用途負債	–	11
Derivative liabilities	衍生工具負債	1,839	2,452
Certificates of deposit issued	已發行存款證	43,786	33,856
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	9,462	11,655
– At amortised cost	– 攤銷成本	34,324	22,201
Amounts due to subsidiaries	欠附屬公司款項	2,642	2,866
Current taxation	本期稅項	1,371	1,071
Debt securities issued	已發行債務證券	564	1,007
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	407	851
– At amortised cost	– 攤銷成本	157	156
Deferred tax liabilities	遞延稅項負債	297	396
Other liabilities	其他負債	6,932	6,626
Loan capital	借貸資本	14,936	15,141
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	2,578	2,728
– At amortised cost	– 攤銷成本	12,358	12,413
Total Liabilities	負債總額	494,658	454,991
Share capital	股本	39,925	37,527
Reserves	儲備	34,865	33,821
Total equity attributable to owners of the Bank	歸屬於本行股東權益總額	74,790	71,348
Additional equity instruments	額外股本工具	8,894	8,894
		83,684	80,242
Total Equity and Liabilities	股東權益及負債總額	578,342	535,233

Approved and authorised for issue by the Board on 27th February, 2019.

Chairman and Chief Executive  
DirectorDavid LI Kwok-po  
Meocre LI Kwok-wing

董事會於2019年2月27日核准及授權發布。

主席兼行政總裁  
董事李國寶  
李國榮

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 5. INTEREST INCOME 利息收入

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Loans, deposits with banks and financial institutions, and trade bills	貸款、在銀行和其他金融機構的存款、及貿易票據	21,472	18,269
Investment securities	投資證券		
– at amortised cost or FVOCI (2017: held-to-maturity or available-for-sale)	– 按攤銷成本或通過其他全面收益以反映公平價值 (2017: 持至到期或可供出售)	3,609	3,022
– designated at FVTPL	– 指定為通過損益以反映公平價值	109	174
– mandatory at FVTPL	– 強制按通過損益以反映公平價值	269	–
Trading assets	交易用途資產	139	164
		<b>25,598</b>	21,629

The above included HK\$25,058 million (2017: HK\$21,509 million) interest income, before hedging effect, for financial assets that are not recognised at fair value through profit or loss.

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for or individually managed in conjunction with interest bearing financial assets are first netted together and then combined with the interest income from the corresponding financial assets.

For the year ended 31st December 2018, interest income accrued on impaired financial assets was HK\$233 million (2017: HK\$351 million).

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250.58億元(2017年：港幣215.09億元)。

就已對沖利率風險的交易而言，作為帶息金融資產的合格對沖工具或可個別地與帶息金融資產共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融資產產生的利息收入合併。

截至2018年12月31日止年度，減值金融資產的應計利息為港幣2.33億元(2017年：港幣3.51億元)。

#### 6. INTEREST EXPENSE 利息支出

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Customer deposits, deposits of banks and other financial institutions	客戶存款、銀行及其他金融機構的存款		
– at amortised cost	– 攤銷成本	10,725	8,341
– designated at FVTPL	– 指定為通過損益以反映公平價值	22	3
Certificates of deposit and debt securities issued	已發行存款證及債務證券		
– at amortised cost	– 攤銷成本	955	519
– designated at FVTPL	– 指定為通過損益以反映公平價值	275	185
Subordinated notes carried at amortised cost	按攤銷成本列賬的後償票據	634	745
Other borrowings	其他借款	28	4
		<b>12,639</b>	9,797

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 6. INTEREST EXPENSE (CONTINUED) 利息支出(續)

The above included HK\$12,336 million (2017: HK\$9,700 million) interest expense, before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

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.

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123.36億元(2017年：港幣97.00億元)。

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。

## 7. FEE AND COMMISSION INCOME 服務費及佣金收入

Fee and commission income is disaggregated by services:

服務費及佣金收入分類如下：

		2018	2017
		HK\$ Mn 港幣百萬元	Restated <sup>Note</sup> 重報 <sup>註</sup> HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Credit cards	信用卡	1,125	1,012
Loans, overdrafts and guarantees	貸款、透支及擔保	746	706
Other retail banking services	其他零售銀行服務	343	364
Trade finance	貿易融資	342	316
Trust and other fiduciary activities	信託及其他代理業務	310	277
Securities and brokerage	證券及經紀	279	267
Investment products	投資產品	122	89
Financial consultancy	財務諮詢	66	37
Sale of third party insurance policies	銷售第三者的保單	44	89
Others	其他	436	400
<b>Total fee and commission income</b>	<b>服務費及佣金收入總額</b>	<b>3,813</b>	<b>3,557</b>
of which:	其中：		
Net fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not measured at FVTPL	由非持作交易用途或指定為通過損益以反映公平價值列賬之金融資產或負債所產生之淨服務費收入(不包括用作計算有效利率之金額)	2,678	2,523
Fee income	服務費收入	3,813	3,557
Fee expenses	服務費支出	(1,135)	(1,034)

Note: To better reflect the income nature, certain fee and commission income for 2017 has been reclassified among the categories of other retail banking services, trust and other fiduciary activities, securities and brokerage and other services.

註：為更準確反映收入性質，2017年度的若干其他零售銀行服務、信託及其他代理業務、證券及經紀和其他服務類別的服務費及佣金收入已經重新分類。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 8. NET TRADING PROFITS 交易溢利淨額

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Profit/(Loss) on dealing in foreign currencies and funding swaps	外幣買賣及外匯掉期溢利/(虧損)	624	(1,180)
(Loss)/Profit on trading securities	交易用途證券(虧損)/溢利	(44)	755
Net gain on derivatives	衍生工具淨盈利	365	906
Loss on other dealing activities	其他交易業務虧損	(1)	-
Dividend income from trading equity securities	交易用途股份證券的股息收入	50	45
		<b>994</b>	<b>526</b>

#### 9. NET RESULT FROM OTHER FINANCIAL INSTRUMENTS AT FVTPL 通過損益以反映公平價值其他金融工具的淨表現

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Net (loss)/gain from financial instruments designated at FVTPL	指定為通過損益以反映公平價值金融工具的淨(虧損)/盈利	(45)	35
Net loss from financial instruments mandatorily measured at FVTPL (other than those included in net trading profits)	強制按通過損益以反映公平價值計量金融工具的淨虧損(除已包括在交易溢利淨額內)	(241)	-
		<b>(286)</b>	<b>35</b>

#### 10. NET HEDGING PROFIT/(LOSS) 對沖溢利/(虧損)淨額

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Fair value hedges	公平價值對沖		
- Net gain on hedged items attributable to the hedged risk	- 可歸屬於被對沖項目之對沖風險產生的淨盈利	224	57
- Net loss on hedging instruments	- 用作對沖工具的淨虧損	(181)	(59)
		<b>43</b>	<b>(2)</b>

There was insignificant ineffectiveness recognised in the Group's income statement arising from cash flow hedge for the years 2018 and 2017 (see Note 47(b)(iii)(b)).

於2018年及2017年，因現金流對沖所產生並已在本集團收益表內確認之無效部分是不重大的(詳見附註47(b)(iii)(b))。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 11. NET INSURANCE REVENUE 保險業務淨收入

		2018	2017
		HKS Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
(a) Net insurance revenue	(a) 保險業務淨收入		
Net interest income	淨利息收入	530	453
Net trading profits	交易溢利淨額	10	45
Net profit from financial instruments designated at FVTPL	指定為通過損益以反映公平價值金融工具的淨溢利	-	52
Net loss from financial instruments mandatory at FVTPL	來自強制按通過損益以反映公平價值金融工具的淨虧損	(372)	-
Net insurance premium (b)	淨保費(b)	4,890	4,332
Other operating income	其他經營收入	-	6
		5,058	4,888
Net insurance claims and expenses (c)	保險索償及支出淨額(c)	(4,781)	(4,733)
		277	155
Operating expenses	經營支出	(2)	(4)
Impairment loss on financial instruments	金融資產減值損失	(7)	(2)
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產淨溢利	-	538
Net profit on sale of debt investment securities at FVOCI	出售通過其他全面收益以反映公平價值債務投資證券的淨溢利	27	-
		295	687
(b) Net insurance premium	(b) 淨保費		
Gross insurance premium income (Note)	保費收入總額(註)	4,954	4,395
Reinsurers' share of gross insurance premium income	保費收入總額之分保份額	(64)	(63)
		4,890	4,332
(c) Net insurance claims and expenses	(c) 保險索償及支出淨額		
Claims, benefits and surrenders paid	已付索償、利益及退保	2,869	3,137
Movement in provisions	準備金變動	1,796	1,564
		4,665	4,701
Reinsurers' share of claim, benefits and surrenders paid	已付索償、利益及退保之分保份額	(376)	(938)
Reinsurers' share of movement in provisions	準備金變動之分保份額	327	809
		(49)	(129)
		4,616	4,572
Net insurance commission expenses	保險佣金支出淨額	165	161
		4,781	4,733

Note: Gross insurance premium income represents gross premiums received and receivable in respect of long-term business and general insurance business, net of discounts and returns.

註：保費收入總額指由長期業務及一般保險業務產生的已收取和應收取之保費總額，並已扣除折扣及回報。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 12. OTHER OPERATING INCOME 其他經營收入

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入	-	34
Dividend income from equity securities measured at FVOCI	按通過其他全面收益以反映公平價值計量的股份證券股息收入	23	-
Rental from safe deposit boxes	保險箱租金收入	110	88
Rental income on properties (Note 34(iii))	物業租金收入(附註34(iii))	178	165
Others	其他	103	95
		<b>414</b>	382

#### 13. OPERATING EXPENSES 經營支出

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Contributions to defined contribution plan*	定額供款公積金供款*		
– Hong Kong	– 香港	147	140
– Outside Hong Kong	– 香港以外	239	221
Equity settled share-based payment expenses (Note 43(f))	以股份為基礎作支付的費用(附註43(f))	35	36
Salaries and other staff costs	薪金及其他員工成本	4,654	4,371
Total staff costs	員工成本總額	<b>5,075</b>	4,768
Premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出		
– Rental of premises	– 物業租金	517	561
– Maintenance, repairs and others	– 保養、維修及其他	588	568
Total premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出總額	<b>1,105</b>	1,129
Depreciation on fixed assets (Note 34)	固定資產折舊(附註34)	473	466
Amortisation of intangible assets (Note 33(b))	無形資產攤銷(附註33(b))	14	32

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 13. OPERATING EXPENSES (CONTINUED) 經營支出(續)

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Other operating expenses	其他經營支出		
– Legal and professional fees	– 法律及專業服務費	410	394
– Communications, stationery and printing	– 通訊、文具及印刷	268	263
– Advertising expenses	– 廣告費	251	254
– Internet platform charges	– 互聯網平台費用	183	–
– Business promotions and business travel	– 業務推廣及商務旅遊	127	138
– Card related expenses	– 有關信用卡支出	127	41
– Stamp duty, withholding taxes and value added taxes	– 印花稅、預提稅及增值稅	118	182
– Insurance expenses	– 保險費	82	78
– Audit fee	– 核數師酬金	18	17
– Membership fees	– 會員費	17	17
– Donations	– 捐款	10	4
– Bank charges	– 銀行收費	10	10
– Bank licence	– 銀行牌照費	4	4
– Others	– 其他	271	270
Total other operating expenses	其他經營支出總額	1,896	1,672
Total operating expenses**	經營支出總額**	8,563	8,067

\* Forfeited contributions totalling HK\$23 million (2017: HK\$25 million) were utilised to reduce the Group's contribution during the year. There were no forfeited contributions available for reducing future contributions at the year end (2017: Nil).

\*\* Included in operating expenses are direct operating expenses of HK\$8 million (2017: HK\$9 million) in respect of investment properties which generated rental income during the year.

\* 年度內沒收之供款共港幣2,300萬元(2017年:港幣2,500萬元)已被用作減少本集團的供款。於年末並無任何被沒收而可用作減低將來之供款(2017年:無)。

\*\* 年度內經營支出中包括由有租金收益的投資物業產生的直接經營支出,金額為港幣800萬元(2017年:港幣900萬元)。

## 14. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS 金融工具減值損失

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Loans and advances to customers	客戶貸款及墊款	1,159	1,738
Others	其他	29	6
		1,188	1,744

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 15. NET PROFIT ON SALE OF AVAILABLE-FOR-SALE FINANCIAL ASSETS 出售可供出售金融資產之淨溢利

		2017 <sup>Note 註</sup>
		HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務	
Net revaluation gain transferred from reserves (Note 43(g))	由儲備轉撥的重估盈利淨額(附註43(g))	1,320
Loss arising in current year	年度內產生的虧損	(263)
		1,057

Note: Upon transition to HKFRS 9 on 1st January, 2018, any unrealised gains/losses of available-for-sale financial assets that are required to be reclassified as "fair value through profit or loss" as of 31st December, 2017 have to be transferred from revaluation reserve to the opening balance of retained earnings at 1st January, 2018, and cannot be recycled to the profit and loss account upon subsequent disposal. Hence, the Group has chosen to dispose of such available-for-sale financial assets before the end of 2017, as far as practicable.

註：於2018年1月1日過渡至《香港財務報告準則》第9號時，本集團部份可供出售金融資產需將重新分類為「通過損益以反映公平價值」，其任何未實現損益需由重估儲備撥入至2018年1月1日的留存溢利期初結餘，且於出售時不能重新分類至收益表內。因此，本集團決定於可行情況下於2017年底前出售相關可供出售金融資產。

#### 16. NET PROFIT ON SALE OF FINANCIAL ASSETS AT FVOCI 出售通過全面收益以反映公平價值金融資產之淨溢利

		2018
		HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務	
Net profit on sale of debt securities	出售債務證券之淨溢利	
– Net revaluation gain transferred from reserves (Note 43(g))	– 由儲備轉撥的重估盈利淨額(附註43(g))	52
– Profit arising in current year	– 年度內產生的溢利	10
		62

#### 17. NET LOSS ON DISPOSAL OF FIXED ASSETS 出售固定資產之淨虧損

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Net loss on disposal of bank premises, furniture, fixtures and equipment	出售行址、傢俬、裝修及設備之淨虧損	(9)	(22)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 18. INCOME TAX 所得稅

(a) Taxation in the consolidated income statement represents:

(a) 綜合收益表內的稅項為：

		2018	2017
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS 持續經營業務			
Current tax – Hong Kong 本期稅項 – 香港			
Tax for the year 本年度稅項		829	695
Under-provision in respect of prior years 往年度撥備不足		48	36
		877	731
Current tax – outside Hong Kong 本期稅項 – 香港以外			
Tax for the year 本年度稅項		618	308
Over-provision in respect of prior years 往年度撥備過剩		(4)	(67)
		614	241
Deferred tax 遞延稅項			
Origination and reversal of temporary differences (Note 37(b)) 暫時性差異的產生及轉回 (附註37(b))		15	223
		1,506	1,195

The provision for Hong Kong profits tax is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits for the year.

香港利得稅稅款是以年度預計應課稅溢利按稅率 16.5% (2017 年：16.5%) 計算。

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

海外分行及附屬公司的稅款亦按其經營所在國家現行稅率計算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates: (b) 稅項支出與會計溢利按適用稅率計算稅項的對賬：

		2018	2017
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Profit before tax	除稅前溢利	8,060	7,565
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	根據相關國家適用之利得稅稅率按除稅前溢利計算的名義稅款	1,407	1,362
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	407	571
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(330)	(633)
Tax effect of tax losses not recognised	未確認的稅損的稅項影響	1	-
Recognition of deferred tax assets on prior year tax losses	往年度稅損確認為遞延稅項資產	(4)	(50)
Under-provision/(Write back of over-provision) in respect of prior years	往年度撥備不足/(過剩的回撥)	44	(31)
Others	其他	(19)	(24)
Actual tax expense charged to income statement	於收益表支銷的實際稅項	1,506	1,195

### 19. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT 可歸屬於本集團股東溢利

The consolidated profit attributable to owners of the parent includes a profit of HK\$5,299 million (2017: HK\$8,562 million) which has been dealt with in the financial statements of the Bank.

可歸屬於本集團股東綜合溢利包括已計入本行財務報表內的溢利港幣52.99億元(2017年：港幣85.62億元)。

Reconciliation of the above amount to the Bank's profit for the year

本行年度內溢利與上述金額之對賬

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Amount of consolidated profit attributable to equity holders dealt with in the Bank's financial statements	已計入本行財務報表之可歸屬於本集團股東綜合溢利	5,299	8,562
Final dividends from subsidiaries and associates attributable to the profits of the previous financial year and general reserves, approved and paid during the year	來自往年度附屬公司及聯營公司溢利及一般儲備之末期股息，並在年度內核准及派發	338	819
Bank's profit for the year	本行年度內溢利	5,637	9,381

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 20. DISTRIBUTION/DIVIDENDS 分派／股息

## (a) Dividends attributable to the year

## (a) 應屬本年度股息

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interim dividend declared and paid of HK\$0.51 per share on 2,808 million shares (2017: HK\$0.68 per share on 2,726 million shares) (Note 43(k))	已宣布派發及支付中期股息予28.08億股每股港幣0.51元(2017年: 27.26億股每股港幣0.68元)(附註43(k))	1,432	1,854
Second interim dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the end of the reporting period and before the close of the Register of Members of the Bank, of HK\$0.60 per share (2017: HK\$0.28 per share) (Note 43(k))	已支付在報告期結束後及本行股票過戶登記截止日前根據認股計劃發行股份屬上年度每股港幣0.60元的第二次中期股息(2017年: 每股港幣0.28元)(附註43(k))	1	–
Second interim dividend of HK\$0.32 per share on 2,846 million shares (2017: HK\$0.60 per share on 2,765 million shares)	第二次中期股息予28.46億股每股港幣0.32元(2017年: 27.65億股每股港幣0.60元)	910	1,659
Special dividend of HK\$0.35 per share on 2,846 million shares	特別股息予28.46億股每股港幣0.35元	996	–
		<b>3,339</b>	<b>3,513</b>

The total dividend attributable to the year is HK\$1.18 per share (2017: HK\$1.28 per share). The second interim dividend and the special dividend have not been recognised as a liability at the end of the reporting period.

應屬本年度股息為每股港幣1.18元(2017年: 每股港幣1.28元)。於報告期結束日該第二次中期股息及特別股息並未確認為負債。

## (b) Dividends attributable to the previous financial year, approved and paid during the year

## (b) 於年度核准及支付屬上年度股息

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Second interim dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.60 per share on 2,765 million shares (2017: HK\$0.28 per share on 2,703 million shares) (Note 43(k))	年度內核准及支付予27.65億股每股港幣0.60元(2017年: 27.03億股每股港幣0.28元)的上年度第二次中期股息(附註43(k))	1,659	757

## (c) Distribution to holders of Hybrid/Additional Tier 1 capital instruments

## (c) 派發予混合／額外一級資本工具持有人

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interest paid or payable on the Hybrid Tier 1 capital instruments (Note 43(k))	已付或應付予混合一級資本工具持有人的利息(附註43(k))	212	211
Amount paid on the Additional Tier 1 capital instruments (Note 43(k))	已付予額外一級資本工具的款項(附註43(k))	501	389
		<b>713</b>	<b>600</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 21. EARNINGS PER SHARE 每股盈利

##### (a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit for the year and profit from continuing operations attributable to owners of the parent of HK\$5,796 million and HK\$5,796 million (2017: HK\$8,747 million and HK\$5,698 million) respectively after the distribution of HK\$713 million (2017: HK\$600 million) to Hybrid/Additional Tier 1 issue holders, and on the weighted average of 2,805 million (2017: 2,728 million) ordinary shares outstanding during the year, calculated as follows:

Weighted average number of ordinary shares

		2018 Number of shares 股份數目 Mn 百萬	2017 Number of shares 股份數目 Mn 百萬
Issued ordinary shares at 1st January	於1月1日的已發行普通股	2,765	2,703
Effect of share options exercised and shares issued in lieu of dividends	已行使認股權及以股代息發行新股的影響	40	25
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	2,805	2,728

##### (b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit for the year and profit from continuing operations attributable to owners of the parent of HK\$5,796 million and HK\$5,796 million (2017: HK\$8,747 million and HK\$5,698 million) respectively after the distribution of HK\$713 million (2017: HK\$600 million) to Hybrid/Additional Tier 1 issue holders, and on 2,805 million (2017: 2,730 million) ordinary shares, being the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of all dilutive potential shares.

Weighted average number of ordinary shares (diluted)

		2018 Number of shares 股份數目 Mn 百萬	2017 Number of shares 股份數目 Mn 百萬
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	2,805	2,728
Effect of deemed issue of ordinary shares under the Bank's share option schemes for nil consideration	假設按認股權計劃發行但不計價款的普通股份之影響	-	2
Weighted average number of ordinary shares (diluted) at 31st December	於12月31日普通股份的加權平均數(攤薄)	2,805	2,730

##### (a) 每股基本盈利

每股基本盈利乃按照已扣減派發予混合／額外一級資本工具持有人港幣7.13億元(2017年：港幣6.00億元)後之年度內綜合溢利及來自持續經營業務之可歸屬於本集團股東溢利，分別為港幣57.96億元及港幣57.96億元(2017年：港幣87.47億元及港幣56.98億元)及年度內已發行普通股份的加權平均數28.05億股(2017年：27.28億股)計算。

普通股份的加權平均數

##### (b) 每股攤薄盈利

每股攤薄盈利乃按照已扣減派發予混合／額外一級資本工具持有人港幣7.13億元(2017年：港幣6.00億元)後之年度內綜合溢利及來自持續經營業務之可歸屬於本集團股東溢利，分別為港幣57.96億元及港幣57.96億元(2017年：港幣87.47億元及港幣56.98億元)及就年度內所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數28.05億股(2017年：27.30億股)計算。

普通股份的加權平均數(攤薄)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 22. DIRECTORS' REMUNERATION 董事酬金

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

根據《公司條例》第383(1)條及《公司(披露董事利益資料)規則》第2部之規定披露董事酬金如下：

		Salaries, allowances and benefits in kind 薪金、津貼 及實物收益 HK\$ Mn 港幣百萬元	Discretionary bonuses 酌情花紅 HK\$ Mn 港幣百萬元	Share options (Note) 認股權 (附註) HK\$ Mn 港幣百萬元	Retirement scheme contributions 退休計劃供款 HK\$ Mn 港幣百萬元	2018 Total 總額 HK\$ Mn 港幣百萬元
<b>Chairman and Chief Executive</b>	<b>主席兼行政總裁</b>					
Dr. the Hon. Sir David LI Kwok-po	李國寶爵士	0.6	11.3	22.7	10.7	46.3
<b>Executive Directors and Deputy Chief Executives</b>	<b>執行董事兼 副行政總裁</b>					
Mr. Adrian David LI Man-kiu	李民橋先生	0.4	4.1	4.9	3.5	13.3
Mr. Brian David LI Man-bun	李民斌先生	0.4	4.1	4.9	3.5	13.3
<b>Non-executive Directors</b>	<b>非執行董事</b>					
Prof. Arthur LI Kwok-cheung	李國章教授	0.5	-	-	-	0.5
Mr. Aubrey LI Kwok-sing	李國星先生	0.5	-	-	-	0.5
Mr. Winston LO Yau-lai	羅友禮先生	0.4	-	-	-	0.4
Mr. Stephen Charles LI Kwok-sze	李國仕先生	0.4	-	-	-	0.4
Dr. Isidro FAINÉ CASAS	范禮賢博士	0.5	-	-	-	0.5
Dr. Peter LEE Ka-kit	李家傑博士	0.5	-	-	-	0.5
Dr. Daryl NG Win-kong	黃永光博士	0.5	-	-	-	0.5
Mr. Masayuki OKU	奧正之先生	0.5	-	-	-	0.5
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>					
Dr. Allan WONG Chi-yun	黃子欣博士	0.9	-	-	-	0.9
Dr. the Hon. Rita FAN HSU Lai-tai	范徐麗泰博士	0.5	-	-	-	0.5
Mr. Meocre LI Kwok-wing	李國榮先生	1.1	-	-	-	1.1
Dr. the Hon. Henry TANG Ying-yen	唐英年博士	0.9	-	-	-	0.9
The Hon. CHAN Kin-por	陳健波議員	0.8	-	-	-	0.8
Dr. Delman LEE	李國本博士	0.7	-	-	-	0.7
		10.1	19.5	32.5	17.7	81.6



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share options	Retirement scheme contributions	2017 Total
		袍金	薪金、津貼及實物收益	酌情花紅	認股權	退休計劃供款	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Chairman and Chief Executive</b>	<b>主席兼行政總裁</b>						
Dr. the Hon. Sir David LI Kwok-po	李國寶爵士	0.6	10.9	23.1	11.3	1.0	46.9
<b>Executive Directors and Deputy Chief Executives</b>	<b>執行董事兼副行政總裁</b>						
Mr. Adrian David LI Man-kiu	李民橋先生	0.3	3.9	5.0	3.7	0.4	13.3
Mr. Brian David LI Man-bun	李民斌先生	0.3	3.9	5.0	3.7	0.4	13.3
<b>Non-executive Directors</b>	<b>非執行董事</b>						
Prof. Arthur LI Kwok-cheung	李國章教授	0.5	–	–	–	–	0.5
Mr. Aubrey LI Kwok-sing	李國星先生	0.5	–	–	–	–	0.5
Mr. Stephen Charles LI Kwok-sze	李國仕先生	0.3	–	–	–	–	0.3
Dr. Isidro FAINÉ CASAS	范禮賢博士	0.4	–	–	–	–	0.4
Dr. Peter LEE Ka-kit	李家傑博士	0.4	–	–	–	–	0.4
Mr. Masayuki OKU	奧正之先生	0.4	–	–	–	–	0.4
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>						
Dr. Allan WONG Chi-yun	黃子欣博士	0.9	–	–	–	–	0.9
Mr. Winston LO Yau-lai	羅友禮先生	0.8	–	–	–	–	0.8
Dr. Daryl NG Win-kong	黃永光博士	0.7	–	–	–	–	0.7
Dr. the Hon. Rita FAN HSU Lai-tai	范徐麗泰博士	0.4	–	–	–	–	0.4
Mr. Meocre LI Kwok-wing	李國榮先生	0.9	–	–	–	–	0.9
Dr. the Hon. Henry TANG Ying-yen	唐英年博士	0.8	–	–	–	–	0.8
The Hon. CHAN Kin-por	陳健波議員	0.5	–	–	–	–	0.5
Dr. Delman LEE	李國本博士	0.4	–	–	–	–	0.4
		9.1	18.7	33.1	18.7	1.8	81.4

Note: The share options were granted to Executive Directors under the Bank's Staff Share Option Schemes. The values of share options represented the fair value of the share options on the Grant Date without actual cash payment. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 40.

附註：執行董事是根據本行的僱員認股計劃獲授予認股權。認股權金額是指該等認股權於授予日的公平價值，而並非是屬於現金支付。有關此等實物收益的詳情列載於董事會報告書的「認股權資料」及附註40內。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 23. FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Salaries and other emoluments	薪金及其他酬金	30	29
Performance-related bonuses	表現獎勵花紅	42	43
Share options	認股權	25	26
Pension contributions	退休金供款	2	2
		99	100

The remuneration of the five top-paid employees is within the following bands:

5名薪酬最高的僱員的金額範圍如下：

	2018	2017
HK\$ 港幣元	Number of Employees 僱員人數	Number of Employees 僱員人數
9,000,001 – 9,500,000	–	–
13,000,001 – 13,500,000	4	4
46,000,001 – 46,500,000	1	–
46,500,001 – 47,000,000	–	1

Included in the emoluments of the five top-paid employees were the emoluments of 3 (2017: 3) Directors and 2 (2017: 2) senior management members. Their director's emoluments have been included in Note 22 above.

5名薪酬最高的僱員中包括3位(2017年: 3位)董事及2位(2017年: 2位)高層管理人員。他們的董事酬金已包括於上述附註22內。

## 24. SEGMENT REPORTING 分部報告

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's Senior Management for the purposes of resource allocation and performance assessment, the Group has presented the following eight reportable segments.

本集團按分處管理其業務，而分處則由業務及地區混合組成。分部資料的列報與內部匯報予本集團的高層管理人員作為資源分配及表現評核的方式是一致的。本集團列報以下八個可匯報分部。

## (a) Business segments

The Group has identified the following eight reportable segments.

Personal banking, which includes branch operations, personal internet banking, consumer finance, property loans and credit card business in Hong Kong.

Corporate banking, which includes corporate lending and loan syndication, asset based lending, commercial lending and securities lending in Hong Kong.

Treasury markets, which include treasury operations and securities dealing in Hong Kong.

Wealth management, which includes private banking business and related assets in Hong Kong.

## (a) 營業分部

本集團已辨識以下八個可匯報分部。

個人銀行包括在香港之分行營運、個人電子網絡銀行、消費貸款、按揭貸款及信用卡業務。

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款及證券業務貸款。

財資市場包括在香港之財資運作及證券買賣。

財富管理包括提供予在香港之私人銀行業務及相關資產。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Financial institutions, which includes trade financing activities with correspondent banks in Hong Kong.

金融機構包括在香港之全球同業間的銀行代理行及金融貿易業務。

Other Hong Kong banking operations, which mainly include insurance business, trust business, securities & futures broking, money lender activities and corporate financial advisory in Hong Kong.

其他香港銀行業務主要包括在香港之保險業務、信託業務、證券及期貨經紀、放債人業務及企業財務諮詢。

Mainland China operations mainly include the back office unit for Mainland China operations in Hong Kong, all subsidiaries and associates operated in Mainland China, except those subsidiaries carrying out data processing and other back office operations in Mainland China.

中國內地業務主要包括在香港支援中國內地業務的後勤單位、所有在中國內地經營的附屬公司及聯營公司，但不包括在中國內地經營資料處理及其他後勤支援之附屬公司。

Overseas operations include the back office unit for overseas banking operations in Hong Kong, Macau Branch, Taiwan Branch and all branches, subsidiaries and associates operated in overseas.

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

Other businesses include property-related business, supporting units of Hong Kong operations, investment properties, bank premises, the net results of other subsidiaries in Hong Kong except for those subsidiaries which are included in other Hong Kong banking operations.

其他業務包括與地產有關的業務、香港業務之後勤單位、投資物業、行址及在香港之其他附屬公司的業績(除已包括在其他香港銀行業務內的附屬公司)。

For the purposes of assessing segment performance and allocating resources between segments, the Group's Senior Management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

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：

Segment assets include all tangible assets, intangible assets and financial assets with the exception of interests in associates, deferred tax assets and other corporate assets. Segment liabilities include deposits, financial liabilities and other liabilities attributable to the individual segments.

分部資產包括所有有形資產、無形資產及金融資產(聯營公司之權益除外)、遞延稅項資產及其他企業資產。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。

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. Other than reporting inter-segment income, assistance provided by one segment to another, including sharing of assets, is not measured.

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。除匯報分部間的收入外，由一分部提供協助予另一分部，包括分享資產，並未計算在內。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 24. SEGMENT REPORTING (CONTINUED) 分部報告(續)

## (a) Business segments (continued)

## (a) 營業分部(續)

		2018											
		Hong Kong banking operations 香港銀行業務						Mainland China operations 中國內地 業務	Overseas operations 國際業務	Total reportable segments 可匯報 分部總額	Others 其他	Inter- segment elimination 分部間之 交易抵銷	Total 總額
		Personal banking 個人銀行 HK\$ Mn 港幣百萬元	Corporate banking 企業銀行 HK\$ Mn 港幣百萬元	Treasury markets 財資市場 HK\$ Mn 港幣百萬元	Wealth management 財富管理 HK\$ Mn 港幣百萬元	Financial institutions 金融機構 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務												
Net interest income/(expense)	淨利息收入/(支出)	4,053	1,916	(121)	425	18	167	3,800	1,593	11,851	1,103	5	12,959
Non-interest income/(expense)	非利息收入/(支出)	841	451	(41)	349	23	491	1,138	281	3,533	925	(345)	4,113
Operating income	經營收入	4,894	2,367	(162)	774	41	658	4,938	1,874	15,384	2,028	(340)	17,072
Operating expenses	經營支出	(1,597)	(202)	(149)	(209)	(12)	(416)	(3,386)	(683)	(6,654)	(2,249)	340	(8,563)
Operating profit/(loss) before impairment losses	未扣除減值損失之 經營溢利/(虧損)	3,297	2,165	(311)	565	29	242	1,552	1,191	8,730	(221)	-	8,509
Impairment losses on financial instruments	金融工具的減值損失	(149)	(129)	(43)	7	(1)	(6)	(1,033)	166	(1,188)	-	-	(1,188)
Impairment losses on intangible assets	無形資產減值損失	-	-	-	-	-	-	(5)	-	(5)	-	-	(5)
Impairment losses on associate	聯營公司減值損失	-	-	-	-	-	-	-	(397)	(397)	-	-	(397)
Operating profit/(loss) after impairment losses	已扣除減值損失後之 經營溢利/(虧損)	3,148	2,036	(354)	572	28	236	514	960	7,140	(221)	-	6,919
Profit/(Loss) on sale of fixed assets, financial assets measured at FVOCI	出售固定資產、按通過 其他全面收益以反映 公平價值計量金融 資產之溢利/(虧損)	(8)	-	51	-	-	5	4	1	53	-	-	53
Profit/(Loss) on sale of disposal groups and assets held for sale	出售出售組別及持有 作出售資產之 溢利/(虧損)	-	-	-	-	-	-	(2)	11	9	47	-	56
Profit/(Loss) on disposal of subsidiaries/associates	出售附屬/聯營公司 之淨溢利	-	-	-	-	-	-	2	(1)	1	-	-	1
Valuation gains on investment properties	重估投資物業盈利	-	-	-	-	-	-	-	-	-	465	-	465
Share of profits less losses of associates	應佔聯營公司溢利減 虧損	-	-	-	-	-	(1)	118	449	566	-	-	566
Profit/(Loss) before taxation	除稅前溢利/(虧損)	3,140	2,036	(303)	572	28	240	636	1,420	7,769	291	-	8,060
Depreciation for the year	年度內折舊	(65)	(1)	(5)	(2)	-	(11)	(202)	(30)	(316)	(157)	-	(473)
Segment assets	分部資產	103,770	149,307	177,221	24,170	7,041	21,770	288,354	111,576	883,209	16,306	(69,881)	829,634
Investments in associates	聯營公司投資	-	-	-	-	-	52	3,637	5,440	9,129	-	-	9,129
Other assets - Assets held for sale	其他資產 - 持有作出售資產	-	-	-	-	-	268	49	363	680	8	-	688
Total assets	資產總額	103,770	149,307	177,221	24,170	7,041	22,090	292,040	117,379	893,018	16,314	(69,881)	839,451
Segment liabilities	分部負債	336,654	795	59,743	23,378	20	17,925	240,872	101,181	780,568	2,477	(47,176)	735,869
Other liabilities - Liabilities held for sale	其他負債 - 持有作出售負債	-	-	-	-	-	7	-	-	7	-	-	7
Total liabilities	負債總額	336,654	795	59,743	23,378	20	17,932	240,872	101,181	780,575	2,477	(47,176)	735,876
Capital expenditure incurred during the year	年度內資本開支	157	-	8	-	-	15	130	19	329	335	-	664

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		2017											
		Hong Kong banking operations 香港銀行業務						Mainland China operations 中國內地 業務	Overseas operations 國際業務	Total reportable segments 可匯報 分部總額	Inter- segment elimination 分部間之 交易抵銷	Total	
		Personal banking 個人銀行 HK\$ Mn 港幣百萬元	Corporate banking 企業銀行 HK\$ Mn 港幣百萬元	Treasury markets 財資市場 HK\$ Mn 港幣百萬元	Wealth management 財富管理 HK\$ Mn 港幣百萬元	Financial institutions 金融機構 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務												
Net interest income	淨利息收入	3,352	1,934	19	380	21	237	3,834	1,515	11,292	540	11,832	
Non-interest income	非利息收入	816	376	20	452	19	914	742	246	3,585	884	4,121	
Operating income	經營收入	4,168	2,310	39	832	40	1,151	4,576	1,761	14,877	1,424	15,953	
Operating expenses	經營支出	(1,603)	(190)	(219)	(201)	(11)	(447)	(3,034)	(605)	(6,310)	(2,105)	(8,067)	
Operating profit(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	2,565	2,120	(180)	631	29	704	1,542	1,156	8,567	(681)	7,886	
Impairment losses on financial instruments	金融工具的減值損失	(158)	(405)	(2)	(1)	-	(9)	(1,151)	(14)	(1,740)	(4)	(1,744)	
Impairment losses on assets held for sale	持有作出售資產減值損失	-	-	-	-	-	-	(63)	-	(63)	-	(63)	
Impairment losses on intangible assets	無形資產減值損失	-	-	-	-	-	-	(650)	-	(650)	-	(650)	
Operating profit(loss) after impairment losses	已扣除減值損失後之經營溢利/(虧損)	2,407	1,715	(182)	630	29	695	(322)	1,142	6,114	(685)	5,429	
Profit/(Loss) on sale of fixed assets, held-to-maturity investments and available-for-sale financial assets	出售固定資產、持至到期投資及可供出售金融資產之溢利/(虧損)	(14)	14	1,027	-	-	16	(5)	-	1,038	3	1,041	
Profit/(Loss) on sale of disposal groups and assets held for sale	出售出售組別及持有作出售資產之溢利/(虧損)	-	-	-	-	-	4	(13)	-	(9)	192	183	
Profit on disposal of subsidiaries/associates	出售附屬/聯營公司之溢利	-	-	-	-	-	-	-	-	-	2	2	
Valuation gains on investment properties	重估投資物業溢利	-	-	-	-	-	-	-	1	1	521	522	
Share of profits less losses of associates	應佔聯營公司溢利減虧損	-	-	-	-	-	4	92	292	388	-	388	
Profit/(Loss) before taxation	除稅前溢利/(虧損)	2,393	1,729	845	630	29	719	(248)	1,435	7,532	33	7,565	
Depreciation for the year	年度內折舊	(62)	(1)	(5)	(3)	-	(13)	(202)	(34)	(320)	(146)	(466)	
Segment assets	分部資產	81,889	148,083	164,908	26,284	5,237	21,123	299,726	107,804	855,054	13,555	799,047	
Investments in associates	聯營公司投資	-	-	-	-	-	54	3,414	5,961	9,429	-	9,429	
Other assets - Assets held for sale	其他資產 - 持有作出售資產	-	-	-	-	-	351	76	39	466	-	466	
Total assets	資產總額	81,889	148,083	164,908	26,284	5,237	21,528	303,216	113,804	864,949	13,555	808,942	
Segment liabilities	分部負債	309,279	902	53,725	21,606	5	16,762	251,933	98,057	752,269	2,509	707,719	
Other liabilities - Liabilities held for sale	其他負債 - 持有作出售負債	-	-	-	-	-	9	-	-	9	-	9	
Total liabilities	負債總額	309,279	902	53,725	21,606	5	16,771	251,933	98,057	752,278	2,509	707,728	
Capital expenditure incurred during the year	年度內資本開支	146	-	-	-	-	13	95	24	278	131	409	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 24. SEGMENT REPORTING (CONTINUED) 分部報告(續)

## (b) Geographical segments

The information concerning geographical analysis has been classified by the location of the principal operations of the entities and branches of the Bank responsible for reporting the results or booking the assets or, by the location where the subsidiaries or business units with special risks associated with operations originate.

## (b) 地區分部

按地區分部之資料是根據負責報告業績或將資產入賬之實體或本行之分行的主要業務所在地點，或按與附屬公司或業務單位之營運有特殊風險關連的所在地點予以劃分。

		2018					
		Hong Kong	Mainland China	Other Asian Countries and Regions	Others	Inter-segment elimination	Total
		香港	中國內地	其他亞洲國家及地區	其他	分部間之交易抵銷	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Operating income (from continuing operations)	經營收入 (來自持續經營業務)	10,145	5,296	783	1,188	(340)	17,072
Profit before taxation (from continuing operations)	除稅前溢利 (來自持續經營業務)	5,122	993	876	1,069	-	8,060
Total assets	資產總額	517,016	275,778	50,093	66,445	(69,881)	839,451
Total liabilities	負債總額	440,989	240,882	42,285	58,896	(47,176)	735,876
Contingent liabilities and commitments	或然負債及承擔	73,927	104,219	7,063	11,010	-	196,219
Capital expenditure during the year	年度內資本開支	520	132	8	4	-	664

		2017					
		Hong Kong	Mainland China	Other Asian Countries and Regions	Others	Inter-segment elimination	Total
		香港	中國內地	其他亞洲國家及地區	其他	分部間之交易抵銷	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Operating income (from continuing operations)	經營收入 (來自持續經營業務)	9,672	4,798	747	1,084	(348)	15,953
Profit/(loss) before taxation (from continuing operations)	除稅前溢利/(虧損) (來自持續經營業務)	6,095	(64)	643	891	-	7,565
Total assets	資產總額	478,507	286,990	53,802	59,205	(69,562)	808,942
Total liabilities	負債總額	404,785	251,946	45,898	52,158	(47,059)	707,728
Contingent liabilities and commitments	或然負債及承擔	77,693	124,792	7,851	8,732	-	219,068
Capital expenditure during the year	年度內資本開支	305	87	12	5	-	409

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 25. CASH AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (Note 48(a))

#### 現金及在銀行和其他金融機構的結存(附註48(a))

		2018	2017
		HK\$ Mn 港幣百萬元	Restated <sup>Note</sup> 重報 <sup>註</sup> HK\$ Mn 港幣百萬元
Cash in hand	現金	1,284	1,288
Balances with central banks	在中央銀行的結存	36,854	47,083
Balances with banks and other financial institutions	在銀行和其他金融機構的結存	9,973	7,325
		<b>48,111</b>	55,696
Less: Impairment allowances (Note 45(a)(x))	減：減值準備(附註45(a)(x))	(5)	–
– Stage 1	– 第一階段	(5)	–
– Stage 2	– 第二階段	–	–
– Stage 3	– 第三階段	–	–
		<b>48,106</b>	55,696

Note: To better reflect the transaction nature, reverse repurchase transactions with banks and other financial institutions of HK\$4,974 million was reclassified to Placements with and advances to banks and other financial institutions from Cash and balances with banks and other financial institutions. Corresponding restatements have also been reflected in Consolidated Statement of Financial Position, Notes 4, 26, 45(a), 45(d) and 48(a).

註：由於須更準確地反映交易的性質，與銀行及其他金融機構的逆回購交易港幣49.74億元已由現金及在銀行和其他金融機構的結存重新分類為在銀行及其他金融機構的存款及墊款。相關重報亦已在綜合財務狀況表及附註4、26、45(a)、45(d)和48(a)內反映。

#### 26. PLACEMENTS WITH AND ADVANCES TO BANKS AND OTHER FINANCIAL INSTITUTIONS (Note 48(a))

#### 在銀行及其他金融機構的存款及墊款(附註48(a))

		2018	2017
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Placements with and advances to banks and other financial institutions	在銀行及其他金融機構的存款及墊款		
Maturing	到期期限		
– within one month	– 1個月內	43,962	47,996
– after one month but within one year	– 1個月至1年內	16,343	10,587
– after one year	– 1年後	78	–
		<b>60,383</b>	58,583
Less: Impairment allowances (Note 45(a)(x))	減：減值準備(附註45(a)(x))	(10)	–
– Stage 1	– 第一階段	(10)	–
– Stage 2	– 第二階段	–	–
– Stage 3	– 第三階段	–	–
		<b>60,373</b>	58,583
Of which:	其中：		
Placements with and advances to central banks	在中央銀行的存款及墊款	–	–

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 27. TRADE BILLS 貿易票據

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At amortised cost	攤銷成本	2,886	13,910
Less: Impairment allowances (Note 45(a)(x))	減：減值準備(附註45(a)(x))	(4)	(1)
– Stage 1	– 第一階段	(3)	–
– Stage 2	– 第二階段	–	–
– Stage 3	– 第三階段	(1)	–
– Individual	– 個別	–	(1)
		2,882	13,909
At FVOCI	通過其他全面收益以反映公平價值	11,764	–
		14,646	13,909

## 28. TRADING ASSETS 交易用途資產

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 48(a))	國庫債券(包括外匯基金票據) (附註48(a))	270	2,218
Debt securities (Note 48(a))	債務證券(附註48(a))	1,861	1,781
Equity securities	股份證券	1,352	2,953
Investment funds	投資基金	–	4
		3,483	6,956

## 29. LOANS AND ADVANCES TO CUSTOMERS 客戶貸款及墊款

## (a) Loans and advances to customers

## (a) 客戶貸款及墊款

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Loans and advances to customers at amortised cost	按攤銷成本計量的客戶貸款及墊款	500,631	473,776
Less: Impairment allowances (Note 45(a)(x))	減：減值準備(附註45(a)(x))	(2,347)	(3,437)
– Stage 1	– 第一階段	(431)	–
– Stage 2	– 第二階段	(855)	–
– Stage 3	– 第三階段	(1,061)	–
– Individual	– 個別	–	(1,059)
– Collective	– 整體	–	(2,378)
		498,284	470,339



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

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

#### (b) 客戶貸款及墊款—按行業分類

按行業分類的客戶墊款總額及有抵押墊款的百分比是按照金管局所採用的類別和定義。

		2018		2017	
		Gross advances	% of gross advances covered by collateral	Gross advances	% of gross advances covered by collateral
		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
		HK\$ Mn 港幣百萬元	% 百分率	HK\$ Mn 港幣百萬元	% 百分率
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	26,427	59.34	20,280	70.18
– Property investment	– 物業投資	40,218	90.48	37,359	92.71
– Financial concerns	– 金融企業	14,944	69.20	12,489	66.06
– Stockbrokers	– 股票經紀	1,928	67.61	6,899	90.20
– Wholesale and retail trade	– 批發與零售業	6,839	53.30	8,831	63.00
– Manufacturing	– 製造業	1,903	51.42	2,123	40.31
– Transport and transport equipment	– 運輸與運輸設備	5,111	64.32	4,976	65.45
– Recreational activities	– 娛樂活動	35	91.59	176	71.30
– Information technology	– 資訊科技	668	3.38	2,747	1.26
– Others	– 其他	20,196	72.96	25,876	67.63
– Sub-total	– 小計	118,269	73.07	121,756	74.48
Individuals	個人				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇的貸款	1,048	100.00	1,064	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	55,292	100.00	42,803	100.00
– Credit card advances	– 信用卡墊款	4,496	0.00	4,644	0.00
– Others	– 其他	39,909	88.91	34,034	87.14
– Sub-total	– 小計	100,745	91.14	82,545	89.07
Total loans for use in Hong Kong	在香港使用的貸款總額	219,014	81.38	204,301	80.37
Trade finance	貿易融資	3,733	56.18	3,934	70.33
Loans for use outside Hong Kong*	在香港以外使用的貸款*	277,884	46.84	265,541	54.34
Total advances to customers	客戶墊款總額	500,631	62.02	473,776	65.70

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

\* 在香港以外使用的貸款包括以下在中國內地使用的貸款。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 29. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED) 客戶貸款及墊款(續)

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

## (b) 客戶貸款及墊款 – 按行業分類(續)

		2018		2017	
		Gross advances 墊款總額 HK\$ Mn 港幣百萬元	% of gross advances covered by collateral 有抵押墊款 的百分比 % 百分率	Gross advances 墊款總額 HK\$ Mn 港幣百萬元	% of gross advances covered by collateral 有抵押墊款 的百分比 % 百分率
Property development	物業發展	45,304	49.98	44,416	54.04
Property investment	物業投資	24,020	95.23	29,176	92.32
Financial concerns	金融企業	30,924	5.70	33,431	6.24
Wholesale and retail trade	批發與零售業	9,057	55.60	13,058	58.37
Manufacturing	製造業	6,673	26.08	7,176	30.41
Loans for the purchase of other residential properties	購買其他住宅物業的貸款	13,879	99.97	15,181	99.94
Others	其他	55,159	19.96	38,716	33.62
		185,016	42.67	181,154	50.24

Individually impaired loans, as well as relevant information, in respect of industry sectors which constitute 10% or more of total advances to customers are as follows:

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：

		2018		2017	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(i) Property development	(i) 物業發展				
a. Individually impaired loans	a. 已個別減值的貸款	749		316	
b. Specific provisions	b. 特殊準備	–		–	
c. Collective provisions	c. 整體準備	249		420	
d. New provision charged to income statement	d. 於收益表支銷的準備	188		92	
e. Written off	e. 撇銷	50		26	
(ii) Property investment	(ii) 物業投資				
a. Individually impaired loans	a. 已個別減值的貸款	150		792	
b. Specific provisions	b. 特殊準備	94		113	
c. Collective provisions	c. 整體準備	314		425	
d. New provision charged to income statement	d. 於收益表支銷的準備	310		197	
e. Written off	e. 撇銷	264		118	
(iii) Loans for purchase of residential properties	(iii) 購買其他住宅物業的貸款				
a. Individually impaired loans	a. 已個別減值的貸款	278		296	
b. Specific provisions	b. 特殊準備	8		3	
c. Collective provisions	c. 整體準備	201		214	
d. New provision charged to income statement	d. 於收益表支銷的準備	158		12	
e. Written off	e. 撇銷	8		4	
(iv) Financial concerns	(iv) 金融企業				
a. Individually impaired loans	a. 已個別減值的貸款	–		1	
b. Specific provisions	b. 特殊準備	–		1	
c. Collective provisions	c. 整體準備	103		409	
d. New provision charged to income statement	d. 於收益表支銷的準備	41		166	
e. Written off	e. 撇銷	–		–	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The specific provisions represent lifetime expected credit loss provisions (2017: individual impairment allowance) for credited impaired exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions (2017: collective impairment allowance) for non-credit impaired exposures.

特殊準備指減值信貸風險在合約期內內的預期信貸損失準備(2017年:個別減值準備)及整體準備指非減值信貸風險在12個月及合約期內內的預期信貸損失準備(2017年:整體減值準備)。

#### (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 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 analysis of impairment provisions follow the terminology used by the HKMA. The specific provisions represent lifetime expected credit loss provisions (2017: individual impairment allowance) for credit impaired exposures and the collective provisions represent the 12-month and lifetime expected credit loss provisions (2017: collective impairment allowance) for non-credit impaired exposures.

#### (c) 客戶貸款及墊款—按區域分類

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。減值準備之分析是按照金管局所採用的術語。特殊準備指減值信貸風險在合約期內內的預期信貸損失準備(2017年:個別減值準備)及整體準備指非減值信貸風險在12個月及合約期內內的預期信貸損失準備(2017年:整體減值準備)。

		2018				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Specific provisions	Collective provisions
		客戶墊款總額	逾期3個月以上的客戶墊款	減值客戶墊款	特殊準備	整體準備
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Hong Kong	香港	225,656	367	559	224	260
Mainland China	中國內地	203,377	2,405	2,515	776	871
Other Asian Countries and Regions	其他亞洲國家及地區	27,634	121	396	61	117
Others	其他	43,964	-	21	-	38
Total	總額	500,631	2,893	3,491	1,061	1,286
% of total advances to customers	佔客戶墊款總額的百分比			0.70%		
Market value of collateral held against impaired advances to customers	減值客戶墊款抵押品市值			2,414		

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 29. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED) 客戶貸款及墊款(續)

## (c) Loans and advances to customers – by geographical areas (continued) (c) 客戶貸款及墊款 – 按區域分類(續)

		2017				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Specific provisions	Collective provisions
		客戶墊款總額	逾期3個月以上的客戶墊款	減值客戶墊款	特殊準備	整體準備
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Hong Kong	香港	207,523	1,746	1,997	336	498
Mainland China	中國內地	203,128	2,039	2,758	682	1,721
Other Asian Countries and Regions	其他亞洲國家及地區	27,456	191	390	41	68
Others	其他	35,669	1	32	–	91
<b>Total</b>	<b>總額</b>	<b>473,776</b>	<b>3,977</b>	<b>5,177</b>	<b>1,059</b>	<b>2,378</b>
% of total advances to customers	佔客戶墊款總額的百分比			1.09%		
Market value of collateral held against impaired advances to customers	減值客戶墊款抵押品市值			4,329		

Impaired loans and advances are individually assessed loans with objective evidence of impairment on an individual basis. The above information by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk.

Collateral includes any tangible security that carries a fair market value and is readily marketable. This includes (but is not limited to) cash and deposits, stocks and bonds, mortgages over properties and charges over other fixed assets such as plant and equipment. Where collateral values are greater than gross loans and advances to customers, only the amount of collateral up to the gross loans and advances is included.

減值貸款及墊款是個別出現客觀減值證據而須個別評估的貸款。以上按國家或區域分類的資料，是根據交易對手的所在地並已顧及轉移風險因素。

抵押品包括任何具公平價值及可隨時出售的有形抵押品。這些抵押品包括(但不限於)現金及存款、股票及債券、物業按揭及其他固定資產如器材及設備之押記。倘抵押品價值高於客戶貸款及墊款總額，則只計入最高達貸款及墊款總額的抵押品金額。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (d) Loans and advances to customers – net investment in finance leases

Loans and advances to customers include net investment in equipment leased under finance leases. The total minimum lease payments receivable under finance leases and their present values at the year end are as follows:

#### (d) 客戶貸款及墊款－融資租賃的淨投資額

客戶貸款及墊款包括以融資租賃形式租出的設備。根據融資租賃應收的最低租賃付款總額，及其現值如下：

		2018			2017		
		Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments	Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments
		最低租賃付款現值	相關未來利息收入	最低租賃付款總額	最低租賃付款現值	相關未來利息收入	最低租賃付款總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Amounts receivable:	應收賬款：						
Within one year	1年以內	250	73	323	366	78	444
After one year but within five years	1年以後至5年內	699	229	928	871	234	1,105
After five years	5年以後	2,109	397	2,506	2,252	385	2,637
		<b>3,058</b>	<b>699</b>	<b>3,757</b>	3,489	697	4,186
Less: Impairment allowances	減：減值準備	(11)			(11)		
Net investment in finance leases	融資租賃的淨投資額	<b>3,047</b>			3,478		

The net investment in finance leases is carried on the statement of financial position as loans and advances to customers. No accrual is made for the interest income relating to future periods.

融資租賃的淨投資額被視作客戶貸款及墊款在財務狀況表中列賬，未來期間的利息收入並無計算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 30. INVESTMENT SECURITIES 投資證券

		2018				
		Mandatorily measured at FVTPL	Designated at FVTPL	Measured at FVOCI 按通過 其他全面 收益以反映 公平價值計量	Measured at amortised cost 按攤銷成本 計量	Total 總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 48(a))	國庫債券(包括外匯基金 票據)(附註48(a))	-	-	26,594	1,915	28,509
Certificates of deposits held (Note 48(a))	持有存款證(附註48(a))	-	-	1,191	1,109	2,300
Debt securities (Note 48(a))	債務證券(附註48(a))	10,663	1,630	81,574	15,997	109,864
Equity securities	股份證券	2,513	-	688	-	3,201
Investment funds	投資基金	855	-	-	-	855
		<b>14,031</b>	<b>1,630</b>	<b>110,047</b>	<b>19,021</b>	<b>144,729</b>

Debt securities were designated as at FVTPL on initial recognition when the Group held derivatives for managing specific risk of the debt securities, and the designation therefore eliminated or significantly reduced an accounting mismatch that would otherwise arise.

當本集團持有衍生工具以管理債務證券的特定風險時，該等證券會被指定為通過損益以反映公平價值，而該指定可消除或明顯減少會計錯配的情況。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### Equity securities designated at FVOCI

At 1st January, 2018, the Group designated certain equity securities as shown in the following table at FVOCI. In 2017, these investments were classified as available-for-sale and measured at fair value. The FVOCI designation was made because the investments are expected to be held for long-term strategic purposes.

#### 指定為通過全面收益以反映公平價值的股份證券

於2018年1月1日，本集團指定若干在下表所列示的股份證券為通過其他全面收益以反映公平價值。於2017年，該等投資分類為可供出售及按公平價值計量。作出通過其他全面收益以反映公平價值的指定是由於預期持有該等投資作長期策略用途。

		2018	
		Fair value	Dividend income recognised
		公平價值	已確認
		HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元
Aberdeen Restaurant Enterprises Limited	香港仔飲食企業有限公司	2	–
EPS Company (Hong Kong) Limited	易辦事(香港)有限公司	47	7
Joint Electronic Teller Services Ltd.	銀聯通寶有限公司	18	2
Nova Credit Limited	諾華誠信有限公司	11	–
OTC Clearing Hong Kong Limited	香港場外結算有限公司	14	–
TransUnion Limited	環聯資訊有限公司	70	11
China International Payment Service Corporation	跨境銀行間支付清算(上海)有限責任公司	35	–
China UnionPay Co., Ltd.	中國銀聯股份有限公司	481	2
Euroclear Plc	歐洲結算系統	8	1
Society For World-Wide Interbank Financial Telecommunication	環球銀行金融電信協會	2	–
		<b>688</b>	<b>23</b>

None of these strategic investments was disposed of during 2018, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

在2018年度內沒有出售該等策略投資，亦沒有將該等投資的累計盈利及虧損於股東權益內轉賬。

		2017				
		Designated at FVTPL	Available-for-sale	Held-to-maturity	Loans and receivables (Note 35)	Total
		指定為通過損益以反映公平價值	可供出售	持至到期	貸款及應收賬款 (附註35)	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 48(a))	國庫債券(包括外滙基金票據) (附註48(a))	–	27,024	1,699	–	28,723
Certificates of deposits held (Note 48(a))	持有存款證(附註48(a))	–	1,150	1,269	–	2,419
Debt securities (Note 48(a))	債務證券(附註48(a))	3,879	88,560	6,830	133	99,402
Equity securities	股份證券	166	3,042	–	–	3,208
Investment funds	投資基金	124	549	–	–	673
		<b>4,169</b>	<b>120,325</b>	<b>9,798</b>	<b>133</b>	<b>134,425</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 31. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary.

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。此等股份屬普通股份。

Details of these companies are as follows:

此等公司的詳情如下：

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行 所佔權益	The Group 集團 所佔權益	
Ample Delight Limited 承悅有限公司	Hong Kong 香港	HK\$ 港幣 450,000,000 元		100%	Investment holding 投資控股
Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司	Hong Kong 香港	HK\$ 港幣 150,000,000 元	100%		Trustee service 信託服務
BEA Consortium GS Investors L.P.	BVI 英屬處女群島	NIL		100%	Acting as a limited partner for the purpose of making investment in private equity fund 出任有限責任合夥人用作投資私募基金
BEA Life Limited 東亞人壽保險有限公司	Hong Kong 香港	HK\$ 港幣 500,000,000 元	100%		Life insurance 人壽保險
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Hong Kong 香港	HK\$ 港幣 374,580,000 元	51%		Asset management 資產管理
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Hong Kong 香港	HK\$ 港幣 625,000,000 元	100%		Insurance 保險
Central Town Limited 滙中興業有限公司	Hong Kong 香港	HK\$ 港幣 2 元	100%		Property investment 物業投資
Century Able Limited 階潤有限公司	Hong Kong 香港	HK\$ 港幣 929,752,849 元		100%	Investment holding 投資控股



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行 所佔權益	The Group 集團 所佔權益	
Chongqing Liangjiang New Area Credit Gain Finance Company Limited 重慶兩江新區領達小額貸款 有限公司	PRC 中華人民共和國	US\$50,000,000 美元	100%		Micro-finance loan 小額貸款
Corona Light Limited	BVI 英屬處女群島	HK\$ 港幣 929,752,849 元		100%	Investment holding 投資控股
Credit Gain Finance Company Limited 領達財務有限公司	Hong Kong 香港	HK\$ 港幣 640,000,000 元	100%		Money lenders 放債人
Crystal Gleaming Limited	BVI 英屬處女群島	HK\$ 港幣 929,752,849 元	100%		Investment holding 投資控股
Dragon Jade Holdings Company Limited 卓領控股有限公司	Hong Kong 香港	HK\$ 港幣 1,127,510,000 元	100%		Investment holding 投資控股
East Asia Digital Information Services (Guangdong) Limited (Note 1) 東亞數據信息服務(廣東)有限公司 (附註1)	PRC 中華人民共和國	US\$3,000,000 美元		100%	Servicing 服務
*East Asia Holding Company, Inc.	U.S.A. 美國	US\$5 美元	100%		Bank holding company 銀行控股公司
East Asia Securities Company Limited 東亞證券有限公司	Hong Kong 香港	HK\$ 港幣 25,000,000 元	100%		Securities broking 證券買賣

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 31. INVESTMENTS IN SUBSIDIARIES (CONTINUED) 附屬公司投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行 所佔權益	The Group 集團 所佔權益	
Innovate Holdings Limited	BVI 英屬處女群島	US\$1 美元 (Ordinary 普通股) US\$318,345,000 美元 (with a liquidation preference of US\$1,000 per share 附有每股 1,000 美元之 清盤優先權)	100%		Special purpose vehicle company specially set up for BEA's Hybrid Tier 1 issue 為東亞銀行混合一級 資本而成立之特定目 的投資工具公司
Shenzhen Credit Gain Finance Company Limited (Note 1) 深圳市領達小額貸款有限公司 (附註 1)	PRC 中華人民共和國	CNY 人民幣 300,000,000 元	100%		Micro-finance loan 小額貸款
Skyray Holdings Limited	BVI 英屬處女群島	HK\$ 港幣 450,000,000 元	100%		Investment holding 投資控股
Speedfull Limited	BVI 英屬處女群島	HK\$ 港幣 450,000,000 元		100%	Investment holding 投資控股
The Bank of East Asia (China) Limited (Note 1) 東亞銀行(中國)有限公司 (附註 1)	PRC 中華人民共和國	CNY 人民幣 12,160,000,000 元	100%		Banking and related financial services 銀行及有關的金融服務

\* Companies audited by auditors other than KPMG are with net assets and total income constituting approximately 0.6% and 0.1% respectively of the related consolidated totals.

\* 非由畢馬威會計師事務所審核的已審核附屬公司財務報表之資產淨額及收入總額分別佔相關綜合總額的 0.6% 及 0.1%。

## Notes:

1. Represents a wholly foreign owned enterprise registered under the PRC laws.
2. The above subsidiaries have no non-controlling interests material to the Group except for Innovate Holdings Limited.

## 附註:

1. 指一根據中華人民共和國法例註冊之全資擁有外資企業。
2. 除 Innovate Holdings Limited 外、以上附屬公司之非控制性權益對本集團並不重大。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The following table lists out the information relating to Innovate Holdings Limited, the only subsidiary of the Group which has a material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

下表列載本集團內唯一有重大非控制性權益之附屬公司，Innovate Holdings Limited。以下之財務摘要是指並未沖銷任何集團之間交易的金額。

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Non-current assets	非流動資產	2,493	2,487
Net assets	淨資產	2,493	2,487
Carrying amount of NCI	非控制性權益之賬面值	2,493	2,487
Revenue	收入	-	-
Profit for the year	年度溢利	-	-
Total comprehensive income	全面收益總額	-	-
Profit allocated to NCI	分配予非控制性權益之溢利	-	-
Dividend paid or payable to NCI	已付或應付予非控制性權益之股息	212	211

Details on the accounting treatment of the above NCI are set out in Notes 20(c) and 44.

以上非控制性權益的會計處理方法之詳情已在附註20(c)及44內列載。

### 32. INVESTMENTS IN ASSOCIATES 聯營公司投資

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Share of net assets	應佔淨資產	8,743	8,539
Goodwill	商譽	783	890
		9,526	9,429
Less: Impairment allowances	減：減值準備	(397)	-
		9,129	9,429

Loans to associates amounting to HK\$78 million (2017: Nil) are included under placements with and advances to banks and other financial institutions.

已包括在在銀行及其他金融機構的存款及墊款的聯營公司貸款為港幣7,800萬元(2017年：無)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 32. INVESTMENTS IN ASSOCIATES (CONTINUED) 聯營公司投資(續)

The following list contains only the particulars of principal associates. None are considered individually material to the Group:

以下列載只包括本集團的主要聯營公司，而它們個別地對本集團沒有重大影響：

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary shares 普通股 held by		Nature of business 業務性質
		The Bank 銀行 所佔權益	The Group 集團 所佔權益	
<b>Listed 上市</b>				
AFFIN Bank Berhad (Note) (附註)	Malaysia 馬來西亞	23.52%		Banking and related financial business 銀行及有關金融業務
<b>Unlisted 非上市</b>				
Brilliance-BEA Auto Finance Co., Ltd. 華晨東亞汽車金融有限公司	PRC 中華人民共和國		22.5%	Auto finance and other related financial businesses 汽車貸款及其他有關金融業務
Dolford Property Holdings Limited	BVI 英屬處女群島		30%	Investment holding 投資控股
East Asia Qianhai Securities Company Limited 東亞前海證券有限責任公司	PRC 中華人民共和國	49%		Securities business 證券業務
Guotong Trust Co., Ltd 國通信託有限責任公司	PRC 中華人民共和國	19.99%		Trust and other financial businesses 信託及其他金融業務
Industrial and Commercial Bank of China (Canada) 中國工商銀行(加拿大)有限公司	Canada 加拿大	20%		Banking services 銀行服務
Industrial and Commercial Bank of China (USA) N.A. 中國工商銀行(美國)	U.S.A. 美國		20%	Banking services 銀行服務
Million Fortune Development (Shenzhen) Co., Ltd. 寰裕置業(深圳)有限公司	PRC 中華人民共和國		25%	Property development 物業發展
PRASAC Microfinance Institution Limited	Cambodia 柬埔寨	21%		Financial services 金融服務
PT. Bank Resona Perdania (Note 56) (附註56)	Indonesia 印尼		30%	Banking and related financial services 銀行及有關金融服務

Note: Following the reorganization of AFFIN Group in 2017, AFFIN Holdings Berhad ("AFFIN Holdings") completed the distribution of all its shares in AFFIN Bank Berhad ("AFFIN Bank") to its shareholders on the basis of 1 ordinary share in AFFIN Bank for each ordinary share in AFFIN Holdings on 30th January, 2018. AFFIN Bank was listed on Bursa Malaysia on 2nd February, 2018, in place of AFFIN Holdings.

附註：隨著AFFIN集團的重組，AFFIN Holdings Berhad已在2018年1月30日完成以一對一的比例，向其股東派發同等數量的AFFIN Bank Berhad股票。AFFIN Bank Berhad於2018年2月2日在馬來西亞股票交易所掛牌，並取代AFFIN Holdings Berhad的上市地位。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The fair value of the Group's investment in AFFIN Bank Berhad ("AFFIN") based on the quoted market price had been persistently below the carrying amount for a period of time. As a result, the Group performed an impairment test on the investment using a value-in-use ("VIU") methodology and this demonstrated that the recoverable amount of the investment was HK\$3,438 million and an impairment charge of HK\$397 million was recorded in 2018. The VIU calculation uses discounted cash flow projections based on AFFIN's latest forecast of financial results and estimates made by the Group's management. Discount rate of 10% which is based on a Capital Asset Pricing Model calculation for AFFIN is used in the VIU calculation.

本集團投資予AFFIN Bank Berhad (「AFFIN」)按市場報價的公允價值持續低於賬面值一段時間。因此，本集團對此項投資以採用使用價值計算方法進行減值測試，測試顯示此項投資的可收回金額為港幣34.38億元，而2018年的減損損失為港幣3.97億元。使用價值計算方法採用的折現現金流預測數值，是本集團以AFFIN的最新財務業績預測為依據。在價值計算方法中使用基於AFFIN的資本資產定價模型計算的10%的折現率。

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Aggregate information of associates that are not individually material	個別不重大聯營公司之總和資料		
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	個別不重大聯營公司在綜合財務報表之總和賬面值	9,129	9,429
Aggregate amounts of the Group's share of those associates'	本集團佔該等聯營公司之總和金額		
Profit from continuing operations	源自持續營運溢利	566	388
Post-tax profit or loss from discontinued operations	源自己停止營運之除稅後溢利或虧損	-	-
Other comprehensive income	其他全面收益	(352)	485
Total comprehensive income	全面收益總額	214	873
Reconciliation of carrying amounts to the Group's total interest in the associates	賬面值與本集團於聯營公司的權益對賬		
Carrying amount of material associates	重大聯營公司之賬面值	-	-
Carrying amount of individually immaterial associates	個別不重大聯營公司之賬面值	9,129	9,429
Interest in associates in the consolidated financial statements	在綜合財務報表中聯營公司權益	9,129	9,429

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 33. GOODWILL AND INTANGIBLE ASSETS 商譽及無形資產

Goodwill and intangible assets include goodwill arising on business combinations and acquired intangible assets. Acquired intangible assets are amortised over their estimated economic useful life.

商譽及無形資產包括因業務合併產生的商譽及購入無形資產。購入無形資產按其估計經濟使用期攤銷。

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Goodwill	商譽	1,474	1,474
Acquired intangible assets	購入無形資產	466	485
		1,940	1,959

## (a) Goodwill

## (a) 商譽

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January and 31st December	於1月1日及12月31日	1,474	1,474

Impairment tests for cash-generating units containing goodwill

包含商譽的現金生產單位之減值測試

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segments as follows:

本集團按業務部分分配商譽予可辨識的現金生產單位如下：

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Personal banking	個人銀行	849	849
Corporate banking	企業銀行	453	453
Treasury markets	財資市場	158	158
Others	其他	14	14
		1,474	1,474

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流作估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

The discount rate used for value-in-use calculations is 7.9% (2017: 8.6%) and the long-term growth rate is 2.6% (2017: 1.9%).

用於計算使用價值的折扣率為7.9% (2017年：8.6%) 及長期增長率為2.6% (2017年：1.9%)。

Management determined the budgeted net profit based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the internal forecasts.

管理層根據過往表現及預計市場發展以釐定預算淨溢利。所採用的加權平均增長率與內部預測是一致的。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (b) Intangible assets (other than goodwill)

Intangible assets consist of building naming rights only. Intangible assets are stated at cost less accumulated amortisation and impairment loss (Note 2(r)).

Amortisation of intangible assets with finite useful lives is charged to the income statement over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available to use and their estimated useful lives are as follows:

Naming rights: Over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

#### (b) 無形資產(商譽除外)

無形資產只包括建築物命名權。無形資產按成本減除累計攤銷及減值損失列賬(附註2(r))。

有限定可用期的無形資產按其估計可用期於收益表內攤銷。以下有限定可用期的無形資產由可供使用日起按以下的估計可用期攤銷：

命名權按建築物或土地兩者較短的租賃期

每年須檢討其期限及攤銷方法。

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cost	成本		
At 1st January	於1月1日	1,404	1,402
Exchange adjustments	匯兌調整	(1)	2
At 31st December	於12月31日	1,403	1,404
Accumulated amortisation	累計攤銷		
At 1st January	於1月1日	(269)	(237)
Amortisation charge for the year (Note 13)	年度內攤銷(附註13)	(14)	(32)
Exchange adjustments	匯兌調整	1	-
At 31st December	於12月31日	(282)	(269)
Impairment allowance	減值準備		
At 1st January	於1月1日	(650)	-
Charge for the year*	年度內支銷*	(5)	(650)
At 31st December	於12月31日	(655)	(650)
Carrying amount at 31st December	於12月31日賬面值	466	485

\* Being impairment loss made on the naming rights of a building partially owned and occupied by BEA China on the Mainland which reflected the diminution in value following a change in government policy regulating advertising billboards in 2017.

\* 該減值損失主要由於一座位於中國內地而部份樓面由東亞中國擁有及使用的大廈，其命名權的價值因政府於2017年頒布規管廣告招牌之政策而下跌。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 34. FIXED ASSETS 固定資產

		Investment properties	Bank premises	2018 Furniture, fixtures and equipment 傢俬、裝修及設備	Sub-total	Total
		投資物業 HK\$ Mn 港幣百萬元	行址 HK\$ Mn 港幣百萬元	2018 HK\$ Mn 港幣百萬元	小計 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2018	於2018年1月1日	5,107	8,193	5,149	13,342	18,449
Additions	增置	7	9	648	657	664
Revaluation surplus	重估盈餘	465	-	-	-	465
Disposals	出售	-	(30)	(179)	(209)	(209)
Revaluation surplus on bank premises upon transfer to investment properties (Note 43(b))	行址重估盈餘轉入投資物業(附註43(b))	-	8	-	8	8
Transfer from bank premises to investment properties	由行址轉入投資物業	64	(64)	-	(64)	-
Transfer from investment properties to bank premises	由投資物業轉入行址	(394)	394	-	394	-
Less: Elimination of accumulated depreciation on revalued bank premises	減: 抵銷行址重估的累計折舊	-	(1)	-	(1)	(1)
Transfer to asset classified as assets held for sale	轉至分類為持有作出售資產	-	(49)	-	(49)	(49)
Exchange adjustments	匯兌調整	-	(223)	(95)	(318)	(318)
At 31st December, 2018	於2018年12月31日	5,249	8,237	5,523	13,760	19,009
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2018	於2018年1月1日	-	1,874	3,825	5,699	5,699
Charge for the year (Note 13)	年度內支銷(附註13)	-	157	316	473	473
Elimination of accumulated depreciation on revalued bank premises	抵銷行址重估的累計折舊	-	(1)	-	(1)	(1)
Transfer to asset classified as assets held for sale	轉至分類為持有作出售資產	-	(23)	-	(23)	(23)
Written off on disposal	出售時撇銷	-	(14)	(158)	(172)	(172)
Exchange adjustments	匯兌調整	-	(60)	(72)	(132)	(132)
At 31st December, 2018	於2018年12月31日	-	1,933	3,911	5,844	5,844
Net book value at 31st December, 2018	賬面淨值於2018年12月31日	5,249	6,304	1,612	7,916	13,165
The gross amounts of the above assets are stated:	上述資產的總額列示如下:					
At cost	按成本	-	7,458	5,523	12,981	12,981
At Directors' valuation - 1989	按董事估值 - 1989年	-	779	-	779	779
At professional valuation - 2018	按專業估值 - 2018年	5,249	-	-	-	5,249
		5,249	8,237	5,523	13,760	19,009



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		Investment properties	Bank premises	2017 Furniture, fixtures and equipment	Sub-total	Total
		投資物業	行址	傢俬、裝修及設備	小計	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2017	於2017年1月1日	4,467	7,961	4,871	12,832	17,299
Additions	增置	–	4	405	409	409
Revaluation surplus	重估盈餘	522	–	–	–	522
Disposals	出售	–	(29)	(242)	(271)	(271)
Revaluation surplus on bank premises transferred to investment properties (Note 43(b))	行址重估盈餘轉入投資物業(附註43(b))	–	44	–	44	44
Transfer from bank premises to investment properties	由行址轉入投資物業	117	(117)	–	(117)	–
Less: Elimination of accumulated depreciation on revalued bank premises	減：抵銷行址重估的累計折舊	–	(8)	–	(8)	(8)
Transfer to asset classified as assets held for sale	轉至分類為持有作出售資產	–	–	(34)	(34)	(34)
Reclassification	重新分類	–	(6)	6	–	–
Exchange adjustments	匯兌調整	1	344	143	487	488
At 31st December, 2017	於2017年12月31日	5,107	8,193	5,149	13,342	18,449
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2017	於2017年1月1日	–	1,660	3,649	5,309	5,309
Charge for the year (Note 13)	年度內支銷(附註13)	–	157	309	466	466
Elimination of accumulated depreciation on revalued bank premises	抵銷行址重估的累計折舊	–	(8)	–	(8)	(8)
Transfer to asset classified as assets held for sale	轉至分類為持有作出售資產	–	–	(25)	(25)	(25)
Reclassification	重新分類	–	(1)	1	–	–
Written off on disposal	出售時撇銷	–	(9)	(213)	(222)	(222)
Exchange adjustments	匯兌調整	–	75	104	179	179
At 31st December, 2017	於2017年12月31日	–	1,874	3,825	5,699	5,699
Net book value at 31st December, 2017	賬面淨值於2017年12月31日	5,107	6,319	1,324	7,643	12,750
The gross amounts of the above assets are stated:	上述資產的總額列示如下：					
At cost	按成本	–	7,414	5,149	12,563	12,563
At Directors' valuation – 1989	按董事估值 – 1989年	–	779	–	779	779
At professional valuation – 2017	按專業估值 – 2017年	5,107	–	–	–	5,107
		5,107	8,193	5,149	13,342	18,449

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 34. FIXED ASSETS (CONTINUED) 固定資產(續)

## Fair value measurement of properties

## (i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

## 物業公平價值之釐定

## (i) 公平價值分級

根據《香港財務報告準則》第十三號「釐定公平價值」三級公平價值分級之分類定義，下表列示本集團於報告期末按重覆發生基準以釐定物業之公平價值。分類予每一分級之公平價值釐定取決於以下所採用的估值模式的參數之可觀察性及重要性：

第一級估值：釐定公平價值只採用第一級參數，即於釐定日在活躍市場相同資產或負債的未經調整報價。

第二級估值：釐定公平價值採用第二級參數，即不符合第一級的可觀察參數，及未採用重要的非可觀察參數。非可觀察參數是指沒有市場資料之參數。

第三級估值：釐定公平價值採用重要的非可觀察參數。

		Fair value measurements as at 31st December, 2018					
		categorised into					
	Fair value at 31st December, 2018	Level 1		Level 2		Level 3	
	於2018年12月31日之公平價值	第一級		第二級		第三級	
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>Recurring fair value measurement</b>	<b>重覆發生的公平價值釐定</b>						
Investment properties	投資物業						
Commercial – Hong Kong	商業 – 香港	5,234	–	–	–	5,234	
Commercial – Others	商業 – 其他	15	–	–	–	15	
		<b>5,249</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,249</b>	

		Fair value measurements as at 31st December, 2017					
		categorised into					
	Fair value at 31st December, 2017	Level 1		Level 2		Level 3	
	於2017年12月31日之公平價值	第一級		第二級		第三級	
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>Recurring fair value measurement</b>	<b>重覆發生的公平價值釐定</b>						
Investment properties	投資物業						
Commercial – Hong Kong	商業 – 香港	5,092	–	–	–	5,092	
Commercial – Others	商業 – 其他	15	–	–	–	15	
		<b>5,107</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,107</b>	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

During the years ended 31st December, 2018 and 2017, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2018年及2017年12月31日止年度，沒有第一級和第二級兩者之間的轉移，亦未有第三級的轉入或轉出。本集團的政策是只確認於匯報期期末公平價值分級之間發生的轉移。

All of the Group's investment properties were revalued by independent valuers as at 31st December, 2018 and 2017.

於2018年及2017年12月31日，所有本集團的投資物業均由獨立估值師估價。

Investment properties in Hong Kong were valued at HK\$5,234 million (2017: HK\$5,092 million) as at 31st December, 2018 by an independent valuer, Savills Valuation and Professional Services Limited, Chartered Surveyors, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuation has been incorporated in the financial statements as at 31st December, 2018 and it was performed on an open market value basis. Details of valuation techniques are described below:

於2018年12月31日，香港投資物業的估值為港幣52.34億元(2017年：港幣50.92億元)。該等物業由獨立估值師—特許測量師第一太平戴維斯，其僱員具香港測量師學會士資歷並對估值物業的所在地及類別有近期經驗。估值是以公開市場價值為基礎，並已計入2018年12月31日之賬項內。估值模式詳述如下：

(ii) Information about Level 3 fair value measurements

(ii) 有關第三級釐定公平價值資料

	Valuation techniques 估值模式	Unobservable input 非可觀察輸入參數
Investment properties 投資物業	Income capitalisation approach 收入還原法	Market rental 市場租金
		Capitalisation rate 還原率
	Direct comparison approach 直接比較法	Premium (discount) on quality of the buildings 樓宇質素溢價(折扣)

*Investment properties not under construction*

The fair value of investment properties is determined by adoption of the Income Capitalisation Approach whereby the existing rental income of all lettable units of the property are capitalised for their respective unexpired terms of contractual tenancies whilst vacant units are assumed to be let at their respective market rents as at the valuation date. Upon expiry of the existing tenancies, each unit is assumed to be let at its market rent as at the valuation date, which in turn capitalised at the market yield as expected by investors for each type of property. Due consideration has been given to expectations of the renewals of Government lease upon its expiry. The summation of the capitalised value of the term income for the leased portion, the capitalised value of the reversion income as appropriately deferred for the leased portion and the capitalised value for the vacant portion provides the market value of the property.

*非正在建築中的投資物業*

投資物業的公平價值是按採納收入還原法計算，其方法是將現時物業已出租單位之租金收入按其分別未到期租約條款還原，而空置單位則假設於估價日每一單位可按市值租金租出，再根據投資者預期每一類別物業之市場回報來還原。其中已顧及並預期政府之租約於期限屆滿後可續約。出租部分期間收入之還原值、已適當遞延出租部分之歸還收入的還原值及空置部分之還原值之總和計算出物業的市場價值。

The market rentals of all lettable units are made (a) by reference to the rentals fetched in the property and/or (b) by reference to the lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yields achieved in analysed market sales transactions and the market expectation from property investors. This expected return reflects implicitly the quality of the investment, the expectation of the potential for future rental growth and capital appreciation, operating costs, risk factor and the like.

所有已租出單位市場租金之計算是(a)參考由物業賺取的租金及/或(b)參考鄰近所租出之類同物業。採納之還原率是參考分析市場出售交易得出之回報及物業投資者對市場的預期。此預期回報已潛在地反映投資的質素、預期未來租金增長和資本增值的潛力、營運成本、風險因素及其他。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 34. FIXED ASSETS (CONTINUED) 固定資產(續)

As a supporting approach to the Income Capitalisation Approach, the Direct Comparison Approach is also adopted as a check for the valuation. Comparable sales transactions of similar properties in the locality are collected and analysed each in terms of a price per square footage. The collected comparables are then adjusted to take account of the discrepancies between the property and comparables in terms of time, location, age, building quality and the like.

The fair value measurement is positively correlated to the market rental and negatively correlated to the capitalisation rate.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

除收入還原法外，亦採納直接比較法以核實估值。在鄰近可比較類同物業之出售交易會被收集及分析，以計算每一平方呎的價值。已收集之比較資料根據物業及可比較資料的差異，並按時間、位置、樓齡、樓宇質素及其他作調整。

釐定公平價值與市場租金有正面相互關聯及與還原率有負面相互關聯。

期間該等第三級公平價值釐定之餘額變動如下：

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Investment properties – Commercial – Hong Kong			
At 1st January	投資物業 – 商業 – 香港 於1月1日	5,092	4,454
Additions	增置	7	–
Transfer from bank premises to investment properties	由行址轉入投資物業	64	117
Transfer from investment properties to bank premises	由投資物業轉入行址	(394)	–
Revaluation surplus	重估盈餘	465	521
At 31st December	於12月31日	5,234	5,092
Investment properties – Commercial – Others			
At 1st January	投資物業 – 商業 – 其他 於1月1日	15	13
Revaluation surplus	重估盈餘	–	1
Exchange adjustments	匯兌調整	–	1
At 31st December	於12月31日	15	15

Fair value adjustment of investment properties is recognised in the line item “valuation gains on investment properties” on the face of the consolidated income statement.

All the gains recognised in the income statement for the year arise from the properties held at the end of the reporting period.

投資物業的公平價值調整在綜合收益表上之「重估投資物業盈利」項下確認。

所有確認於年度收益表之盈利均源自於報告期結束日持有之物業。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The net book value of bank premises and investment properties comprises:

行址及投資物業的賬面淨值包括：

		2018		2017	
		Investment properties	Bank premises	Investment properties	Bank premises
		投資物業	行址	投資物業	行址
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	15	619	15	634
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease (over 50 years)	長期租約(50年以上)	4,618	1,665	4,497	1,363
On medium-term lease (10 – 50 years)	中期租約(10至50年)	616	1,168	595	1,204
Held outside Hong Kong	在香港以外地區				
On long lease (over 50 years)	長期租約(50年以上)	-	14	-	15
On medium-term lease (10 – 50 years)	中期租約(10至50年)	-	2,807	-	3,064
On short-term lease (below 10 years)	短期租約(10年以下)	-	31	-	39
		5,249	6,304	5,107	6,319

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 10 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

集團以經營租賃形式租出投資物業。租賃年期通常由1年至10年，到期日後可再續約但其他條款須另議。所有租約並不包括或有租金。

Rental income receivable from investment properties held for use under operating leases amounted to HK\$178 million in 2018 (2017: HK\$165 million). There was no contingent rental recognised during the year 2018 (2017: Nil).

於年內，以經營租賃形式租出的投資物業之應收租金為港幣1.78億元(2017年：港幣1.65億元)。2018年年度內未有確認或有租金(2017年：無)。

The total future minimum lease payments of bank premises and investment properties held for use under non-cancellable operating leases are receivable as follows:

以不可撤銷經營租賃作出租的行址及投資物業的未來最低應收租賃付款總額如下：

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Within one year	1年以內	158	152	152	152
After one year but within five years	1年以後至5年內	121	164	164	164
After five years	5年以後	-	-	-	-
		279	316	316	316

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 35. OTHER ASSETS 其他資產

		2018	2017
		HK\$ Mn 港幣百萬元	Restated <sup>Note</sup> 重報 <sup>註</sup> HK\$ Mn 港幣百萬元
Accrued interest	應計利息	3,466	2,578
Customer liabilities under acceptances	承兌客戶負債	21,747	18,309
Other accounts*	其他賬項*	9,294	11,622
Less: Impairment allowances (Note 45(a)(x))	減：減值準備(附註45(a)(x))	(291)	(16)
– Stage 1	– 第一階段	(27)	–
– Stage 2	– 第二階段	(6)	–
– Stage 3	– 第三階段	(258)	–
– Individual	– 個別	–	(14)
– Collective	– 整體	–	(2)
		<b>34,216</b>	32,493
Assets held for sale (Note 56)	持有作出售資產(附註56)	688	466
		<b>34,904</b>	32,959

\* Include nil contract assets (1/1/2018: nil) from contracts with customers under HKFRS 15.

\* 包括由《香港財務報告準則》第15號所產生的合約資產為無(於2018年1月1日：無)。

Note: HK\$133 million of debt securities classified as loans and receivables were represented in Investment Securities (see Note 30) in order to conform to current year's presentation.

註：由於須符合今年的呈報方式，分類為貸款及應收賬款的債務證券港幣1.33億元已在投資證券(詳見附註30)項下列示。

36. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS  
指定為通過損益以反映公平價值的金融負債

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	1,335	3,110
Certificates of deposits issued	已發行存款證	9,462	11,655
Debt securities issued	已發行債務證券	407	851
		<b>11,204</b>	15,616

Financial liabilities above have been designated as at FVTPL when the Group holds related derivatives at FVTPL, and designation therefore eliminates or significantly reduces an accounting mismatch that would otherwise arise.

當本集團持有指定為通過損益以反映公平價值的相關衍生工具，以上金融負債被指定為通過損益以反映公平價值，而該指定可消除或明顯減少會計錯配的情況。

The amount of change, during the period and cumulatively, in the fair value of financial liabilities designated at FVTPL that is attributable to changes in the credit risk of these liabilities and recognised in other comprehensive income is set out below.

在期內及累計結餘，下表列示指定為通過損益以反映公平價值的金融負債的公平價值變動及在其他全面收益表內確認的金額，而該變動是歸屬於該等負債的信貨風險。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		2018
		HK\$ Mn 港幣百萬元
Balance at 1st January	於1月1日結餘	(6)
Recognised in other comprehensive income during the year	年內在其他全面收益表內確認的金額	3
Balance at 31st December	於12月31日結餘	(3)

None of the liabilities designated as at FVTPL was derecognised during the year ended 31st December, 2018 and there was no transfer of cumulative gain or loss within equity during the year.

截至2018年12月31日止年度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。

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.

計算可歸屬於金融負債信貸風險的公平價值變動是採用近期發行相同債務的可觀察信用利差，然後根據集團實體稍後所發行高級債務的信用違約掉期之可觀察利差變動作調整。

The carrying amount of financial liabilities designated as at FVTPL was HK\$57 million lower than the contractual amount due at maturity (2017: HK\$56 million lower).

於2018年，指定為通過損益以反映公平價值金融負債的賬面值較其到期日之合約金額低於港幣5,700萬元(2017年：低於港幣5,600萬元)。

### 37. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION 財務狀況表內的所得稅

(a) Current taxation in the statement of financial position represents:

(a) 資產負債表內的本期稅項為：

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Provision for Hong Kong profits tax for the year	本年度香港利得稅準備	829	695
Provisional profits tax paid	已付暫繳利得稅	(652)	(664)
		177	31
Balance of profits tax provision relating to prior years	以往年度利得稅準備餘額	915	809
Taxation outside Hong Kong	在香港以外稅項	345	320
		1,437	1,160

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 37. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED)

## 財務狀況表內的所得稅(續)

## (b) Deferred tax assets and liabilities recognised

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

## (b) 遞延稅項資產及負債確認

確認於綜合財務狀況表中遞延稅項(資產)/負債的組成部分及年內之變動如下:

Deferred tax arising from:		2018						Total
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of financial assets at FVOCI	Tax losses	Others	
遞延稅項源自:		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	通過其他全面收益以反映公平價值金融資產重估	稅損	其他	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January, 2018	於2018年1月1日	218	100	(569)	136	-	64	(51)
Impact of adopting HKFRS 9	因採納《香港財務報告準則》第9號之影響	-	-	68	8	-	-	76
Restated balance at 1st January, 2018	於2018年1月1日已重報後的結餘	218	100	(501)	144	-	64	25
Charged/(credited) to income statement (Note 18(a))	收益表內支銷/(存入)(附註18(a))	71	-	(196)	(9)	-	149	15
(Credited)/charged to reserves (Notes 43(b) and (g))	儲備內(存入)/支銷(附註43(b)及(g))	-	13	-	(64)	-	-	(51)
Exchange and other adjustments	匯兌及其他調整	-	-	22	3	-	(12)	13
At 31st December, 2018	於2018年12月31日	289	113	(675)	74	-	201	2



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		2017						
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total
Deferred tax arising from:		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	可供出售證券重估	稅損	其他	總額
遞延稅項源自：		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2017	於2017年1月1日	218	101	(784)	72	(16)	86	(323)
Charged/(credited) to income statement (Note 18(a))	收益表內支銷/(存入)(附註18(a))	-	-	250	-	1	(28)	223
(Credited)/charged to reserves (Notes 43(b) and (g))	儲備內(存入)/支銷(附註43(b)及(g))	-	(1)	-	65	-	-	64
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	-	-	6	-	17	2	25
Exchange and other adjustments	匯兌及其他調整	-	-	(41)	(1)	(2)	4	(40)
At 31st December, 2017	於2017年12月31日	218	100	(569)	136	-	64	(51)

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net deferred tax assets recognised on the statement of financial position	確認於財務狀況表的遞延稅項資產淨額	<b>(481)</b>	(602)
Net deferred tax liabilities recognised on the statement of financial position	確認於財務狀況表的遞延稅項負債淨額	<b>483</b>	551
		<b>2</b>	(51)

#### (c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$102 million (2017: HK\$338 million) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses were as follows:

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Expiring within 5 years	於五年內到期	<b>3</b>	-
No expiry date	無到期日	<b>99</b>	338
		<b>102</b>	338

#### (c) 未確認遞延稅項資產

由於可能未來沒有適用於有關稅務機關及實體的應課稅溢利以彌補有關虧損，本集團並未確認累計稅損港幣1.02億元(2017年：港幣3.38億元)為遞延稅項資產。根據現時稅務條例，該等稅損的到期日如下：

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 38. OTHER LIABILITIES 其他負債

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
(a) Trading liabilities	(a) 交易用途負債				
Shares sold	股份空倉		-		11
(b) Other liabilities	(b) 其他負債				
Accrued interest payable	應計應付利息		3,279		3,187
Acceptance draft payable	應付承兌票據		21,747		18,309
Impairment allowances (Note 45(a)(x))	減值準備(附註45(a)(x))		111		-
- Financial guarantee contracts issued	- 已發出財務擔保合約		15		-
- Loan commitments issued	- 已發出貸款承擔		96		-
Liabilities held for sale (Note 56)	持有作出售負債(附註56)		7		9
Other accounts*	其他賬項*		26,300		23,873
			<b>51,444</b>		<b>45,378</b>

\* Include contract liabilities of HK\$633 million (1/1/2018: HK\$508 million) from contracts with customers under HKFRS 15.

\* 包括由《香港財務報告準則》第15號所產生的合約負債港幣6.33億元(於2018年1月1日:港幣5.08億元)。

## 39. LOAN CAPITAL 借貸資本

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Subordinated notes, at amortised cost with fair value hedge adjustments	按攤銷成本及經公平價值對沖調整後列賬的後償票據				
USD600 million fixed rate subordinated notes due 16th July, 2020	在2020年7月16日到期的定息6億美元後償票據 (1)		4,710		4,769
USD500 million fixed rate subordinated notes due 20th November, 2024	在2024年11月20日到期的定息5億美元後償票據 (2)		3,878		3,876
USD500 million fixed rate subordinated notes due 3rd November, 2026	在2026年11月3日到期的定息5億美元後償票據 (3)		3,770		3,768
			<b>12,358</b>		<b>12,413</b>

The Group has not had any defaults of principal, interest or other breaches with respect to its debt securities during the years ended 31st December, 2018 and 2017.

截至2018及2017年12月31日止年度內本集團對其所發行之債務證券的本金和利息並無違約或不履行。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

- (1) Two tranches of loan capital of face value totalling HK\$4,699 million (USD600 million) and carrying amount totalling HK\$4,710 million (2017: HK\$4,769 million) were issued on 16th July, 2010 (USD450 million) and on 23rd July, 2010 (USD150 million) by the Bank. These subordinated notes carrying a coupon rate of 6.125% qualifying as Tier 2 capital are listed on the Singapore Stock Exchange and will mature on 16th July, 2020. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$4 million loss was recorded in 2018 (2017: HK\$6 million loss).
- (1) 兩宗票面值總額港幣46.99億元(6億美元)及賬面值總額港幣47.10億元(2017年:港幣47.69億元)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2018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(2017年:港幣600萬元虧損)。
- (2) Loan capital of face value of HK\$3,916 million (USD500 million) and carrying amount of HK\$3,878 million (2017: HK\$3,876 million) represents 4.25% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 20th November, 2014 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 20th November, 2024. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$1 million profit was recorded in 2018 (2017: HK\$2 million profit).
- (2) 票面值港幣39.16億元(5億美元)及賬面值港幣38.78億元(2017年:港幣38.76億元)的借貸資本,是指由本行於2014年11月20日發行年息4.25%,並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2024年11月20日到期。在2018年,因採用公平價值對沖會計法而錄得的無效對沖部分溢利港幣100萬元(2017年:港幣200萬元溢利)。
- (3) Loan capital of face value of HK\$3,916 million (USD500 million) and carrying amount of HK\$3,770 million (2017: HK\$3,768 million) represents 4% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 3rd November, 2016 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 3rd November, 2026. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$1 million loss was recorded in 2018 (2017: HK\$1 million profit).
- (3) 票面值港幣39.16億元(5億美元)及賬面值港幣37.70億元(2017年:港幣37.68億元)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2018年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損港幣100萬元(2017年:港幣100萬元溢利)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 40. EQUITY SETTLED SHARE-BASED TRANSACTIONS 以股份為基礎作支付的交易

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Director(s) and Chief Executive, of the Group options to subscribe for ordinary shares of the Bank. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under the 2011 Scheme and 2016 Scheme may be exercised beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date. All options were granted for nil consideration.

本行所採納的僱員認股計劃是董事會可酌情授出認股權予本集團之任何僱員，包括執行董事及行政總裁，以認購本行普通股股份。除有關計劃的規則另有規定外，根據2011年及2016年僱員認股計劃所授予的認股權的行使期限為歸屬日開始至歸屬日的第5周年止。所有認股權均以不計價款形式發出。

## (a) Particulars of share options:

(i) Share options granted in years 2011 to 2017:

Date of grant 授予日期	Tranche 部分	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
05/5/2011	T2	05/5/2011 – 04/5/2013	05/5/2013 – 05/5/2018	32.00
05/5/2011	T3	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00
10/5/2012	T1	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T1	03/5/2013 – 02/5/2014	03/5/2014 – 03/5/2019	31.40
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017	T1	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017	T2	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017	T3	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25

(ii) Share options granted in year 2018:

Date of grant 授予日期	Tranche 部分	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
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

## (a) 認股權詳情：

(i) 在2011年至2017年所授予的認股權：

(ii) 在2018年所授予的認股權：

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(b) The number and weighted average exercise prices of share options are as follows: (b) 已行使認股權的數目及加權平均行使價如下：

		2018		2017	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均行使價	認股權數目	加權平均行使價	認股權數目
		HK\$ 港幣元	Mn 百萬	HK\$ 港幣元	Mn 百萬
Outstanding at the beginning of the year	年初結餘	31.64	34	31.40	32
Exercised during the year	年度內行使	31.17	(2)	30.14	(3)
Granted during the year	年度內授予	32.25	6	32.25	6
Lapsed during the year	年度內失效	31.73	-	32.00	(1)
Outstanding at the end of the year	年末結餘	31.78	38	31.64	34
Exercisable at the end of the year	年末可供行使	31.85	25	31.85	21

The weighted average share price at the date of exercise for share options exercised during the year was HK\$34.16 (2017: HK\$34.72).

年度內於行使認股權當日的加權平均股價為港幣34.16元(2017年:港幣34.72元)。

The options outstanding at 31st December, 2018 had an exercise price from HK\$28.45 to HK\$34.15 (2017: from HK\$28.45 to HK\$34.15) and a weighted average remaining contractual life of 3.69 years (2017: 3.91 years).

於2018年12月31日,尚未行使認股權的行使價由港幣28.45元至港幣34.15元(2017年:由港幣28.45元至港幣34.15元),及剩餘合約年期之加權平均數為3.69年(2017年:3.91年)。

#### (c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

#### (c) 認股權的公平價值及假設

獲得服務以換取認股權的公平價值按授予認股權的公平價值計量。授予認股權之估計公平價值按三項式期權定價模式。認股權的合約年期為該定價模式的參數。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 40. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED) 以股份為基礎作支付的交易(續)

		2018	2017
Fair value at measurement date	於計量日的公平價值		
– Tranche 1	– 部分 1	HK\$ 港幣 4.96 元	HK\$ 港幣 4.46 元
– Tranche 2	– 部分 2	HK\$ 港幣 5.17 元	HK\$ 港幣 4.65 元
– Tranche 3	– 部分 3	HK\$ 港幣 5.32 元	HK\$ 港幣 4.77 元
Share price	股價	HK\$ 港幣 32.25 元	HK\$ 港幣 31.95 元
Exercise price	行使價	HK\$ 港幣 32.25 元	HK\$ 港幣 32.25 元
Expected volatility (expressed as weighted average volatility used in the modelling under trinomial lattice model)	預計波幅(以三項式期權定價模式內採用的加權平均波幅)	19.45%	18.76%
Option life	認股權年期		
– Tranche 1	– 部分 1	6 years 年	6 years 年
– Tranche 2	– 部分 2	7 years 年	7 years 年
– Tranche 3	– 部分 3	8 years 年	8 years 年
Expected dividends	預計股息	3.71%–5.15%	3.13%–3.29%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(根據外匯基金票據)	1.71%	1.22%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

預計波幅是根據過往之波幅(以認股權的加權剩餘年期計算),再調整因公眾知悉的資訊影響未來波幅的預計變動。預計股息按過往的股息。主觀輸入假設的變動可能重大影響公平價值的估計。

認股權的授予須符合服務條件。該服務條件並未納入計算於授予日獲得服務的公平價值。授予認股權與市場情況並無關係。

## 41. SHARE CAPITAL 股本

		2018		2017	
		No. of shares 股份數目		No. of shares 股份數目	
		Mn 百萬	HK\$ Mn 港幣百萬元	Mn 百萬	HK\$ Mn 港幣百萬元
Ordinary shares, issued and fully paid:	已發行及繳足普通股:				
At 1st January	於1月1日	2,765	37,527	2,703	35,490
Shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份	3	73	3	93
Transfer of the fair value of options from capital reserve – share options issued (Note 43(f))	認股權的公平價值轉自資本儲備 – 已發行認股權(附註43(f))	–	12	–	17
Shares issued in lieu of dividend	以股代息發行的股份	78	2,313	59	1,927
At 31st December	於12月31日	2,846	39,925	2,765	37,527

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Pursuant to the approved Staff Share Option Schemes (the "Schemes"), options to purchase ordinary shares in the Bank were granted to eligible employees. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under 2011 Scheme will be exercisable during the period beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date.

#### Shares issued under Staff Share Option Schemes

During the year, options were exercised to subscribe for 3 million ordinary shares in the Bank at a consideration of HK\$73 million which was credited to share capital account. HK\$12 million has been transferred from the capital reserve to the share capital account in accordance with policy set out in Note 2(y)(iv).

根據已核准的僱員認股權計劃(「計劃」)，認股權授予合格僱員以認購本行的普通股股份。除在有關計劃的規則另有規定外，根據2011僱員認股計劃所授予的認股權的行使期限則由歸屬日開始至歸屬日的第5周年止。

#### 根據僱員認股權計劃發行的股份

年度內，已行使認股權以認購本行普通股300萬股之代價為港幣7,300萬元，並已存入股本。根據會計政策附註2(y)(iv)所載，已由資本儲備轉撥港幣1,200萬元往股本內。

## 42. ADDITIONAL EQUITY INSTRUMENTS 額外股本工具

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Additional Tier 1 Capital Securities	額外一級資本工具				
USD650 million undated non-cumulative subordinated capital securities	(1) 6.50億美元無到期日非累積後償資本證券 (1)	5,016		5,016	
USD500 million undated non-cumulative subordinated capital securities	(2) 5億美元無到期日非累積後償資本證券 (2)	3,878		3,878	
		<b>8,894</b>		<b>8,894</b>	

(1) On 2nd December, 2015, the Bank issued undated non-cumulative subordinated capital securities with a face value of US\$650 million (equivalent to HK\$5,016 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.50% coupon until the first call date on 2nd December, 2020. The coupon will be reset every five years if the Additional Tier 1 Capital Securities are not redeemed to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 3.834% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 Capital Securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up.

The first scheduled coupon payment date was 2nd June, 2016 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

(1) 於2015年12月2日，本行發行面值6.5億美元(扣除有關發行成本後等值港幣50.16億元)無到期日非累積後償資本工具「額外一級資本工具」。該額外一級資本工具是無到期日及附帶5.50%息率，直至2020年12月2日的第一次收回日。如該額外一級資本工具並非按相等於當時五年期美國庫券息率加年息3.834%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本工具將會被撤銷。該額外一級資本工具在發生清盤事件時比普通股有優先權。

第一次預定利息支付日為2016年6月2日，而利息將按每半年支付。本行有權取消支付利息(但須受該額外一級資本工具已列載之條款及細則所規限)及已取消之利息是不可累積的。除非下次預定利息經已支付，本行是禁止宣布派發股息予普通股股東。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 42. ADDITIONAL EQUITY INSTRUMENTS (CONTINUED) 額外股本工具(續)

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding capital securities from 2nd December, 2020 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

- (2) On 18th May, 2017, the Bank issued undated non-cumulative subordinated capital securities with a face value of US\$500 million (equivalent to HK\$3,878 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.625% coupon until the first call date on 18th May, 2022. The coupon will be reset every five years if the Additional Tier 1 Capital Securities are not redeemed to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 3.682% per annum. The coupon payments may be cancelled at the sole discretion of the Bank. The Additional Tier 1 Capital Securities will be written down if a non-viability event occurs and is continuing. They rank higher than ordinary shares in the event of a winding-up.

The first scheduled coupon payment date was 18th November, 2017 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding capital securities from 18th May, 2022 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

如金管局通知本行並認為本行如不撇銷本金將無法繼續經營，該額外一級資本工具之本金將會按與經金管局協商後或接受其指令下撇銷。

由2020年12月2日起或以後任何利息支付日，本行可行使購入權以贖回所有現存的資本工具，但須受已列載之條款及細則所規限。

- (2) 於2017年5月18日，本行發行面值5億美元(扣除有關發行成本後等值港幣38.78億元)無到期日非累積後償資本工具「額外一級資本工具」。該額外一級資本工具是無到期日及附帶5.625%息率，直至2022年5月18日的第一次收回日。如該額外一級資本工具並非按相等於當時五年期美國庫券息率加年息3.682%之固定利率贖回，息率將會按每五年重新釐定。本行可自行決定是否取消支付利息。如出現一項無法經營事件並將會持續，該額外一級資本工具將會被撇銷。該額外一級資本工具在發生清盤事件時比普通股有優先權。

第一次預定利息支付日為2017年11月18日，而利息將按每半年支付。本行有權取消支付利息(但須受該額外一級資本工具已列載之條款及細則所規限)及已取消之利息是不可累積的。除非下次預定利息經已支付，本行是禁止宣布派發股息予普通股股東。

如金管局通知本行並認為本行如不撇銷本金將無法繼續經營，該額外一級資本工具之本金將會按與經金管局協商後或接受其指令下撇銷。

由2022年5月18日起或以後任何利息支付日，本行可行使購入權以贖回所有現存的資本工具，但須受已列載之條款及細則所規限。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 43. RESERVES 儲備

		The Group 集團		The Bank 銀行	
		2018	2017	2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(a)	General reserve (a) 一般儲備				
	At 1st January 於1月1日	14,060	14,035	13,460	13,444
	Transferred from property revaluation reserve on disposals 出售後轉自物業重估儲備	-	16	-	16
	Transfer (to)/from retained profits (撥入)/撥自留存溢利	(6)	9	-	-
	At 31st December 於12月31日	14,054	14,060	13,460	13,460
(b)	Revaluation reserve on bank premises (b) 行址重估儲備				
	At 1st January 於1月1日	1,757	1,728	1,746	1,739
	Recognition of deferred tax assets/(liabilities) (Note 37(b)) 確認遞延稅項資產/(負債) (附註37(b))	(13)	1	(13)	1
	Transferred to general reserve on disposals 出售後轉入一般儲備	-	(16)	-	(16)
	Revaluation surplus on bank premises transferred to investment properties (Note 34) 行址重估盈餘轉入投資物業 (附註34)	8	44	28	22
	At 31st December 於12月31日	1,752	1,757	1,761	1,746
(c)	Statutory reserves (c) 法定儲備				
	At 1st January 於1月1日	4,891	5,199	-	-
	Transfer from/(to) retained profits 撥自/(撥入)留存溢利	74	(308)	-	-
	At 31st December 於12月31日	4,965	4,891	-	-
(d)	Capital reserve (d) 資本儲備				
	At 1st January 於1月1日	230	230	-	-
	Transfer from retained profits 撥自留存溢利	703	-	-	-
	At 31st December 於12月31日	933	230	-	-
(e)	Exchange revaluation reserve (e) 匯兌重估儲備				
	At 1st January 於1月1日	487	(2,275)	127	(64)
	Exchange adjustments 匯兌調整	(1,913)	2,762	(130)	191
	At 31st December 於12月31日	(1,426)	487	(3)	127
(f)	Capital reserve – staff share options issued (f) 資本儲備 – 已發行僱員認股權				
	At 1st January 於1月1日	135	124	135	124
	Transfer of the fair value of options to share capital (Note 41) 認股權公平價值撥入股本 (附註41)	(12)	(17)	(12)	(17)
	Forfeited options transferred to retained profits 已註銷認股權轉入留存溢利	-	(8)	-	(8)
	Additions 增加	35	36	35	36
	At 31st December 於12月31日	158	135	158	135

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 43. RESERVES (CONTINUED) 儲備(續)

		The Group 集團				The Bank 銀行			
		2018		2017		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
(g) Fair value reserve	(g) 公平價值儲備								
At 1st January	於1月1日	1,454		1,381		1,126		1,260	
Impact of adopting HKFRS 9 (Note 3)	因採納《香港財務報告準則》 第9號之影響(附註3)	(162)		-		(85)		-	
Restated balance at 1st January	於1月1日已重報後的結餘	1,292		1,381		1,041		1,260	
Changes in fair value of securities	證券的公平價值變動	(636)		1,458		(549)		842	
Reversal upon disposal (Notes 15 and 16)	於出售時轉回 (附註15及16)	(52)		(1,320)		(20)		(870)	
Recognition of deferred tax assets/(liabilities) (Note 37(b))	確認遞延稅項資產/(負債) (附註37(b))	64		(65)		137		(103)	
Amortisation	攤銷	(4)		-		(4)		(3)	
At 31st December	於12月31日	664		1,454		605		1,126	
(h) Hedging reserve	(h) 對沖儲備								
At 1st January	於1月1日	11		(22)		-		-	
Changes in fair value of hedging instruments	對沖工具的公平 價值變動	(1)		20		-		-	
Fair value change reclassified from income statement	轉自收益表的公平 價值變動	5		13		-		-	
At 31st December	於12月31日	15		11		-		-	
(i) Liability credit reserve	(i) 負債信貸儲備								
At 1st January	於1月1日	-		-		-		-	
Impact of adopting HKFRS 9 (Note 3)	因採納《香港財務報告準則》 第9號之影響(附註3)	(6)		-		(134)		-	
Restated balance at 1st January	於1月1日已重報後的結餘	(6)		-		(134)		-	
Changes in fair value arising from changes in own credit risk	自身信貸變動產生的公平 價值變動	3		-		84		-	
At 31st December	於12月31日	(3)		-		(50)		-	
(j) Other reserves	(j) 其他儲備								
At 1st January	於1月1日	40		94		-		-	
Share of changes in equity of associates	應佔聯營公司權益 的變動	(42)		(54)		-		-	
At 31st December	於12月31日	(2)		40		-		-	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		The Group 集團		The Bank 銀行	
		2018	2017	2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(k)	Retained profits	(k)	留存溢利		
	At 1st January		於1月1日	28,890	22,447
	Impact of adopting HKFRS 9 (Note 3)		因採納《香港財務報告準則》 第9號之影響(附註3)	(32)	-
	Restated balance at 1st January		於1月1日已重報後的結餘	28,858	22,447
	Net profit for the year		年度內溢利	6,509	9,347
	Transfer from/(to) general reserve		撥自/ (撥入) 一般儲備	6	(9)
	Transfer to capital reserve		撥入資本儲備	(703)	-
	Transfer (to)/from statutory reserve		(撥入)/ 撥自法定儲備	(74)	308
	Forfeited options transferred to retained profits		已註銷認股權轉入 留存溢利	-	8
	Dividends (Note 20)		股息(附註20)		
	- Interim dividend		- 中期股息	(1,432)	(1,854)
	- Second interim dividend in respect of prior year		- 上年度第二次中期股息	(1,660)	(757)
	- Hybrid Tier 1 capital instruments		- 混合一級資本工具	(212)	(211)
	- Additional Tier 1 capital instruments		- 額外一級資本工具	(501)	(389)
	At 31st December		於12月31日	30,791	28,890
(l)	Total reserves	(l)	儲備總額	51,901	51,955

General reserve was set up from the transfer of retained earnings and the realised revaluation surplus on disposal of properties.

一般儲備的建立，包括來自留存溢利及出售物業時的已實現重估盈餘。

Revaluation reserve on bank premises and exchange revaluation reserve have been set up and are dealt with in accordance with the accounting policies adopted for the revaluation of bank premises and foreign currency translation.

行址及匯兌重估儲備的建立及處理是根據重估行址和外幣折算所採用的會計政策。

Statutory reserves are set up to satisfy the statutory requirements of certain overseas subsidiaries and associates mainly for the purpose of covering unidentified potential losses on risk assets in addition to those recognised under the prevailing accounting requirements in their jurisdictions.

法定儲備是用作滿足若干海外附屬公司及聯營公司之法定要求，主要用途為除按當地現行會計要求下已確認而需額外涵蓋風險資產的不可辨別之可能損失。

Capital reserve represents the capitalisation of subsidiaries' and associates' reserves.

資本儲備指附屬公司及聯營公司儲備的資本化發行。

Capital reserve – staff share options issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in Note 2(y)(iv).

資本儲備(已發行僱員認股權)包括根據已採納有關附註2(y)(iv)所載以股份為基礎作支付的會計政策確認授予本行僱員之實際或估計未行使認股權數目的公平價值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 43. RESERVES (CONTINUED) 儲備(續)

Fair value reserve comprises the cumulative net change in the fair value of FVOCI (2017: available-for-sale) securities held until the securities are derecognised and is dealt with in accordance with the accounting policies in Notes 2(h).

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions.

Liability credit reserve includes the cumulative changes in the fair value of the financial liabilities designated as at FVTPL that are attributable to changes in the credit risk of these liabilities other than those recognised in profit or loss.

Other reserves represent share of changes in equity of associates in respect of investment revaluation reserve and revaluation reserve of bank premises.

A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the HKMA. As at 31st December, 2018, the effect of this requirement is to restrict the amount of reserves which can be distributed by the Bank to shareholders by HK\$5,112 million (2017: HK\$4,062 million).

At 31st December, 2018 the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$23,946 million (2017: HK\$24,928 million). After the end of the reporting period the directors declared a second interim dividend of HK\$0.32 per ordinary share (2017: HK\$0.60 per share), amounting to HK\$910 million (2017: HK\$1,659 million) and a special dividend of HK\$0.35 per ordinary share, amounting to HK\$996 million. The dividend has not been recognised as a liability at the end of the reporting period.

公平價值儲備包括持有通過全面收益以反映公平價值(2017年:可供出售)證券直至證券被終止確認的累計公平價值變動淨額,有關處理的會計政策已詳載於附註2(h)。

對沖儲備包括用作現金流對沖工具的有關對沖交易之累計公平價值變動淨額的有效部分。

負債信貸儲備包括指定通過損益以反映公平價值金融負債的累計公平價值變動,而有關於該等負債引致的信貸風險變動並非在收益表內確認。

其他儲備包括應佔聯營公司權益之投資重估儲備及重估行址儲備的變動。

為符合《銀行業條例》有關審慎監管的規定,本行需在規管儲備中維持超過已確認減值損失的可能貸款及投資減值損失金額。經諮詢金管局後,儲備的變動已直接在留存溢利內劃定。於2018年12月31日,該要求的影響是要限制本行可派發予本集團股東的儲備,金額為港幣51.12億元(2017年:港幣40.62億元)。

於2018年12月31日,可派發予本行股東的儲備總額為港幣239.46億元(2017年:港幣249.28億元)。在報告期結束後董事宣布派發第二次中期股息每股普通股港幣0.32元(2017年:每股港幣0.60元),總額達港幣9.10億元(2017年:港幣16.59億元)以及特別股息每股普通股港幣0.35元,總額為港幣9.96億元。於報告期結束日並未確認該等股息為負債。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 44. NON-CONTROLLING INTERESTS 非控股權益

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	2,838	3,189
– final dividend in respect of previous year	– 上年度末期股息	(53)	(31)
– interim dividend in respect of current year	– 本年度中期股息	–	(1,391)
Decrease in non-controlling interests arising from capital reduction of a subsidiary	– 附屬公司減本而導致非控股權益減少	(35)	(135)
Change of ownership in subsidiaries	附屬公司之擁有權變動	55	(18)
Other comprehensive income	其他全面收益	5	56
Profit for the year	年度內溢利	45	1,168
At 31st December	於12月31日	2,855	2,838

The non-controlling interests include HK\$2,493 million (2017: HK\$2,487 million) of Hybrid Tier 1 capital instruments.

The Hybrid Tier 1 capital instruments comprising step-up subordinated notes (“Notes”) of face value HK\$2,493 million (USD318 million) and carrying amount of HK\$2,578 million at bank level (2017: face value HK\$2,487 million (USD318 million) and carrying amount of HK\$2,728 million at bank level) and non-cumulative preference shares (“Innovate Preference Shares”) of HK\$2,578 million (USD318 million) (2017: HK\$2,487 million (USD318 million)) were issued respectively by the Bank and by Innovate Holdings Limited, a wholly owned subsidiary of the Bank, on 5th November, 2009. The Notes bear a fixed interest rate of 8.5% per annum and will mature on 5th November, 2059. The Innovate Preference Shares are perpetual securities on which no dividend is payable. The Notes and the Innovate Preference Shares are listed, and traded together as units, on the Singapore Stock Exchange. The Hybrid Tier 1 capital instruments are qualified as Additional Tier 1 capital of the Bank and the Group. In the consolidated financial statements, the Notes are eliminated and the Innovate Preference Shares are classified as non-controlling interests.

非控股權益包括港幣24.93億元(2017年：港幣24.87億元)的混合一級資本工具。

混合一級資本工具包括分別由本行發行面值港幣24.93億元(3.18億美元)及在銀行層面之賬面值港幣25.78億元(2017年：面值港幣24.87億元(3.18億美元)及銀行層面之賬面值港幣27.28億元)步陞後償票據(「票據」)及由本行一全資附屬公司Innovate Holdings Limited所發行賬面值港幣25.78億元(3.18億美元)(2017年：賬值港幣24.87億元(3.18億美元))非累積優先股份(「Innovate」優先股)，發行日期為2009年11月5日。該票據之固定利率為年息8.5%，並將於2059年11月5日到期。Innovate優先股份是毋須支付股息的無到期日證券。該票據及Innovate優先股份是於新加坡交易所上市及以單位組合形式交易。混合一級資本工具已被評定為本行及本集團的額外一級資本。在綜合財務報表中，票據已被抵銷及Innovate優先股份則被分類為非控股權益。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 45. PRINCIPAL RISK MANAGEMENT 主要風險管理

This section presents information on the Group's management of principal risks.

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

The RIC stands at the highest level of the Group's risk governance structure under the Board. It consists of four INEDs (including the Chairman of the Committee) and two NEDs. The RIC provides direct oversight over the formulation of the Group's institutional 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 and relevant Division Heads adopt to execute their business functions. Through the Group's management committees at executive level, including Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee – and with overall co-ordination of the Risk Management Division – the RIC regularly reviews the Group's risk management framework and ensures that all important risk-related tasks are performed according to established policies and with appropriate resources.

The Crisis Management Committee and Risk Management Committee comprise the Senior Management and the Group Chief Risk Officer.

The Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee comprise the Senior Management, the Group Chief Risk Officer and where appropriate senior executives from the relevant areas.

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

本部分載述有關本集團主要風險管理的資料。

根據香港金融管理局及其他監管機構的規定，本集團已建立一個有效的風險管治及管理架構。該架構的構造讓董事會及高層管理人員能夠以適當授權和制衡方式履行其風險管理的相關職責。此等職責包括根據本集團的業務策略及目標設定風險偏好、制定風險政策以管理上述策略的執行，並設立風險審批、控制、監控及補救的程序及限制。

風險委員會為本集團僅次於董事會的最高風險管治機構，成員包括四名獨立非執行董事（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機構風險偏好的制定，並設定本集團因應其財務能力、策略性指引、當前市場情況及監管要求而可承擔的風險水平。

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

危機管理委員會及風險管理委員會由高層管理人員和集團風險總監組成。

信貸委員會、資產負債管理委員會及營運風險管理委員會由高層管理人員、集團風險總監及（在適當情況下）其他有關方面的高級行政人員組成。

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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 division/department heads at Head Office and heads of significant subsidiaries, 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 division/department heads at Head Office. Supported by their respective divisions and departments, the Risk Controllers are responsible for setting out a risk management governance framework, monitoring risks independently and supporting the management committees in their oversight of risk management.
- The third line of defence is the Internal Audit Division, which is responsible for providing assurance as to the effectiveness of the Group’s risk management framework including risk governance arrangements.

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

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

The Group has formulated policies to identify, measure, monitor, control, and report on the various types of risk and, where appropriate, to allocate adequate capital to cover those risks. The Group’s major risk management policies and control limits are approved by the Board and are monitored and regularly reviewed and enhanced on a regular basis to cater for market changes, statutory requirements, and best practice in risk management processes. The Board has delegated the responsibility for ongoing risk management to the RIC and the management committees. Significant risk management-related issues must be reported to the Board, which oversees risk management. Moreover, on a daily basis, the Group Chief Risk Officer is responsible for overseeing the Group’s risk management issues which include, but are not limited to, the risk management infrastructure, strategies, appetites, culture, and resources.

為確保風險管理於本集團內有關的角色與責任明確分工，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」，由總行各分處／部門主管及各重要附屬公司主管，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」，由總行指定的分處／部門主管組成。在其本身所屬分處／部門的支援下，風險監控人負責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。稽核處負責為本集團風險管理架構(包括風險管治安排)的有效性提供保證。

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

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

本集團已制定政策，以識別、衡量、監察、控制及匯報各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團的主要風險管理政策及控制限額由董事會批准，並且受到監控及定期檢討，以符合市場轉變及法定要求，及達致風險管理程序的最佳做法。董事會已將持續管理風險的責任授予風險委員會及有關的管理委員會。與重要風險管理相關的事項須上報至監督風險管理的董事會。此外，集團風險總監的日常職責為監督集團風險管理相關事項，包括但不限於風險管理基礎架構及策略、風險偏好、風險管治文化及有關資源。

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****財務報表附註(續)****45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)**

Stress testing is an integral part of the Group's risk management. The Group regularly performs stress-tests on the principal risks, where appropriate, to assess the potential impact of stressed business conditions (including hypothetical situations such as a significant economic downturn in Mainland China and Hong Kong) on the Group's financial positions, in particular, capital adequacy, profitability, and liquidity. Whenever necessary, a prompt management response will be developed and executed to mitigate potential impacts.

**(a) Credit risk management**

Credit risk is the risk of loss arising from a borrower or counterparty failing to meet its obligations.

The Credit Committee is responsible for managing all credit risk-related issues of the Group, while the Credit Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to credit risk. The Group identifies and manages credit risk by defining the target market segment, formulating appropriate credit policies, carrying out credit assessment and monitoring of asset quality. Credit risk control limits are set for different levels. Risk, return, and market situation are considered when setting all limits. Active limit monitoring is undertaken.

In evaluating the credit risk associated with an individual customer or counterparty, financial strength and repayment ability are always the primary considerations. Credit risk may be mitigated by obtaining collateral from the customer or counterparty.

The Group has established policies, procedures, and rating systems to identify, measure, monitor, control, and report on credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Risk Management Manual. These guidelines stipulate delegated lending authorities, credit underwriting criteria, credit monitoring processes, an internal rating structure, credit recovery procedures and a provisioning policy. They are reviewed and enhanced on an ongoing basis to cater for market changes, statutory requirements, and best practices in risk management processes.

壓力測試為本集團風險管理的重要部分。本集團定期對相關的主要風險進行壓力測試，評估受壓營商環境(包括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、盈利能力及流動性可能產生的影響。有需要時，管理層亦會果斷制定並執行應對措施以減低潛在影響。

**(a) 信貸風險管理**

信貸風險是指因借款人或交易對手未能履行其責任而導致損失的風險。

信貸委員會負責管理所有與本集團信貸風險有關的事項，而本集團風險管理處轄下的信貸風險管理部則負責監察與信貸風險有關的活動。本集團透過設定目標市場、制定適當的信貸政策、進行信貸評核，以及監控資產素質，來識別和管理信貸風險。信貸風險控制限額設有不同層次。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

在評估與個別客戶或交易對手相關的信貸風險時，其財政實力以及還款能力是主要的考慮因素。此外，客戶或交易對手所提供的抵押品亦有助減低信貸風險。

本集團已制定多項政策、程序及評級系統，以識別、衡量、監察、控制及匯報信貸風險。在此方面，本集團已將信貸風險管理指引詳列於集團的信貸風險管理手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收程序及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變及有關法定要求，及達致風險管理程序的最佳做法。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group's credit risk management for the major types of credit risk is depicted as follows:

(i) Corporate and bank credit risk

The Group has laid down policies and procedures to evaluate the potential credit risk of a particular counterparty or transaction and to approve the transaction. For corporate and bank customers, the Group has different internal rating systems that are applied to each counterparty. For exposure classified as Specialised Lending in particular, supervisory slotting criteria are adopted. To monitor credit concentration risk, the Group has preset limits for exposures to individual industries and for borrowers and groups of borrowers. The Group also has a review process to ensure that the level of review and approval is proper and will depend on the size of the facility and rating of the credit.

The Group undertakes on-going credit analysis and monitoring at several levels. The policies are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The overall portfolio risk as well as individual impaired loans and potential impaired loans are monitored on a regular basis.

(ii) Retail credit risk

The Group's retail credit policy and approval process are designed for the fact that there are high volumes of relatively homogeneous and small value transactions in each retail loan category. The design of internal rating system and formulation of credit policies are primarily based on the demographic factors and the loss experience of the loan portfolios. The Group monitors its own and industry experience to determine and periodically revise product terms and desired customer profiles.

(iii) Credit risk of treasury transactions

The credit risk of the Group's treasury transactions is managed in the same way as the Group manages its corporate and bank credit risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

(iv) Credit-related commitment

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

本集團就下列各類主要信貸風險實行信貸風險管理：

(i) 企業及銀行信貸風險

本集團已制訂多項政策及程序，以評估特定交易對手或交易的潛在信貸風險，以及決定批核有關交易與否。就企業及銀行客戶而言，本集團已制定適用於所有交易對手的內部評級系統。專門性借貸的風險承擔則採用監管分類準則。為監控信貸集中的風險，本集團已就個別行業及不同的借款人和借款人團體預設風險承擔限額。本集團亦已釐定檢討程序，確保按照貸款的規模和信貸評級，為貸款進行適當的檢討和審批。

本集團持續進行多個層次的信貸分析和監控。有關政策旨在盡早發現需要特別監控的交易對手、行業或產品的風險承擔。交易組合的整體風險和個別減值貸款及潛在減值貸款，均定期予以監控。

(ii) 零售信貸風險

本集團的零售信貸政策和審批程序是因應各類零售貸款中均有大量類似的小額交易而制定的。在設計內部評級系統和制訂信貸政策時，本集團的主要考慮因素包括人口結構因素和有關貸款組合過往的損失。本集團監控本身和行業狀況以釐定和定期修訂產品條款和目標客戶組合。

(iii) 財資交易的信貸風險

本集團採用企業及銀行信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

(iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請、組合保存和抵押要求。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (v) Master netting arrangements

To mitigate credit risks, the Group enters into master netting arrangements with same counterparties. Netting agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will be terminated and all amounts outstanding will be settled on a net basis. Except for the event of default, all outstanding transactions with the counterparty are settled on a gross basis and generally do not result in offsetting the assets and liabilities in the statement of financial position.

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

## (a) 信貸風險管理(續)

## (v) 淨額結算總安排

本集團與其相同對手簽訂淨額結算總安排以減低信貸風險。若發生違約事件，根據淨額結算協議，所有與該對手之交易會終止及所有結餘金額以淨額結算。除發生違約事件外，所有與對手之交易會以總額結算及在財務狀況表中的資產和負債通常不會互相抵銷。

下表列示受抵銷、具法律效力之淨額結算總安排及相近協議約束的金融工具詳情。

		2018					
		Gross amounts of recognised financial liabilities set	Gross 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	
		Gross amounts of recognised financial assets	已確認金融資產總額	於綜合財務狀況表中抵銷之已確認金融資產淨額	於綜合財務狀況表中列示的金融資產淨額	未有於相關金融工具中抵銷之金額	淨額
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
<b>Assets</b>	<b>資產</b>						
Derivative assets	衍生工具資產	20	-	20	(19)	1	
Other assets	其他資產	441	(423)	18	-	18	
Total	總額	461	(423)	38	(19)	19	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		2018				
		Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related financial instruments that are not set off	Net amount
		已確認金融 資產總額 HK\$ Mn 港幣百萬元	已確認金融 負債總額 HK\$ Mn 港幣百萬元	於綜合財務 狀況表中 列示的金融 負債淨額 HK\$ Mn 港幣百萬元	未有於 相關金融 工具中抵銷 之金額 HK\$ Mn 港幣百萬元	淨額 HK\$ Mn 港幣百萬元
<b>Liabilities</b>	<b>負債</b>					
Derivative liabilities	衍生工具負債	48	-	48	(19)	29
Other liabilities	其他負債	423	(423)	-	-	-
Total	總額	471	(423)	48	(19)	29

		2017				
		Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Gross amounts of recognised financial assets 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
		已確認金融 負債總額 HK\$ Mn 港幣百萬元	已確認金融 資產總額 HK\$ Mn 港幣百萬元	於綜合財務 狀況表中 列示的金融 資產淨額 HK\$ Mn 港幣百萬元	未有於 相關金融 工具中抵銷 之金額 HK\$ Mn 港幣百萬元	淨額 HK\$ Mn 港幣百萬元
<b>Assets</b>	<b>資產</b>					
Derivative assets	衍生工具資產	38	-	38	(34)	4
Other assets	其他資產	1,164	(763)	401	-	401
Total	總額	1,202	(763)	439	(34)	405

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (v) Master netting arrangements (continued)

## (a) 信貸風險管理(續)

## (v) 淨額結算總安排(續)

		2017				
		Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Gross amounts of recognised financial liabilities	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related financial instruments that are not set off	Net amount
		於綜合財務狀況表中抵銷之已確認金融資產總額	已確認金融負債總額	於綜合財務狀況表中列示的金融負債淨額	未有於相關金融工具中抵銷之金額	淨額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Liabilities	負債					
Derivative liabilities	衍生工具負債	69	-	69	(34)	35
Other liabilities	其他負債	763	(763)	-	-	-
Total	總額	832	(763)	69	(34)	35

The tables below reconcile the "net amounts of financial assets and financial liabilities presented in the consolidated statement of financial position", as set out above, to the derivative assets, other assets, derivative liabilities and other liabilities presented in the consolidated statement of financial position.

下表即上述在綜合財務狀況表列賬的金融資產及金融負債淨額與在綜合財務狀況表列賬的衍生工具資產、其他資產、衍生工具負債及其他負債之對賬。

		2018		2017	
		Derivative assets 衍生工具資產	Other assets 其他資產	Derivative assets 衍生工具資產	Other assets 其他資產
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net amount of financial assets after offsetting as stated above	如上述抵銷後的金融資產淨額	20	18	38	401
Financial assets not in scope of offsetting disclosure	不在披露範疇的金融資產	10,191	35,177	11,297	32,574
Impairment allowances	減值準備	-	(291)	-	(16)
		10,211	34,904	11,335	32,959

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		2018		2017	
		Derivative liabilities	Other liabilities	Derivative liabilities	Other liabilities
		衍生工具負債	其他負債	衍生工具負債	其他負債
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Net amount of financial liabilities after offsetting as stated above	如上述抵銷後的金融負債淨額	48	-	69	-
Financial liabilities not in scope of offsetting disclosure	不在披露範疇的金融負債	9,448	51,444	12,008	45,378
		<b>9,496</b>	<b>51,444</b>	12,077	45,378

## (vi) Concentrations of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's credit portfolio is diversified along geographic, industry and product sectors. For analysis of loans and advances to customers by industry sectors and geographical areas, please refer to Notes 29(b) and 29(c) respectively.

The Group monitors its credit concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

## (vi) 信貸集中的風險

信貸集中的風險源於交易對手團體受到地區、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的信貸組合分散覆蓋不同地區、行業和產品。有關按行業分類及區域分類的客戶貸款及墊款，請分別參閱附註29(b)及29(c)。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (vii) Maximum exposure

The maximum exposure to credit risk at the end of the reporting period without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. A summary of the maximum exposure is as follows:

## (a) 信貸風險管理(續)

## (vii) 最高風險

於報告期結束日並未計算任何抵押品或其他信貸提升的最高信貸風險，即指每一項已減除任何減值準備的金融資產在財務狀況表的賬面值。最高風險摘要如下：

		2018	2017
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	46,822	54,408
Placements with and advances to banks and other financial institutions	在銀行及其他金融機構的存款及墊款	60,373	58,583
Trade bills	貿易票據	14,646	13,909
Trading assets	交易用途資產	2,131	3,999
Derivative assets	衍生工具資產	10,211	11,335
Loans and advances to customers	客戶貸款及墊款	498,284	470,339
Investment securities	投資證券	140,673	130,544
Other assets	其他資產	34,617	32,710
Financial guarantees and other credit related contingent liabilities	財務擔保及其他與信貸有關的或然負債	18,509	14,626
Loan commitments and other credit related commitments	貸款承擔及其他與信貸有關的承擔	177,710	204,442
		<b>1,003,976</b>	994,895

Note: The 2017 comparative figures have been restated to conform to current year's presentation of Consolidated Statement of Financial Position.

註：2017年的比較數字經已重報以符合本年度綜合財務狀況表的呈報方式。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註 (續)

## (viii) Credit quality analysis

*Credit quality of loans and advances*

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

## (viii) 信貸質素分析

*貸款及墊款的信貸質素*

下表載列貸款及墊款的信貸質素分析。除特別指明者外，表格內的金額為賬面總額。

		2018								2017	
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額		總額	
		Accrued Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	
港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
<b>Loans and advances to customers at amortised cost</b>	<b>按攤銷成本的客戶貸款及墊款</b>										
- Grades 1 – 15: Pass	- 1 – 15 級：合格	465,980	1,124	25,413	100	-	-	491,393	1,224	463,082	963
- Grades 16 – 17: Special Mention	- 16 – 17 級：需要關注	-	-	5,747	29	-	-	5,747	29	5,517	23
- Grade 18: Substandard	- 18 級：次級	-	-	-	-	1,226	17	1,226	17	1,392	5
- Grade 19: Doubtful	- 19 級：呆滯	-	-	-	-	1,718	109	1,718	109	3,003	42
- Grade 20: Loss	- 20 級：虧損	-	-	-	-	547	187	547	187	782	2
<b>Total gross carrying amount</b>	<b>賬面值總額</b>	<b>465,980</b>	<b>1,124</b>	<b>31,160</b>	<b>129</b>	<b>3,491</b>	<b>313</b>	<b>500,631</b>	<b>1,566</b>	<b>473,776</b>	<b>1,035</b>
Impairment allowances	減值準備	(431)	(1)	(855)	(4)	(1,061)	(191)	(2,347)	(196)	(3,437)	-
<b>Carrying amount</b>	<b>賬面值</b>	<b>465,549</b>	<b>1,123</b>	<b>30,305</b>	<b>125</b>	<b>2,430</b>	<b>122</b>	<b>498,284</b>	<b>1,370</b>	<b>470,339</b>	<b>1,035</b>

*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 (2017: available-for-sale). Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts/fair value. For loan commitment and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

*除貸款及墊款外的金融資產的信貸質素*

下表載列除貸款及墊款外並按攤銷成本及通過其他全面收益以反映公平價值 (2017 年：可供出售) 計量的債務工具的信貸分析。除特別指明者外，就金融資產而言，表格內的金額為賬面總額／公平價值。就貸款承擔及財務擔保合約而言，表格內的金額分別為所承擔或擔保的金額。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(viii) Credit quality analysis (continued)

## (a) 信貸風險管理(續)

(viii) 信貸質素分析(續)

		2018						2017			
		12-month ECL		Lifetime ECL		Lifetime ECL		Total		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額		總額	
		Accrued		Accrued		Accrued		Accrued		Accrued	
		Principal	interest	Principal	interest	Principal	interest	Principal	interest	Principal	interest
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
<b>Trade bills at amortised cost</b>	按攤銷成本的貿易票據										
- Grades 1 – 15: Pass	- 1 – 15級: 合格	2,816	45	69	-	-	-	2,885	45	13,909	44
- Grades 16 – 17: Special Mention	- 16 – 17級: 需要關注	-	-	-	-	-	-	-	-	-	-
- Grade 18: Substandard	- 18級: 次級	-	-	-	-	-	-	-	-	-	-
- Grade 19: Doubtful	- 19級: 呆滯	-	-	-	-	1	-	1	-	1	-
- Grade 20: Loss	- 20級: 虧損	-	-	-	-	-	-	-	-	-	-
Total gross carrying amount	賬面總額	2,816	45	69	-	1	-	2,886	45	13,910	44
Impairment allowances	減值準備	(3)	-	-	-	(1)	-	(4)	-	(1)	-
Carrying amount	賬面值	2,813	45	69	-	-	-	2,882	45	13,909	44

		2018						2017			
		12-month ECL		Lifetime ECL		Lifetime ECL		Total		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額		總額	
		Accrued		Accrued		Accrued		Accrued		Accrued	
		Principal	interest	Principal	interest	Principal	interest	Principal	interest	Principal	interest
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
<b>Trade bills at FVOCI</b>	按透過其他全面收益以 反映公平價值的 貿易票據										
- Grades 1 – 15: Pass	- 1 – 15級: 合格	11,541	2	223	-	-	-	11,764	2	-	-
Total carrying amount at fair value	賬面值總額-按公平價值	11,541	2	223	-	-	-	11,764	2	-	-
Impairment allowances	減值準備	(5)	-	-	-	-	-	(5)	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

		2018						2017	
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內之預期信貸損失		信貸不良的合約期內之預期信貸損失		總額	
		Accrued		Accrued		Accrued		Accrued	
		Principal	interest	Principal	interest	Principal	interest	Principal	interest
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Placements with and advances to banks and other financial institutions	在銀行及其他金融機構的存款及墊款								
- Grades 1 - 15: Pass	- 1 - 15級: 合格	60,224	127	159	-	-	-	60,383	127
Total gross carrying amount	賬面值總額	60,224	127	159	-	-	-	60,383	127
Impairment allowances	減值準備	(10)	-	-	-	-	-	(10)	-
Carrying amount	賬面值	60,214	127	159	-	-	-	60,373	127

		2018				2017	
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired	
		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	
		HK\$ Mn		HK\$ Mn		HK\$ Mn	
		港幣百萬元		港幣百萬元		港幣百萬元	
Loan commitments	貸款承擔						
- Grades 1 - 15: Pass	- 1 - 15級: 合格			111,004	5,822	-	116,826
- Grades 16 - 17: Special Mention	- 16 - 17級: 需要關注			-	58	-	58
Total	總額			111,004	5,880	-	116,884
Impairment allowances	減值準備			(56)	(40)	-	(96)
Financial guarantee contracts	財務擔保合約						
- Grades 1 - 15: Pass	- 1 - 15級: 合格			25,136	2,101	-	27,237
- Grades 16 - 17: Special Mention	- 16 - 17級: 需要關注			-	7	-	7
Total	總額			25,136	2,108	-	27,244
Impairment allowances	減值準備			(10)	(5)	-	(15)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (viii) Credit quality analysis (continued)

Credit 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:

## (a) 信貸風險管理(續)

## (viii) 信貸質素分析(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：

		2018						2017			
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total		Total	
		12個月內之預期信貸損失		非信貸不良之合約期內之預期信貸損失		信貸不良之合約期內之預期信貸損失		總額		總額	
		Accrued		Accrued		Accrued		Accrued		Accrued	
		Principal	interest	Principal	interest	Principal	interest	Principal	interest	Principal	interest
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
HKS Mn	HK\$ Mn	HKS Mn	HK\$ Mn	HKS Mn	HK\$ Mn	HKS Mn	HK\$ Mn	HKS Mn	HK\$ Mn		
港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元		
Debt investment securities at amortised cost (2017: held-to-maturity and loans and receivables)	按攤銷成本的債務投資證券(2017年：持至到期及貸款及應收賬款)										
Aaa	Aaa	-	-	-	-	-	-	-	-	-	-
Aa1 to Aa3	Aa1 至 Aa3	2,695	2	-	-	-	-	2,695	2	2,571	1
A1 to A3	A1 至 A3	6,007	103	-	-	-	-	6,007	103	5,074	99
Baa1 to Baa3	Baa1 至 Baa3	2,546	32	-	-	-	-	2,546	32	1,193	10
Below Baa3	Baa3 以下	1,492	20	-	-	-	-	1,492	20	567	8
Unrated	無評級	6,347	76	28	1	-	-	6,375	77	526	6
Total gross carrying amount	賬面值總額	19,087	233	28	1	-	-	19,115	234	9,931	124
Impairment allowances	減值準備	(93)	(1)	(1)	-	-	-	(94)	(1)	-	-
Carrying amount	賬面值	18,994	232	27	1	-	-	19,021	233	9,931	124

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		2018								2017	
		12-month ECL		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total		Total	
		12個月內之預期信貸損失		非信貸不良的合約期內 之預期信貸損失		信貸不良的合約期內 之預期信貸損失		總額		總額	
		Accrued		Accrued		Accrued		Accrued		Accrued	
		Principal	interest	Principal	interest	Principal	interest	Principal	interest	Principal	interest
		本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息	本金	應計利息
HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn		
港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元		
Debt investment securities at FVOCI (2017: available-for-sale)	通過其他全面收益以反映公平價值的債務投資證券 (2017年: 可供出售)										
Aaa	Aaa	5,566	8	-	-	-	-	5,566	8	6,957	11
Aa1 to Aa3	Aa1 至 Aa3	19,355	7	-	-	-	-	19,355	7	22,722	24
A1 to A3	A1 至 A3	41,890	627	-	-	-	-	41,890	627	36,299	458
Baa1 to Baa3	Baa1 至 Baa3	31,302	336	-	-	-	-	31,302	336	32,796	346
Below Baa3	Baa3 以下	1,157	15	-	-	-	-	1,157	15	1,794	20
Unrated	無評級	9,856	130	233	3	-	-	10,089	133	16,166	178
Total carrying amount at fair value	賬面值總額—按公平價值	109,126	1,123	233	3	-	-	109,359	1,126	116,734	1,037
Impairment allowances	減值準備	(257)	(3)	(6)	-	-	-	(263)	(3)	-	-

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

下表載列按通過損益以反映公平價值計量的非交易金融資產的信貸分析。

		2018		2017	
		HKS Mn	港幣百萬元	HKS Mn	港幣百萬元
Debt securities	債務證券				
Aaa	Aaa		159		163
Aa1 to Aa3	Aa1 至 Aa3		2,564		1,039
A1 to A3	A1 至 A3		1,736		1,686
Baa1 to Baa3	Baa1 至 Baa3		6,551		376
Below Baa3	Baa3 以下		258		-
Unrated	無評級		1,025		615
Total carrying amount at fair value	賬面值總額—按公平價值		12,293		3,879

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(viii) Credit quality analysis (continued)

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

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
<b>Debt securities</b>	<b>債務證券</b>				
Aaa	Aaa	-	-	-	-
Aa1 to Aa3	Aa1 至 Aa3	24	61	61	61
A1 to A3	A1 至 A3	1,856	3,761	3,761	3,761
Baa1 to Baa3	Baa1 至 Baa3	125	117	117	117
Below Baa3	Baa3 以下	-	-	-	-
Unrated	無評級	126	60	60	60
Total carrying amount at fair value	賬面值總額—按公平價值	2,131	3,999	3,999	3,999

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

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
<b>Derivative assets</b>	<b>衍生工具資產</b>				
Aa1 to Aa3	Aa1 至 Aa3	255	664	664	664
A1 to A3	A1 至 A3	4,102	2,214	2,214	2,214
Baa1 to Baa3	Baa1 至 Baa3	3,975	4,620	4,620	4,620
Below Baa3	Baa3 以下	215	56	56	56
Unrated	無評級	1,664	3,781	3,781	3,781
Total carrying amount at fair value	賬面值總額—按公平價值	10,211	11,335	11,335	11,335

*Cash and balances with banks and other financial institutions*

The Group held cash and balances with banks and other financial institutions of HK\$48,111 million at 31st December, 2018 (31st December, 2017: HK\$55,696 million), of which 98% of cash and balances with banks and other financial institutions counterparties that are rated at investment grade, based on Moody's Investor Services, or equivalent ratings.

## (a) 信貸風險管理(續)

(viii) 信貸質素分析(續)

下表載列作交易用途債務證券的信貸分析。

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。

現金及在銀行和其他金融機構的結存於2018年12月31日，本集團持有現金及在銀行和其他金融機構的結存為港幣481.11億元(2017年12月31日：港幣556.96億元)。基於穆迪投資服務或相當的評級，其中98%的現金及在銀行和其他金融機構交易對手的結存評級為投資評級。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(ix) Details of key areas in measurement of ECLs

The Group adopts a forward-looking “expected credit loss” model for measuring and recognising impairment loss to meet the requirement of HKFRS 9.

The impairment requirements of HKFRS 9 are complex and require management judgements, estimates and assumptions, particularly in the following areas, which are discussed in detail below:

- Assessing whether the credit risk of an asset has increased significantly since initial recognition; and
- Incorporating forward-looking information into the measurement of ECLs.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

The Group has established a framework to determine whether the credit risk on a particular financial asset has increased significantly since initial recognition (see Note 2(h)(vii)). The framework aligns with the Group’s internal credit risk management process.

*Credit risk grades*

For majority of the Group’s portfolios, the Group assigns each exposure to a credit risk grade that is determined according to the predicted level of the risk of default. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

(ix) 「預期信貸損失」估算中主要之處的詳述  
本集團採納一套具前瞻性的「預期信貸損失」模型以估算和確認《香港財務報告準則》第9號要求的減值。

《香港財務報告準則》第9號的減值規定具複雜性並需要管理層作出判斷，估算及假設，特別是在以下將會詳述之處：

- 評估金融資產的信貸風險會否較初始承擔時明顯增加，及
- 整合前瞻性資料以作估算預期信貸損失。

「預期信貸損失」估算的關鍵輸入是以下變量：

- 違責或然率(PD)；
- 違責損失率(LGD)；及
- 違責風險承擔(EAD)。

本集團已建立機制以確定某一金融資產的信貸風險是否較初始承擔時明顯增加(詳見附註2(h)(vii))。此機制與本集團的內部信貸風險管理程序吻合。

*信用風險等級*

對於本集團大多數信貸組合，本集團為每一個信貸風險承擔根據違約風險的預測而配定一個信貸風險評級。信用風險等級使用表明違約風險的定性和定量因素來定義。這些因素取決於風險承擔的性質和借款人的類型。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(ix) Details of key areas in measurement of ECLs (continued)

The table below provides the 12-month Probability of default ("PD") range for each credit risk grade of retail and non-retail portfolios. The table also provides an indicative mapping of how the Group's internal credit risk grades relate to PD and, for the non-retail portfolio, to external credit ratings of Standard & Poor's.

Credit risk grade 信用風險等級	Remarks on default risk 違約風險的備註	12-month PD range 12個月PD範圍	External Rating Benchmark 外部評級基準
1-3	Minimal to low risk 極小至低的風險	0.0000% to 至 0.0857%	AAA to 至 A-
4-8	Moderate risk 適度風險	0.0857% to 至 0.4290%	BBB+ to 至 BBB-
9-11	Substantial risk 略高風險	0.4290% to 至 1.6500%	BB+ to 至 BB-
12-15	High risk 高風險	1.6500% to 至 8.3531%	B+ to 至 B-
16-17	Very high risk 很高風險	8.3531% to 至 100%	CCC+ to 至 C
18-20	Default 違約	100%	D

For the remaining portfolios without credit risk grade assignment, references of peer bank PD estimates of similar portfolios and the long-run average default rate of the portfolios are used.

*Generating the term structure of PD*

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group also collects historical performance and default information about portfolios of credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios with no internal data available, information from external data sources is used. In particular,

Portfolio 組合	External data sources 外部數據源
Debt exposures 債務風險承擔	Moody's: Annual default study corporate default and recovery rates
Bank exposures 銀行風險承擔	
Sovereign exposures 主體風險承擔	Moody's: Sovereign default and recovery rates

The Group deploys statistical models to analyse the data collected and generate estimates of PD of exposures expected to change as a result of the passage of time. The estimation of PD term structure makes use of the annual credit risk grade transition for the portfolios with credit risk grade assignment. For the portfolios without credit risk grade assignment and no credit risk grade transition information available, the PD term structure estimation is referenced to forecast of economic index relevant to the portfolio.

## (a) 信貸風險管理(續)

(ix) 「預期信貸損失」估算中主要之處的詳述(續)

下表提供了零售和非零售投資組合的每個信用風險等級的12個月違責或然率範圍。該表還提供了本集團非零售信貸組合的內部信用風險等級與標準普爾的外部信用評級的指示性參考。

對於餘下沒有信用風險等級分配的信貸組合，我們使用類似信貸組合的同行銀行違責或然率估計的參考或信貸組合的長期平均違責或然率。

*違責或然率的期限結構*

信用風險等級是確定違責或然率的期限結構的主要輸入。本集團亦會按司法管轄區或地區收集有關分析的信貸風險承擔，以及產品及借款人類別以及信貸風險評級的歷史表現及違約信息。對於一些沒有內部數據的投資組合，自外部數據源的信息會被使用。特別是，

本集團採用統計模型分析所收集的數據，並產生預計會因時間推移而發生變化的違責或然率的估計值。具有信用風險等級分配的組合，我們利用信用風險等級的年度轉換以估計對的違責或然率期限結構。對於沒有信用風險等級分配的組合或沒有可用的信用風險等級轉換信息。違責或然率期限結構估計參考了與組合相關的經濟指數預測。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

LGD is the magnitude of the likely loss if there is a default. For the retail and corporate portfolio with sufficient historical loss and recovery data, the collateral recovery rates and the LGD estimates can be derived. For portfolios with insufficient historical loss and recovery data, either reference of peer bank LGD estimates of the similar portfolios or external data source are used for deriving the LGD estimates.

For portfolio with individual assessment of credit risk mitigation measures, collateral values are projected for different economic scenarios so as to reflect the LGD estimates under different economic scenarios. For other portfolios different scenario portfolio LGD are derived by benchmarking to a corresponding LGDs within a long period of historical LGDs.

EAD represents the expected exposure in the event of a default. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments or undrawn limit of retail revolving products, the EAD is the potential future amounts that may be drawn under the contract. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. The EAD estimates are adopted the parameters suggested by BASEL or statistical model based on historical data.

#### *Significant increase in credit risk*

Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade when the risk of asset changes. The Group primarily identifies whether a significant increase in credit risk under HKFRS 9 has occurred for an exposure by comparing:

- the credit risk grade at the reporting date; with
- the credit risk grade at the initial recognition of the exposure.

The Group deems the credit risk of a particular exposure to have increased significantly since initial recognition if the current credit risk grade deteriorates by a pre-determined number of notches. The criteria for determining the number of notches may vary by portfolio and include a backstop based on delinquency.

As a backstop, and as required by HKFRS 9, the Group presumptively considers that a significantly increase in credit risk occurs no later than when an asset is more than 30 days past due.

如果存在違約，違責損失率是可能損失的幅度。對於具有足夠歷史損失和恢復數據的零售和公司投資組合，可以推導出抵押品回收率和違責損失率估計值。對於歷史損失和恢復數據不足的組合，可以使用同行銀行類似組合的違責損失率估計值或外部數據源來推導違責損失率估計值。

對於單獨評估信用風險緩解措施的組合，預測不同經濟情景的抵押品價值，以反映不同經濟情景下的違約損失率估計。對於其他組合，不同情景組合違責損失率通過在長期歷史期間對相應的違責損失率進行基準測試而得出。

違責風險承擔表示發生違約時的預期風險。金融資產的違責風險承擔是其違約時的總賬面金額。對於貸款承諾或零售周轉產品的未提取限額，違責風險承擔是可能根據合同提取的未來潛在金額。對於財務擔保，違責風險承擔表示財務擔保到期時的擔保風險金額。違責風險承擔估計採用BASEL建議的參數或基於歷史數據的統計模型。

#### *明顯增加的信貸風險*

信貸風險承擔會持續受監控並在其風險程度有所改變時被調配至不同的信貸風險評級。在《香港財務報告準則》第9號下，集團識別一個資產的信貸風險是否明顯增加主要透過比較該資產：

- 於結算日的信貸風險評級；和
- 於初始承擔時的信貸風險評級。

如某一資產的現行信貸風險評級已較本集團初始承擔時的評級轉差了超過一個指定數量的級別，本集團視該資產的信貸風險已有明顯增加。不同的資產組合會以不同的級別數量作為衡量標準，並以逾期情況作為預設的基本標準。

在《香港財務報告準則》第9號下，作為一個基本標準，本集團預設某一已逾期超過30日的資產為，信貸風險已經明顯增加。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (ix) Details of key areas in measurement of ECLs (continued)

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular review to confirm that:

- the criteria are capable of identifying significant increase in credit risk before an exposure is in default;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month ECL and lifetime ECL measurements.

*Incorporating forward-looking information into the measurement of ECLs*

The Group has identified key drivers of systematic credit risk for each portfolio of financial assets based on analysis of historical data in which relationship between macro-economic indicators and the systematic credit risk is exhibited.

The Group formulates economic forward looking scenarios for the view of the future direction of major economic indicators such as GDP, unemployment rate, inflation rate and other economic indicators specific to particular portfolio.

For each portfolio, the key drivers under forward looking scenarios are applied for estimating the systematic credit risk component of an obligor's Probability of Default ("PD") used in calculating ECLs. In addition to PD, relevant macro-economic indicators are used for projection of the collateral value for recovery rate estimates used in ECL calculation.

The Group adopts the use of three economic scenarios. In each region/country where the Group operates, the Group formulates probability for each scenario and forecast the major macro-economic indicators to reflect the Group's forward-looking view on the future business outcomes in that particular region/country under each scenario.

The forecasts of baseline scenario are based on advice from the in-house economic experts and considerations of a variety of actual and forecast information, such as economic data and forecasts published by governmental bodies, monetary authorities in the regions/countries where the Group operates. The Group also take reference from forecasts by international agencies and private sector analysts as far as possible to formulate a more objective forecast, while taken into account the current domestic and international economic developments, and changes in local economic policies. Autoregressive econometric model is applied as a tool to forecast the equity and property prices movements in the regions/countries concerned.

## (a) 信貸風險管理(續)

## (ix) 「預期信貸損失」估算中主要之處的詳述(續)

本集團監控識別信貸風險增加的衡量標準的有效性，透過定期檢討以確保：

- 衡量標準能在風險承擔違約前識別信貸風險增加
- 風險承擔一般不會從12個月內之預期信貸損失直接轉為不良信貸；及
- 不會導致減值撥備因為風險承擔在計算12個月內之預期信貸損失和合約期內之預期信貸損失中的轉變時出現不必要的波動

*整合前瞻性資料以作估算預期信貸損失*

本集團根據歷史數據對宏觀經濟指標與系統信用風險之間關係進行分析，確定了各金融資產組合的系統信用風險的關鍵驅動因素。

本集團制定經濟前瞻情景，以了解主要經濟指標的未來方向，例如國內生產總值，失業率，通脹率及特定投資組合的其他經濟指標。

對於每個投資組合，前瞻性情景下的關鍵驅動因素將用於估算債務人的違約概率的系統信用風險部分以用於計算預期信貸損失。除違約概率外，相關的宏觀經濟指標將用於預測抵押品價值以估算回收率並使用作計算預期信貸損失。

本集團會採納使用三個經濟情景。在本集團經營的每個地區／國家，本集團將為每個情景制定情景的可能性並預測主要的宏觀經濟指標，以反映集團在每種情景下，該地區／國家未來業務成果的前瞻性觀點。

基準情景的預測是根據本集團經濟專家的建議和對各種外部實際和預測信息的考慮，例如本集團經營所在地區／國家的政府機構和金融管理局公佈的經濟數據和預測。同時，本集團盡可能參考國際機構及私營機構分析師的預測，以及考慮現時本地及海外經濟發展情況、當地經濟政策的轉變。至於相關地區或國家的股票及樓價指數，則使用自迴歸經濟模型作出估算。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The baseline scenario represents the most-likely outcome that the Group expects. The corresponding probability is reflecting the confidence of the future uncertainties are being captured in the baseline scenario forecast.

The other scenarios are an optimistic scenario and a pessimistic scenario, to capture the less likely, yet possible, upside and downside divergence from the baseline forecast. These scenarios and their probabilities represent the Group's view that in case the future outcome is outside the expectation as in the baseline scenario, how likely it would be optimistic (i.e. unexpectedly good) or pessimistic (i.e. unexpectedly bad) and how unexpectedly good or unexpectedly bad outcomes will be, based on current economic outlook, potential domestic and international economic and political risks affecting the regions/countries the Group has business presence, and the strength of a region/country's fundamentals to weather through crises. Forecasts for these two scenarios are mainly derived based on a modification of the Bank of England's fan chart model, where we assume the divergences from the baseline scenario are derived from historical volatility of the data series. The spread for the pessimistic scenario is greater than that of the optimistic scenario to reflect the Group's prudent view against downside risks.

The baseline, optimistic and pessimistic scenarios are updated quarterly to timely reflect a change in the current economic sentiment locally and internationally.

#### *Baseline Scenario – Hong Kong*

Growth momentum is expected to lose steam. There were signs of fatigues in the asset markets with worries over the negative impact on Chinese economy induced by the trade war and worsening affordability of the property market.

The export sector is clouded by the China-US trade dispute. There are no signs that the economic tension between China and the US will be resolved in the short run. Lingering uncertainties shall upset the financial markets with a knock-on effect on consumer sentiment.

Overall, we estimate that real GDP will grow at 3.3% in 2018, and slow to 2.3% in 2019. Meanwhile, inflation is expected to stay moderate at 2.2%, while the unemployment rate is expected to trend upwards slowly until 2023.

基準情景是代表本集團預期中的最具可能性的結果。其相對應的機會率反映了集團在預測基準情景中對未來不確定性的掌握置信度。

其他情景是一個樂觀情景和一個悲觀情景。在這些情景中，我們對可能性較低、卻可能發生的上行和下行狀況作出預測。這些情景及其機會率代表了集團的觀點，即當未來結果超出基準情景預期時，經濟將傾向樂觀（即出乎意料的好）或悲觀（即出乎意外的差）的可能性有多大，以及出乎意料的好或意外的壞的結果將會是怎樣，基於當前的經濟前景、潛在的國內外經濟及政治風險，及其對本集團有業務之地區／國家的影響，並且這些地區／國家的經濟面、應付危機的能力。這兩種情景的預測主要是以英倫銀行扇形圖模型為基礎再修改而來。我們假設兩種情景與基準情景的差距來自數據列的歷史波動。其中，悲觀情景的差距大於樂觀情景，反映集團對下行風險持謹慎態度。

基準、樂觀及悲觀情景會每季度更新，以及時反映當地及國際經濟情緒的變化

#### *基準情景—香港*

我們預計經濟增長勢頭將失去動力。資產市場出現疲軟跡象，主要因為市場擔心貿易戰對中國經濟造成的負面影響。房地產市場的負擔能力亦見惡化。

出口行業因中美貿易爭端而蒙上陰影。現時沒有跡象顯示中美之間的經濟緊張局勢將在短期內得到解決。持續的不確定性將擾亂金融市場，對消費者信心造成連鎖反應。

總體而言，我們估計2018年實際本地生產總值將增長3.3%，2019年放緩至2.3%。預計通脹率將維持溫和水平，失業率則逐漸上升至2023年。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(ix) Details of key areas in measurement of ECLs (continued)

*Baseline Scenario – Mainland China*

The economy is facing headwinds. The export growth is expected to decelerate due to the moderating global demand and the global uncertainty including the trade war against the US. At the same time, the government will continue to deleverage, which will limit private investment in the real estate sector. These will weigh on GDP growth in the short to medium term. In response, the government will boost the economy by lowering income taxes and lessening the social security fees, as well as increasing infrastructure investments and encouraging lending to private firms, especially small and medium enterprises. Overall, we expect China's economic slowdown to be gradual between 2019 and 2022.

*Forecast of Key Macroeconomic Indicators (3 years average (2019 – 2021))*

## (a) 信貸風險管理(續)

(ix) 「預期信貸損失」估算中主要之處的詳述(續)

*基準情景－中國內地*

中國經濟面對的風險升溫。由於全球需求放緩以及包括對美國的貿易戰在內的全球不確定性，出口增長預計將減速。與此同時，政府將繼續去槓桿化，這將限制房地產行業的私人投資，並對中短期國內生產總值增長構成壓力。應對當前風險，政府將通過降低所得稅和降低社會保障費來鼓勵消費和投資，從而推動經濟發展，並且增加基礎設施投資和鼓勵向私營企業，特別是中小企業提供貸款。因此，我們預計中國的經濟放緩將在2019年至2022年之間逐步放緩。

*主要宏觀經濟指標預測(3年平均(2019–2021))*

Scenario 情景	Macroeconomic Indicator 宏觀經濟指標	Hong Kong 香港	China 中國
Optimistic 樂觀情景	GDP (YoY growth) 國內生產總值增長	4.4%	7.0%
	Inflation Rate 通脹率	3.2%	2.3%
	Unemployment Rate 失業率	2.2%	3.9%
Baseline 基準情景	Real GDP (YoY growth) 國內生產總值增長	2.4%	6.0%
	Inflation Rate 通脹率	2.2%	1.9%
	Unemployment Rate 失業率	3.2%	4.0%
Pessimistic 悲觀情景	GDP (YoY growth) 國內生產總值增長	-0.2%	4.7%
	Inflation Rate 通脹率	1.1%	1.5%
	Unemployment Rate 失業率	4.2%	4.1%

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## (x) Impairment allowances reconciliation

The following tables show reconciliations from the opening to the closing balance of the impairment allowance by class of financial instrument. The reconciliation is prepared by comparing the position of impairment allowance between 1st January and 31st December at transaction level.

Explanations of 12-month ECL, lifetime ECL and credit-impaired are included in Note 2.

## (x) 減值準備對賬

下表列示按金融工具的類別劃分的減值準備的期初結餘與期末結餘的對賬。編製對賬的方法是比較減值準備於1月1日至12月31日期間交易層面的狀況。

關於12個月內之預期信貸損失、合約期內之預期信貸損失及信貸不良的解釋見附註2。

		2018		Total 總額	
		12-month ECL 12個月內之 預期信貸損失	Lifetime ECL not credit-impaired 非信貸不良的 合約期內之 預期信貸損失		Lifetime ECL credit-impaired 信貸不良的 合約期內之 預期信貸損失
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>Loans and advances to customers</b>	<b>客戶貸款及墊款</b>				
Balance at 1st January	於1月1日的結餘	839	1,028	1,177	3,044
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	151	(151)	-	-
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之預期信貸損失	(8)	23	(15)	-
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	(98)	(203)	301	-
New financial assets originated or purchased, assets derecognised, repayments and further lending	源生或購入之新金融資產、 撤銷確認資產、還款及 進一步貸款	(88)	(230)	376	58
Write-offs	撤銷	-	-	(1,649)	(1,649)
Changes in models	模型變動	(229)	287	17	75
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額 (包括外匯調整)	(135)	105	1,045	1,015
Balance at 31st December	於12月31日的結餘	432	859	1,252	2,543
Of which:	其中:				
For advance to customers at amortised cost (Note 29(a))	就按攤銷成本的客戶墊款 (附註29(a))	431	855	1,061	2,347
For related accrued interest receivable (Note 35)	就相關應收應計利息 (附註35)	1	4	191	196
		432	859	1,252	2,543

The contractual amount outstanding on loans and advances to customers that were written off during the year ended 31st December 2018 and that are still subject to enforcement activity is HK\$1,084 million.

在截至2018年12月31日止年度內已撤銷的客戶貸款及墊款的合約餘額中仍在進行追討的貸款為港幣10.84億元。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(x) Impairment allowances reconciliation (continued)

## (a) 信貸風險管理(續)

(x) 減值準備對賬(續)

		2018				
		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total
		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
		12-month ECL 12個月內之 預期信貸損失		Lifetime ECL credit-impaired		
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Debt securities</b>	<b>債務證券</b>					
Balance at 1st January	於1月1日的結餘	277	13	-	-	290
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	-	-	-	-	-
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之預期信貸損失	-	-	-	-	-
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	-	-	-	-	-
New financial assets originated or purchased, assets derecognised, repayments and further lending	源生或購入之新金融資產、撤銷確認資產、還款及進一步貸款	52	(2)	-	-	50
Write-offs	撤銷	-	-	-	-	-
Changes in models	模型變動	61	(1)	-	-	60
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額(包括外匯調整)	(36)	(3)	-	-	(39)
Balance at 31st December	於12月31日的結餘	354	7	-	-	361
Of which:	其中:					
For debt securities at amortised cost	就按攤銷成本的債務證券	93	1	-	-	94
For related accrued interest receivable (Note 35)	就相關應收應計利息(附註35)	1	-	-	-	1
		94	1	-	-	95
For debt securities at FVOCI	就按通過其他全面收益以反映公平價值的債務證券	257	6	-	-	263
For related accrued interest receivable	就相關應收應計利息	3	-	-	-	3
		260	6	-	-	266

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

按通過其他全面收益以反映公平價值的債務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證券的賬面值是其公平價值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		2018					
		Lifetime ECL not credit-impaired		Lifetime ECL credit-impaired		Total 總額	
		12-month ECL 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			
		HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元			
Others	其他	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元		
Balance at 1st January	於1月1日的結餘	220		54		1	275
Transfer to 12-month ECL	轉至12個月內之預期信貸損失	5		(5)		-	-
Transfer to lifetime ECL not credit-impaired	轉至非信貸不良的合約期內之預期信貸損失	(3)		3		-	-
Transfer to lifetime ECL credit-impaired	轉至信貸不良的合約期內之預期信貸損失	-		-		-	-
New financial assets originated or purchased, assets derecognised, repayments and further lending	源生或購入之新金融資產、 撤銷確認資產、還款及 進一步貸款	1		(30)		-	(29)
Write-offs	撤銷	-		-		-	-
Changes in models	模型變動	(76)		(2)		-	(78)
Net remeasurement of impairment allowances (including exchange adjustments)	減值準備的重新計量淨額 (包括外匯調整)	(33)		27		67	61
Balance at 31st December	於12月31日的結餘	114		47		68	229
Of which:	其中:						
For trade bills at FVOCI	就按通過其他全面收益以 反映公平價值的貿易票據	5		-		-	5
For related accrued interest receivable	就相關應收應計利息	-		-		-	-
		5		-		-	5
For trade bills at amortised cost (Note 27)	就按攤銷成本的貿易票據 (附註27)	3		-		1	4
For related accrued interest receivable	就相關應收應計利息	-		-		-	-
		3		-		1	4

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

(x) Impairment allowances reconciliation (continued)

## (a) 信貸風險管理(續)

(x) 減值準備對賬(續)

		2018				
		12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	
		12個月內之 預期信貸損失	非信貸不良的 合約期內之 預期信貸損失	信貸不良的 合約期內之 預期信貸損失	總額	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	港幣百萬元
For placements with banks and financial institutions (Note 26)	就在銀行和其他金融機構的存款(附註26)	10	-	-	10	
For related accrued interest receivable	就相關應收應計利息	-	-	-	-	
		10	-	-	10	
For cash and balances with banks and financial institutions (Note 25)	就現金及在銀行和其他金融機構的結存(附註25)	5	-	-	5	
For related accrued interest receivable	就相關應收應計利息	-	-	-	-	
		5	-	-	5	
For loan commitments and financial guarantee contracts (Note 38)	就貸款承擔和財務擔保合約(附註38)	66	45	-	111	
For account receivables and other accounts (Note 35)	就應收賬款及其他賬項(附註35)	25	2	67	94	

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

按通過其他全面收益以反映公平價值的貿易票據的減值準備並不在財務狀況表內確認，因按通過其他全面收益以反映公平價值的貿易票據的賬面值是其公平價值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Movement of impairment allowances for the year 2017

2017年減值準備的變動

		Loans and advances				
		Trade bills 貿易票據	to customers 客戶貸款及墊款		Other assets 其他資產	
		Individual 個別	Individual 個別	Collective 整體	Individual 個別	Collective 整體
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	1	1,715	2,082	85	1
New provisions charged to income statement	收益表內支銷的新準備	-	1,821	361	4	1
Net provisions released back to income statement	撥回收益表的準備淨額	-	(253)	-	(1)	-
Amounts written off	撇銷額	-	(2,310)	(189)	(70)	-
Recoveries	收回額	-	141	-	-	-
Effect of discounting	計算折扣的影響	-	(191)	-	-	-
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產 (附註56)	-	-	(10)	-	-
Exchange and other adjustments	匯兌調整	-	136	134	(4)	-
At 31st December	於12月31日	1	1,059	2,378	14	2

## (xi) Collateral and other credit enhancements

The Group has established guidelines on the acceptability of various classes of collateral and determined the corresponding valuation parameters. The guidelines and collateral valuation parameters are subject to regular reviews to ensure their effectiveness over credit risk management.

The extent of collateral coverage over the Group's loans and advances to customer depends on the type of customers and the product offered. Types of collateral include residential properties (in the form of mortgages over property), other properties, other registered securities over assets, cash deposits, standby letters of credit and guarantees. Collateral generally is not held over balances and placements with banks and other financial institutions, and loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. The Group takes possession of collateral through court proceedings or voluntary delivery of possession by the borrowers during the course of the recovery of impaired loans and advances. These repossessed assets are reported in the statement of financial position within "other assets" (Note 2(t)). If the recovery from the repossessed assets exceeds the corresponding exposure, the surplus fund is made available either to repay the borrower's other secured loans with lower priority or is returned to the borrower.

## (xi) 抵押品及其他信用提升

本集團已制訂可接受不同類別抵押品的指引，並釐定相關估值參數。本集團會定期檢討指引及抵押品估值參數，以確保信貸風險管理的成效。

本集團客戶貸款及墊款的抵押品範圍視乎客戶類別及所提供產品而定。抵押品類別包括住宅物業(以物業按揭形式)、其他物業、其他登記抵押資產、現金存款、備用信用證及擔保。除持有用作反向回購及證券借貸活動的抵押品外，在銀行及其他金融機構的結存及存款，以及銀行貸款及墊款一般不需要抵押品。在收回減值貸款及墊款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品。該等收回資產於財務狀況表中以「其他資產」列賬(附註2(t))。倘從收回資產所得之追收額超出相關風險承擔時，則會使用盈餘資金償還借款人優先次序較低的已抵押貸款或退回予借款人。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

##### (a) Credit risk management (continued)

###### (xi) Collateral and other credit enhancements (continued)

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-based securities and similar instruments, which are secured by pools of financial assets. However the credit risk may be implicit in the terms or reflected in the fair value of the corresponding instruments.

The Group's preferred agreement for documenting derivatives activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement, if either party defaults or following other pre-agreed termination events. It is also common for the Group to execute a Credit Support Annex in conjunction with the ISDA Master Agreement with the counterparty under which collateral is passed between the parties to mitigate the market contingent counterparty risk inherent in the outstanding position.

For contingent liabilities and commitments that are unconditionally cancellable (Note 47), the Group will assess the necessity to withdraw the credit line when there is a concern over the credit quality of the customers. Accordingly, the exposure to significant credit risk is considered as minimal. For commitments that are not unconditionally cancellable, the Group assesses the necessity of collateral depending on the type of customer and the product offered.

##### (b) Market risk management

Market risk is the risk arising from adverse movements in market factors such as interest rates, foreign exchange, equity prices, and commodity prices, which result in profits or losses for the Group. The aim in managing market risk is to reduce the Group's exposure to the volatility inherent in financial instruments.

The Asset and Liability Management Committee deals with all market risk-related issues of the Group. It is also responsible for conducting a regular review of interest rate trends and deciding the corresponding future business strategy. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to market risk.

The use of derivatives for proprietary trading and the sale of derivatives to customers as risk management products are integral parts of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk, as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest rate, foreign exchange, and equity-related contracts, in the form of both over-the-counter derivatives and exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

##### (a) 信貸風險管理(續)

###### (xi) 抵押品及其他信用提升(續)

持有用作非貸款及墊款金融資產的抵押品，是按照工具之性質決定。除以一籃子金融資產作抵押的資產融資證券及相同工具外，債務證券、庫券及其他認可票據一般俱屬無抵押的。然而，信貸風險可能隱含於相關工具的條款內或於相關工具的公平價值中反映。

ISDA的主合約為本集團處理衍生交易文件的優先合約，當中涵蓋合約框架，而在合約框架之下，本集團可進行一系列的場外產品交易活動，如其中一方違約或發生其他預先協定的終止事件，則按合約約束參與者以淨額結算合約涵蓋的所有未履行交易。本集團亦會在簽訂ISDA的主合約的同時，與交易對手簽訂信貸附約，據此，抵押品可於訂約方之間轉交，以降低出現在未履約情況下的內在市場或然交易對手風險。

對於或然負債及可無條件取消的承擔(附註47)，如本集團對客戶的信貸質素有疑慮，則會評估是否需要撤回信貸額。因此，本集團面臨重大信貸風險機會視為微乎其微。對於不可無條件取消的承擔，本集團會視乎客戶類別及所提供產品評估是否需要進行抵押。

##### (b) 市場風險管理

市場風險是指由市場因素，例如利率、外匯、股票價格及商品價格的不利變動而導致本集團溢利或虧損的風險。

資產負債管理委員會負責處理所有與本集團市場風險有關的事項，亦負責定期檢討利率走勢及釐定相應的未來業務策略。本集團風險管理處轄下的資產負債管理部，負責監察與市場風險有關的活動。

透過衍生工具進行自營交易及向客戶出售衍生工具以用作風險管理產品，為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場內交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

In this connection, the key types of market risk that must be managed are:

(i) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing (including derivatives), commercial banking operations, and structural foreign currency exposures. The Group's non-structural foreign currency exposures are denominated in major currencies, particularly USD and RMB. All foreign currency positions are managed within limits approved by the Board or the Asset and Liability Management Committee.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries, and associated companies, are excluded from value-at-risk measurements, as related gains or losses are taken to reserves. Such foreign currency positions are managed with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations. The Group seeks to match its foreign currency denominated assets closely with corresponding liabilities in the same currencies.

The Group had the following net structural positions which were not less than 10% of the total net structural foreign currency position at the end of the reporting period:

		2018			2017		
		RMB 人民幣 HK\$ Mn 港幣百萬元	MYR 馬幣 HK\$ Mn 港幣百萬元	USD 美元 HK\$ Mn 港幣百萬元	RMB 人民幣 HK\$ Mn 港幣百萬元	MYR 馬幣 HK\$ Mn 港幣百萬元	USD 美元 HK\$ Mn 港幣百萬元
Net structural position	結構性持倉淨額	13,829	2,226	(6,982)	14,584	2,271	(6,965)

(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 Investment Department within the limits approved by the Board, Investment Committee, or the Asset and Liability Management Committee.

在此方面，本集團必須管理的主要市場風險包括：

(i) 貨幣風險

本集團的外幣持倉源自外匯買賣(包括衍生工具)、商業銀行業務和結構性外匯風險。本集團的非結構性外幣風險主要以美元及人民幣等主要貨幣。所有外幣持倉均維持在董事會或資產負債管理委員會所訂定的限額內。

結構性外匯持倉主要源自於本集團分行、附屬公司和聯營公司的外匯投資，其有關的溢利及虧損因為已撥入儲備，所以未計算在風險值內。管理此等外幣投資的主要目的，是保障本集團的儲備免受匯率波動的影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

於報告期結束日，本集團的以下結構性持倉淨額不低於結構性外幣淨持倉總額10%：

(ii) 交易賬冊的利率風險

本集團的交易組合中的利率持倉來自財資及商業銀行業務的動態對沖。利率風險由本集團資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

(iii) 股份風險

本集團的股份持倉來自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會、投資委員會或資產負債管理委員會批准的限額範圍進行日常管理。

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****財務報表附註 (續)****45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理 (續)****(b) Market risk management (continued)****(iii) Equity risk (continued)**

Market risk control limits have been set at varying levels according to the practical requirements of different units. The Board approves the core control limits and has delegated the authority to set detailed control limits to the Asset and Liability Management Committee. Risk, return, and market conditions are considered when setting limits. Active limit monitoring is carried out.

In this connection, the Asset and Liability Management Committee monitors the related market risk arising from the risk-taking activities of the Group, to ensure that overall and individual market risks are within the Group's risk tolerance level. 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, if positions are held unchanged over a certain horizon time period.

The Group estimates VaR for the Group's trading portfolio by the historical simulation approach, where the VaR is calculated by revaluing the portfolio for each of the market movement scenarios obtained from the historical observation period. This methodology uses movements in market rates and prices over a one-day holding period with a 99% confidence level under a two-year observation period.

Structural foreign exchange positions arising from net investments in branches and subsidiaries are not included in the VaR for the foreign exchange trading position.

The market value of listed shares, the fair value of private equity funds and unlisted equities (collectively the "Unlisted Securities"), are subject to limits and these are managed by the Investment Department of the Group. The Unlisted Securities and listed non-trading equities are not included in the VaR for the equity trading position, and are managed through delegated limits. The limits are subject to regular review by the Asset and Liability Management Committee.

**(b) 市場風險管理 (續)****(iii) 股份風險 (續)**

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審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承擔市場風險的活動，確保整體及個別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。

由分行及附屬公司的淨投資產生的結構性外匯持倉不包括在計算外匯交易持倉的風險值內。

上市股份的市值、私人股份基金及非上市股份(統稱「非上市證券」)的公平價值均由本集團投資部按限額管理。非上市證券及非交易上市股份是根據特定限額管理，且不包括在交易股份持倉的風險值計算內。資產負債管理委員會須定期檢討該限額。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## Value-at-risk statistics

## 風險值統計

		2018					
		At 31st December 於12月31日		Maximum 最高	Minimum 最低	Mean 平均	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
VaR for total trading activities	交易活動的風險值總額	35		41		32	
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	16		18		7	
VaR for interest rate trading positions	利率交易持倉的風險值	4		8		4	
VaR for equity trading positions	股份交易持倉的風險值	20		32		20	

		2017					
		At 31st December 於12月31日		Maximum 最高	Minimum 最低	Mean 平均	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
VaR for total trading activities	交易活動的風險值總額	38		49		35	
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	8		17		5	
VaR for interest rate trading positions	利率交易持倉的風險值	6		7		2	
VaR for equity trading positions	股份交易持倉的風險值	30		37		25	

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

\* 包括所有外匯持倉但不包括結構性外匯持倉。

		2018					
		At 31st December 於12月31日		Maximum 最高	Minimum 最低	Mean 平均	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Stressed VaR for total trading activities	交易活動的受壓風險值總額	125		166		115	

		2017					
		At 31st December 於12月31日		Maximum 最高	Minimum 最低	Mean 平均	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Stressed VaR for total trading activities	交易活動的受壓風險值總額	138		148		97	

A stressed VaR measure is intended to replicate a VaR calculation that would be generated on current trading portfolio if the relevant market factors were experiencing a period of stress.

受壓風險值是假設相關市場因素在受壓期間下，模擬計算由現行交易組合產生的風險值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

##### (c) Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events.

The objectives of operational risk management are to identify, assess, monitor, and report operational risk systematically and effectively; to minimise the 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 incident reporting, risk control self-assessment, 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 appetites statement for liquidity risk annually approved 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 is composed of balanced representation of senior staff from various business units, Treasury, Risk Management and Finance to jointly formulate adequate funding strategies. The Asset and Liability Management Committee sets the strategy, policy, and limits for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Regular meetings are held to review the compliance status of the monitoring matrix established and the need for any change in strategy and policy. Liquidity is managed daily by the Capital Markets & Liquidity Management Department under the Treasury Markets Division of the Group within the set limits. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to liquidity risk. The Internal Audit Division performs periodic reviews to ensure that the liquidity risk management functions are carried out effectively.

##### (c) 營運風險管理

營運風險是指由於內部流程、人員和系統不足或缺陷，或因外部事件而導致損失的風險。

營運風險管理的目的在於有系統及有效地識別、評估、監控及匯報營運風險；減少營運虧損及對本集團的其他影響；以及遵守相關監管規定的要求。

營運風險管理委員會負責監督本集團的營運風險管理，而本集團風險管理處轄下的營運風險管理部則負責監察與營運風險有關的活動。

本集團所採用的營運風險管理工具包括營運風險事件匯報、風險控制自我評估、風險指標、營運手冊、保險政策等。

##### (d) 流動性風險管理

流動性風險是指本集團因未能獲得充足資金投入而可能無法履行到期責任的風險(資金流動性風險)；或因市場深度不足或市場失序，本集團非得大幅降低市場價格的情況下無法輕易迅速變現資產的風險(市場流動性風險)。

流動性風險管理是為了確保本集團維持充足的現金流量以履行所有財務承擔，並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足提款要求，在借款期滿時能夠還款，掌握貸款和投資的機會，以及符合所有有關流動性風險管理的法定規定，包括流動性覆蓋比率及穩定資金淨額比率。

本集團通過定期評估定性及定量的風險因素檢討風險狀況，根據董事會每年批准的適用於流動性風險的風險偏好釐定其現行風險承受範圍。資產負債管理委員會獲董事會授權，負責監察本集團的流動性風險管理。資產負債管理委員會由各業務單位、司庫、風險管理及財務的管理層出任以共同制定資金戰略方案。資產負債管理委員會制訂管理流動性風險的策略、政策及限額，以及確保執行有關策略與政策的措施。委員會定期舉行會議，檢討各既有監控架構的合規情況，以及是否需要改變策略及政策。流動資金狀況由本集團資金市場處轄下的資本市場及流動資金管理部每日按所訂限額範圍進行管理。本集團風險管理處轄下的資產負債管理部負責監察與流動性風險相關的活動。稽核處會定期作出檢討，確保流動性風險管理功能得以有效執行。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The implementation of LCR and NSFR, imposes a more stringent regulatory regime for liquidity risk management on the Group. To ensure compliance with the enhanced regulatory requirement, internal targets for LCR and NSFR have been set above regulatory required levels, making reference to the Group's liquidity risk appetite. In addition material changes in the LCR and NSFR will be 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 assesses the impact of asset growth and funding structure on the LCR and NSFR with support from relevant business units for the Asset and Liability Management Committee's review and decision.

As part of Group efforts to manage the LCR and NSFR effectively, emphasis is placed on strengthening the deposit base by retaining loyal customers and maintaining customer relationships. The Group balances funding among retail, small business, and wholesale funding to avoid concentration in any one source. Professional markets are accessed through the issuance of certificates of deposit, medium-term notes, subordinated debt, money market placement and borrowing for the purposes of providing additional funding, maintaining a presence in local money markets, and optimising asset and liability maturities.

In addition to observing the statutory LCR and NSFR, the Group has established different liquidity metrics – including but not limited to the loan-to-deposit ratio, cumulative maturity mismatch ratio, funding concentration ratio, intra-group exposure threshold, and cross currency funding ratio – to measure and analyse the Group's liquidity risks. The Group maintains sufficient HQLAs as a liquidity cushion that can be accessed in times of stress. The HQLAs for fulfilling the LCR consist of cash, exchange fund bills and notes, high quality government debt securities and other equivalent liquid marketable assets. The majority of HQLAs are denominated in Hong Kong dollars. Contingent funding sources are maintained to provide strategic liquidity to meet unexpected and material cash outflows.

Internally, intra-group funding transactions are carried out at arm's length and treated in a manner in line with third-party transactions, with regular monitoring and appropriate control. As a majority of the Group's liquidity risk arises from the maturity mismatch gap between the Group's asset and liability portfolios, the Group manages liquidity risk by conducting cash flow analysis and projections through the regular use of the Bank's management information system. These are carried out on a regular basis to identify funding needs arising from on and off-balance sheet items in a specific time frame over a set of time horizons.

流動性覆蓋比率及穩定資金淨額比率對本集團的流動性風險管理施加更嚴格的監管制度。為確保遵守提高後的監管要求，本集團於參考其流動性風險偏好後，為流動性覆蓋比率及穩定資金淨額比率設定的內部目標均高於上述監管規定水平。此外，資產負債管理委員會會定期檢閱流動性覆蓋比率及穩定資金淨額比率的重大變動，並提出建議補救措施，以應對來自(但不限於)存款基礎及其餘下到期期限、不同到期期限的貸款活動以及本集團資產及負債組合策略所產生的不利變動。在規劃資產及負債組合策略時，相關業務單位協助本集團評估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，以供資產負債管理委員會檢討和作出決策。

為有效地管理流動性覆蓋比率及穩定資金淨額比率，本集團特別著重存留忠實客戶及維持客戶關係，藉以增強存款基礎。本集團在零售、小企業以及批發市場資金之間保持平衡，避免資金集中於任何一種來源。本集團透過發行存款證、中期票據、後償債項、貨幣市場拆借及借貸進入專業市場，獲取額外資金，以此維持本行於本地金融市場的地位及優化資產及負債的期限。

除了緊守法定的流動性覆蓋比率及穩定資金淨額比率外，本集團已設立不同的流動性指標，以衡量及分析流動性風險，包括(但不限於)貸存比率、累積到期錯配比例、資金集中比率、集團內公司之間風險限額以及跨貨幣資金比率。本集團維持充足的優質流動資產，作為能夠在資金受壓時取用的流動資金緩衝。為滿足流動性覆蓋比率所需的優質流動資產包括：現金、外匯基金票據和債券、優質的政府債務票據，以及其他同等的而可供出售的流動資產，其中大部分優質流動資產以港幣計值。本集團維持應急資金來源，能提供策略性的流動資金，以應付未能預計及大量的資金需求。

內部方面，集團內公司間的融資交易乃按一般正常公平交易原則進行，處理方式與第三方交易一致，並會定期進行監察及適當控制。由於本集團大部分流動性風險來自資產與負債組合之間的期限錯配差距，本集團會透過使用本行的管理資訊系統，定期對一系列時間內的資產負債表內、外項目進行現金流量分析及預測，確定特定時間組別的資金需要，從而管理流動性風險。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

##### (d) Liquidity risk management (continued)

The Group also conducts stress testing regularly to analyse liquidity risk. Both on and off-balance sheet items and their impact on cash flow are considered, together with applicable hypothetical and historical assumptions. The assessment and review of market liquidity risk are included in the various control processes, including investment/trading strategy, market risk monitoring, valuation, and portfolio review. Three stress scenarios – namely an institution-specific crisis, a general market crisis, and a crisis involving a combination of the two – are adopted with minimum survival period defined according to the HKMA's Supervisory Policy Manual LM-2, "Sound Systems and Controls for Liquidity Risk Management".

With reference to the stress-testing results, the Group identifies potential vulnerabilities within the Group setting 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 Chairman and Chief Executive, is formed to handle the crisis. Strategy and procedures for obtaining contingency funding, as well as roles and responsibilities of the parties concerned, are clearly stated.
3. In the final stage, a post-crisis review is carried out to recommend necessary improvements to avoid incidents of a similar nature in the future.

An annual drill test is conducted and the contingency funding policy is subject to regular review in order to accommodate any changes in the business environment. Any significant changes to the contingency funding policy are approved by the Board.

##### (d) 流動性風險管理(續)

本集團亦會定期進行壓力測試，以分析流動資金風險。透過適用的虛擬及歷史假設，本集團的壓力測試均已考慮資產負債表內外項目及其對現金流量造成的影響。市場流動資金風險的評估及檢討納入各個控制環節，包括投資／交易策略、市場風險監控、估值及組合檢討。三個壓力情景－即個別銀行危機、整體市場危機，以及結合上述兩種情況的綜合危機－均採用金管局監管政策手冊LM-2「穩健的流動性風險管理系統及管控措施」界定的最短存活期。

本集團會參照壓力測試結果，確認集團內的潛在弱點，訂立內部限額，並訂訂應急資金政策及計劃，當中載列了本集團處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

應急資金政策旨在提供防患未然的積極措施，並訂明以下3個階段：

1. 本集團運用預早警報指標，當中包括質性及數量性的措施，及監察內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知資產負債管理委員會。資產負債管理委員會將考慮適當的補救措施，並在情況需要時會考慮採用危機管理措施。
2. 本集團已設立危機管理委員會，並由主席兼行政總裁擔任該委員會的主席，該委員會專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。
3. 於最後階段，本集團會在危機結束後對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境中的任何轉變，本集團每年進行演習測試，並定期檢討應急資金。應急資金政策如有任何重大變動，均須分別取得董事會的批准。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Analysis of assets and liabilities by remaining maturity:

資產及負債的剩餘期限分析：

		2018							Total
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	
		即時還款	1個月內	1個月以上至3個月	3個月以上至1年	1年以上至5年	5年以上	無註明日期或逾期	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	27,033	-	-	1,818	-	-	19,255	48,106
Placements with and advances to banks and other financial institutions	在銀行及其他金融機構的存款及墊款	-	43,957	15,536	802	78	-	-	60,373
Trade bills	貿易票據	16	5,594	4,760	4,276	-	-	-	14,646
Trading assets	交易用途資產	-	114	148	1,243	402	224	1,352	3,483
Derivative assets	衍生工具資產	-	-	-	-	-	-	10,211	10,211
Loans and advances to customers	客戶貸款及墊款	2,899	56,756	29,843	99,734	191,557	115,674	1,821	498,284
Investment securities	投資證券	-	6,353	9,033	26,354	71,656	27,528	3,805	144,729
Investments in associates	聯營公司投資	-	-	-	-	-	-	9,129	9,129
Fixed assets	固定資產	-	-	-	-	-	-	13,165	13,165
Goodwill and intangible assets	商譽及無形資產	-	-	-	-	-	-	1,940	1,940
Deferred tax assets	遞延稅項資產	-	-	-	-	-	-	481	481
Other assets	其他資產	104	7,154	6,415	13,691	713	195	6,632	34,904
<b>Total assets</b>	<b>資產總額</b>	<b>30,052</b>	<b>119,928</b>	<b>65,735</b>	<b>147,918</b>	<b>264,406</b>	<b>143,621</b>	<b>67,791</b>	<b>839,451</b>
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	2,691	15,154	5,827	3,818	-	-	-	27,490
Deposits from customers	客戶存款	203,713	118,991	146,031	88,469	16,906	-	4	574,114
- Demand deposits and current accounts	- 活期存款及往來賬戶	71,952	-	-	-	-	-	-	71,952
- Savings deposits	- 儲蓄存款	130,477	-	-	-	-	-	-	130,477
- Time, call and notice deposits	- 定期及通知存款	1,284	118,991	146,031	88,469	16,906	-	4	371,685
Trading liabilities	交易用途負債	-	-	-	-	-	-	-	-
Derivative liabilities	衍生工具負債	-	-	-	-	-	-	9,496	9,496
Certificates of deposit issued	已發行存款證	-	3,236	19,976	35,278	-	-	-	58,490
Current taxation	本期稅項	-	-	-	1,437	-	-	-	1,437
Debt securities issued	已發行債務證券	-	-	-	407	157	-	-	564
Deferred tax liabilities	遞延稅項負債	-	-	-	-	-	-	483	483
Other liabilities	其他負債	883	5,339	7,075	15,971	9,881	3,955	8,340	51,444
Loan capital	借貸資本	-	-	-	-	12,358	-	-	12,358
<b>Total liabilities</b>	<b>負債總額</b>	<b>207,287</b>	<b>142,720</b>	<b>178,909</b>	<b>145,380</b>	<b>39,302</b>	<b>3,955</b>	<b>18,323</b>	<b>735,876</b>
Net gap	淨差距	(177,235)	(22,792)	(113,174)	2,538	225,104	139,666		

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (d) Liquidity risk management (continued)

## (d) 流動性風險管理(續)

		2017 (Restated 重報)							Total
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	
		即時還款	1個月內	1個月以上至3個月	3個月以上至1年	1年以上至5年	5年以上	或逾期	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	26,093	749	936	1,535	-	-	26,383	55,696
Placements with and advances to banks and other financial institutions	在銀行及其他金融機構的存款及墊款	-	47,996	9,361	1,226	-	-	-	58,583
Trade bills	貿易票據	32	3,336	3,853	6,688	-	-	-	13,909
Trading assets	交易用途資產	-	557	220	1,681	1,394	147	2,957	6,956
Derivative assets	衍生工具資產	-	-	-	-	-	-	11,335	11,335
Loans and advances to customers	客戶貸款及墊款	3,674	54,317	30,919	93,731	187,627	96,783	3,288	470,339
Investment securities	投資證券	-	3,674	16,715	26,092	60,431	23,632	3,881	134,425
Investments in associates	聯營公司投資	-	-	-	-	-	-	9,429	9,429
Fixed assets	固定資產	-	-	-	-	-	-	12,750	12,750
Goodwill and intangible assets	商譽及無形資產	-	-	-	-	-	-	1,959	1,959
Deferred tax assets	遞延稅項資產	-	-	-	-	-	-	602	602
Other assets	其他資產	154	4,280	7,443	10,154	1,069	175	9,684	32,959
<b>Total assets</b>	<b>資產總額</b>	<b>29,953</b>	<b>114,909</b>	<b>69,447</b>	<b>141,107</b>	<b>250,521</b>	<b>120,737</b>	<b>82,268</b>	<b>808,942</b>
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	4,352	9,485	7,026	6,116	2	-	-	26,981
Deposits from customers	客戶存款	220,257	114,771	127,662	88,810	18,552	1,621	11	571,684
- Demand deposits and current accounts	- 活期存款及往來賬戶	85,518	-	-	-	-	-	-	85,518
- Savings deposits	- 儲蓄存款	133,969	-	-	-	-	-	-	133,969
- Time, call and notice deposits	- 定期及通知存款	770	114,771	127,662	88,810	18,552	1,621	11	352,197
Trading liabilities	交易用途負債	-	-	-	-	-	-	11	11
Derivative liabilities	衍生工具負債	-	-	-	-	-	-	12,077	12,077
Certificates of deposit issued	已發行存款證	-	4,096	12,500	19,870	-	-	-	36,466
Current taxation	本期稅項	-	-	-	1,160	-	-	-	1,160
Debt securities issued	已發行債務證券	-	-	117	431	459	-	-	1,007
Deferred tax liabilities	遞延稅項負債	-	-	-	-	-	-	551	551
Other liabilities	其他負債	924	4,250	8,358	12,898	8,940	3,454	6,554	45,378
Loan capital	借貸資本	-	-	-	-	12,413	-	-	12,413
<b>Total liabilities</b>	<b>負債總額</b>	<b>225,533</b>	<b>132,602</b>	<b>155,663</b>	<b>129,285</b>	<b>40,366</b>	<b>5,075</b>	<b>19,204</b>	<b>707,728</b>
<b>Net gap</b>	<b>淨差距</b>	<b>(195,580)</b>	<b>(17,693)</b>	<b>(86,216)</b>	<b>11,822</b>	<b>210,155</b>	<b>115,662</b>		



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Note: The 2017 comparative figures have been restated to conform to current year's presentation of Consolidated Statement of Financial Position.

註：2017年的比較數字經已重報以符合本期綜合財務狀況表的呈報方式。

As the trading assets and debt instruments measured at FVOCI (2017: available-for-sale portfolios) may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於作交易資產及反映公平價值之債務工具(2017年：可供出售用途的組合)可能於到期前出售或客戶存款可能在到期前未被提取，合約到期日並非代表未來現金流的預計日期。

The following tables provide an analysis of the undiscounted cashflow projection of the financial liabilities of the Group at the end of the reporting period based on the dates of their contractual payment obligations:

下表展示於報告期結束日集團的未經折扣之金融負債的預計現金流按其合約支付債務之日期分析：

		2018							
		Carrying amount	Gross cash outflow	Repayable on demand	Between			More than five years	Undated
					Less than three months	three months and one year	Between one and five years		
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	27,490	27,649	2,694	21,087	3,868	-	-	-
Deposits from customers	客戶存款	574,114	579,074	203,823	266,826	90,091	18,330	-	4
- Demand deposits and current accounts	- 活期存款及往來賬戶	71,952	72,051	72,020	31	-	-	-	-
- Savings deposits	- 儲蓄存款	130,477	130,509	130,509	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	371,685	376,514	1,294	266,795	90,091	18,330	-	4
Trading liabilities	交易用途負債	-	-	-	-	-	-	-	-
Derivative liabilities	衍生工具負債	9,496	9,496	-	-	-	-	-	9,496
Certificates of deposit issued	已發行存款證	58,490	59,192	-	23,432	35,760	-	-	-
Current taxation	本期稅項	1,437	1,437	-	-	1,437	-	-	-
Debt securities issued	已發行債務證券	564	581	-	1	420	160	-	-
Loan capital	借貸資本	12,358	15,185	-	144	467	13,938	636	-
Interest rate swaps	利率掉期合約	7,947	7,947	-	742	1,888	4,305	1,012	-
Other liabilities	其他負債	51,927	48,648	798	11,057	14,971	9,121	3,878	8,823
<b>Total</b>	<b>總額</b>	<b>743,823</b>	<b>749,209</b>	<b>207,315</b>	<b>323,289</b>	<b>148,902</b>	<b>45,854</b>	<b>5,526</b>	<b>18,323</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (d) Liquidity risk management (continued)

## (d) 流動性風險管理(續)

		Carrying amount	Gross cash outflow	Repayable on demand	2017				Undated
					Less than three months	Between three months and one year	Between one and five years	More than five years	
		賬面值	現金流出總額	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	26,981	27,100	4,353	16,597	6,147	3	-	-
Deposits from customers	客戶存款	571,684	576,718	220,341	243,719	90,481	20,504	1,662	11
- Demand deposits and current accounts	- 活期存款及往來賬戶	85,518	85,608	85,593	15	-	-	-	-
- Savings deposits	- 儲蓄存款	133,969	133,969	133,969	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	352,197	357,141	779	243,704	90,481	20,504	1,662	11
Trading liabilities	交易用途負債	11	11	-	-	-	-	-	11
Derivative liabilities	衍生工具負債	12,077	12,077	-	-	-	-	-	12,077
Certificates of deposit issued	已發行存款證	36,466	36,609	-	16,646	19,963	-	-	-
Current taxation	本期稅項	1,160	1,160	-	-	1,160	-	-	-
Debt securities issued	已發行債務證券	1,007	1,036	-	120	443	473	-	-
Loan capital	借貸資本	12,413	15,843	-	144	466	14,276	957	-
Interest rate swaps	利率掉期合約	6,205	6,205	1	540	1,369	3,682	613	-
Other liabilities	其他負債	45,929	42,742	884	11,405	11,933	7,975	3,454	7,091
Total	總額	713,933	719,501	225,579	289,171	131,962	46,913	6,686	19,190

## (e) Interest rate risk management

Interest rate risk is the risk resulting from adverse movement in interest rates. 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-bearing assets, liabilities, and off-balance sheet items in the banking book. In determining the level of interest rate risk, assessments are made for the repricing risk, basis risk, options risk, and yield curve 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 assets, liabilities, and off-balance sheet positions. Re-pricing gap limits are set to control the Group's interest rate risk.

## (e) 利率風險管理

利率風險是指不利的利率變動帶來的風險。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帶息資產、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，對重訂息率風險、息率基準風險、期權風險及收益率曲線風險進行評估。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資產、負債和資產負債表外持倉的到期情況及重訂息率特點。本行設有重訂息率差距限額以控制本集團的利率風險。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Sensitivity analysis in relation to the impact of changes in interest rates on earnings and economic value is assessed through a hypothetical interest rate shock of 200 basis points across the yield curve on the Group's assets, liabilities, and off-balance sheet positions and is performed on a monthly basis. 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.

#### Sensitivity analysis on interest rate risk

The Group uses sensitivity analysis to measure the potential effect of changes in interest rates on our net interest income and economic value change.

本集團每月進行敏感度分析，以估算利率變動對盈利和經濟價值的影響，當中假設本集團資產、負債和資產負債表外持倉的收益率曲線出現200個基點的利率衝擊。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。有關結果定期向資產負債管理委員會匯報。

#### 利率風險敏感度分析

本集團採用敏感度分析來度量利率變動對淨利息收入及經濟價值變動可能產生的影響。

		2018				2017			
		HKD 港元	USD 美元	RMB 人民幣	GBP 英鎊	HKD 港元	USD 美元	RMB 人民幣	GBP 英鎊
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Impact on earnings over the next 12 months if interest rates rise by 200 basis points	倘利率上調200個基點對未來12個月的盈利影響	1,077	237	277	39	1,064	158	376	57
Impact on economic value if interest rates rise by 200 basis points	倘利率上調200個基點對經濟價值的影響	(278)	191	(301)	18	(334)	145	68	30

This sensitivity analysis, which is based on a static interest rate risk profile of assets and liabilities, is used for risk management purposes only. The analysis is based on the following assumptions:

- (i) there is a parallel shift in the yield curve and in interest rates;
- (ii) there are no other changes to the portfolio;
- (iii) no loan prepayment is assumed as the majority of loans are on a floating rate basis; and
- (iv) deposits without fixed maturity dates are assumed to be repriced on the next day.

Actual changes in the Group's net interest income and the economic value resulting from the increases in interest rates may differ from the results of this sensitivity analysis.

敏感度分析乃依據資產及負債的靜態利率風險狀況作出，僅作風險管理用途。有關分析乃根據以下假設進行：

- (i) 收益率曲線及利率平行移動；
- (ii) 組合並無其他變動；
- (iii) 假設沒有提早償還貸款，因大部分貸款屬於浮息貸款；及
- (iv) 假設沒有固定到期日的存款於翌日再定息。

利率上調而導致本集團淨利息收入及經濟價值的實際變動與敏感度分析的結果可能有所不同。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

##### (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 technology 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.

Capital management through projection of the Capital Adequacy Ratio and Internal Capital Adequacy Assessment Process is also conducted 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, and issues regular reminders to staff members. 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 for advice.

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, 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.

##### (f) 策略性風險管理

策略性風險是指因本集團營運環境變動、不良策略決策、決策實施不當或對工業、經濟或技術變動反應遲緩而對本集團盈利、資本、信譽或地位造成當前或潛在影響的風險。

本集團轄下的風險管理處監控本集團現行生息資產組合及融資策略下的活動，並於適當情況下定期向資產負債管理委員會、風險管理委員會、風險委員會及董事會匯報有關情況。

本集團亦定期透過資本充足比率預計及內部資本充足評估程序進行資本管理，以評估支援本集團在風險可承受水平上所需的資本資源水平及結構。

##### (g) 法律風險管理

法律風險是指出現合約未能執行、訴訟或不判利的情况，可能對本集團的日常運作或財務狀況造成擾亂或負面影響而導致損失的風險。

法律風險管理的目的，在於識別、評估、監控及匯報法律風險，以及遵守相關法律及監管規定的要求。

本集團提供由合資格內部人員及／或外聘律師／專業人士講解的適當培訓課程，並向員工發出定期提示。當處理法律事宜，本集團諮詢合資格內部人士，並於必要及適當的情況下徵詢具備相應專業知識的外聘律師（包括大律師及資深大律師）的意見。

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規則、行為或財務狀況事件的負面報導而損及本集團信譽的風險。此等負面報導，不管真確與否，有可能影響公眾對本集團的信心，並可能導致高昂的訴訟費用，或令本集團客戶、業務及／或收入減少。

信譽風險管理的目的在於識別、評估、監控、匯報及降低信譽風險，以及確保符合相關監管規定的要求。

本集團制定各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的信譽。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group formulates, and adheres to, the Reputation Risk Management Manual, which outlines a systematic approach to the management of reputation risk, including a framework for reputation risk identification, assessment, monitoring, mitigation, and control, thereby protecting and enhancing the reputation of the Group. The Guidelines for Incident Response and Management are established for swift response to and management of unexpected incidents. The Media Guidelines are established to ensure effective and consistent delivery of the Group's key messages to the media.

The Operational Risk Management Committee is responsible for overseeing the management of the Group's reputation risk.

#### (i) Compliance risk management

Compliance risk is the risk of potential losses arising from legal or regulatory sanctions, fines and penalties, financial losses or damage to reputation that the Group may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its banking activities.

The Group establishes various policies, guidelines, and manuals to ensure compliance with all applicable legislation, rules, codes of conduct, industry standards, and guidelines issued by the relevant regulatory authorities, which 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 and integrity of information are all in place.

本集團制定並遵從信譽風險管理手冊，該手冊載錄對信譽風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制信譽風險的機制，藉此保護及提升本集團的信譽。本集團已建立事件應對及管理指引，以快速應對並管理未能預期的事件。並已建立媒體指引，以確保有效及一致地將本集團的關鍵信息傳達予媒體。

營運風險管理委員會負責監督本集團的信譽風險管理。

#### (i) 合規風險管理

合規風險是指因法律及監管制裁、罰金或罰款、財務損失，或因未能遵守適用於本集團銀行業務的法例、規例、規則、相關自律組織標準及行為守則，而導致本集團損失的風險。

本集團已制定各項政策、指引及手冊，確保遵守所有適用法例、規則、行為守則、行業標準及有關監管機構發出的規管本集團營運的指引。本集團已制定並遵從集團合規風險管理手冊，該手冊載錄對合規風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制合規風險的機制，藉此令本集團有效地管理合規風險。並採用風險為本的方式對本行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、以及資料保密及完整性相關的控制措施。

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****財務報表附註(續)****45. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)****(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 robust risk governance structure, supported by comprehensive control guidelines and procedures. A structured process, which ensures that when initiating a new product or business, the potential significant risks are duly assessed, documented, and approved. It also facilitates Senior Management's oversight of new products and businesses.

Each new product launch must go through an approval process, which includes business and financial analysis and risk assessment. New products are reviewed and assessed by the New Products Evaluation Working Group (comprising the department heads of supporting units and representatives of risk controllers), endorsed by the Steering Group (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.

**(k) 新產品及業務風險管理**

新產品及業務風險是指本集團在新產品推出、現有產品結構性變動及新業務運作(即透過設立新附屬公司及／或合併及收購)時，未充分預先評估其重大潛在風險，而導致本集團損失的風險。此等重大潛在風險包括信貸風險、市場風險、營運風險、流動資金風險、利率風險、法律風險、科技風險、合規風險、策略性風險、信譽風險及持續業務運作風險。

本集團已建立穩健風險管治架構，並以全面的控制指引及程序確保其實施。透過框架內的程序，本集團確保在推出新產品或業務時對潛在重大風險作出適當評估、記錄及審批；其亦有助高級管理層監督新產品及業務。

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。這些新產品首先由新產品評審工作組審核及評估，並由督導組認可及由風險管理委員會批准。新產品評審工作組由支援職能的部門主管及風險監控代表組成；而督導組的主席為集團風險總監，並由支援職能的處級主管組成。

**(l) 持續業務運作風險管理**

持續業務運作風險是指事件或危機發生時業務中斷導致損失的風險。業務中斷可能由員工、資訊科技及電訊系統、行址、主要服務提供者、關鍵記錄等相關損失而引致。

為管理持續業務運作風險，本集團已制定全面的政策、指引及手冊。本集團所有個別職能單位均進行業務影響分析及制定業務持續規劃。

本集團每年進行演習以測試業務持續規劃是否備妥及有效。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (m) Capital management

The Group's primary objectives when managing capital are to meet the regulatory requirements and safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

Capital managed by the Group to achieve these objectives includes ordinary share capital, retained profits, other reserves, and non-controlling interests after deductions for goodwill and intangible assets. It also includes subordinated liabilities, impairment allowances and regulatory reserve for general banking risks as allowed under Capital Rules.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The process of allocating capital to specific operations and activities is undertaken by the Asset & Liability Management Committee and is reviewed regularly by the Risk Management Committee, RIC and the Board.

The HKMA supervises the Group on both a consolidated basis and a solo-consolidated basis and, as such, sets capital requirements and receives information of capital adequacy on a regular basis for the Group as a whole. Individual overseas branches and banking subsidiaries are directly regulated by respective domestic banking supervisors, who set and monitor their capital adequacy requirements. In certain jurisdictions, non-banking financial subsidiaries are also subject to the supervision and capital requirements of domestic regulatory authorities.

In implementing current capital requirements the HKMA requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets. The Group calculates requirements for market risk in its trading portfolios based upon the Group's VaR models and uses its internal gradings as the basis for risk weightings for credit risk. Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Group monitors its capital structure on the basis of the capital adequacy ratios and there have been no material changes in the Group's policy on the management of capital during the year.

The capital adequacy ratios as at 31st December, 2018 and 31st December, 2017 are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Capital Rules of the Banking Ordinance.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2018 and 31st December, 2017 and the Group's capital ratios are well above the minimum required by the HKMA.

#### (m) 資本管理

本集團管理資本的主要目的是要符合監管規定及保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

以求達至該目的，本集團管理資本包括股本、留存溢利、其他儲備，及非控股權益(已扣除商譽和無形資產)。管理資本亦包括無償負債、減值準備及資本規則所容許的一般銀行業風險的規管儲備。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

調配資本至特定業務及活動的程序由資產及負債管理委員會進行，並由風險管理委員會、風險委員會及董事會定期檢討。

金管局按綜合基準及單獨綜合基準以監管本集團，並制訂資本要求及定期收集本集團整體性的資本充足資料。個別海外分行及銀行附屬公司分別由當地的銀行監管機關直接監管，並制訂及監控其資本充足要求。在某些地區，非銀行財務附屬公司是受當地監管機關規管及資本要求。

在實施現行資本要求金管局要求本集團維持特定的總資本對風險資產總額比率。本集團計算其交易組合的市場風險是按本集團風險值模式及採用內部評級作為信貸風險的加權風險基準。銀行營運分類為交易賬或銀行賬，及風險加權資產視乎可反映與資產及資產負債表以外風險不同層面風險之特定要求。

本集團以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變。

2018年12月31日及2017年12月31日的資本充足比率是依據金管局為監管目的而制定的，本行及若干附屬公司已按綜合基準計算，並符合《銀行業條例》的《資本規則》。

截至2018年12月31日及2017年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 46. FAIR VALUES OF FINANCIAL INSTRUMENTS 金融工具的公平價值

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

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following hierarchy of methods:

Level 1 – Quoted market price in an active market for an identical instrument.

Level 2 – Valuation techniques based on observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or counterparty quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, historical or implied volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

##### (a) 以公平價值列賬的金融工具

公平價值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。本集團以下列的分級方法計算公平價值：

第一級－參考同一工具在活躍市場取得的市場報價。

第二級－根據可觀察的參數之估值模式。為此級別估值的工具，包括以下方式：就相若工具在活躍市場取得的市場報價；就相若工具在非活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的參數，是直接或間接可從市場觀察所得的數據。

第三級－根據重要但非可觀察得到的參數之估值模式。為此級別估值的工具，其估值模式所輸入之參數為非可觀察的數據，惟該等非可觀察的數據可以對估值產生重大影響。為此級別估值的工具，也包括在活躍市場取得相若金融工具的市場報價，惟當中需要作出非可觀察之調整或假設，以反映不同金融工具之間的差別。

於活躍市場買賣的金融資產及金融負債，是根據市場報價或交易對手報價以釐定其公平價值。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式，以及其他市場廣泛應用的期權估值模式。用於估值模式之假設及參數包括無風險利率、基準利率、股票價格、外幣兌換率、指數價格、過往或預期波幅及相聯關係。採用估值模式的目的是計量公平價值，藉以在申報日能反映金融工具的價格，而該價格可被視為在正常交易下市場人士當賣出資產時可收取或當轉移負債時須支付之款項。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group uses widely recognised valuation models for determining the fair value of common and simpler financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses valuation models, which usually are developed from recognised valuation methodologies. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation control function, namely Financial Instruments Valuation Group (“FIVG”) which comprises control units independent of front office management. Procedures for price verification have been established. Any pricing models to be used would be subject to a rigorous validation and approval process.

本集團會使用廣泛應用的估值模式，以釐定一般性及較簡單金融工具的公平價值，例如僅使用可觀察市場價格、及毋須管理層耗時判斷及估計之利率及貨幣掉期。可觀察價格及模式的參數，通常可從市場上的上市債務及股份證券、在交易所買賣的衍生工具和簡單的場外交易衍生工具如利率掉期獲取。獲取可觀察市場價格及模式的參數，可以減省管理層需時判斷及估計，也可減少有關釐定公平價值的不穩定因素。是否取得可觀察市場價格及參數，視乎產品及市場性質，並會因金融市場的個別事件和一般情況而有不同變化。

至於較複雜的金融工具，本集團會使用通常由已有認受性的估值模式改動而來。部分甚或所有須予輸入模式的重要參數或未能從市場中觀察得出，而必須從市場價格或利率計算、或基於假設而估計而得出。該等須利用重要而非可觀察之參數的估值模式，需要管理層投入較多時間於判斷及估計，始能釐定金融工具的公平價值；而揀選適當的估值模式、為估值之金融工具決定其預期的未來現金流、決定交易對手方違約和提早還款的或然率，以及挑選適用的貼現率等，一般皆需要管理層的判斷和估計。

本集團已就計算公平價值設立了監控機制。此機制包括擁有產品監控功能並獨立於前線管理人員，稱為金融工具估值群組（「群組」）。價格核實的程序已經確立。任何將被採用的價格模式必須經過嚴格的檢測及審批程序。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 46. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

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

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorised:

## (a) 以公平價值列賬的金融工具(續)

下表是分析於報告期期末，在公平價值分級內金融工具之公平價值的處理方式：

		2018				2017 (Restated <sup>(a)</sup> 重報 <sup>(a)</sup> )			
		Level One 第一級 HK\$ Mn 港幣百萬元	Level Two 第二級 HK\$ Mn 港幣百萬元	Level Three 第三級 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元	Level One 第一級 HK\$ Mn 港幣百萬元	Level Two 第二級 HK\$ Mn 港幣百萬元	Level Three 第三級 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
<b>Recurring fair value measurement</b>	<b>重覆發生的公平價值釐定</b>								
<b>Assets</b>	<b>資產</b>								
Trade Bills – At FVOCI	貿易票據 – 通過其他全面 收益以反映公平價值	-	11,764	-	11,764	-	-	-	-
Trading assets	交易用途資產	1,371	2,112	-	3,483	3,010	3,946	-	6,956
Derivative assets	衍生工具資產	-	10,211	-	10,211	-	11,335	-	11,335
Investment securities	投資證券								
- Mandatorily measured at FVTPL	- 強制按通過損益以 反映公平價值計量	2,471	11,251	309	14,031	-	-	-	-
- Designated at FVTPL	- 指定通過損益以 反映公平價值	-	1,630	-	1,630	179	3,990	-	4,169
- At FVOCI	- 通過其他全面收益以 反映公平價值	22,125	87,234	688	110,047	-	-	-	-
- Available-for-sale	- 可供出售	-	-	-	-	27,676	92,087	562	120,325
		<b>25,967</b>	<b>124,202</b>	<b>997</b>	<b>151,166</b>	<b>30,865</b>	<b>111,358</b>	<b>562</b>	<b>142,785</b>
<b>Liabilities</b>	<b>負債</b>								
Trading liabilities	交易用途負債	-	-	-	-	11	-	-	11
Derivative liabilities	衍生工具負債	-	9,496	-	9,496	-	12,077	-	12,077
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映 公平價值的金融負債	-	11,204	-	11,204	-	15,616	-	15,616
		-	<b>20,700</b>	-	<b>20,700</b>	<b>11</b>	<b>27,693</b>	-	<b>27,704</b>

Note: To conform to current year's presentation, the 2017 comparative figures have been restated by reclassifying a portfolio of listed debt securities (i.e. from Level 1 to Level 2) which were primarily traded in over-the-counter market where transactions information were not always observable.

註：為符合本年度的呈報方式，若干2017年度的比較數字已經重報，即將一籃子主要在場外交易市場而其交易信息並非經常可觀察的上市債務證券由第一級估值重新分類為第二級估值。

During the years ended 31st December 2018 and 2017, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2018年及2017年12月31日止之年內，根據第一級及第二級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移。本集團的政策是只確認於報告期期末公平價值分級之間發生的轉移。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Information about significant unobservable inputs in Level 3 valuations

有關第三級估值的重要非可觀察參數資料

	Valuation technique 估值模式	Significant unobservable input(s) 重要非可觀察參數	Range 幅度
Unlisted equity securities and investment funds 非上市股份證券及投資基金	Net asset value 資產淨值	N/A 不適用	N/A 不適用
	Discounted cash flow model 現金流折扣模式	Discount rate 折扣率	11.8% (2017年: 15.4%)
		Marketability discount 市場性折扣	20% (2017年: 20%)
	Market-comparable approach 市場可類比法	Earnings multiple 盈利倍數	18.24 – 19.90 (2017年: 25.13 – 26.33)
		EV/EBIT 企業價值／稅息前利潤	22.54 – 23.18 (2017年: N/A 不適用)
		P/B ratios 市賬率	2018年: N/A 不適用 (2017年: 4.11 – 4.39)
		Marketability discount 市場性折扣	50% (2017年: 50%)

The fair values of unlisted equity instruments mandatorily measured at FVTPL or measured at FVOCI (2017: available-for-sale) 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.

按強制通過損益以反映公平價值或通過其他全面收益以反映公平價值(2017年: 可供出售)非上市股份工具的公平價值是採用現金流折扣模式作估算, 根據受投資公司的財務狀況及業績之分析, 或參考可比較上市公司之倍數(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。

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

在第三級之金融工具估值是受以上所述之相同估值監控機制及金融工具估值群組的定期檢視。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 46. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

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

(1) Valuation of financial instruments with significant unobservable inputs

Movements in the recognised fair values of instruments with significant unobservable inputs were as follows:

## (a) 以公平價值列賬的金融工具(續)

(1) 使用重要而非可觀察之參數的金融工具估值

已列賬並含有重要而非可觀察參數的工具，其公平價值之變動如下：

		2018		2017	
		Investment securities mandatorily measured at FVTPL	Investment securities at FVOCI	Available-for-sale financial assets	
		強制按通過損益以反映公平價值計量的投資證券	按通過其他全面收益以反映公平價值的投資證券	可供出售金融資產	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>				
At 1st January	於1月1日	213	349	493	
Purchases	購入	124	43	42	
Settlements	結算	(13)	-	(86)	
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	(15)	-	(2)	
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於其他全面收益	-	296	114	
Exchange adjustments	匯兌調整	-	-	1	
At 31st December	於12月31日	309	688	562	
Total gains for the year included in FVOCI (2017: available-for-sale) fair value reserve of the other comprehensive income for assets held at the end of the reporting period	於報告期結束日持有按通過其他全面收益以反映公平價值(2017年:可供出售)資產而已計入其他全面收益的公平價值儲備之年度內收益或虧損總額	-	296	114	
Total losses for the year included in the income statement for assets held at the end of the reporting period recorded in net results from other financial instruments at FVTPL	於報告期結束日持有之資產而已計入期內收益表之通過損益以反映公平價值金融工具的淨表現之年度內收益或虧損總額	(15)	-	-	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

(2) 因重要而非可觀察之假設變動至合理可行之另類假設所產生的影響

		2018			
		Effect recorded in profit or loss 直接記錄於損益上之影響		Effect recorded directly in equity 直接記錄於股東權益上之影響	
		Favourable 有利	(Unfavourable) (不利)	Favourable 有利	(Unfavourable) (不利)
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Financial assets	金融資產				
Investment securities mandatorily measured at FVTPL	強制按通過損益以反映公平價值計量的投資證券	26	(26)	-	-
Investment securities at FVOCI	按通過其他全面收益以反映公平價值的投資證券	-	-	57	(57)
		26	(26)	57	(57)

		2017			
		Effect recorded in profit or loss 直接記錄於損益上之影響		Effect recorded directly in equity 直接記錄於股東權益上之影響	
		Favourable 有利	(Unfavourable) (不利)	Favourable 有利	(Unfavourable) (不利)
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Financial assets	金融資產				
Available-for-sale financial assets	可供出售金融資產	-	-	47	(47)
		-	-	47	(47)

The fair values of financial instruments are in certain circumstances, measured using valuation models that incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The table above shows the sensitivity of fair values due to parallel movement of plus or minus 10 per cent in reasonably possible alternative assumptions.

在若干情況下，計算金融工具的公平價值所使用的估值模式，其含有的假設並非依據在相同工具的當前可觀察市場交易價格，亦非依賴其他可觀察的市場數據。上表顯示公平價值之敏感度，即因轉用至合理可行之另類假定所產生的正、負10%的價值的並行變動。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 46. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

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

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented below:

- (i) The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the end of the reporting period.
- (ii) The fair value of variable rate financial instruments is assumed to be approximated by their carrying amounts and, in the case of loans and unquoted debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the impairment allowances from both the carrying amount and fair value.
- (iii) The fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value.
- (iv) The fair value of unquoted equity investments is estimated, if possible, using the applicable dividend discount model, or share of net asset value in the investment, or applying a discount to the market value of investments with a lock-up period.
- (v) The fair value of unlisted open-ended investment funds is estimated using the net asset value per share as reported by the managers of such funds.
- (vi) The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

## (b) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假定，以釐定如下的金融工具的公平價值：

- (i) 不設指定期限的活期存款和儲蓄賬戶的公平價值，乃假定為於報告期結束日可按要求而支付的金額。
- (ii) 浮息金融工具的公平價值，乃假定為與其賬面值相若。如此等工具為貸款和非上市債務證券，由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，因此其公平價值不能反映其信貸素質的改變。
- (iii) 以攤銷成本入賬的定息貸款和按揭貸款的公平價值，乃在此等貸款按相若貸款所獲提供的目前市場利率批出時，以市場利率比較的方式估計。由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，在決定公平價值總額時，貸款組合內各項貸款的信貸素質的改變均不會予以考慮。
- (iv) 非上市股票投資的公平價值是在可能情況下採用適用的股息折扣模式，或應佔投資的淨資產，或為設有禁售期之投資按其市值以折扣計算。
- (v) 非上市開放式投資基金的公平價值估計，是基於投資經理所匯報的每股資產淨值作出。
- (vi) 已發出的融資擔保之公平價值，是以參考在相若服務的公平交易所徵收費用之可取得相關資料而釐定；有關的資料也可參考利率差價而估計，亦可以就貸款機構對發出擔保所實際徵收的息率，與在沒有取得擔保之情況下而貸款機構將可能徵收的估計息率作出比較，並在當中取用較可靠的相關資料以釐定公平價值。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31st December, 2018 and 2017 except as follows:

除下列者外，本集團以成本或攤銷成本入賬的金融工具賬面值，與其於2018年12月31日及2017年同日之公平價值相若。

		2018				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公平價值	第一級	第二級	第三級
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Financial assets	金融資產					
Investment securities at amortised cost	投資證券按攤銷成本	19,021	19,140	1,720	17,420	-

		2017 (Restated <sup>Note</sup> 重報 <sup>#</sup> )				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公平價值	第一級	第二級	第三級
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Financial assets	金融資產					
Held-to-maturity investments	持至到期投資	9,798	9,756	1,429	8,327	-

Note: To conform to current year's presentation, the 2017 comparative figures have been restated by reclassifying a portfolio of listed debt securities (i.e. from Level 1 to Level 2) which were primarily traded in over-the-counter market where transactions information were not always observable.

註：為符合本年度的呈報方式，若干2017年度的比較數字已經重報，即將一籃子主要在場外交易市場而其交易信息並非經常可觀察的上市債務證券由第一級估值重新分類為第二級估值。

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 level 2 fair values using the following method and there is no change to the valuation technique:

釐定公平價值通常是較具主觀性的，及根據在其一特定時間點按金融工具之特性及相關市場資料而作出。本集團釐定第二級公平價值是採納以下方法及估值模式並無改變：

Level 2 – Valuation techniques based on observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

第二級—估值模式是以可觀察參數為基準。此類別工具估值包括採用：在活躍市場內相近工具有報價的市場價格；在較不活躍之市場內相近工具有報價的價格；或其他估值模式而所有重要參數是直接或間接地由市場資料可觀察到。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES 資產負債表以外的風險

## (a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

## (a) 或然負債及承擔

每項或然負債及承擔主要類別的合約金額摘要如下：

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Contingent liabilities	或然負債				
Direct credit substitutes	直接信貸代替品	14,629		12,319	
Transaction-related contingencies	與交易有關的或然項目	883		817	
Trade-related contingencies	與貿易有關的或然項目	2,997		1,490	
		18,509		14,626	
Commitments	承擔				
Commitments that are unconditionally cancellable without prior notice	可無條件取消而毋須事先通知的承擔	141,668		170,099	
Other commitments with an original maturity	其他承擔的原到期日				
– up to 1 year	–1年或以下	9,332		7,766	
– over 1 year	–1年以上	26,710		26,577	
		177,710		204,442	
Total	總額	196,219		219,068	
Credit risk weighted amounts	信貸風險加權金額	23,531		31,289	

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts does not represent expected future cash flows.

或然負債及承擔是與信貸有關的工具，包括用以提供信貸的承兌票據、信用證、擔保書和承付款項。合約金額是指當合約被完全提取及客戶違約時所承擔風險的金額。由於預期擔保書及承付款項的大部分金額會在未經提取前逾期，合約金額並不代表預計未來現金流量。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (b) Derivatives

##### (i) Notional amount of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivative for the Group:

#### (b) 衍生工具

##### (i) 衍生工具的名義金額

衍生工具是指由一項或多項潛在資產或指數價值釐定價值的財務合約。

集團的每項衍生工具主要類別的名義金額摘要如下：

		2018					
		Qualifying for hedge accounting		Managed in conjunction with financial instruments designated at fair value through profit or loss	Others, including held for trading	Total	
		符合對沖會計法		以反映公平價值 金融工具模式管理	其他，包括持有 作交易用途	總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	1,556		-	42,987	44,543	
Swaps	掉期交易	-		6,153	636,012	642,165	
Options purchased	購入期權	-		-	18,502	18,502	
Options written	沽出期權	-		-	18,638	18,638	
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	-		-	987	987	
Swaps	掉期交易	67,215		8,592	334,531	410,338	
Equity contracts	股份合約						
Swaps	掉期交易	-		-	5,665	5,665	
Options purchased	購入期權	-		-	3,128	3,128	
Options written	沽出期權	-		-	3,087	3,087	
Others	其他	-		-	266	266	
		68,771		14,745	1,063,803	1,147,319	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

(i) Notional amount of derivatives (continued)

## (b) 衍生工具(續)

(i) 衍生工具的名義金額(續)

		2017 (Restated 重報)			
		Qualifying for hedge accounting	Managed in conjunction with financial instruments designated at fair value through profit or loss	Others, including held for trading	Total
		符合對沖會計法	按通過損益以 反映公平價值 金融工具模式管理	其他，包括持有 作交易用途	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約				
Forwards and futures	遠期交易及期貨	1,552	–	46,193	47,745
Swaps	掉期交易	–	6,012	608,906	614,918
Options purchased	購入期權	–	–	18,187	18,187
Options written	沽出期權	–	–	18,694	18,694
Interest rate contracts	利率合約				
Forwards and futures	遠期交易及期貨	–	–	758	758
Swaps	掉期交易	60,080	12,164	438,217	510,461
Equity contracts	股份合約				
Swaps	掉期交易	–	–	8,355	8,355
Options purchased	購入期權	–	–	5,247	5,247
Options written	沽出期權	–	–	6,155	6,155
Others	其他	–	–	1,342	1,342
		61,632	18,176	1,152,054	1,231,862

Derivatives arise from futures, forward, swap and option transactions undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the end of the reporting period; they do not represent amounts at risk.

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

衍生工具是由本集團及本行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在報告期結束日仍未完成的交易量，但並不代表所承受風險的金額。

前述資產負債表以外風險的公平價值及信貸風險加權金額如下。這些金額並未計入雙邊淨額安排的影響。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(ii) Fair value and credit risk weighted amounts of derivatives

(ii) 衍生工具之公平價值及信貸風險加權金額

		2018			2017		
		Fair value 公平價值		Credit risk weighted amounts*	Fair value 公平價值		Credit risk weighted amounts*
		Assets 資產	Liabilities 負債	信貸風險 加權金額*	Assets 資產	Liabilities 負債	信貸風險 加權金額*
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	534	483	387	559	958	537
Swaps	掉期交易	5,913	5,470	2,118	7,667	8,560	2,914
Options purchased	購入期權	336	11	313	580	9	779
Options written	沽出期權	-	227	25	-	72	-
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	-	13	-	3	-	-
Swaps	掉期交易	2,919	2,803	414	2,255	1,924	455
Equity contracts	股份合約						
Swaps	掉期交易	309	306	-	110	116	-
Options purchased	購入期權	198	113	122	135	59	92
Options written	沽出期權	-	53	-	11	359	-
Others	其他	2	17	363	15	20	349
		<b>10,211</b>	<b>9,496</b>	<b>3,742</b>	<b>11,335</b>	<b>12,077</b>	<b>5,126</b>

\* The Bank adopted the Foundation Internal Ratings Based ("IRB") approach according to Capital Rules for calculating the credit risk weighted amount as at 31st December, 2018 and 31st December, 2017.

\* 根據《資本規則》，本行採納「基礎內部評級基準計算法」計算於2018年12月31日及2017年12月31日之信貸風險之風險加權金額。

The tables above give the contractual or notional amounts, fair value and credit risk weighted amounts of off-balance sheet transactions. The fair value is calculated for the purposes of deriving the credit risk weighted amounts. These are assessed in accordance with the Capital Rules. Fair value represents the cost of replacing all contracts which have a positive value when marked to market.

上表列出資產負債表以外交易的合約或名義金額、公平價值及信貸風險加權金額。公平價值是用來計算信貸風險加權金額。該等金額是按照《資本規則》作評估。公平價值是指重置所有按市場價值計算差額時附有正值的合約成本。

Fair value is a close approximation of the credit risk for these contracts as at the end of the reporting period. The credit risk weighted amount refers to the amount as computed in accordance with the Capital Rules.

公平價值是在報告期結束日該等合約的略計信貸風險。信貸風險加權金額是指按照《資本規則》計算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

## (iii) Hedge accounting

## (a) Fair value hedges of interest rate risk

The Group uses interest rate swaps to hedge its exposure to changes in the fair values of certain fixed rate subordinated notes issued and fixed rate debt securities investment and loans and advances in respect of a benchmark interest rate. Pay-floating/receive-fixed interest rate swaps are matched to specific issuances of fixed rate subordinated notes or pay-fixed/receive-floating interest rate swaps are matched to fixed rate debt securities investment and loans and advances with terms that closely align with the critical terms of the hedged item.

The Group's approach to managing market risk, including interest rate risk, is discussed in Note 45(b). Interest rate risk to which the Group applies hedge accounting arises from fixed rate subordinated notes issued and fixed rate debt securities investment and loans and advances, whose fair value fluctuates when benchmark interest rates change. The Group hedges interest rate risk only to the extent of benchmark interest rates because the changes in fair value of a fixed rate debt security or loan are significantly influenced by changes in the benchmark interest rate. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

By using derivative financial instruments to hedge exposures to changes in interest rates, the Group also exposes itself to credit risk of the derivative counterparty, which is not offset by the hedged item. The Group minimises counterparty credit risk in derivative instruments by entering into transactions with high-quality counterparties and requiring the counterparties to post collateral (see Note 45(a)(xi)).

Before fair value hedge accounting is applied by the Group, the Group determines whether an economic relationship between the hedged item and the hedging instrument exists based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the fair values of the hedged item and the hedging instrument respond similarly to similar risks. The Group further supports this qualitative assessment by using regression analysis to assess whether the hedging instrument is expected to be and has been highly effective in offsetting changes in the fair value of the hedged item.

The Group establishes a hedge ratio by aligning the par amount of the hedged fixed-rate loan or note and the notional amount of the interest rate swap designated as a hedging instrument. Under the Group policy, in order to conclude that a hedge relationship is effective, all of the following criteria should be met.

- The regression co-efficient (R squared), which measures the correlation between the variables in the regression, is at least 0.8.
- The slope of the regression line is within a 0.8-1.25 range.
- The confidence level of the slope is at least 95%.

## (b) 衍生工具(續)

## (iii) 對沖會計

## (a) 利率風險的公平價值對沖

本集團以利率掉期合約對沖若干其發行的定息後償票據、持有的定息債券投資及貸款和墊款因基準利率而導致的公平價值轉變的風險。對沖以支付浮動／收取固定利率掉期合約與定息後償票據的特定發行配對或以支付固定利率／收取浮動利率掉期合約與定息債券和貸款配對，其條款與被對沖項目的關鍵條款一致。

本集團管理市場風險的方法，包括利率風險詳述於附註45(b)。本集團採用對沖會計的利率風險來其發行定息後償票據、定息債券投資及貸款和墊款，其公平價值在基準利率變動時波動。因定息債券及貸款和墊款的公平價值變動受基準利率變動的顯著影響，本集團僅在基準利率範圍內對沖利率風險。對沖會計適用於符合對沖會計條件的經濟對沖關係。

通過使用衍生金融工具對沖利率變動的風險，本集團亦面對衍生工具交易對手的信貸風險，而該風險並未被被對沖項目抵銷。本集團通過與高質量交易對手進行交易，要求交易對手提供抵押品，減低衍生工具交易對手的信用風險(詳見附註45(a)(xi))。

在本集團採用公平價值對沖會計法前，本集團根據被對沖項目和對沖工具的定性特徵評估和支持對沖風險評估的定量分析，以確定被對沖項目與對沖工具之間是否存在經濟關係。本集團在評估經濟關係的存在時，會考慮被對沖項目及對沖工具的關鍵條款是否一致。本集團評估被對沖項目和對沖工具的公平價值是否對類似風險反應相似。本集團使用回歸分析評估對沖工具是否預期及非常有效地抵銷被對沖項目的公平價值變動以進一步支持定性評估。

本集團通過調整對沖定息貸款或票據的面值與指定為對沖工具的利率掉期合約的名義金額來確定對沖比率。根據本集團政策，有效對沖關係應滿足以下所有條件：

- 測量回歸中變量之間相關性的回歸係數(R平方)至少為0.8。
- 回歸線的斜率在0.8-1.25範圍內。
- 斜率的置信水平至少為95%。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate; and
- differences in maturities of the interest rate swap and the loans or the debt securities.

At 31st December, 2018, the Group held the following interest rate swaps as hedging instruments in fair value hedges of interest risk:

在這些對沖關係中，無效對沖部份的主要來源是：

- 交易對手和本集團自身信用風險對利率掉期合約公平價值的影響未能反映在利率變動導致的被對沖項目的公平價值中；及
- 利率掉期和相關貸款或債券的到期日之差異。

於2018年12月31日，本集團持有以下利率掉期合約作為利率風險公平價值對沖的對沖工具：

		Maturity 到期日		
		Less than 1 year 少於1年	1-5 years 1-5年	More than 5 years 多於5年
Risk category	風險類別			
Interest rate risk	利率風險			
Hedge of subordinated notes issued	對沖已發行的後償債券			
Nominal amount (in millions of HKD)	名義金額(港幣百萬元)	<b>3,916</b>	<b>8,615</b>	–
Average fixed interest rate	平均固定利率	<b>4.25%</b>	<b>5.18%</b>	–
Hedge of debt securities investment	對沖債務證券投資			
Nominal amount (in millions of HKD)	名義金額(港幣百萬元)	<b>4,311</b>	<b>36,000</b>	<b>14,034</b>
Average fixed interest rate	平均固定利率	<b>2.18%</b>	<b>2.28%</b>	<b>2.69%</b>
Hedge of loans and advances	對沖貸款及墊款			
Nominal amount (in millions of HKD)	名義金額(港幣百萬元)	–	<b>125</b>	<b>214</b>
Average fixed interest rate	平均固定利率	–	<b>2.78%</b>	<b>3.96%</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

## (iii) Hedge accounting (continued)

## (a) Fair value hedges of interest rate risk (continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

## (b) 衍生工具(續)

## (iii) 對沖會計(續)

## (a) 利率風險的公平價值對沖(續)

指定為對沖工具及無效對沖金額如下：

	2018						
	Nominal amount 名義金額	Carrying amount 賬面值		Line item in the consolidated statement of financial position where the hedging instrument is included 包含對沖工具的綜合財務狀況表的項目	Change in fair value used for calculating hedge ineffectiveness 公平價值變動以計算無效對沖部份	Ineffectiveness recognised in profit or loss 於損益表內確認的無效對沖部份	Line item in consolidated income statement that includes hedge ineffectiveness 包含無效對沖部份的綜合收益表的項目
<i>In millions of HKD</i> 港幣百萬元							
Interest rate risk 利率風險							
Interest rate swaps – hedge of subordinated notes issued 利率掉期 – 對沖已發行後償票據	12,531	181	(103)	Derivative assets (liabilities) 衍生工具資產 (負債)	(104)	(4)	Net hedging profit/(loss) 淨對沖盈利/ (虧損)
Interest rate swaps – hedge of debt securities 利率掉期 – 對沖債務證券投資	54,345	695	(539)	Derivative assets (liabilities) 衍生工具資產 (負債)	(77)	47	Net hedging profit/(loss) 淨對沖盈利/ (虧損)
Interest rate swaps – hedge of loans and advances 利率掉期 – 對沖貸款及墊款	339	9	(2)	Derivative assets (liabilities) 衍生工具資產 (負債)	-	-	Net hedging profit/(loss) 淨對沖盈利/ (虧損)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The amounts relating to items designated as hedged items were as follows:

指定為被對沖項目金額如下：

	2018						Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses 包含於財務狀況表的已終止調整對沖盈利及虧損的被對沖項目之累計公平價值對沖調整餘額
	Carrying amount 賬面值		Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item 包含於被對沖項目賬面值的累計公平價值對沖調整		Line item in the consolidated statement of financial position where the hedged item is included 包含被對沖項目的綜合財務狀況表的項目	Change in value used for calculating hedge ineffectiveness 公平價值變動以計算無效對沖部份	
	Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債			
<i>In millions of HKD</i> 港幣百萬元							
Subordinated notes issued 已發行後償票據	-	12,358	-	(150)	Loan capital 借貸資本	100	-
Debt securities investment 債務證券投資	54,222	-	(379)	-	Investment securities 投資證券	124	-
Loans and advances 貸款及墊款	338	-	(2)	-	Loans and advances to customers 客戶貸款及墊款	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

## (iii) Hedge accounting (continued)

## (a) Fair value hedges of interest rate risk (continued)

## Comparative information under HKAS 39

The following is a summary of the fair values of derivatives under fair value hedge:

		2017	
		Assets	Liabilities
		資產	負債
		HK\$ Mn	港幣百萬元
		港幣百萬元	港幣百萬元
Fair value hedged derivatives	公平價值對沖衍生工具		
Interest rate contracts	利率合約	750	418

The Group's fair value hedge principally consists of interest rate swaps that are used to protect against changes in the fair value of fixed rate long-term financial instruments due to movements in market interest rates.

## (b) Cash flow hedges of foreign currency risk

The Group uses exchange rate forward contracts to hedge against the variability in cash flows of certain debt securities investments denominated in US dollar held by the insurance subsidiaries. The Group hedges foreign exchange rate risk to the extent of variability in functional currency equivalent cash flows (i.e. in HK dollar) from principal payment of the debt securities attributable to movements in US dollar/HK dollar. Hedge accounting is applied where economic hedge relationships meet the hedge accounting criteria.

The Group determines the amount of the exposure to which it applies hedge accounting by assessing the potential impact of changes in foreign currency exchange rates on the future cash flows from the debt securities investments denominated in US dollar that will result in a reduction of functional currency equivalent cash flow to meet the obligation of insurance policies at maturity. This assessment is performed using analytical techniques, such as cash flow sensitivity analysis.

As noted above for fair value hedges, the Group exposes itself to credit risk of the counterparties to the derivatives, which is not offset by the hedged items. This exposure is managed similarly to that for fair value hedges.

The Group determines whether an economic relationship exists between the cash flows of the hedged item and hedging instrument based on an evaluation of the qualitative characteristics of these items and the hedged risk that is supported by quantitative analysis. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the cash flows of the hedged item and the hedging instrument respond similarly to the hedged risk, such as the notional amount, maturity and underlying currencies.

## (b) 衍生工具(續)

## (iii) 對沖會計(續)

## (a) 利率風險的公平價值對沖(續)

## 《香港會計準則》第39號比較信息

公平價值對沖下衍生工具的公平價值摘要如下：

本集團的公平價值對沖主要包括利率掉期，用於抵禦因市場利率變動而導致的定息長期金融工具公平價值變動。

## (b) 外匯風險的現金流對沖

本集團使用匯率遠期合約對沖保險附屬公司持有的若干以美元計值的債券投資的現金流量變動。本集團因應美元/港元變動所導致債務證券本金支付以功能貨幣(即以港元計算)計算的等值現金流量進行外匯風險對沖。對沖會計適用於符合對沖會計條件的經濟對沖關係。

本集團通過評估外匯變動對以美元計價的債券投資的未來現金流量可能導致相應功能貨幣減少的潛在影響，確定其應用對沖會計的風險金額現金流量，以滿足到期保險單的責任。該評估使用分析技術進行，例如現金流敏感度分析。

如上文對於公平價值對沖所述，本集團面對衍生工具交易對手的信用風險，而該風險未有被對沖項目抵銷。這種風險與公平價值對沖的風險管理類似。

本集團根據對這些項目的定性特徵的評估以及支持的對沖風險的定量分析，以確定被對沖項目的現金流量與對沖工具之間是否存在經濟關係。本集團在評估經濟關係的存在時，會考慮被對沖項目及對沖工具的關鍵條款是否一致。本集團評估被對沖項目和對沖工具的現金流量是否就對沖風險的反應相似，例如以名義金額，到期日及相關貨幣評估。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group assesses hedge effectiveness using the hypothetical derivative method, which creates a derivative instrument to serve as a proxy for the hedged transaction. The terms of the hypothetical derivative match the critical terms of the hedged item and it has a fair value of zero at inception. The dollar offset ratio, being the periodic change in fair value of the hypothetical exchange rate forward contract attributable to changes in forward rate is calculated to assess whether the hedge can achieve 0.8 – 1.25 cumulative dollar offset on each reporting date.

本集團採用模擬衍生工具方法評估對沖效用，該方法建立一衍生工具作為對沖交易的代理。模擬衍生工具的條款與被對沖項目的關鍵條款一致，並且在開始時其公平價值為零。價值抵銷比率，即由遠期利率變動引起的模擬匯率遠期合約的公平價值的周期性變化，計算以評估對沖是否可在每個報告日期實現0.8–1.25的累計價值抵銷。

At 31st December, 2018, the Group held the following instruments to hedge exposures to changes in foreign currency:

於2018年12月31日，本集團持有以下工具對沖外匯變動風險：

		Maturity 到期日		
		Less than 1 year 少於1年	1–5 years 1–5年	More than 5 years 多於5年
Foreign currency risk	外匯風險			
Exchange rate forward contracts (HKD: USD)	匯率遠期合約(港幣:美元)			
Nominal amount (in millions of HKD)	名義金額(港幣百萬元)	–	1,556	–
Average forward price	平均遠期金額	–	7.71	–

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

指定為對沖工具及無效對沖金額如下：

		2018									
		Carrying amount 賬面價值		Line item in the consolidated statement of financial position where the hedging instrument is included	Changes in fair value used for calculating hedge ineffectiveness	Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in consolidated statement that includes hedge ineffectiveness	Amount reclassified from the hedged reserve to profit or loss	Line item in consolidated income statement affected by the reclassification	
Nominal amount 名義金額	Assets 資產	Liabilities 負債	包含對沖工具的 綜合財務狀況表 的項目	公平價值變動 以計算無效 對沖部份	確認於其他全面 收益的對沖工具 公平價值變動	確認於收益表的 無效對沖部份	包含對沖無效的 綜合收益表項目	由對沖儲備計入 收益表金額	受轉入影響的 綜合收益表項目		
<i>In millions of HKD</i> 港幣百萬元											
Currency rate risk 外匯風險											
Exchange rate forward contracts (HKD:USD) 匯率遠期合約(港幣:美元)	1,556	–	(11)	Derivative assets (liabilities) 衍生工具資產 (負債)	1	(1)	–	Net insurance revenue 淨保險收入	(5)	Net insurance revenue 淨保險收入	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

(iii) Hedge accounting (continued)

(b) Cash flow hedges of foreign currency risk (continued)

The amounts relating to items designated as hedge items were as follows:

## (b) 衍生工具(續)

(iii) 對沖會計(續)

(b) 外匯風險的現金流對沖(續)

指定為被對沖項目金額如下：

		2018			
		Line item in the consolidated statement of financial position where the hedged item is included 包含被對沖項目的綜合財務狀況表的項目	Change in value used for calculating hedge ineffectiveness 公平價值變動以計算無效對沖部分	Cash flow hedge reserve 現金流對沖儲備	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied 不再應用對沖會計法的現金流對沖儲備餘額
<i>In millions of HKD</i> 港幣百萬元					
Currency rate risk 外匯風險					
Debt securities investment 債務證券投資	Investment securities 投資證券	4	15	-	

*Comparative information under HKAS 39*

The following is a summary of the fair values of derivatives under cash flow hedge:

*《香港會計準則》第39號比較信息*

現金流對沖下衍生工具的公平價值摘要如下：

		2017	
		Assets 資產 HK\$ Mn 港幣百萬元	Liabilities 負債 HK\$ Mn 港幣百萬元
Cash flow hedged derivatives 現金流對沖衍生工具	匯率合約	-	10

The Group's cash flow hedge principally consists of foreign exchange contracts that are used to hedge against the variability in cash flows of certain debt securities subject to foreign exchange rate movement.

本集團之現金流對沖主要包括外匯合約，其作用是對沖若干受外幣匯率波動影響現金流改變的債務證券。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The time periods in which the hedged cash flows are expected to occur and affect the consolidated statement of comprehensive income are as follows:

影響綜合全面收益表及所對沖之現金流預期會發生的期間如下：

		Within one year 1年以內 HK\$ Mn 港幣百萬元	Over one year but within five years 1年以上至5年 HK\$ Mn 港幣百萬元	Over five years 5年以上 HK\$ Mn 港幣百萬元
At 31st December, 2017	於2017年12月31日			
Cash inflows from assets	來自資產的現金流入	-	1,552	-
Cash outflows from liabilities	來自負債的現金流出	-	-	-
Net cash inflows	淨現金流入	-	1,552	-

(iv) Remaining life of derivatives

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the end of the reporting period.

(iv) 衍生工具之剩餘期限

下表分析在報告期結束日本集團根據到期期限歸類之剩餘結算期限有關衍生工具的名義金額。

		Notional amounts with remaining life of 剩餘期限的名義金額							
		2018				2017			
		1 year or less 1年或以下 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元	1 year or less 1年或以下 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Interest rate derivatives	利率衍生工具	187,106	209,736	14,483	411,325	281,490	217,826	11,903	511,219
Currency derivatives	貨幣衍生工具	706,653	15,936	1,259	723,848	678,735	19,947	862	699,544
Other derivatives	其他衍生工具	7,611	4,535	-	12,146	15,634	3,904	1,561	21,099
		<b>901,370</b>	<b>230,207</b>	<b>15,742</b>	<b>1,147,319</b>	<b>975,859</b>	<b>241,677</b>	<b>14,326</b>	<b>1,231,862</b>

(c) Capital commitments

Capital commitments outstanding at 31st December and not provided for in the financial statements were as follows:

(c) 資本承擔

於12月31日未償付但並未在財務報表中提撥準備的資本承擔如下：

		2018 HK\$ Mn 港幣百萬元	2017 HK\$ Mn 港幣百萬元
Expenditure authorised and contracted for	已核准支出並已簽約	284	242
Expenditure authorised but not contracted for	已核准支出但未簽約	161	215
		<b>445</b>	<b>457</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (d) Operating lease commitments

At 31st December, 2018, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Properties	物業				
Within one year	1年以內	423		425	
After one year but within five years	1年至5年內	581		538	
After five years	5年以後	72		112	
		<b>1,076</b>		<b>1,075</b>	

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Equipment	設備				
Within one year	1年以內	4		4	
After one year but within five years	1年至5年內	5		3	
		<b>9</b>		<b>7</b>	

The Group lease certain properties and equipment under operating leases. The leases run for an initial period of one to twenty five years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually adjusted annually to reflect market rentals. None of the leases includes contingent rentals.

本集團以經營租賃形式租入若干物業和設備。租賃年期由1年至25年，到期日後可再續約但其他條款須另議。租賃付款金額通常每年調整以反映市值租金。所有租約並不包括或有租金。

## (e) Contingencies

The Group receives legal claims against it arising in the normal courses of business. The Group considers none of these matters as material. Where appropriate the Group recognises provisions for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required and for which a reliable estimate can be made of the obligation.

## (e) 或有事項

本集團收到正常業務過程中產生的法律索賠。本集團認為這些事項均不重大。在適當情況下，本集團在很可能需要經濟利益流出並且可以對該責任作出可靠估計時確認負債準備。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 48. NOTES ON CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表附註

##### (a) Cash and cash equivalents

- (i) Components of cash and cash equivalents in the consolidated cash flow statement

##### (a) 現金及等同現金項目

- (i) 在綜合現金流量表內現金及等同現金項目的組成部分

		2018	2017
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions with original maturity within three months	原本期限為3個月以內之現金及在銀行和其他金融機構的結存	28,179	27,397
Placements with and advances to banks and other financial institutions with original maturity within three months	原本期限為3個月以內在銀行及其他金融機構的存款及墊款	55,071	56,163
Treasury bills with original maturity within three months	原本期限為3個月以內的國庫債券	1,541	4,583
Certificates of deposit held with original maturity within three months	原本期限為3個月以內之持有的存款證	1,109	1,269
Debt securities with original maturity within three months	原本期限為3個月以內的債務證券	114	564
Add: Cash and balances with banks and other financial institutions included in "Assets held for sale" (Note 56)	加：包括在「持有作出售資產」(附註56)的現金及在銀行和其他金融機構的結存	6	4
		<b>86,020</b>	<b>89,980</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 48. NOTES ON CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) 綜合現金流量表附註(續)

## (a) Cash and cash equivalents (continued)

(ii) Reconciliation with the consolidated statement of financial position

## (a) 現金及等同現金項目(續)

(ii) 與綜合財務狀況表的對賬

		2018	2017
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions (Note 25)	現金及在銀行及其他金融機構的結存(附註25)	48,106	55,696
Placements with and advances to banks and other financial institutions (Note 26)	在銀行及其他金融機構的存款及墊款(附註26)	60,373	58,583
Treasury bills, certificates of deposit held and debt securities	國庫債券、持有存款證及債務證券		
– trading assets (Note 28)	– 交易用途資產(附註28)	2,131	3,999
– investment securities (Note 30)	– 投資證券(附註30)	140,673	130,544
		142,804	134,543
Add: Cash and balances with banks and other financial institutions included in “Assets held for sale” (Note 56)	加：包括在「持有作出售資產」(附註56)的現金及在銀行和其他金融機構的結存	6	4
Amounts shown in the consolidated statement of financial position	在綜合財務狀況表出現的金額	251,289	248,826
Less: Amounts with an original maturity of beyond three months	減：原本期限為3個月以上的金額	(145,337)	(130,547)
Cash balance with central bank subject to regulatory restriction	受規管限制的在中央銀行的現金結存	(19,932)	(28,299)
Cash and cash equivalents in the consolidated cash flow statement	在綜合現金流量表內的現金及等同現金項目	86,020	89,980

Note: The 2017 comparative figures have been restated to conform to current year's presentation of Consolidated Statement of Financial Position.

註：2017年的比較數字經已重報以符合本年度綜合財務狀況表的呈報方式。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

#### (b) 源自融資活動產生的負債之對賬

下表列載本集團由融資活動產生的負債之變動，包括現金及非現金之變動。源自融資活動產生的負債指在本集團的綜合現金流量表內分類為由融資活動產生的現金流或未來現金流產生的負債。

		Certificates of deposit issued	Debt securities issued	Loan capital	Certificates of deposit issued accrued interest payable	Debt securities issued accrued interest payable	Loan capital accrued interest payable	Interest rate swaps held to hedge borrowings (assets)	Interest rate swaps held to hedge borrowings (liabilities)	Total
		已發行 存款證 HK\$ Mn 港幣百萬元	已發行 債務證券 HK\$ Mn 港幣百萬元	借貸資本 HK\$ Mn 港幣百萬元	已發行 存款證之 應計利息 HK\$ Mn 港幣百萬元	已發行 債務證券之 應計利息 HK\$ Mn 港幣百萬元	借貸資本 之應計利息 HK\$ Mn 港幣百萬元	對沖借款的 利率掉期 合約(資產) HK\$ Mn 港幣百萬元	對沖借款的 利率掉期 合約負債 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
At 1st January 2018	於2018年1月1日	36,466	1,007	12,413	59	7	176	(220)	162	50,070
<b>Changes from financing cash flows</b>	<b>源自融資現金流的變動</b>									
Issue of certificates of deposit	發行存款證	107,441	-	-	-	-	-	-	-	107,441
Issue of debt securities	發行債務證券	-	114	-	-	-	-	-	-	114
Redemption of certificates of deposit issued	贖回已發行存款證	(85,576)	-	-	-	-	-	-	-	(85,576)
Redemption of debt securities issued	贖回已發行債務證券	-	(565)	-	-	-	-	-	-	(565)
Redemption of loan capital	贖回已發行借貸資本	-	-	-	-	-	-	-	-	-
Interest paid on loan capital	支付借貸資本利息	-	-	-	-	-	(627)	-	-	(627)
Interest paid on certificates of deposit issued	支付已發行存款證利息	-	-	-	(1,080)	-	-	-	-	(1,080)
Interest paid on debt securities issued	支付已發行債務證券利息	-	-	-	-	(18)	-	-	-	(18)
<b>Total changes from financing cash flows</b>	<b>源自融資現金流的變動總額</b>	<b>21,865</b>	<b>(451)</b>	<b>-</b>	<b>(1,080)</b>	<b>(18)</b>	<b>(627)</b>	<b>-</b>	<b>-</b>	<b>19,689</b>
Exchange adjustments	滙兌調整	(352)	7	30	-	-	-	-	-	(315)
Changes in fair value	公平價值變動	5	(1)	-	-	-	-	(43)	(14)	(53)
Revaluation under hedge accounting	對沖會計法之重估	-	-	(101)	-	-	-	90	34	23
Interest expenses	利息支出	506	2	16	1,179	16	627	-	-	2,346
<b>Total other changes</b>	<b>其他變動總額</b>	<b>159</b>	<b>8</b>	<b>(55)</b>	<b>1,179</b>	<b>16</b>	<b>627</b>	<b>47</b>	<b>20</b>	<b>2,001</b>
At 31st December 2018	於2018年12月31日	58,490	564	12,358	158	5	176	(173)	182	71,760

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 48. NOTES ON CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) 綜合現金流量表附註(續)

## (b) Reconciliation of liabilities arising from financing activities (continued) (b) 源自融資活動產生的負債之對賬(續)

		Certificates of deposit issued	Debt securities issued	Loan capital	Certificates of deposit accrued interest payable	Debt securities accrued interest payable	Loan capital accrued interest payable	Interest rate swaps held to hedge borrowings (assets)	Interest rate swaps held to hedge liabilities	Total
		已發行存款證	已發行債務證券	借貸資本	已發行存款證之應計利息	已發行債務證券之應計利息	借貸資本之應計利息	利率掉期合約(資產)	利率掉期合約負債	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>At 1st January 2017</b>	<b>於2017年1月1日</b>	28,857	7,154	20,608	97	42	261	(434)	760	57,345
<b>Changes from financing cash flows</b>	<b>源自融資現金流的變動</b>									
Issue of certificates of deposit	發行存款證	74,007	-	-	-	-	-	-	-	74,007
Issue of debt securities	發行債務證券	-	1,367	-	-	-	-	-	-	1,367
Redemption of certificates of deposit issued	贖回已發行存款證	(67,055)	-	-	-	-	-	-	-	(67,055)
Redemption of debt securities issued	贖回已發行債務證券	-	(7,617)	-	-	-	-	-	-	(7,617)
Redemption of loan capital	贖回已發行借貸資本	-	-	(8,580)	-	-	-	-	-	(8,580)
Interest paid on loan capital	支付借貸資本利息	-	-	-	-	-	(920)	-	-	(920)
Interest paid on certificates of deposit issued	支付已發行存款證利息	-	-	-	(663)	-	-	-	-	(663)
Interest paid on debt securities issued	支付已發行債務證券利息	-	-	-	-	(106)	-	-	-	(106)
<b>Total changes from financing cash flows</b>	<b>源自融資現金流的變動總額</b>	<b>6,952</b>	<b>(6,250)</b>	<b>(8,580)</b>	<b>(663)</b>	<b>(106)</b>	<b>(920)</b>	<b>-</b>	<b>-</b>	<b>(9,567)</b>
Exchange adjustments	匯兌調整	396	97	512	-	-	-	-	-	1,005
Changes in fair value	公平價值變動	(27)	2	-	-	-	-	56	(635)	(604)
Revaluation under hedge accounting	對沖會計法的重估	-	-	(144)	-	-	-	158	37	51
Interest expenses	利息支出	288	4	17	625	71	835	-	-	1,840
<b>Total other changes</b>	<b>其他變動總額</b>	<b>657</b>	<b>103</b>	<b>385</b>	<b>625</b>	<b>71</b>	<b>835</b>	<b>214</b>	<b>(598)</b>	<b>2,292</b>
<b>At 31st December 2017</b>	<b>於2017年12月31日</b>	<b>36,466</b>	<b>1,007</b>	<b>12,413</b>	<b>59</b>	<b>7</b>	<b>176</b>	<b>(220)</b>	<b>162</b>	<b>50,070</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 49. ASSETS PLEDGED AS SECURITY 用作抵押品的資產

The following assets have been pledged as collateral for own liabilities at the end of the reporting period.

於報告期結束日，以下資產經已用作本身負債之抵押品。

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Secured liabilities	有抵押負債	<b>8,000</b>	6,588
Assets pledged:	抵押資產：		
Loans and advances to customers	客戶貸款及墊款	<b>812</b>	1,056
Investment securities	投資證券		
– designated at FVTPL	– 指定為通過損益以反映公平價值	<b>319</b>	1,189
– at FVOCI	– 通過其他全面收益以反映公平價值	<b>6,301</b>	–
– available-for-sale financial assets	– 可供出售金融資產	–	4,448
– at amortised cost	– 按攤銷成本	<b>272</b>	–
– held-to-maturity investments	– 持至到期投資	–	194
		<b>7,704</b>	6,887

The following balances with banks have been pledged as collateral for securities borrowings and margin deposits of derivatives.

以下的銀行結餘已用作證券借貸及衍生工具孖展按金之抵押品。

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash collateral for borrowed securities	用作證券借貸的現金抵押品	<b>5</b>	83
Margin accounts for open futures and forward contracts	用作開立期貨及遠期合約的孖展賬戶	<b>2,351</b>	1,211
		<b>2,356</b>	1,294

These transactions are conducted under terms that are usual and customary to standard lending and securities borrowing and lending activities.

此等交易之條款是按一般及慣常標準借款及證券借貸交易進行。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 50. LOANS TO DIRECTORS AND ENTITIES CONNECTED WITH DIRECTORS

## 董事及與董事有關連實體的貸款

The aggregate of loans to directors of the Bank and entities connected with directors disclosed pursuant to Section 383(1)(d) of the Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

根據《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規則》第3部規定，本行董事及與董事有關連實體之貸款總額披露如下：

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Aggregate amount of relevant loans outstanding at 31st December	相關貸款於12月31日的結欠總額				
By the Bank	由銀行借出		929		1,776
By subsidiaries	由附屬公司借出		2		4
			931		1,780
The maximum aggregate amount of relevant loans outstanding during the year	年度內相關貸款之最高結欠總額				
By the Bank	由銀行借出		2,164		5,385
By subsidiaries	由附屬公司借出		4		7
			2,168		5,392

There was no interest due but unpaid nor any impairment allowance made against these loans at 31st December, 2018 and 2017.

於2018年12月31日及2017年12月31日，沒有逾期未償付利息，亦未有對該等貸款作減值準備。

## 51. MATERIAL RELATED PARTY TRANSACTIONS 關聯人士的重大交易

## (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Bank's directors as disclosed in Note 22 and certain of the highest paid employees as disclosed in Note 23, is as follows:

## (a) 主要管理人員薪酬

本集團之主要管理人員薪酬，已包括在附註22中所披露支付予本行董事及在附註23中所披露支付予本行若干最高薪酬僱員的金額如下：

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Short-term employee benefits	短期僱員福利		169		165
Post-employment benefits	僱員退休福利		7		7
Equity compensation benefits	股份補償福利		35		35
			211		207

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(b) The Group maintains certain retirement benefit schemes for its staff as per Note 2(y)(iii). In 2018, the total amount of contributions the Group made to the schemes was HK\$167 million (2017: HK\$159 million).

The Group enters into a number of transactions with the Group's related parties, including its associates, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. All interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

The interest received from and interest paid to the Group's related parties for the year, outstanding balances of amounts due from and due to at the year end, and maximum outstanding balance of amounts due from and due to them during the year are aggregated as follows:

(b) 本集團為其職員提供若干退休保障計劃，並已於附註2(y)(iii)披露。於2018年內，本集團對該等計劃的供款總數為港幣1.67億元（2017年：港幣1.59億元）。

本集團與其關聯人士進行多項交易，該等人士包括聯營公司、及主要行政人員與其直系親屬、及受該等人士所控制或具有重大影響力的公司。該等交易包括接受該等人士存款及為他們提供信貸。所有存款及信貸的利率，均按照給予一般相若水平客戶的條款。

年度內，本集團從關聯人士所收取與支付予他們的利息，及在年末關聯人士的欠款及欠關聯人士的款項，及在年度內關聯人士最高欠款及欠關聯人士的最高款項現總結如下：

		Key management personnel				Associates			
		主要管理人員				聯營公司			
		2018	2017	2018	2017				
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Interest income	利息收入	55	103	46	19				
Interest expense	利息支出	33	24	4	1				
Amounts due from	關聯人士的欠款	3,109	4,547	1,128	454				
Amounts due to	欠關聯人士的款項	2,349	2,672	226	78				
Maximum amounts due from	關聯人士的最高欠款	3,638	6,452	1,789	808				
Maximum amounts due to	欠關聯人士的最高款項	5,674	7,077	1,058	516				
Committed facilities to	給予信貸承諾	1,474	1,751	1,448	401				

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 52. EQUITY COMPENSATION PLANS 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board may at its discretion grant to any employees of the Group, including Executive Director and Chief Executive, options to subscribe for ordinary shares of the Bank. All options were granted for nil consideration.

本行所採納的僱員認股計劃是董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及行政總裁，以認購本行普通股股份。所有認股權均以無計價款形式發出。

## (a) Particulars of share options

## (a) 認股權詳情

Date of grant 授予日期	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
05/5/2011(T2)	05/5/2011 – 04/5/2013	05/5/2013 – 05/5/2018	32.00
05/5/2011(T3)	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00
10/5/2012(T1)	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012(T2)	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012(T3)	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013(T1)	03/5/2013 – 02/5/2014	03/5/2014 – 03/5/2019	31.40
03/5/2013(T2)	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013(T3)	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014(T1)	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014(T2)	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014(T3)	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015(T1)	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015(T2)	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015(T3)	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15
08/4/2016(T1)	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016(T2)	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016(T3)	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45
07/4/2017(T1)	07/4/2017 – 06/4/2018	07/4/2018 – 07/4/2023	32.25
07/4/2017(T2)	07/4/2017 – 06/4/2019	07/4/2019 – 07/4/2024	32.25
07/4/2017(T3)	07/4/2017 – 06/4/2020	07/4/2020 – 07/4/2025	32.25
10/4/2018(T1)	10/4/2018 – 09/4/2019	10/4/2019 – 10/4/2024	32.25
10/4/2018(T2)	10/4/2018 – 09/4/2020	10/4/2020 – 10/4/2025	32.25
10/4/2018(T3)	10/4/2018 – 09/4/2021	10/4/2021 – 10/4/2026	32.25

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## (b) Movement of share options during the year

## (b) 年內認股權之變動

2018			Number of share options 認股權數目				
Date of grant	Tranche	Exercise price per share	Outstanding at 1/1/2018	Granted	Exercised	Lapsed/Cancelled	Outstanding at 31/12/2018
授予日期	部分	每股行使價 HK\$ 港幣元	於2018年 1月1日 尚未行使	已授予	已行使	已失效/ 已註銷	於2018年 12月31日 尚未行使
05/5/2011	T2	32.00	1,489,000	-	1,489,000	-	-
05/5/2011	T3	32.00	1,890,000	-	-	-	1,890,000
10/5/2012	T1	28.99	582,000	-	582,000	-	-
10/5/2012	T2	28.99	1,114,000	-	-	-	1,114,000
10/5/2012	T3	28.99	1,172,000	-	-	-	1,172,000
03/5/2013	T1	31.40	1,114,000	-	-	-	1,114,000
03/5/2013	T2	31.40	1,164,000	-	50,000	-	1,114,000
03/5/2013	T3	31.40	1,890,000	-	50,000	-	1,840,000
02/5/2014	T1	32.50	1,942,000	-	130,000	-	1,812,000
02/5/2014	T2	32.50	1,942,000	-	-	-	1,942,000
02/5/2014	T3	32.50	1,953,500	-	-	-	1,953,500
04/5/2015	T1	34.15	2,030,000	-	-	-	2,030,000
04/5/2015	T2	34.15	2,030,000	-	-	-	2,030,000
04/5/2015	T3	34.15	2,040,000	-	-	34,254	2,005,746
08/4/2016	T1	28.45	1,064,000	-	-	-	1,064,000
08/4/2016	T2	28.45	2,083,000	-	61,736	25,264	1,996,000
08/4/2016	T3	28.45	2,096,500	-	-	-	2,096,500
07/4/2017	T1	32.25	2,130,000	-	-	-	2,130,000
07/4/2017	T2	32.25	2,130,000	-	-	-	2,130,000
07/4/2017	T3	32.25	2,140,000	-	-	-	2,140,000
10/4/2018	T1	32.25	-	2,225,000	-	-	2,225,000
10/4/2018	T2	32.25	-	2,225,000	-	-	2,225,000
10/4/2018	T3	32.25	-	2,237,500	-	-	2,237,500
Total 總額			33,996,000	6,687,500	2,362,736	59,518	38,261,246

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 52. EQUITY COMPENSATION PLANS (CONTINUED) 股份補償計劃(續)

## (b) Movement of share options during the year (continued)

## (b) 年內認股權之變動(續)

2017		Number of share options 認股權數目					
Date of grant	Tranche	Exercise price per share	Outstanding at 1/1/2017	Granted	Exercised	Lapsed	Outstanding at 31/12/2017
授予日期	部分	每股行使價 HK\$ 港幣元	於2017年1月1日尚未行使	已授予	已行使	已失效	於2017年12月31日尚未行使
05/5/2011	T1	32.00	1,880,000	-	386,000	1,494,000	-
05/5/2011	T2	32.00	1,930,000	-	441,000	-	1,489,000
05/5/2011	T3	32.00	1,940,000	-	50,000	-	1,890,000
10/5/2012	T1	28.99	1,164,000	-	582,000	-	582,000
10/5/2012	T2	28.99	1,164,000	-	50,000	-	1,114,000
10/5/2012	T3	28.99	1,172,000	-	-	-	1,172,000
03/5/2013	T1	31.40	1,214,000	-	100,000	-	1,114,000
03/5/2013	T2	31.40	1,515,000	-	351,000	-	1,164,000
03/5/2013	T3	31.40	1,890,000	-	-	-	1,890,000
02/5/2014	T1	32.50	1,942,000	-	-	-	1,942,000
02/5/2014	T2	32.50	1,992,000	-	50,000	-	1,942,000
02/5/2014	T3	32.50	2,003,500	-	50,000	-	1,953,500
04/5/2015	T1	34.15	2,030,000	-	-	-	2,030,000
04/5/2015	T2	34.15	2,030,000	-	-	-	2,030,000
04/5/2015	T3	34.15	2,040,000	-	-	-	2,040,000
08/4/2016	T1	28.45	2,083,000	-	1,019,000	-	1,064,000
08/4/2016	T2	28.45	2,083,000	-	-	-	2,083,000
08/4/2016	T3	28.45	2,096,500	-	-	-	2,096,500
07/4/2017	T1	32.25	-	2,130,000	-	-	2,130,000
07/4/2017	T2	32.25	-	2,130,000	-	-	2,130,000
07/4/2017	T3	32.25	-	2,140,000	-	-	2,140,000
Total 總額			32,169,000	6,400,000	3,079,000	1,494,000	33,996,000

(c) The following share options were forfeited and cancelled during the year ended 31st December, 2018 (2017: Nil):

(c) 截至2018年12月31止年度內(2017年: 無)被撤銷並註銷的認股權如下:

Date of grant	Tranche	No. of share options forfeited and cancelled	Exercise price per share
授予日期	部分	被撤銷並註銷的認股權數目	每股行使價 HK\$ 港幣元
04/5/2015	T3	34,254	34.15
08/4/2016	T2	25,264	28.45

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## (d) Details of share options exercised

## (d) 已行使認股權詳情

Exercise period 行使期間	Date of grant 授予日期	Number of share options 認股權數目	
		2018	2017
February 2月	05/5/2011 (T1)	-	150,000
	05/5/2011 (T2)	<b>1,339,000</b>	-
	10/5/2012 (T1)	<b>100,000</b>	-
	03/5/2013 (T2)	-	301,000
	03/5/2013 (T3)	<b>50,000</b>	-
	02/5/2014 (T1)	<b>50,000</b>	-
March 3月	05/5/2011 (T1)	-	20,000
	05/5/2011 (T2)	<b>70,000</b>	-
	10/5/2012 (T1)	<b>165,000</b>	-
	03/5/2013 (T2)	<b>50,000</b>	-
	02/5/2014 (T1)	<b>80,000</b>	-
	05/5/2011 (T2)	<b>80,000</b>	-
April 4月	10/5/2012 (T1)	<b>317,000</b>	-
	08/4/2016 (T2)	<b>61,736</b>	-
	05/5/2011 (T1)	-	216,000
May 5月	10/5/2012 (T1)	-	10,000
	08/4/2016 (T1)	-	50,000
	10/5/2012 (T1)	-	50,000
June 6月	08/4/2016 (T1)	-	87,000
	05/5/2011 (T2)	-	105,000
August 8月	05/5/2011 (T2)	-	336,000
	05/5/2011 (T3)	-	50,000
	10/5/2012 (T1)	-	522,000
	10/5/2012 (T2)	-	40,000
	02/5/2014 (T2)	-	50,000
	02/5/2014 (T3)	-	50,000
October 10月	08/4/2016 (T1)	-	882,000
	03/5/2013 (T1)	-	100,000
	03/5/2013 (T2)	-	50,000
November 11月	10/5/2012 (T2)	-	10,000
		<b>2,362,736</b>	3,079,000

### 53. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD 毋須調整的報告期結束日後的事件

After the end of the reporting period the directors declared a second interim dividend and a special dividend. Further details are disclosed in Note 20(a).

董事於報告期結束後擬派發第二次中期股息及特別股息。詳情已在附註20(a)作披露。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 54. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**(a) Key sources of estimation uncertainty**

Notes 33, 40 and 46 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and fair values of financial instruments. Other key sources of estimation uncertainty are as follows:

**(i) Impairment losses**

*Applicable to 2018 only*

Note 45(a)(ix): impairment of financial instruments involves determining inputs into the ECL measurement model, including incorporation of forward-looking information.

Note 32: impairment testing of investments in associates involves significant judgement in determining the value in use, and in particular estimating the present values of cash flows expected to arise from continuing to hold the investment.

*Applicable to 2017 only*

*Loans and advances*

Loan portfolios are reviewed periodically to assess whether impairment losses exist. The Group makes judgement as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence for impairment includes observable data that the payment status of borrowers in a group has adversely changed. It may also include observable data that correlate with defaults on the assets in the Group. If management has determined, based on their judgement, that objective evidence for impairment exists, expected future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted on the basis of the current observable data. Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

*Available-for-sale financial assets and held-to-maturity investments*

The Group determines that available-for-sale financial assets and held-to-maturity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of when a decline in fair value below its cost is not recoverable within a reasonable time period is judgmental by nature, so profit and loss could be affected by differences in this judgement.

在編製本綜合財務報表時，管理層經已作出若干對應用本集團會計政策及所匯報的資產、負債、收入及支出之金額披露有影響的判斷、估計和假定。最終結果與該等估計可能不盡相同。

估計及相關假定會定期作檢討。估計之修改不會被追溯確認。

**(a) 估計不穩定因素的主要來源**

附註33、40和46載述有關商譽減值、已授予股權的公平價值和金融工具的公平價值的假設及其風險因素。估計不穩定因素的其他主要來源如下：

**(i) 減值損失**

*只適用於2018年*

附註45(a)(ix)：金融工具減值：決定預期信貸損失計量模型的計算因素，包括植入具前瞻性的資料。

附註32：聯營公司投資的減值測試包括估計使用值的重大判斷，及估算因持續持有該投資而產生的預計現金流的現值。

*只適用於2017年*

*貸款及墊款*

本集團會定期檢討貸款組合，以評估減值損失是否存在。本集團需要判斷是否有任何客觀證據可以證明貸款組合已經減值，即估計將來現金流有所減少。減值客觀證據包括與借款人有關的可觀察資料整體上的付款狀況已出現逆轉，而該等資料與本集團的不履行資產是互相關連的。當管理層根據其判斷決定減值的客觀證據存在，便會依據若干與該等資產的信貸風險特性相若之資產的以往損失經驗，以估計預期將來現金流。以往損失經驗是以目前的可觀察資料為基礎作出調整。管理層亦會定期檢討用以估計將來現金流的方法和假設，從而減少估計損失與實際損失的差異。

*可供出售金融資產及持至到期投資*

若可供出售金融資產及持至到期投資的公平價值明顯或持續地低於其成本，本集團即判斷該等資產及投資已減值。本集團判斷公平價值低於成本的金額會在一段合理時間內不可收回純屬假設性質，因此判斷之差異會對損益有所影響。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(ii) Valuation of financial instruments

The Group's accounting policy for valuation of financial instruments is included in Note 2. The fair value of the financial instruments is mainly based on the quoted market price on a recognised stock exchange or a price quoted from a broker/dealer for non-exchanged traded financial instruments. The fair value of collateralised debt obligations is based on bid prices quoted by reputable brokers and has been carefully assessed for reasonableness by management. The fair value of a Special Investment Vehicle ("SIV") is based on its net asset values as provided by the SIV's manager.

**(b) Critical accounting judgements in applying the Group's accounting policies**

Certain critical accounting judgements in applying the Group's accounting policies are described below:

(i) Classification of financial assets – *Applicable to 2018 only*

Note 2(h)(ii) and Note 3(a): assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.

(ii) Measurement of ECL – *Applicable to 2018 only*

Note 45(a)(ix): establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection of models used to measure ECL.

(iii) Held-to-maturity investments – *Applicable to 2017 only*

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Group evaluates its intention and ability to hold such investments till maturity.

If the Group fails to hold these investments to maturity other than for certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale, as such class is deemed to have been tainted.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

(ii) 金融工具的估值

本集團對金融工具估值的會計政策列載於附註2。金融工具的公平價值主要根據認可之交易所的市場報價，或就非在交易所作交易的金融工具而言，則根據經紀／交易員的報價。債務抵押債券的公平價值由聲譽良好的經紀按買入價提供報價，及經已被管理層小心評估其適當性。特別投資工具的公平價值是根據特別投資工具之管理人所提供該工具的資產淨值。

**(b) 本集團應用會計政策的重要會計判斷**

本集團應用會計政策的若干重要會計判斷如下：

(i) 金融資產 – *只適用於2018年*

附註2(h)(ii)及附註3(a)：評估持有資產的商業模型，即金融資產合約期內是否純粹是本金及按本金結餘的利息支付。

(ii) 預期信貸損失計量 – *只適用於2018年*

附註45(a)(ix)：訂立標準以決定金融資產的信貸風險是否比初始確認時經已大幅增加及制定方法以植入具前瞻性計量預期信貸損失的資料及選擇模型以計算預期信貸損失。

(iii) 持至到期投資 – *只適用於2017年*

本集團將設有固定或可確定付款金額和固定到期日，以及本集團有確信的意向及能力持有至到期日的非衍生金融資產，分類為持至到期投資。在作出有關判斷時，本集團會評估本身是否有意向及能力持有該等投資至到期日。

除若干特殊情況外，若本集團未能持有該等投資至到期日，本集團會將整個可持至到期日的投資組合，重新分類為可供出售。這是由於此類投資已被蒙污。

以上之情況會導致原以攤銷成本計量的可持至到期投資改以公平價值計量。

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****財務報表附註(續)****54. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED) 會計估計及判斷(續)****(b) Critical accounting judgements in applying the Group's accounting policies (continued)****(iv) Recognition of deferred tax assets**

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The Group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

**(b) 本集團應用會計政策的重要會計判斷(續)****(iv) 遞延稅項資產之確認**

須在未來可能有應課稅溢利予以抵銷遞延稅項資產的情況下，本集團才確認遞延稅項資產。在釐定未來應課稅溢利的金額及其可能性時，須估計及判斷在可見之將來該未來應課稅溢利可否支持確認該遞延稅項資產。本集團使用所有已有的資料，包括根據合理及可支持之假設和對收入及支出成本的估計，以釐定未來應課稅溢利。此等估計的變動可能對遞延稅項資產確認的時間及資產確認的金額有重大影響。

**55. COMPARATIVE FIGURES 比較數字**

Certain 2017 comparative figures have been restated to conform to current year's presentation. Please refer to Consolidated Statement of Financial Position, Notes 4, 7, 18, 25, 26, 35, 45(a), 45(d), 46(a), 46(b) and 48(a) for the effect of restatement.

若干2017年的比較數字已經重報以符合本年度的呈報方式。請參閱綜合財務狀況表、附註4、7、18、25、26、35、45(a)、45(d)、46(a)、46(b)及48(a)中所述的重報影響。

**56. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE  
已終止經營業務及持有作出售資產**

On 5th October, 2016, the Bank, NWS Holdings Limited ("NWS Holdings") and East Asia Secretaries (BVI) Limited ("East Asia Secretaries") entered into a share purchase agreement with Trivium Investment Limited ("Trivium"), a wholly-owned subsidiary of global investment firm, Permira, for the sale of all the issued shares of Tricor Holdings Limited ("Tricor") held by East Asia Secretaries to Trivium for a total consideration of HK\$6,470 million. Tricor was 75.61% owned by the Bank and 24.39% owned by NWS Holdings, in each case through East Asia Secretaries. On 31st March, 2017, the Bank completed the disposal of Tricor to Trivium. Following completion of the disposal, the Bank has ceased to hold any equity interest in Tricor and Tricor has ceased to be a subsidiary of the Bank. A net profit of HK\$3,005 million in respect of the disposal was recorded and included in the profits attributable to owners of the parent from discontinued operations. Tricor's operating results are reported as discontinued operations in the consolidated income statement for the year 2017.

2016年10月5日，東亞銀行有限公司、新創建集團有限公司（「新創建集團」）及 East Asia Secretaries (BVI) Limited（「East Asia Secretaries」）與 Trivium Investment Limited（「Trivium」）簽訂了一份購買股份協議，Trivium 是一間由環球投資機構 Permira 全資擁有的附屬公司，出售由 East Asia Secretaries 持有的 Tricor Holdings Limited 及其附屬公司（「卓佳集團」）的全部已發行股份，作價為港幣 64.70 億元。卓佳集團均是通過 East Asia Secretaries 由本行及新創建集團分別持有 75.61% 及 24.39% 之權益。隨着出售交易完成，本行已終止持有卓佳集團任何股份權益，而卓佳集團亦並非是本行之附屬公司。本行就此項出售錄得淨溢利港幣 30.05 億元，並已計入來自已終止經營業務之可歸屬於本集團股東溢利項下。於 2017 年，卓佳集團的經營業績在綜合收益表中呈列為已終止經營業務。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

On 29th November, 2017, the Bank and its wholly-owned subsidiary, Credit Gain Finance Company Limited entered into an equity transfer agreement with China Financial Services Holdings Limited for the sale and purchase of all equity interests in Shenzhen Credit Gain Finance Company Limited (“Shenzhen Credit Gain”), Chongqing Liangjiang New Area Credit Gain Finance Company (“Chongqing Credit Gain”) and Chongqing Dongrong Business Consultancy Company Limited (“Chongqing Dongrong”) (collectively, the “China Disposal”). The total consideration of the China Disposal is RMB563 million, subject to mutually agreed adjustments upon completion. The completion of the China Disposal is subject to the requisite Chinese regulatory approvals. Shenzhen Credit Gain, Chongqing Credit Gain and Chongqing Dongrong’s assets and liabilities as at 31st December, 2018 and 31st December, 2017 are presented separately as assets held for sale and liabilities held for sale respectively in the consolidated financial statements.

On 29th October, 2018, the Bank entered into a sale and purchase agreement with The Bank of Yokohama, Ltd. (“BOY”) for the sale of 30% of the issued shares of P.T. Bank Resona Perdania (“BRP”), held via a special purpose vehicle, East Asia Indonesian Holdings Limited, to BOY (the “Disposal”). Completion of the Disposal is subject to the approval of the regulator of the financial services sector in Indonesia, Otoritas Jasa Keuangan. The transaction, if and when consummated, has no material impact on the Group’s net income or capital ratios. The investment in BRP is classified and presented as assets held for sale in the consolidated financial statements for the year 2018.

2017年11月29日，本行及其全資附屬公司領達財務有限公司與中國金融投資管理有限公司簽訂一份股權轉讓協議，就買賣深圳市領達小額貸款有限公司（「深圳領達小額貸款」）、重慶兩江新區領達小額貸款有限公司（「重慶領達小額貸款」）及重慶市東榮商務諮詢有限公司（「東榮商務諮詢」）的全部股權（統稱「內地業務出售交易」）。內地業務出售交易的總對價為人民幣5.63億元，惟雙方可在完成交易時協定對此金額作出調整。該項交易之完成須得到中國內地相關監管部門批准。深圳領達小額貸款、重慶領達小額貸款及東榮商務諮詢於2018年12月31日及2017年12月31日的資產及負債在綜合財務報表中分別以持有作出售資產及持有作出售負債列示。

2018年10月28日，本行與橫濱銀行（「濱銀」）訂立買賣協議，向濱銀出售透過East Asia Indonesian Holdings Limited（特定目的投資工具公司）持有的P.T. Bank Resona Perdania（「BRP」）已發行股份之30%（「出售」）。出售之完成須待印尼金融服務監管機構Otoritas Jasa Keuangan批准。該交易如果完成，對本集團的淨收入或資本比率沒有重大影響。在2018年的財務報表中，BRP投資以持有作出售資產列示。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 56. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (CONTINUED)

## 已終止經營業務及持有作出售資產(續)

The results of discontinued operations for the periods are as follows:

期內已終止經營業務的業績如下：

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Interest income	利息收入	-		1	
Interest expense	利息支出	-		(1)	
Net interest income	淨利息收入	-		-	
Fee and commission income	服務費及佣金收入	-		312	
Fee and commission expense	服務費及佣金支出	-		-	
Net fee and commission income	服務費及佣金收入淨額	-		312	
Net trading losses	交易虧損淨額	-		(4)	
Non-interest income	非利息收入	-		308	
Operating income	經營收入	-		308	
Operating expenses	經營支出	-		(232)	
Operating profit before impairment losses	未扣除減值損失之經營溢利	-		76	
Impairment losses on financial assets	金融資產減值損失	-		(2)	
Operating profit after impairment losses	已扣除減值損失後之經營溢利	-		74	
Net profit on sale of discontinued operations	出售已終止經營業務之淨溢利	-		4,084	
Share of profits less losses of associates	應佔聯營公司溢利減虧損	-		1	
Profit for the year before taxation	年度內除稅前溢利	-		4,159	
Income tax	所得稅				
Current tax	本期稅項				
- Hong Kong	- 香港	-		(8)	
- Outside Hong Kong	- 香港以外	-		(6)	
Profit for the year from discontinued operations	年度內已終止經營業務溢利	-		4,145	

		2018		2017	
		HK\$	港幣元	HK\$	港幣元
Earnings per share for profit attributable to the equity holders of the Bank	歸屬於本行股東權益的每股盈利				
Basic and diluted	基本及攤薄				
- profit from discontinued operations	- 來自已終止經營業務溢利	-		1.12	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The assets and liabilities of the disposal groups held for sale are summarised below:

持有作出售之出售組別的資產和負債摘要如下：

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>ASSETS</b>	<b>資產</b>		
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	6	4
Loans and advances to customers	客戶貸款及墊款	228	307
Gross loans and advances to customers	客戶貸款及墊款總額	230	317
Less: Impairment allowances	減：減值準備		
– Stage 1	– 第一階段	(1)	–
– Stage 3	– 第三階段	(1)	–
– Collective	– 整體	–	(10)
Fixed assets	固定資產		
– Other properties and equipment	– 其他物業及設備	8	9
Deferred tax assets (Note 37(b))	遞延稅項資產(附註37(b))	18	25
Other assets	其他資產	8	6
Assets held for sale	持有作出售資產	268	351
<b>LIABILITIES</b>	<b>負債</b>		
Other liabilities	其他負債	7	9
Liabilities held for sale (Note 38(b))	持有作出售負債(附註38(b))	7	9

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

持有作出售之資產及負債摘要如下：

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Assets held for sale (Note 35)	持有作出售資產(附註35)		
Disposal groups held for sale	持有作出售的組別	268	351
Other properties	其他物業	57	115
Investment in associate	聯營公司投資	363	–
		688	466
Liabilities held for sale (Note 38(b))	持有作出售負債(附註38(b))		
Disposal groups held for sale	持有作出售的組別	7	9

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 56. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (CONTINUED)

## 已終止經營業務及持有作出售資產(續)

The cumulative income recognised in other comprehensive income relating to disposal groups held for sale is as follows:

有關持有作出售的組別在其他全面收益內確認之累計收入如下：

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cumulative income recognised in other comprehensive income	確認在其他全面收益內之累計收入		(68)		(34)

## 57. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2018

## 在截至2018年12月31日止年度前已公布但尚未生效的修訂、新準則和詮釋所產生的可能影響

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31st December, 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

直至此等財務報表之發布日期，香港會計師公會已頒布了多項修訂及新準則；但該等修訂和新準則於截至2018年12月31日止會計年度尚未生效，因此尚未應用於此等財務報表。可能與本集團有關之修訂和新準則如下。

	Effective for accounting periods beginning on or after 由會計期開始或以後起生效
HKFRS 16, <i>Leases</i> 《香港財務報告準則》第16號「租賃」	1st January, 2019 2019年1月1日
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i> 香港《國際財務報告準則詮釋委員會詮釋》第23號「所得稅不確定性的處理」	1st January, 2019 2019年1月1日
Annual Improvements to HKFRSs 2015–2017 Cycle 每年對《香港財務報告準則》之提升2015至2017循環	1st January, 2019 2019年1月1日
Amendments to HKAS 28, <i>Long-term interest in associates and joint ventures</i> 《香港會計準則》第28號之修訂「於聯營公司及合營企業的長期權益」	1st January, 2019 2019年1月1日
Amendments to References to Conceptual Framework in HKFRS Standards 修訂《香港財務報告準則》概念綱領指引	1st January, 2020 2020年1月1日
HKFRS 17, <i>Insurance Contracts</i> 《香港財務報告準則》第17號「保險合約」	1st January, 2021 2021年1月1日

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

#### HKFRS 16, Leases

As disclosed in Note 2(s), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the income statement over the period of the lease.

The Group plans to apply HKFRS 16 initially on 1st January, 2019, using a modified retrospective approach, with no restatement of comparative information. As allowed by HKFRS 16, the Group plans to apply the practical expedient for not reassessing whether a contract is, or contains, a lease at the date of initial application. The Group will therefore apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. In addition, the Group plans to apply the practical expedient for not applying the new accounting model to short-term leases and leases of low-value assets.

本集團正在評估該等修訂、新準則和詮釋對首個應用期可能產生的影響。除以下所述外，至今所得結論是若採納該等修訂、新準則和詮釋對本集團的綜合財務報表不可能構成重大影響：

#### 《香港財務報告準則》第16號「租賃」

如在附註2(s)中所披露，本集團現分類租賃為融資租賃和經營租賃，本集團會按租賃的分類而採納不同的會計方法來處理租賃安排。本集團會以出租人及受租人身份簽訂租賃合約。

預計《香港財務報告準則》第16號對出租人根據他們在租賃的權利和義務的會計處理方法未有重大影響。但是，當採納《香港財務報告準則》第16號，受租人將毋須分辨融資租賃及經營租賃。另外，視乎實際情況，受租人將以現行相同的融資租賃會計法處理所有租賃，即在租賃之生效日受租人將按未來最低租賃付款之現值確認及計算租賃負債，亦會同時確認另一「可使用權利」資產。在初始確認該資產及負債後，受租人將按租賃負債的結餘確認應計利息支出，以及可使用權利資產的折舊，而並不是現行會計政策按租賃期限分期確認為經營租賃的租金支出。視乎實際情況，受租人可選擇不採納此會計模式計算短期租賃（即租賃期是12個月或以下）以及低價值資產之租賃，即仍繼續按租賃期限分期確認為經營租賃的租金支出。

《香港財務報告準則》第16號將主要影響現行本集團對物業、廠房及設備的租賃作為受租人（分類為經營租賃）的會計處理方法。預計採納新會計模式會令資產及負債增加，以及影響按租賃期限在收益表中確認費用支出的時間。

本集團計劃首先於2019年1月1日採用一個經改良追溯模式採納《香港財務報告準則》第16號，而不會重報比較資料。如《香港財務報告準則》第16號所允許，本集團計劃使用務實權宜方法去重新評估於初始應用日的合約是否構成或包含租賃。因此，本集團只接納於初始應用日或之後按《香港財務報告準則》第16號租賃的定義所簽訂的合約為租賃。另外，本集團計劃使用務實權宜方法不採用新會計模式於短期租賃及低價值租賃。

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****財務報表附註(續)****57. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2018 (CONTINUED)****在截至2018年12月31日止年度前已公布但尚未生效的修訂、新準則和詮釋所產生的可能影響(續)**

As disclosed in Note 47(d), at 31st December, 2018, the Group's future minimum lease payments under non-cancellable operating leases amounted to HK\$1,076 million and HK\$9 million for properties and equipment respectively, on an undiscounted basis. Upon the initial adoption of HKFRS 16 at 1st January, 2019, the Group estimates that it will recognise lease liabilities and the corresponding right-of-use assets respectively of approximately HK\$1,100 million.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 will not be material. However, the expected changes in accounting policies as described above could have a material impact on the Group's financial statement from 2019 onward.

**HKFRS 17, Insurance Contracts**

HKFRS 17, which was issued in January 2018, will be effective 1st January, 2021. It sets out the requirements that an entity should apply in accounting for insurance contracts it issues and reinsurance contracts it holds. The Group is in progress of assessment of its impact.

在附註47(d)所披露，於2018年12月31日，本集團有關物業及設備的不可撤回租賃經營之最低租賃付款，按非終止基準的金額分別為港幣10.76億元及港幣900萬元。於2019年1月1日初始採納《香港財務報告準則》第16號時，本集團估計將確認的租賃負債及相應資產使用權分別約為港幣11億元。

除確認租賃負債及相應資產使用權外，本集團預計初始採納《香港財務報告準則》第16號的過渡調整將不重大。但是，以上所述的預計會計政策變動可能對由2019年起本集團的財務報表有重大影響。

**《香港財務報告準則》第17號「保險合約」**

於2018年1月頒布的《香港財務報告準則》第17號將於2021年1月生效。它制定實體對其發出及持有分保合約的會計方法之要求。本集團正在評估其影響。



# UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

## 未經審核補充財務資料

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

以下所披露的資料只屬於財務報表的附帶資料而並不構成已審核財務報表之一部分。

The preparation of supplementary financial information is in accordance with the Banking (Disclosure) Rules and consolidated supervision arrangement approved by the HKMA.

編制補充財務資料是根據《銀行業(披露)規則》及金管局核准的綜合監管要求。

### (1) CAPITAL ADEQUACY 資本充足

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Capital base	股本基礎		
– Common Equity Tier 1 capital	– 普通股權一級資本	74,513	72,786
– Additional Tier 1 capital	– 額外一級資本	10,312	10,666
– Total Tier 1 capital	– 一級資本總額	84,825	83,452
– Tier 2 capital	– 二級資本	14,202	14,672
– Total capital	– 資本總額	99,027	98,124
Risk weighted assets by risk type	風險加權資產類別		
– Credit risk	– 信貸風險	428,383	496,034
– Market risk	– 市場風險	18,671	28,161
– Operational risk	– 營運風險	31,934	31,005
		478,988	555,200
Less: Deductions	減：扣除	(3,274)	(3,332)
		475,714	551,868

		2018	2017
		% 百分率	% 百分率
Common Equity Tier 1 capital ratio	普通股權一級資本比率	15.7	13.2
Tier 1 capital ratio	一級資本比率	17.8	15.1
Total capital ratio	總資本比率	20.8	17.8

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.

資本充足比率乃根據金管局所頒布的《資本規則》計算。根據《資本規則》，本行選擇採納「基礎內部評級基準計算法」計算信貸風險之風險加權資產、「內部模式計算法」計算市場風險及「標準計算法」計算營運風險。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

The basis of consolidation for regulatory purposes is different from the basis of consolidation for accounting purposes. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with Section 3C of the Capital Rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and the securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Capital Rules and the Banking Ordinance. The Bank's shareholdings in these subsidiaries are deducted from its Tier 1 capital and Tier 2 capital subject to the thresholds and transitional arrangements as determined in accordance with Part 3 and Schedule 4H of the Capital Rules respectively.

The list of subsidiaries that are not included in consolidation for regulatory purposes are:

用作監管用途之綜合基礎與作會計用途之綜合基礎是不相同的。包括在用作監管用途之附屬公司乃根據金管局按《資本規則》第3C條所頒布的通知內列載。不包括在綜合基礎用作監管用途之附屬公司為非金融類公司以及已核准和受一監管機構規管的證券及保險公司，對該等公司有關維持足夠資本以支持商業活動的監管安排，與按照適用於《資本規則》及《銀行業條例》的金融機構之標準相符。本行於該等公司的權益已按《資本規則》第3部分所述之門檻規定以及附表4H所述之過渡性安排經計算後從一級及二級資本中扣除。

以下附屬公司並未包括在用作監管用途之綜合計算內：

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Ample Delight Limited 承悅有限公司	Investment holding 投資控股		354		354
BC (BVI) Holdings Limited	Investment holding 投資控股		16		16
BEA Blue Sky Company Limited	Acting as the sole general partner to BEA Blue Sky Real Estate Fund L.P. 出任BEA Blue Sky Real Estate Fund L.P. 單一普通合夥人		1		-
BEA Blue Sky Real Estate Fund L.P.	Acting as a limited partner for the purpose of making investment in a China real estate fund 出任單一有限責任合夥人用作投資予 國內一房地產基金		1		1
BEA Blue Sky SLP Limited	Acting as a special limited partner to BEA/AGRE China Real Estate Fund L.P. 出任BEA/AGRE China Real Estate Fund L.P. 特殊有限責任合夥人		-		(1)
BEA Consortium GS Investors L.P.	Acting as a limited partner for the purpose of making investment in private equity fund 出任有限責任合夥人用作投資予 私募基金		57		57
BEA Insurance Agency Limited 東亞保險代理有限公司	Insurance agency 保險代理		-		-
BEA Life Limited 東亞人壽保險有限公司	Life insurance 人壽保險		16,620		1,204
BEA Pacific Asia Limited	Dormant 不活動		-		-

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額 HK\$ Mn 港幣百萬元	Total equity 股東權益總額 HK\$ Mn 港幣百萬元
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Asset management 資產管理	602	541
BEA Union Investment Management (Shenzhen) Limited 東亞聯豐投資管理(深圳)有限公司	Asset management/Investment management 資產管理/投資管理	4	4
Blue Care (BVI) Holdings Limited	Investment holding 投資控股	16	16
Blue Care JV (BVI) Holdings Limited	Investment holding 投資控股	17	17
Blue Care Medical Services Limited 寶康醫療服務有限公司	Medical services 醫療服務	53	41
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Insurance 保險	2,995	735
Central Town Limited 滙中興業有限公司	Property investment 物業投資	843	668
Century Able Limited 階潤有限公司	Investment holding 投資控股	98	98
Chongqing Dongrong Business Consultancy Company Limited 重慶市東榮商務諮詢有限公司	Business consultancy services 商業諮詢服務	4	(1)
Citiview Capital Limited	Acting as the general partner and limited partner of a limited partnership 出任普通合夥人及有限責任合夥人	3	(1)
Corona Light Limited	Investment holding 投資控股	930	930
Crystal Gleaming Limited	Investment holding 投資控股	930	930
Dragon Jade Holdings Company Limited 卓領控股有限公司	Investment holding 投資控股	1,127	1,127
EA Securities Limited	Investment holding 投資控股	-	(63)
East Asia Financial Services (BVI) Ltd.	Investment holding 投資控股	-	-
East Asia Futures Limited 東亞期貨有限公司	Futures and options trading 期貨及期權交易	60	60
East Asia Indonesian Holdings Limited	Investment holding 投資控股	131	131
East Asia International Trustees Holdings (BVI) Limited	Investment holding 投資控股	10	10
East Asia International Trustees Limited	Trustee services 信託服務	26	23
East Asia Properties Holding Company Limited 東亞物業控股有限公司	Investment holding 投資控股	-	(59)

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
East Asia Property Agency Company Limited 東亞物業代理有限公司	Property agency 物業代理	11		11	
East Asia Property Holdings (Jersey) Limited	Property holding 物業持有	27		26	
East Asia Qianhai Holdings Company Limited 東亞前海控股有限公司	Investment holding 投資控股	209		209	
East Asia Secretaries Limited 東亞秘書有限公司	Secretarial services 秘書服務	–		–	
East Asia Securities Company Limited 東亞證券有限公司	Securities broking 證券買賣	1,151		929	
East Asia Strategic Holdings Limited	Investment holding 投資控股	–		–	
Golden Empire International Inc.	Property investment 物業投資	1		1	
High Town Limited	Investment holding 投資控股	4		4	
Leader One Limited	Investment holding 投資控股	1		1	
Manchester Property Holdings Ltd.	Property holding 物業持有	33		16	
Quantum Hong Kong Holdings Company Limited 君騰香港控股有限公司	Investment holding 投資控股	208		208	
Red Phoenix Limited	Leasing of motor vehicles 汽車租賃	1		1	
Shaftesbury Property Holdings Limited	Investment holding 投資控股	99		99	
Shaftesbury Property Investments Limited	Investment holding 投資控股	63		63	
Shanghai Lingxie Business Consulting Co. Ltd. 上海領偕商務諮詢有限公司	Business information consulting, corporate management consulting 商業資訊諮詢·企業管理諮詢	206		206	
Silver River International Limited	Acting as the general partner and limited partner of a limited partnership 出任普通合夥人及有限責任合夥人	52		–	
Silver Sunlight Limited	Acting as the general partner of a limited partnership 出任普通合夥人	–		–	
Skyray Holdings Limited	Investment holding 投資控股	450		450	
Speedfull Limited	Investment holding 投資控股	450		450	
The Bank of East Asia (Nominees) Limited 東亞銀行受託代管有限公司	Nominee services 受託代管服務	–		–	

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額 HK\$ Mn 港幣百萬元	Total equity 股東權益總額 HK\$ Mn 港幣百萬元
The Bank of East Asia (Nominees) Private Limited	Trustee, fiduciary and custody services 信託、代理及託管服務	–	–
Travelsafe Limited	Dormant 不活動	–	–
U Care Hong Kong Medical Limited 明康醫療香港有限公司	Medical services 醫療服務	24	(11)
United Chinese (Nominee) Limited	Dormant 不活動	–	–

There are no subsidiaries which are included within both the accounting scope of consolidation and the regulatory scope of consolidation but where the method of consolidation differs at 31st December, 2018.

There are no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation at 31st December, 2018.

There are no relevant capital shortfalls in any of the Group's subsidiaries as at 31st December, 2018 (31st December, 2017: Nil) which are not included in the Group's consolidation for regulatory purposes.

The Group operates subsidiaries in a number of countries and territories where capital is governed by local rules and there may be restrictions on the transfer of regulatory capital and funds between members of the banking group.

For the purpose of compliance with the Banking (Disclosure) Rules, the Group has established a section on the Bank's website. Additional information relating to the Group's regulatory capital and other disclosures can be found in this section of the Bank's website, accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

並未有已包括在用作會計範疇及監管範疇之綜合賬的附屬公司，而於2018年12月31日其綜合計算方法是不相同的。

於2018年12月31日，並未有附屬公司已包括在用作監管範疇之綜合賬但並未包括在用作會計範疇之綜合賬內。

於2018年12月31日(2017年12月31日：無)，本集團之附屬公司並無有關資本不足而未有包括在本集團用作監管用途之綜合賬內。

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。

為符合《銀行業(披露)規則》，本集團已在本行網站內增設一節。有關本集團的監管資本工具及其他披露資料，可於本行網站該節內找到，只要瀏覽本行網站[www.hkbea.com](http://www.hkbea.com)主頁內「監管披露」的連繫或[www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html)的直接連繫。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (2) LEVERAGE RATIO 槓桿比率

		2018	2017
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Total Tier 1 capital	一級資本	<b>84,825</b>	83,452
Exposure measure	風險承擔計量	<b>862,785</b>	833,035

		2018	2017
		% 百分率	% 百分率
Leverage ratio	槓桿比率	<b>9.8</b>	10.0

The disclosure on leverage ratio is effective since 31st March, 2015 and is computed on the same consolidated basis as specified in a notice from the HKMA in accordance with section 3C of the Capital Rules. The relevant disclosures can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

槓桿比率之披露是由2015年3月31日起生效，其計算乃按金管局根據《資本規則》第3C條頒布的通知內所指定的綜合基準。有關披露資料可瀏覽本行網站 [www.hkbea.com](http://www.hkbea.com) 主頁內「監管披露」的連繫或按 [www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html) 的直接連繫。

## (3) LIQUIDITY POSITION 流動資金狀況

		2018	2017
		% 百分率	% 百分率
Average liquidity coverage ratio	平均流動性覆蓋比率		
- First quarter	- 第一季	<b>137.8</b>	150.7
- Second quarter	- 第二季	<b>144.8</b>	129.5
- Third quarter	- 第三季	<b>153.0</b>	136.5
- Fourth quarter	- 第四季	<b>180.5</b>	151.7

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).

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。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (4) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS

##### 逾期、經重組及收回資產

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

##### (a) 逾期及經重組墊款

		2018		2017	
		HK\$ Mn	% of total advances to customers	HK\$ Mn	% of total advances to customers
		港幣百萬元	佔客戶墊款總額的百分比	港幣百萬元	佔客戶墊款總額的百分比
Advances to customers overdue for	逾期客戶墊款				
- 6 months or less but over 3 months	- 3個月以上至6個月	970	0.2	576	0.1
- 1 year or less but over 6 months	- 6個月以上至1年	428	0.1	765	0.2
- Over 1 year	- 1年以上	1,495	0.3	2,636	0.5
		2,893	0.6	3,977	0.8
Rescheduled advances to customers	經重組客戶墊款	110	0.0	108	0.0
Total overdue and rescheduled advances	逾期及經重組墊款總額	3,003	0.6	4,085	0.8
Covered portion of overdue advances	已逾期墊款涵蓋部份	2,159	0.4	3,241	0.7
Uncovered portion of overdue advances	已逾期墊款非涵蓋部份	734	0.2	736	0.1
Current market value of collateral held against the covered portion of overdue advances	已逾期墊款涵蓋部份之抵押品市值	4,273		4,508	
Specific provisions made on advances overdue for more than 3 months	逾期3個月以上墊款的特殊準備	789		931	

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

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

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

有明確到期日之貸款，若其本金或利息已逾期，並於年結日仍未償還，則列作逾期處理。定期分期償還之貸款，若其中一次還款逾期，而於年結日仍未償還，則列作逾期處理。即時到期之貸款，若已向借款人送達還款通知，但借款人未按指示還款，或貸款已超出借款人獲通知的批准限額，而此情況持續超過有關逾期期限，亦列作逾期處理。

可視作合格抵押品的資產須符合下列條件：

- 該資產的市值是可即時決定的或是可合理地確定及證實的；
- 該資產是有市價的及有二手市場可即時將該資產出售；
- 本行收回資產的權利是有法律依據及沒有障礙的；及
- 本行在有需要時可對該資產行使控制權。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (4) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS (CONTINUED)

##### 逾期、經重組及收回資產(續)

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

The two main types of “Eligible Collateral” are as follows:

- (i) “Eligible Financial Collateral” mainly comprises cash deposits and shares.
- (ii) “Eligible Physical Collateral” mainly comprises land and buildings, vehicles and equipment.

When the Bank’s clients face financial difficulties and fail to settle their loans, depending on different situations, the Bank usually takes the following actions to recover the debt:

- (a) Debt rescheduling/restructuring
- (b) Enforcement of security
- (c) Legal action
- (d) Recovery via debt collector

##### (b) Advances to banks

##### (a) 逾期及經重組墊款(續)

合格抵押品主要分為下列兩種：

- (i) 合格金融抵押品主要包括現金存款及股票。
- (ii) 合格實物抵押品主要包括土地及建築物、汽車及設備。

按不同情況下，當本行客戶面對財政困難而無力償還貸款，本行一般採用以下方式以追收欠款：

- (a) 重新編排債務還款期時間表／債務重組
- (b) 沒收抵押品
- (c) 採取法律行動
- (d) 通過收數公司追收

##### (b) 銀行墊款

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Advances to banks overdue for	逾期銀行墊款				
– 6 months or less but over 3 months	– 3個月以上至6個月	–	–	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	–	–	–	–
– Over 1 year	– 1年以上	–	–	–	–
		–	–	–	–
Rescheduled advances to banks	經重組銀行墊款	–	–	–	–
Total overdue and rescheduled advances	逾期及經重組墊款總額	–	–	–	–



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

## (c) Other overdue and rescheduled assets

## (c) 其他逾期及經重組資產

		2018			
		Accrued interest 應計利息	Debt securities 債務證券	Other assets* 其他資產*	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	港幣百萬元
Other assets overdue for	其他逾期資產				
– 6 months or less but over 3 months	– 3個月以上至6個月	19	–	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	8	–	–	–
– Over 1 year	– 1年以上	281	–	–	1
		<b>308</b>	<b>–</b>	<b>–</b>	<b>1</b>
Rescheduled assets	經重組資產	1	–	–	–
Total other overdue and rescheduled assets	其他逾期及經重組資產總額	<b>309</b>	<b>–</b>	<b>–</b>	<b>1</b>

		2017			
		Accrued interest 應計利息	Debt securities 債務證券	Other assets* 其他資產*	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	港幣百萬元
Other assets overdue for	其他逾期資產				
– 6 months or less but over 3 months	– 3個月以上至6個月	1	–	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	–	–	–	–
– Over 1 year	– 1年以上	–	–	–	1
		1	–	–	1
Rescheduled assets	經重組資產	–	–	–	–
Total other overdue and rescheduled assets	其他逾期及經重組資產總額	1	–	–	1

\* Other assets refer to trade bills and receivables.

\* 其他資產是指貿易票據及應收款項。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (4) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS (CONTINUED)

##### 逾期、經重組及收回資產(續)

##### (d) Repossessed assets

		2018		2017	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Repossessed land and buildings *	收回土地及建築物 *	147		1,485	
Repossessed vehicles and equipment	收回汽車及設備	-		-	
Repossessed machines	收回機器	-		-	
Total repossessed assets	收回資產總額	147		1,485	

##### (d) 收回資產

The amount represents the estimated market value of the repossessed assets as at 31st December.

此等金額指於12月31日收回資產的估計市值。

\* The balance included HK\$58 million (2017: HK\$5 million) relating to properties that were contracted for sale but not yet completed.

\* 結餘中並包括港幣5,800萬元已簽約出售但仍未成交的物業(2017年:港幣500萬元)。

#### (5) BANKING DISCLOSURE STATEMENT 銀行業披露報表

Additional information disclosures for this year which are prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the HKMA can be found on the Bank's website accessible through the "Regulatory Disclosures" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

本期的額外資料披露是根據《銀行業(披露)規則》及按金管局所頒布的披露模版而編製，詳情可瀏覽本行網站[www.hkbea.com](http://www.hkbea.com)主頁內「監管披露」的連繫或按[www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html)的直接連繫。

# GLOSSARY

## 詞彙

100th Anniversary 「100周年」	The 100th Anniversary of the Bank 本行100周年
2016 Scheme 「2016計劃」	Staff Share Option Scheme approved by the shareholders of the Bank on 8th April, 2016 and adopted on 19th April, 2016 於2016年4月8日經股東批准及於2016年4月19日採納的僱員認股計劃
2018 AGM 「2018股東周年常會」	an AGM of the Bank held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Hong Kong on Friday, 11th May, 2018 at 11:30 a.m. 本行於2018年5月11日星期五上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會
2019 AGM 「2019股東周年常會」	An AGM of the Bank to be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Hong Kong on Friday, 3rd May, 2019 at 11:30 a.m. or any adjournment thereof 本行將於2019年5月3日星期五上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會，或其任何續會
AC 「審核委員會」	the Audit Committee of the Bank 本行的審核委員會
ACM 「審核委員會會議」	Audit Committee Meeting 審核委員會會議
AGM 「股東周年常會」	An Annual General Meeting of the Bank 本行的股東周年常會
API 「API」	Application Programming Interface 應用程式介面
Article of Association 「組織章程細則」	the articles of association of the Bank (as amended, modified or otherwise supplemented from time to time) 本行的組織章程細則，經不時修訂、修改或以其他方式補充
AUM 「管理資產」	Assets under management 管理資產
Bank Culture Reform 「銀行企業文化改革」	The circular in respect of Bank Culture Reform, issued by the HKMA on 2nd March, 2017 金管局於2017年3月2日發出之銀行企業文化改革通告
Bank Group or BEA Group or Group 「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》」	The Banking Ordinance (Chapter 155 of the Laws of Hong Kong) 《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 Hong Kong 「東亞香港」	The Bank's operations in Hong Kong 本行的香港業務
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

## GLOSSARY (CONTINUED)

## 詞彙 (續)

BM 「董事會會議」	Board Meeting 董事會會議
Board 「董事會」	Board of Directors of the Bank 本行的董事會
BVI 「英屬處女群島」	British Virgin Islands 英屬處女群島
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 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
Circular 「通函」	the circular to the Shareholders dated 29th March, 2019 日期為2019年3月29日的致股東通函
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 包括任何任職本行董事職位的人士(不論其職銜如何)·或文義另有所指的人士
East Asia Qianhai Securities 「東亞前海證券」	East Asia Qianhai Securities Company Limited 東亞前海證券有限責任公司
ED 「執行董事」	Executive Director of the Bank 本行的執行董事
ERM 「企業風險管理」	Enterprise risk management 企業風險管理
EUR 「歐元」或「歐羅」	Euro 歐元區法定貨幣
Federal Reserve 「聯儲局」	US Federal Reserve 美國聯邦儲備局
GBP 「英鎊」	Pound sterling, the lawful currency of the UK 英國法定貨幣

## GLOSSARY (CONTINUED)

### 詞彙 (續)

General Managers 「總經理」	All Division Heads of the Bank and Executive Director & Chief Executive of BEA China 本行所有分處主管及東亞中國的執行董事兼行長
Greater Bay Area 「大灣區」	Guangdong-Hong Kong-Macao Greater Bay Area 「粵港澳大灣區」
Guidance on Empowerment of INEDs 「提升獨立非執行董事的專業能力指引」	The guidance on Empowerment of Independent Non-Executive Directors (INEDs) in the Banking Industry in Hong Kong, issued by the HKMA 金管局頒布之提升香港銀行業獨立非執行董事的專業能力指引
HK\$ or HKD 「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
HKFRS9 「財務報告第9號」	Hong Kong Financial Reporting Standard 9: Financial Instruments 香港財務報告準則第9號：金融工具
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 or HK 「香港」	Hong Kong Special Administrative Region of PRC 中華人民共和國香港特別行政區
INED(s) 「獨立非執行董事」	Independent Non-executive Director(s) of the Bank 本行的獨立非執行董事
JPY 「日圓」	Japanese yen, the lawful currency of Japan 日本法定貨幣
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
Macau Branch 「澳門分行」	The Bank's branch operations in Macau 本行的澳門分行
Mobile app 「手機應用程式」	Mobile application 手機應用程式
Moody's 「穆迪」	Moody's Investor Service 穆迪信貸服務
MPF 「強積金」	Mandatory Provident Fund 強制性公積金
MRF scheme 「基金互認安排」	Mutual Recognition of Funds scheme 基金互認安排
MYR 「馬幣」	Malaysian Ringgit, the lawful currency of Malaysia 馬來西亞法定貨幣

## GLOSSARY (CONTINUED)

## 詞彙 (續)

NC 「提名委員會」	the Nomination Committee of the Bank 本行的提名委員會
NCM 「提名委員會會議」	Nomination Committee Meeting 提名委員會會議
NED 「非執行董事」	Non-executive Director of the Bank 本行的非執行董事
NIM 「淨息差」	Net interest margin 淨息差
RC 「薪酬委員會」	the Remuneration Committee of the Bank 本行的薪酬委員會
RCM 「薪酬委員會會議」	Remuneration Committee Meeting 薪酬委員會會議
RIC 「風險委員會」	the Risk Committee of the Bank 本行的風險委員會
RICM 「風險委員會會議」	Risk Committee Meeting 風險委員會會議
Senior Management 「高層管理人員」	The Chief Executive, Executive Directors and Deputy Chief Executives of the Bank 本行的行政總裁、執行董事及副行政總裁
SFO 「《證券及期貨條例》」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 《證券及期貨條例》(香港法例第571章)
SGD 「新加坡元」	Singapore dollar, the lawful currency of Singapore 新加坡法定貨幣
Share 「股」或「股份」	Ordinary shares of the Bank 本行普通股
SMBC 「三井住友銀行」	Sumitomo Mitsui Banking Corporation 三井住友銀行
SME(s) 「中小型企業」	Small and medium-sized enterprise(s) 中小型企業
Stock Exchange 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Taiwan Branch 「台灣分行」	The Bank's branch operations in Taiwan 本行的台灣分行
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

## SHAREHOLDER INFORMATION

### FINANCIAL CALENDAR

2018 full year results announced	27th February, 2019
2018 Second Interim Dividend and 100th Anniversary Special Dividend ("Special Dividend") declared	27th February, 2019
Ex-all date for 2018 Second Interim Dividend and Special Dividend	12th March, 2019
Closure of register of members – 2018 Second Interim Dividend and Special Dividend	14th March, 2019 and 15th March, 2019
Record date for 2018 Second Interim Dividend and Special Dividend	15th March, 2019
Despatch of Scrip Dividend Circular and Form of Election	15th March, 2019
Despatch of dividend warrants, share certificates for 2018 Second Interim Dividend and Special Dividend	(on or about) 8th April, 2019
Closure of register of members – 2019 AGM	From 26th April, 2019 to 3rd May, 2019 (Both days inclusive)
2019 AGM	3rd May, 2019
2019 interim results to be announced	August, 2019*

\*Subject to change

### SHARE LISTING

The Stock Exchange of Hong Kong Limited

### SHARE REGISTRAR

Tricor Standard Limited

Telephone: (852) 2980 1768

Facsimile: (852) 2861 1465

### ADR DEPOSITARY BANK

BNY Mellon

Telephone: 1-888-BNY-ADRS

E-mail: shrrrelations@cpushareownerservices.com

### REGISTERED OFFICE

10 Des Voeux Road Central, Hong Kong

Telephone: (852) 3608 3608

Facsimile: (852) 3608 6000

Website: www.hkbea.com

E-mail: info@hkbea.com

## 股東資料

### 財務日誌

公布2018年度全年業績	2019年2月27日
宣布派發2018年度第二次中期股息及100周年特別股息(「特別股息」)	2019年2月27日
2018年度第二次中期股息及特別股息除淨日期	2019年3月12日
暫停辦理過戶登記手續—2018年度第二次中期股息及特別股息	2019年3月14日及2019年3月15日
2018年度第二次中期股息及特別股息記錄日期	2019年3月15日
寄發以股代息通函及選擇表格	2019年3月15日
寄發2018年度第二次中期股息及特別股息之息單及股票	(約於) 2019年4月8日
暫停辦理過戶登記手續—2019股東周年常會	由2019年4月26日至2019年5月3日(包括首尾兩天)
2019股東周年常會	2019年5月3日
公布2019年度中期業績	2019年8月*

\*可予更改

### 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

電話: (852) 2980 1768

傳真: (852) 2861 1465

### 美國預託證券託管銀行

BNY Mellon

電話: 1-888-BNY-ADRS

電郵: shrrrelations@cpushareownerservices.com

### 註冊行址

香港德輔道中10號

電話: (852) 3608 3608

傳真: (852) 3608 6000

網站: www.hkbea.com

電郵: info@hkbea.com

This Annual Report (both English and Chinese versions) is now available in printed form and on the website of the Bank at [www.hkbea.com](http://www.hkbea.com) and HKEx's website at [www.hkexnews.hk](http://www.hkexnews.hk).

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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by fax to (852) 2861 1465 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.

此年報(中文及英文版本)現備有印刷本及載於本行網站(網址為[www.hkbea.com](http://www.hkbea.com))及香港交易及結算有限公司網站(網址為[www.hkexnews.hk](http://www.hkexnews.hk))的網上電子版本。

無論股東之前曾否就收取公司通訊之方式(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22樓,或以傳真(號碼為(852) 2861 1465)或電郵([BEA0023-ecom@hk.tricorglobal.com](mailto: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。

Head Office 總行 10 Des Voeux Road Central  
Hong Kong  
香港德輔道中10號

Telephone 電話 (852) 3608 3608  
Facsimile 傳真 (852) 3608 6000  
Website 網址 [www.hkbea.com](http://www.hkbea.com)

